

BOARD MEETING OF FEBRUARY 15, 2006

Beth Anderson, Chair

C. Kent Conine, Vice-Chair



Vidal Gonzalez, Member
Shadrick Bogany, Member
Norberto Salinas, Member

MISSION

***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS***

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY
OF LIFE THROUGH THE DEVELOPMENT OF BETTER
COMMUNITIES***

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PROGRAMS COMMITTEE MEETING

February 15, 2006

ROLL CALL

	Present	Absent
Anderson, Beth, Chair	_____	_____
Conine, C. Kent, Vice-Chair	_____	_____
Gonzalez, Vidal, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

PROGRAMS COMMITTEE MEETING

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Room E1.012
Austin, Texas 78701**

Wednesday, February 15, 2006 9:30AM

A G E N D A

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

C. Kent Conine
Chair of Committee

PUBLIC COMMENT

The Committee will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

ACTION ITEMS

- Item 1 Presentation, Discussion and Possible Approval of Board Policy on Intergenerational Multifamily Housing
- Item 2 Request to Amend Loan Terms to Award of \$170,000 in Housing Trust Fund Rental Development Program Funds Awarded in July 2005 for #05257 Costa Tarragona Apartments
- Item 3 Request to Waive §53.58(b)(2)(B) of the 2005 HOME Program Rules relating to Processing of Open Cycle Applications for Ennis Senior Estates
- Item 4 Discussion, Review and Approval of:
 - a) Repeal of Existing Home Rules - Title 10 Texas Administrative Code Part 1, Chapter 53
 - b) Publication in The Texas Register of Final 2006 HOME Rules –Title 10 Texas Administrative Code Part 1, Chapter 53

ADJOURN

C. Kent Conine

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or Contact Susan Woods, TDHCA, 221 East 11th Street Austin, Texas 78701, 512-475-3934 and request the information.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

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Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD OF DIRECTORS MEETING

February 15, 2006

ROLL CALL

	Present	Absent
Anderson, Beth, Chair	_____	_____
Conine, C. Kent, Vice-Chair	_____	_____
Gonzalez, Vidal, Member	_____	_____
Salinas, Norberto, Member	_____	_____
Bogany, Shadrick, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

BOARD MEETING

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Room E1.012
Austin, Texas 78701**

Wednesday, February 15, 2006 11:30am

A G E N D A

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

Elizabeth Anderson
Chair of Board

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Recognition of Edwina P. Carrington, Executive Director

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

ACTION ITEMS

Item 1 Presentation, Discussion and Possible Approval of Minutes of the Board Meeting of January 18, 2006

Item 2 Presentation, Discussion and Possible Approval of Housing Tax Credit Items:

Elizabeth Anderson

a) Housing Tax Credit Amendments

- 03247 Las Brisas, Alamo, Hidalgo
- 04003 Villas on Sixth Street, Austin, Travis
- 04200 Alvin Manor Estates, Alvin, Brazoria
- 04203 Alvin Manor, Alvin, Brazoria
- 02019 Yale Village, Houston, Harris
- 02020 Kings Row, Houston, Harris
- 02021 Continental Terrace, Fort Worth, Tarrant
- 02022 Castle Gardens, Lubbock, Lubbock

b) Housing Tax Credit Extensions for Commencement of Substantial Construction

- 04275 Bahia Palms, Laguna Vista, Cameron
- 04287 Vista Hermosa, Eagle Pass, Maverick
- 04288 Briarwood, Kaufman, Kaufman
- 04295 La Mirage Villas, Perryton, Ochiltree

c) Issuance of Determination Notices on Tax-Exempt Bond Transactions with Other Issuers

05444 Villas at Bethel, Houston, Texas
Houston HFC is the Issuer
Recommended Credit Amount of \$630,677

05449 Arbor Court, Houston, Texas
Harris County HFC is the Issuer
Recommended Credit Amount of \$350,478

05451 North Oaks Apartments, Houston, Texas
Houston HFC is the Issuer

Recommended Credit Amount of \$469,359

05445 Bayview Apartments, Baytown, Texas
Harris County HFC is the Issuer
Recommended Credit Amount of \$887,593

05452 Lindberg Parc Senior Apartments, Fort Worth, Texas
Tarrant County HFC is the Issuer
Recommended Credit Amount of at least \$756,908

- d) Potential Appeal of Ineligibility for Four Percent Housing Tax Credit Applications:

Sea Breeze Seniors, LP, TDHCA #060405

Item 3 Presentation, Discussion and Possible Approval of Multifamily Private Activity Bond Program:

- a) Proposed Issuance of Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits with TDHCA as the Issuer For:

05619 The Oakmoor, Houston, Texas
in an Amount Not to Exceed \$14,635,000. and Issuance of a Determination Notice (Recommended Credit Amount of \$765,655)

05629 Village Park Apartments, Houston, Texas
in an Amount Not to Exceed \$13,660,000. and Issuance of a Determination Notice (Recommended Credit Amount of \$574,490)

- b) Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2006:

2006-010, Meadowlands Apartments, Houston, Texas

- c) Presentation, Discussion and Possible Approval of Senior Managing and Co-Managing Underwriting Firms for the Multifamily Mortgage Revenue Bond Transactions

Item 4 Report from Programs Committee:

C. Kent Conine

- a) Presentation, Discussion and Possible Approval of Board Policy on Intergenerational Multifamily Housing
- b) Request to Amend Loan Terms to Award of \$170,000 in Housing Trust Fund Rental Development Program Funds Awarded in July 2005 for #05257 Costa Tarragona Apartments
- c) Request to Waive §53.58(b)(2)(B) of the 2005 HOME Program Rules Relating to Processing of Open Cycle Applications for Ennis Senior Estates
- d) Discussion, Review and Approval of:
- i) Repeal of Existing Home Rules - Title 10 Texas Administrative Code Part 1, Chapter 53
 - ii) Publication in The Texas Register of Final 2006 HOME Rules –Title 10 Texas Administrative Code Part 1, Chapter 53

Item 5 First Quarter Investment Report

Vidal Gonzales

Item 6 Discussion of Possible TDHCA Activities regarding the Announcement of \$74,523,000 in Community Development Block Grant (CDBG) Funds Provided under HR 2863 through HUD for Disaster Assistance to Texas for Areas Impacted by Hurricanes

Item 7 Request from the Texas State Affordable Housing Corporation (the "Corporation") for forgiveness of a \$500,000 loan to the Corporation so the Corporation may use the money to provide a gap-financing loan for the rehabilitation, reconstruction or replacement new construction of multifamily complexes in any county designated by the Governor to be a hurricane-affected county of the state (excluding Harris County) or to provide down payment assistance for the Professional Educators Home Loan Program and/or the Fire Fighter and Law Enforcement or Security Officer Home Loan Program.

EXECUTIVE SESSION

Elizabeth Anderson

- a) The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.
 1. Discussion and Potential Recommendation for Salary of Acting Executive Director – William "Bill" Dally
 2. Any Other Matter to Come Before the Board
- c) Consultation with Attorney Pursuant to §551.071, Texas Government Code:
 1. With Respect to pending litigation styled *Hyperion, et al v. TDHCA*, Filed in State Court
 2. With Respect to pending litigation styled *TP SENIORS II, LTD. V. TDHCA* Filed in State Court
 3. With Respect to pending litigation styled *Gary Traylor, et al v. TDHCA*, Filed in Travis County District Court
 4. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
 5. With Respect to pending litigation styled *Ballard v. TDHCA and the State of Texas* Filed in Federal Court
 6. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Elizabeth Anderson

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Director's Report

1. TDHCA Outreach Activities, January, 2006
2. Results of TDHCA Survey of Organizational Excellence
3. Agency Marketing/Communications Plan
4. TDHCA Presentation on Service-Oriented Architecture at the Government Technology Conference
5. Briefing on Use of Board Consent Agenda

ADJOURN

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EXECUTIVE OFFICE – BOARD

BOARD ACTION REQUEST

February 15, 2006

Action Item

Summary of Board Minutes for January 18, 2006.

Required Action

Review minutes of the January 18, 2006 Board Meeting and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes with any requested corrections.

BOARD MEETING

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue, Capitol Extension Room E1.012
Austin, Texas 78701

Wednesday, January 18, 2006: 10:00 AM

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of January 18, 2006 was called to order by the Chair of the Board Elizabeth Anderson at 10:16 a.m. It was held at 1100 Congress Avenue, Capitol Extension Room E1.012, Austin, Texas 78701. Roll call certified a quorum was present.

Members present:

Elizabeth Anderson – Chair
C. Kent Conine -- Vice Chair
The Honorable Norberto Salinas – Member
Patrick Gordon – Member
Shad Bogany – Member

Member absent:

Vidal Gonzalez – Member

Staff of the Texas Department of Housing and Community Affairs were also present.

PUBLIC COMMENT

Ms. Anderson called for public comment and the following either gave comments at this time or preferred to wait until the agenda item was presented:

Steven A. Carriker, Executive Director, Texas Assn. of Community Development Corps. Invited the Board and department to attend their conference in San Antonio on March 6-8, 2006.

W. Barry Kahn, Houston developer, provided testimony (and a 4 page handout) concerning the number of outstanding vouchers in Houston. He suggested that the Federal help may need to be transferred from FEMA to HUD, asking the department to work with the Governor's office to develop a task force to evaluate the issues.

Kelly Hunt, Director, Rural Rental Housing Assn. introduced herself as the new Director of RRHA.

Cloy Richards, City Administrator, City of West Tawakoni, provided testimony concerning the HOME program and proposed a few HOME rule changes, supporting the two year funding cycle, and asking, in part, the department to consider a 420,000 grant raise in order to fund 7 houses.

Verna Rutherford, President, Port Arthur Chamber of Commerce, provided testimony concerning the housing shortage in the area. She testified that the damaged property needs repair and new housing also needs to be built.

The Honorable Carl R. Griffith, Jr., Jefferson County Judge, provided testimony concerning the devastation left by the hurricanes in the area and about communities that were wiped out, creating a desperate need for housing.

Donna Chatham, Assn. of Rural Communities in Texas, provided testimony concerning the HOME program and the affect that the rules are having on rural Texas.

Ava Goldman, V.P. Michaels Development Co., provided testimony regarding their four developments.

Alison George, Michaels Development Co., provided testimony regarding the four developments that they accepted from Century Pacific to turn around. She reported that the rehab is fully complete. She requested careful consideration of the amendments that will go before the board.

The Board of the Texas Department of Housing and Community Affairs met to consider and possibly act on the following:

ACTION ITEMS

AGENDA ITEM 6(b)

b) Presentation and Discussion of Audit Results from the Deloitte, CPAs, FYE 8/31/05 Reports:

- Communications with Audit Committee Letter
- Opinion Audit on FY 2005 Basic Financial Statements
- Opinion Audit on FY 2005 Revenue Bond Program Financial Statements
- Opinion Audit on FY 2005 Computation of Unencumbered Fund Balances
- Report to Management (Management Letter)

Tracie Guidry, Sr. Manager with Deloitte, reported that the audit for '05 fiscal year is complete. She provided the board with a summary of the report findings, reporting that it was a clean audit.

AGENDA ITEM 2(C)

c) Policy for Allocation of \$3,500,000 in Housing Tax Credit Ceiling authorized under the Gulf Opportunity Zone Act of 2005. HB 4440 signed into law by the President on December 21, 2005.

Senator Tommy Williams, provided testimony.

Representative Joseph D. Deshotel, District 22, provided testimony regarding the allocation funds to the counties who fought for it in Washington.

Representative Allan Ritter, provided testimony.

Senator Kyle Janek, Senate District 17, provided testimony.

Mark Viator, Chairman – Manager of Public and Government Affairs for BASF Corp. Chairman, Hurricane Rita Recovery Steering Committee, provided testimony concerning the need in the area and the issues with insurance companies. He asked the steering committee to partner with them, to utilize the 3.5 billion tax credit for the affected areas, and to increase the \$2 million cap for developers.

Ike Akbari, Itex Properties, LLC, provided testimony.

Shawn Oubre, City Manager, City of Orange, provided testimony on the need in Orange county. He testified that in this area, new housing would be needed to meet the requirements of the new codes and flood planes.

Motion made by Mr. Bogany to accept staffs recommendation, seconded by Mr. Salinas. Motion made by Ms. Anderson to amend motion to say that the board is not voting on the full staff recommendation, but on the allocation of \$3.5 million of housing tax credits to 21 counties, seconded by Mr. Bogany. Motion as amended passed unanimously. At this point, the Chair left the board meeting to attend another meeting and asked Mr. Conine to continue discussion. Motion to table until after lunch made by Mr. Salinas, seconded by Mr. Bogany. Motion to table passed unanimously.

EXECUTIVE SESSION

At 1:00 p.m. Mr. Conine convened the Executive Session. The Executive Session concluded at 1:38 p.m.

- a) The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.
- b) The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.
- c) Consultation with Attorney Pursuant to §551.071, Texas Government Code:
 1. With Respect to pending litigation styled *Hyperion, et al v. TDHCA*, Filed in State Court
 2. With Respect to pending litigation styled *TP SENIORS II, LTD. V. TDHCA*, Filed in State Court
 3. With Respect to pending litigation styled *Gary Traylor, et al v. TDHCA*, Filed in Travis County District Court
 4. With Respect to pending litigation styled *Ballard v. TDHCA and the State of Texas*, filed *pro se* in Federal Court
 5. With Respect to any other pending litigation filed since the last board meeting

OPEN SESSION

Mr. Conine reconvened Open Session at 1:38 p.m. and announced that no action had been taken during the Executive Session and certified that the posted agenda was followed.

Chair continued Agenda Item 2(c).

Antoinette M. "Toni" Jackson, tax credit counsel, provided testimony confirming that the City of Beaumont is eligible to receive funding. Ms. Anderson directed staff to make sure that it is included.

Ike Akbari, Itex Properties, LLC, asked a question of the board concerning preapp points.

Motion made by Mr. Conine to approve staff's new recommendation to award two deals per county containing highest number of damaged units, one rehab and one new construction, seconded by Mr. Salinas. Motion as amended passed unanimously.

Mr. Patrick Gordon announced his resignation from the Board. Governor Perry appointed him as the Rio Grande Compact Commissioner. This will be his last meeting.

AGENDA ITEM 1

Presentation, Discussion and Possible Approval of Minutes of the Board Meeting of December 14, 2005

Motion made by Mr. Conine for approval of minutes as presented; Mr. Bogany seconded the motion. Motion passed unanimously.

AGENDA ITEM 2

Presentation, Discussion and Possible Approval of Housing Tax Credit Items:

a) Housing Tax Credit Amendments

- | | | |
|-------|--|---|
| 04036 | Villa del Sol Apartments, Brownsville, Cameron | Motion made by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously. |
| 03001 | Heritage Pointe, Austin, Travis | Motion made by Mr. Conine to approve, seconded by Mr. Bogany. Passed unanimously. |
| 03236 | Little York Villas Apartments, Houston, Harris | Motion made by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously. |

- 02414 Eagle's Landing Apartments, Austin, Texas
Motion made by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously.
- b) Housing Tax Credit Extensions for Commencement of Substantial Construction**
- 03159 Summit Senior Village, Gainesville, Cooke
Motion made by Mr. Conine to approve new deadline of December 5, 2005, seconded by Mr. Bogany. Passed unanimously.
- 04145 Village at Meadowbend II, Temple, Bell
Motion made by Mr. Conine to approve new deadline of December 15, 2005, seconded by Mr. Bogany. Passed unanimously.
- 04146 Casa Saldana, Mercedes, Hidalgo
Motion made by Mr. Conine to approve new deadline of December 15, 2005, seconded by Mr. Bogany. Passed unanimously.
- c) Policy for Allocation of \$3,500,000 in Housing Tax Credit Ceiling authorized under the Gulf Opportunity Zone Act of 2005. HB 4440 signed into law by the President on December 21, 2005.**
Moved to earlier in the agenda.
- d) Housing Tax Credit Program Rules: Adoption of Proposed Amendment to Title 10, Part 1, Chapter 50, 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules, §50.9(i)(6), regarding the Level of Community Support from State Elected Officials**
Motion made by Mr. Conine to approve, seconded by Mr. Bogany. Passed unanimously.
- e) Approval of Waivers of §49.9(f)(8)(B) of the 2005 QAP relating to Signage Notification for Local Issuer Applications: Artisan at Military, #05448 and Heather Glen Apartments, 05443**
Motion made by Mr. Bogany to approve staff recommendation, seconded by Mr. Conine. Passed unanimously.
Anthony R. Bertucci, Heather Glen Apts., provided testimony explaining the missed deadline.
Ryan Wilson, ARDC Military, Ltd., provided testimony.
- f) Issuance of Determination Notices on Tax-Exempt Bond Transactions with Other Issuers:**
05427 Portranco Plaza, San Antonio, Texas
San Antonio HRC is the Issuer
Recommended Credit Amount of \$714,763
Motion made by Mr. Bogany to approve staff recommendation, seconded by Mr. Conine. Passed unanimously.

AGENDA ITEM 3

- Presentation, Discussion and Possible Approval of Multifamily Private Activity Bond Program:**
- a) Proposed Issuance of Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits with TDHCA as the Issuer For:**
05624 Harris Branch Apartments, Austin, Texas
In an Amount Not to Exceed \$15,000,000 and Issuance of a Determination Notice
Recommended Credit Amount of \$755,550
Motion made by Mr. Conine to approve staff recommendation of Resolution #06002, seconded by Mr. Bogany. Passed unanimously.
- b) Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2006:**
02006-009, The Residences at Sunset Pointe, Fort Worth, Texas
Motion made by Mr. Conine to approve staff recommendation of Resolution #06001, seconded by Mr. Bogany. Passed unanimously.

AGENDA ITEM 4

Approval Issuing a Request for Qualifications for Financial Advisors from Firms Interested In Providing Financial Advisory Services for One or More of TDHCA's Single Family and Multifamily Mortgage Revenue Bond New Issues and/or Refundings

Gary Machak, RBC Dain Rauscher, provided testimony and recommended a review of the RFP that is used.

Motion made by Ms. Anderson to table, seconded by Mr. Conine. Motion to table passed unanimously.

AGENDA ITEM 5

Presentation, Discussion and Possible Approval of Programmatic Items:

a) Approval of Waiver of Integrated Housing Rule, 10 TAC §1.15, for the Canal Street Apartments

Motion made by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously.

b) Discussion and Approval of Texas Bootstrap Loan Program Recommendations

Motion made by Mr. Bogany to approve all 17 awards, seconded by Mr. Conine. Passed unanimously.

AGENDA ITEM 6

Presentation, Discussion and Possible Approval of Items from Audit Committee:

a) Current Year's Goals and Prior Year's Achievements for RP36 (TDHCA Risk Management Program)

David Gaines provided report to the board. No action taken.

b) Presentation and Discussion of Audit Results from the Deloitte, CPAs, FYE 8/31/05 Reports:

Moved to earlier in agenda.

c) Status of Central Database

David Gaines provided report to the board. No action taken.

d) Status of Prior Audit Issues

David Gaines provided report to the board. No action taken.

e) Status of Internal/External Audits

David Gaines provided report to the board. No action taken.

AGENDA ITEM 7

Review, Discussion and Possible Action on Litigation Matters Concerning *TP Seniors v. TDHCA*, Filed in state court in Travis County, Texas

Withdrawn from consideration, at Plaintiff's request..

AGENDA ITEM 8

Presentation, Discussion, and Possible Approval of Items Related to the Position of Executive Director Including:

a) Formal Acceptance of Resignation of Current Executive Director

Ms. Carrington read her resignation letter into the record. Motion to accept resignation made by Mr. Conine, seconded by Mayor Salinas. Passed unanimously.

b) Job Description for the Executive Director's Duties and Functions

Motion made by Mr. Bogany to accept the requirements as drafted and posted, seconded by Mr. Gordon. Passed unanimously.

c) Process to be Used for Hiring an Executive Director

Discussion by the board lead to a decision for a February 28th application deadline, posting the job description in a manner as was done in the past, as well as trade associations, Work In Texas job site, public housing authorities, and local finance housing agencies. Motion made by Mr. Conine to approve plan, seconded by Mr. Bogany. Passed unanimously.

d) Appointment of Interim Executive Director during Transition Period

Motion made by Mr. Conine to appoint Bill Dally as Interim Executive Director during the transition period, seconded by Mr. Bogany. Passed unanimously.

AGENDA ITEM 9

Discussion of Proposed Disaster Relief Strategies

Ms. Carrington provided report to the board. No action taken.

AGENDA ITEM 10

Request and Approval for TDHCA to be the Sponsoring Agency for Texas Association of Realtors Housing Opportunity Fund License Plate Program

Motion by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously.

AGENDA ITEM 11

Review and Approval of Purchase of HAPPY Housing Pro Software for the Department's Section 8 Program

Motion by Mr. Bogany to approve, seconded by Mr. Conine. Passed unanimously.

REPORT ITEMS

Executive Director's Report

- 1) TDHCA Outreach Activities, November and December, 2005
No action taken.
- 2) Information on Occupancy of Tax Credit Units Set Aside for Persons with Disabilities
No action taken.
- 3) Quarterly Transfer Report for Department-Financed Multifamily Properties
No action taken.
- 4) Provision of 4% Application Process for Reissuance of Reservations
No action taken.

ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 3:30 p.m.

Mr. Kevin Hamby
Board Secretary

NOTE:

For a full transcript of this meeting, please see the TDHCA website at: www.TDHCA.state.tx.us

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Requests for amendments involving material changes to Housing Tax Credit (HTC) applications.

Requested Action

Approve or deny the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government Code, classifies some changes as “material alterations” that must be approved by the Board. The requests presented below include material alterations. Pertinent facts about the developments requesting approval are summarized below. The recommendation of staff is included at the end of each write-up.

Las Brisas, HTC No. 03247

Summary of Request: Owner requests approval to change the number of buildings in the development. Owner affirmed that the number of buildings was the only change in the development. The number of units, unit mix and unit sizes did not change. The change resulted from interaction with the United States Department of Agriculture Rural Development Program (USDA-RD) in designing an acceptable site plan. The requested modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the application for an allocation.

Governing Law: §2306.6712, Texas Government Code. A significant modification of the site plan is a material alteration under the code.

Owner: HVM Alamo II, Ltd.

General Partner: HVM Housing, LLC

Developers: Dennis Hoover

Principals/Interested Parties: Dennis Hoover, Dixie Farmer, Danna Hoover

Syndicator: Raymond James Tax Credit Funds, Inc.

Construction Lender: BHHH, Inc. (John W. Hoover, President; Danna Hoover, Vice President; Dennis Hoover, Secretary/Treasurer)

Permanent Lender: USDA-RD

Other Funding: NA

City/County: Alamo/Hidalgo

Set-Aside: Elderly Population

Type of Area: Rural

Type of Development: New Construction

Population Served: Elderly Population

Units: 26 HTC units

2003 Allocation: \$45,890

Allocation per HTC Unit: \$1,765

Prior Board Actions: 7/28/04 - Approved award of tax credits
Commencement of construction extended from 1/1/05 to 2/1/06

Underwriting Reevaluation: The Real Estate Analysis Division stated that reducing the number of buildings would slightly decrease the costs but general construction cost increases since the original allocation should absorb that difference. Therefore, the request is recommended for approval subject to receipt,

review and acceptance of the cost certification with respect to the issues that might arise from the changes under discussion.

Staff Recommendation:

Staff recommends approving the request because the requested modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round.

Villas on Sixth Street, HTC No. 04003, a forward commitment, formerly No. 03160

Summary of Request: Owner requests approval to change the site plan. The request must be made because the City of Austin required that the locations and configurations of certain buildings be changed. The changes that the city required resulted in a site plan of equivalent utility and insignificant changes in building and unit configurations and in unit sizes. The net rentable area changed from 143,998 to 144,882 square feet, an increase of 0.6%. No individual unit size decreased by more than 0.007%. Twelve of 46 one bedroom units increased from 736 to 756 square feet, a 2.7% increase, and 22 of 42 two bedroom units increased from 901 to 917 square feet, a 1.8% increase. Other increases were negligible, with none being greater than 0.008%.

In addition to the changes noted above, the utility allowances changed because water to the units will be individually metered and billed. This change will allow the tenants to have direct control over their expenditures.

The changes were not reasonably foreseeable by the applicant. The requested modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the application for an allocation.

Governing Law: §2306.6712, Texas Government Code. A significant modification of the site plan is a material alteration under the code.

Owner: Villas on Sixth Housing Associates, LP

General Partner: Villas on Sixth Nonprofit Corporation

Developers: Campbell-Hogue and Associates TX and Austin Housing Finance Corporation

Principals/Interested Parties: David Rae (Campbell-Hogue), Martin Gonzalez (Austin HFC)

Syndicator: MuniMae Midland Equity Corporation

Construction Lender: MuniMae Midland Group Trust

Permanent Lender: MuniMae Midland Group Trust

Other Funding: Austin Housing Finance Corporation HOME funds (Austin HFC will apply \$500,000 in HOME funds to purchase the land that it will then lease to the development)

City/County: Austin/Travis

Set-Aside: General Population

Type of Area: Urban

Type of Development: New Construction

Population Served: General Population

Units: 136 HTC units and 24 market rate units

2004 Allocation: \$1,072,039

Allocation per HTC Unit: \$7,883

Prior Board Actions: 7/30/03 - Approved award of tax credits.

Underwriting Reevaluation: Architectural plans needed to re-evaluate the development costs have not been provided but are required as part of the cost certification package. The Real Estate Analysis Division will complete its re-evaluation of the development upon the receipt of the cost certification package. It is likely however that the credit recommendation would not decrease since the overall net rentable square footage did not decrease.

Staff Recommendation: **Staff recommends approving the request because the requested modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round.**

Alvin Manor Estates, HTC No. 04200

Alvin Manor, HTC No. 04203

Summary of Request: Owner requests approval to reduce the development's land area and to change the unit and building configuration. After providing a letter for the application stating that there was no zoning, the City of Alvin informed the owner that a local ordinance prohibited building an apartment complex within 300 feet of a single family residence unless the new complex would also be within 300 feet of another complex. A residential building existed apparently within 300 feet of the proposed development. The development owner informed the city that the building appeared to be a triplex but several months later, the city informed the developer that the building was deemed to be a single family residence within the meaning of the ordinance.

To satisfy the ordinance, the owner proposes to use land from the subject development for a commercial development that will create the necessary 300 foot buffer between the subject and the single family residence. The necessary reduction in the land area calls for associated changes in the site plan, building plans and unit plans. Besides the reduction in land area, the primary change would be that eight one-story and twenty-eight two-story units would replace the 36 one-story units that were originally proposed. The number of units, unit mix and rent restrictions would remain the same.

The change was not reasonably foreseeable by the applicant. The requested modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the application for an allocation.

Governing Law: §2306.6712, Texas Government Code. A significant modification of the site plan is a material alteration under the code.

Owners: Alvin Manor Estates, Ltd. and Alvin Manor, Ltd.

General Partners: Alvin Manor Estates Management, LLC; Alvin Manor Estates Construction, LLC and Alvin Manor Management, LLC; Alvin Manor Construction, LLC

Developers: Artisan/American Corporation

Principals/Interested Parties: Elizabeth and Vernon Young

Syndicator: PNC Multifamily

Construction Lender: PNC Bank

Permanent Lender: PNC Bank

Other Funding: NA

City/County: Alvin/Brazoria

Set-Aside: General Population

Type of Area: Exurban

Type of Development: New Construction

Population Served: General Population

Units: 28 HTC units and 8 market rate units

Alvin Manor Allocation: Alvin Manor Estates \$251,662, Alvin Manor \$149,382

Allocation per HTC Unit: Alvin Manor Estates \$8,988 and Alvin Manor \$5,335

Prior Board Actions: 7/28/04 - Approved award of tax credits
Commencement of construction extended from 1/1/05 to 2/1/06

Underwriting Reevaluation: To be determined.

Staff Recommendation: **Staff recommends approving the request because the requested modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round.**

Summary of the Common Circumstances of Four Amendment Requests that Follow

The four developments affected are:

<u>Yale Village</u>	<u>HTC No. 02019</u>	<u>Houston</u>
<u>Kings Row</u>	<u>HTC No. 02020</u>	<u>Houston</u>
<u>Continental Terrace</u>	<u>HTC No. 02021</u>	<u>Fort Worth</u>
<u>Castle Garden</u>	<u>HTC No. 02022</u>	<u>Lubbock</u>

Special Circumstances: In association with settling litigation over the Department’s termination of four applications from Century Pacific Equity Corporation (CP), the Department approved The Michaels Development Company (Michaels) to purchase the four subject properties. Michaels’ action was of benefit to the Department but the Department has discovered no written assurances that Michaels would be granted any special consideration in stepping into the shoes of the original applicant. Michaels had never participated in the tax credit program in Texas before the subject purchases and Michaels’ inspections of the subject properties and review of the application, rules and procedures, and timelines were conducted under a compressed schedule.

Summary of the Requests: The owner requests approval for changes in the developments from the features proposed in the work write-up by Michaels as part of the settlement. The requested changes in the development include such things as: full perimeter fencing with access gates, community building with access for all tenants, playground and equipment, kitchen package substituted for lighting package not complete, vinyl flooring instead of carpeting and ceiling fans in living area and all bedrooms. All four developments are “Preservation” developments that were awarded allocations in the “At-Risk” set-aside. All four would have received allocations regardless of score. All were financed by construction and permanent loans that were insured by the U.S. Department of Housing and Urban Development (HUD). In connection with their financing, during construction and at completion all were inspected and cleared for draws and closing by certified FHA inspectors.

Increases in Cost from the Original Application as Confirmed by CPA Audit

Original Application (Century Pacific)	Total Development Cost	Construction Cost	Eligible Basis	Tax Credits (Actual vs. Increase Justified by Increased Costs)
Yale Village	\$13,297,151	\$ 4,165,033	\$ 6,534,941	\$ 552,202
Kings Row	\$10,728,043	\$ 3,473,066	\$ 5,526,472	\$ 466,987
Continental Terrace	\$10,196,088	\$ 4,162,115	\$ 5,040,595	\$ 425,930
Castle Garden	\$ 6,992,445	\$ 2,536,449	\$ 3,947,598	\$ 333,572
Totals	\$41,213,727	\$14,336,663	\$21,049,606	\$1,778,691
Cost Certification				
Yale Village	\$16,376,534	\$ 6,318,532	\$11,041,932	\$ 887,771
Kings Row	\$12,522,198	\$ 4,772,405	\$ 7,785,405	\$ 625,947
Continental Terrace	\$11,474,926	\$ 4,775,293	\$ 6,189,353	\$ 498,243
Castle Garden	\$ 8,843,958	\$ 3,798,466	\$ 6,415,848	\$ 513,268
Totals	\$49,217,616	\$19,664,696	\$31,432,538	\$2,525,229
Total Excess of Actual Costs in Cost Certifications Over Estimates in Applications				
	\$8,003,889	\$5,328,033	\$10,382,932	\$746,538
Percentage Increases	19%	37%	49%	42%

The following table shows the rehabilitation write-up that was sent to the Department in February 2003, architectural certifications sent to the Department by Michaels dated May 28, 2003 and what was submitted to the Department at Cost Certification. The Department does not have a settlement agreement with Michaels therefore the information is limited to what was submitted by Michaels.

	February	May	Cost Certification
Yale Village			
Play/Rec Equipment	Yes	Yes	Yes
Multi-purpose Room	Yes	Yes	Yes
Flooring	Yes		Not Sure
Ceiling Fans	Yes	Yes	Not Sure
Oven/Refrig/Disp	Yes		
Roofing		Yes (20 Replaced)	Not Sure
On-Site Daycare			Yes
Computer/Internet			Yes
Mini Blinds	Yes		Yes
Fence/Gate		No	No
Oven/Refrig/Disp/Micro/Dish		Yes	Not Sure
Kings Row			
Play/Rec Equipment	Yes		No
Multi-purpose Room	Yes	Yes	Not Sure
Flooring	Yes		Not Sure
Ceiling Fans	Yes	Yes	Not Sure
Oven/Refrig/Disp	Yes		Not Sure
Roofing	Yes		Not Sure
Mini Blinds	Yes	Yes	Yes
Fence/Gate	Yes	No	No
Oven/Refrig/Disp/Micro/Dish		Yes	
Castle Gardens			
Play/Rec Equipment	Yes	No	No
Multi-purpose Room	Yes	No	No
Flooring	Yes		Not Sure
Ceiling Fans	Yes	Living Only	Not Sure
Oven/Refrig/Disp	Yes		Not Sure
Roofing	Yes		Not Sure
Fence/Gate	Yes	No	No
Oven/Refrig/Disp/Micro/Dish		Yes	
Continental Terrace			
Play/Rec Equipment	Yes	Yes	Yes
Multi-purpose Room		Yes	Yes
Flooring	Yes		Not Sure
Ceiling Fans	Yes	Yes	Not Sure
Oven/Refrig/Disp	Yes		Not Sure
Mini Blinds	Yes		Yes
Fence/Gate	Yes	No	No
Oven/Refrig/Disp/Micro/Dish		Yes	

Note: Yale Village does provide a community room, playground equipment, and daycare however these amenities are not available to ALL tenants.

Yale Village, HTC No. 02019

Governing Law: §2306.6712, Texas Government Code. A material alteration includes any modification considered significant by the Board.

Owner: CP Yale LP

General Partner: Yale Village-Michaels, L.L.C.

Developer: The Michaels Development Company

Principals/Interested Parties: Michael J. Levitt

Syndicator: Boston Capital

Construction Lender: GMAC Commercial Mortgage

Permanent Lender: GMAC Commercial Mortgage

Other Funding: NA

City/County: Houston/Harris

Set-Aside: At-Risk

Type of Area: Urban

Type of Development: Acquisition/Rehabilitation

Population Served: General Population

Units: 248 HTC units

2000 Allocation: \$374,963

Allocation per HTC Unit: \$1,512

Prior Board Actions: Denied appeal of termination of application for material noncompliance on 6/24/02. (Not an agenda item. Recorded in minutes of 6/24/02 as published in Board Book of 10/10/02.) (*pre-settlement appeal*)
Construction Loan Closing extended from 6/13/02 to 10/31/03 (*pre-settlement extension*)
Construction Loan Closing extended from 10/31/03 to 1/30/04 (*post settlement extension*)
Commencement of Construction extended from 11/14/03 to 12/31/03 (*post settlement extension*)
Commencement of Construction extended from 12/31/03 to 3/31/04 (*post settlement extension*)

Underwriting Reevaluation: The cost certification indicates that the original allocation will not be reduced.

Kings Row, HTC No. 02020

Governing Law: §2306.6712, Texas Government Code. A material alteration includes any modification considered significant by the Board.

Owner: CP Kings LP

General Partner: Kings Row-Michaels, L.L.C.

Developer: The Michaels Development Company

Principals/Interested Parties: Michael J. Levitt

Syndicator: Boston Capital

Construction Lender: GMAC Commercial Mortgage

Permanent Lender: GMAC Commercial Mortgage

Other Funding: NA

City/County: Houston/Harris

Set-Aside: At-Risk

Type of Area: Urban

Type of Development: Acquisition/Rehabilitation

Population Served: General Population

Units: 180 HTC units

2000 Allocation: \$466,434

Allocation per HTC Unit: \$2,591

Prior Board Actions: Denied appeal of termination of application for material noncompliance on 6/24/02. (Not an agenda item. Recorded in minutes of 6/24/02 as published in Board Book of 10/10/02.) (*pre-settlement appeal*)
Construction Loan Closing extended from 6/13/02 to 10/31/03 (*pre-settlement extension*)
Construction Loan Closing extended from 10/31/03 to 1/30/04 (*post settlement extension*)
Commencement of Construction extended from 11/14/03 to 12/31/03 (*post settlement extension*)
Commencement of Construction extended from 12/31/03 to 3/31/04 (*post settlement extension*)⁴

Underwriting Reevaluation: The cost certification indicates that the original allocation will not be reduced.

Continental Terrace, HTC No. 02021

Governing Law: §2306.6712, Texas Government Code. A material alteration includes any modification considered significant by the Board.

Owner: CP Continental LP

General Partner: Continental Terrace-Michaels, L.L.C.

Developer: The Michaels Development Company

Principals/Interested Parties: Michael J. Levitt

Syndicator: Boston Capital

Construction Lender: GMAC Commercial Mortgage

Permanent Lender: GMAC Commercial Mortgage

Other Funding: NA

City/County: Fort Worth/Tarrant

Set-Aside: At-Risk

Type of Area: Urban

Type of Development: Acquisition/Rehabilitation

Population Served: General Population

Units: 196 HTC units

2000 Allocation: \$425,426

Allocation per HTC Unit: \$2,171

Prior Board Actions: Denied appeal of termination of application for material noncompliance on 6/24/02. (Not an agenda item. Recorded in minutes of 6/24/02 as published in Board Book of 10/10/02.) (*pre-settlement appeal*)
Construction Loan Closing extended from 6/13/02 to 10/31/03 (*pre-settlement extension*)
Construction Loan Closing extended from 10/31/03 to 1/30/04 (*post settlement extension*)
Commencement of Construction extended from 11/14/03 to 12/31/03 (*post settlement extension*)
Commencement of Construction extended from 12/31/03 to 3/31/04 (*post settlement extension*)⁴

Underwriting Reevaluation: The cost certification indicates that the original allocation will not be reduced.

Castle Garden, HTC No. 02022

Governing Law: §2306.6712, Texas Government Code. A material alteration includes any modification considered significant by the Board.

Owner: CP Castle LP

General Partner: Castle Gardens-Michaels, L.L.C.

Developer: The Michaels Development Company

Principals/Interested Parties: Michael J. Levitt

Syndicator: Boston Capital

Construction Lender: GMAC Commercial Mortgage

Permanent Lender: GMAC Commercial Mortgage

Other Funding: NA

City/County: Lubbock/Lubbock

Set-Aside: At-Risk

Type of Area: Urban

Type of Development: Acquisition/Rehabilitation

Population Served: General Population

Units: 151 HTC units

2000 Allocation: \$333,177

Allocation per HTC Unit: \$2,206

Prior Board Actions: Denied appeal of termination of application for material noncompliance on 6/24/02. (Not an agenda item. Recorded in minutes of 6/24/02 as published in Board Book of 10/10/02.) (*pre-settlement appeal*)
Construction Loan Closing extended from 6/13/02 to 10/31/03 (*pre-settlement extension*)
Construction Loan Closing extended from 10/31/03 to 1/30/04 (*post settlement extension*)
Commencement of Construction extended from 11/14/03 to 12/31/03 (*post settlement extension*)
Commencement of Construction extended from 12/31/03 to 3/31/04 (*post settlement extension*)

Underwriting Reevaluation: The cost certification indicates that the original allocation will not be reduced.

Staff Summary Notes: *The Settlement Agreement was signed and agreed upon in June 2003 without a full determination from Michaels to the Department as to what the complete rehabilitation would include.*

Staff Recommendation: **While there are deviations between the settled work write-up and the final product, staff believes the requirements were substantially satisfied and staff recommends the Board approve the amendment requests submitted by The Michaels Development Company, Inc. with the following conditions: 1) The amenities on Yale Village be made available to all tenants, and 2) receipt of a certification from Michaels Development that the items identified in the “May” column on page six of this summary, that are not clearly indicated as reflected in the cost certification documentation, have indeed been provided for the properties.**

HTC #03247 Ben



RECEIVED
JAN 12 2006
LINTL

HAMILTON VALLEY MANAGEMENT, INC.

January 10, 2006

Brooke Boston – Director
Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78701-2410

Re: Application Amendment
HVM ALAMO II, LTD.

Mrs. Boston,

I am writing you this letter as per requested by Ben Sheppard, and in accordance with the requirements of an Application Amendment. The property/application to be amended is the Las Brisas Apartments in Alamo, Texas, or HVM ALAMO II, LTD, TDHCA file # 03247.

The circumstances that lead up to the request for our amendment are as follows. Wendy Quackenbush of Compliance had noted that Appendix A “Minimum Applicable Fraction by Building” showed 5 buildings on site, and in our application, we had 6 buildings on the site plan. There were several reasons why the change to the site plan was made, but please note that neither square footage of the units, the unit mix, nor the number of actual units committed to in the project was ever deviated from. In essence, the only thing that changed was the number of buildings to be built and therein, the site-plan.

As I mentioned, there were several reason that this decision was arrived at. The first and foremost reason is that at the time of application, we had contracted A&G Associates for the architectural services. Between the time that we received allocation and the time construction began, we had changed architects to W.S. Allen and Associates. A&G had drawn four-plexes to be built, and had them widely scattered across the site. Our construction foreman warned us that the possibility of a county imposed retainage pond was going to be a problem if we were to use this site plan. As it were, the county did not force us to build the drainage pond, but we felt it necessary to the site, and built it anyways. Therefore, when we revised the site plan with W.S. Allen, we had less room to build on, and opted to change the four-plexes to six-plexes in hopes of utilizing what acreage we had left. Also by building the drainage pond, we were able to use the dirt that was removed from the pond to build up the pads for the slabs, as well as fill for the landscaping. This saved us quite a bit in site construction cost.

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P.O. Box 190 • BURNET, TEXAS 78611 • (512) 756-6809 • FAX (512) 756-9885
E- mail: info@hamiltonvalley.com



HAMILTON VALLEY MANAGEMENT, INC.

Another issue of concern with the construction of the units was by the time we finally began construction in November of 2004, the construction budget that we had proposed was nearly obsolete. We projected the costs in late 2002, applied and submitted the numbers in 2003, and did not begin construction until late 2004, almost a 2 year time gap. With the usual 4% annual increase in construction costs, we were already out quite a bit on the budget, but as Marshall & Swift will reflect, there was significantly more than an 8% increase in building costs between 2002 and 2004. This forced the construction company, bound by contract to build 28 units for a set amount, to look for ways to utilize the funds. We reached a mutual agreement that by building four six-plexes instead of six four-plexes, we could hopefully avoid a significant construction cost overrun. It should be noted that USDA-Rural Development approved these changes, as evidenced by the attached letters. Upon review of the project's cost certification, you will note our cost still went significantly over our construction budget. We feel strongly that had we not made the adjustments that were made, the overrun of construction cost would have been excessively more.

We would hope that you would find our reasons for the changes justified, and in no way a negative impact upon the property. Therefore, we request that our request for Application Amendment be approved.

Please find attached for your review correspondence between our office and USDA – Rural Development, our office and your office, the old site plan that was submitted for application, and the new site plan.

Should you have any questions regarding this or any other matter, please contact me at your convenience.

Respectfully,

Dennis Hoover – Owner
HVM Housing, Llc.
President –
Hamilton Valley Management, Inc.
(512) 756-6809 ext. 12
dennishoover@hamiltonvalley.com

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VIA OVERNIGHT DELIVERY

December 19, 2005

RECEIVED

DEC 20 2005

CAMPBELL
HOGUE
AND ASSOCIATES, INC.

LIHTC

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
LIHTC Program
221 East 11th Street
Austin, TX 78701-5120

Re: Villas on Sixth Housing Associates Limited Partnership
TDHCA # 04003

Dear Ben:

We are writing to request some changes to the application for the above referenced project. While the changes outlined are not significant to the overall operation and development of the project, in an effort of full disclosure, we thought it was appropriate that we submit a request for approval of the following changes:

1. the site plan has changed because of site plan requirements imposed by the City of Austin during the design process. While unit types were moved around the site to different buildings and some of the buildings were changed, the overall unit mix of the property did not change.
2. the size of some of the unit types were also modified ever so slightly from the original application again due to site plan changes imposed by the City. The sizes are still well within the required limits for scoring purposes.
3. the utility allowances have been changed to include the charges for water/sewer that are metered and direct billed to the residents. There has been a corresponding reduction in the utility expense associated with this change.
4. the structure of the transaction changed due to the requirements imposed by TCAD in regards to the ad valorem tax exemption. The Austin Housing Finance Corporation, as the statutory tax exempt entity, acquired the land directly and applied the \$500,000 of HOME funds that was originally planned as a second mortgage toward the land purchase. The Partnership paid the AHFC the difference required to purchase the land. In exchange, the Partnership has agreed to make land lease payments in the amount of \$28,131/year, which have been included in the revised proforma enclosed. The amount of the land lease payment was derived by estimating what the debt service would have been on the second mortgage and as a result the impact to the operating cashflow of the project was negligible. In addition, since the uses were reduced by the exact amount

MINNESOTA

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Shorewood, MN
55331

[952] 401-1087
FX [952] 380-4900

WASHINGTON

1200 112th Ave., NE
Suite C-143

Bellevue, WA
98004-3708

[425] 455-3879
FX [425] 454-3468

Mr. Ben Sheppard
December 19, 2005
Page 2 of 2

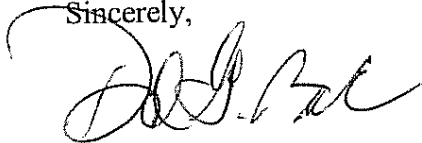
(\$500,000) of the reduction in sources (\$500,000) the impact on the source and use was negligible as well.

Pursuant to the instructions for application amendments, enclosed please find the following revised schedules:

- development cost schedule
- rent schedule
- utility allowance schedule
- statement of annual operating expenses
- summary sources and uses of funds
- 30-year rental housing operating proforma
- modified financing plan
- Revised site plan and unit plans

Should you have any questions on the changes or any of the supplied supporting detail, please let me know. Otherwise, kindly let us know if these changes are approved.

Sincerely,



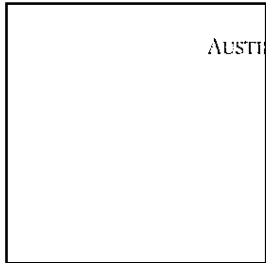
David G. Rae
Vice President/CFO

cc: Martin Gonzalez, AHFC

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 CONGRESS AVENUE
Suite 300
Austin, Texas 78701-4042



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December 29, 2005

Ms. Brooke Boston
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

VIA HAND DELIVERY

Re: Alvin Manor Estates, Ltd. (the "Partnership")
Alvin Manor Estates project in Alvin, Texas (the "Project")
TDHCA File No. 04200

RECEIVED

DEC 30 2005

HTC

Dear Brooke:

Our firm represents the Partnership. The Partnership respectfully requests TDHCA approval of a change of site plan for the Project, as described below.

Background. As you know, the Partnership has sought and received several extensions for the commencement of substantial construction of the Project. These extensions were needed, in part, because the City of Alvin was slow in issuing necessary building permits.

By way of background, the City of Alvin does not have a zoning ordinance that applies to the site on which the Project will be developed. The City provided a "no zoning" letter for the Partnership's tax credit application. Subsequently, the City identified a local ordinance stating that an apartment complex could not be constructed within 300 feet of a single family residence, unless it is also located within 300 feet of another apartment complex. The City was concerned that the Project would violate this ordinance as proposed.

The Project is proposed for a site that is bordered on the south by State Highway 6. Across State Highway 6 is a residential building. The Partnership believed that this residential building (the "Neighboring Building") constituted a triplex and therefore met the definition of an "apartment complex" under the local code. With that interpretation, the development of the Project would not violate the city ordinance in question. The Partnership presented this interpretation to the City in early July 2005 and believed that the matter had been settled. The Partnership received repeated assurances from the City that the building permits were forthcoming. The Partnership received several explanations for the delay in issuance of the building permits, including the fact that the City had no dedicated personnel for review of permit requests and was relying upon outside consultants. Based on those assurances, the Partnership sought extensions for the commencement of substantial construction from TDHCA.

Recently, the City of Alvin has advised the Partnership that it cannot issue building permits because the proposed Project violates the City ordinance prohibiting construction within 300 feet of a single family residence. The City asserts that the Neighboring Building is a single family residence, and not an apartment complex, as the Partnership contended. This declaration by the City of Alvin came as a surprise to the Partnership, for it thought this issue had been resolved last summer.

With this revelation, the Partnership engaged in extensive discussions with the City. It was determined that the best course of action would be to transfer 150 feet of the Project's site bordering State Highway 6 (the "Buffer Track") to a separate entity. The Buffer Track would be developed as a commercial project, per the City's request, and would provide a continual right of way to the Project. With the Buffer Track in place, the Project's boundaries would be more than 300 feet from the Neighboring Building, and the City's ordinance would be satisfied.

The reduction of the Project's site by the Buffer Track will reduce the overall developable acreage and therefore necessitates a revision of the Project's site plan.

The Request. The Partnership requests that TDHCA approve: (1) the reduction of the site for the Project by the Buffer Track and (2) a change in the site plan from 36 single-story units to 8 single-story units and 28 two-story units.

Please note the following about this request:

- This situation was not reasonably foreseeable by the Partnership at the time the application was submitted. The City of Alvin provided a no zoning letter, and the dispute about the application of the city ordinance only arose after the tax credits had been awarded.
- Because the situation was not reasonably foreseeable by the Partnership, it was not preventable.
- The requested change does not change: (A) the income levels of the tenants to be served; (B) the unit mix; or (C) the square footage of the units.
- Even if the Partnership were to lose its pre-application points due to the reduction in acreage by the Buffer Track, the Project would have received a competitive score in the 2004 application round and would have received an award of tax credits.
- The Partnership has endeavored to work with the City as diligently as possible and has responded to this latest circumstance promptly.
- Representatives of the City of Alvin have indicated that, with the change in the site plan requested herein, the City is ready to issue building permits for the Project.
- The Project consists of only 36 units and, even with the delay caused by this latest circumstance, the Project can be completed by TDHCA's placement in service deadline.

Enclosures. To assist with your analysis of this request, we have enclosed revised Exhibits for the Partnership's tax credit application, reflecting the site plan change, as follows:

- Exhibit 3 Activity Overview, Part C Development Cost Schedule

Ms. Brooke Boston
December 29, 2005
Page 3

- Exhibit 3 Activity Overview, Part F Annual Operating Expenses
- Exhibit 3 Activity Overview, Part G 30 Year Rental Housing Operating Proforma
- Exhibit 4 Funding Request, Part B Summary Sources and Uses of Funds
- Exhibit 5 Populations Served, Part A Rent Schedule
- Exhibit 5 Populations Serviced, Part B Utility Allowance
- Updated Site Plan, Building Plan, and Unit Plan

If you need additional information to process this requested amendment, please feel free to contact me or our client. Due to the time sensitivity of this matter, the Partnership requests that this amendment be considered by the TDHCA Board at the soonest possible Board meeting.

Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink that reads "Cynthia L. Bast". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cynthia L. Bast

cc: Artisan/American Corp.

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December 29, 2005

Ms. Brooke Boston
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

VIA HAND DELIVERY

Re: Alvin Manor, Ltd. (the "Partnership")
Alvin Manor project in Alvin, Texas (the "Project")
TDHCA File No. 04203

Dear Brooke:

Our firm represents the Partnership. The Partnership respectfully requests TDHCA approval of a change of site plan for the Project, as described below.

Background. As you know, the Partnership has sought and received several extensions for the commencement of substantial construction of the Project. These extensions were needed, in part, because the City of Alvin was slow in issuing necessary building permits.

By way of background, the City of Alvin does not have a zoning ordinance that applies to the site on which the Project will be developed. The City provided a "no zoning" letter for the Partnership's tax credit application. Subsequently, the City identified a local ordinance stating that an apartment complex could not be constructed within 300 feet of a single family residence, unless it is also located within 300 feet of another apartment complex. The City was concerned that the Project would violate this ordinance as proposed.

The Project is proposed for a site that is bordered on the south by State Highway 6. Across State Highway 6 is a residential building. The Partnership believed that this residential building (the "Neighboring Building") constituted a triplex and therefore met the definition of an "apartment complex" under the local code. With that interpretation, the development of the Project would not violate the city ordinance in question. The Partnership presented this interpretation to the City in early July 2005 and believed that the matter had been settled. The Partnership received repeated assurances from the City that the building permits were forthcoming. The Partnership received several explanations for the delay in issuance of the building permits, including the fact that the City had no dedicated personnel for review of permit requests and was relying upon outside consultants. Based on those assurances, the Partnership sought extensions for the commencement of substantial construction from TDHCA.

Recently, the City of Alvin has advised the Partnership that it cannot issue building permits because the proposed Project violates the City ordinance prohibiting construction within 300 feet of a single family residence. The City asserts that the Neighboring Building is a single family residence, and not an apartment complex, as the Partnership contended. This declaration by the City of Alvin came as a surprise to the Partnership, for it thought this issue had been resolved last summer.

With this revelation, the Partnership engaged in extensive discussions with the City. It was determined that the best course of action would be to transfer 150 feet of the Project's site bordering State Highway 6 (the "Buffer Track") to a separate entity. The Buffer Track would be developed as a commercial project, per the City's request, and would provide a continual right of way to the Project. With the Buffer Track in place, the Project's boundaries would be more than 300 feet from the Neighboring Building, and the City's ordinance would be satisfied.

The reduction of the Project's site by the Buffer Track will reduce the overall developable acreage and therefore necessitates a revision of the Project's site plan.

The Request. The Partnership requests that TDHCA approve: (1) the reduction of the site for the Project by the Buffer Track and (2) a change in the site plan from 3 single-story buildings to 2 single-story buildings and 4 two-story buildings.

Please note the following about this request:

- This situation was not reasonably foreseeable by the Partnership at the time the application was submitted. The City of Alvin provided a no zoning letter, and the dispute about the application of the city ordinance only arose after the tax credits had been awarded.
- Because the situation was not reasonably foreseeable by the Partnership, it was not preventable.
- The requested change does not change: (A) the income levels of the tenants to be served; (B) the unit mix; or (C) the square footage of the units.
- Even if the Partnership were to lose its pre-application points due to the reduction in acreage by the Buffer Track, the Project would have received a competitive score in the 2004 application round and would have received an award of tax credits.
- The Partnership has endeavored to work with the City as diligently as possible and has responded to this latest circumstance promptly.
- Representatives of the City of Alvin have indicated that, with the change in the site plan requested herein, the City is ready to issue building permits for the Project.
- The Project consists of only 36 units and, even with the delay caused by this latest circumstance, the Project can be completed by TDHCA's placement in service deadline.

Enclosures. To assist with your analysis of this request, we have enclosed revised Exhibits for the Partnership's tax credit application, reflecting the site plan change, as follows:

- Exhibit 3 Activity Overview, Part C Development Cost Schedule

Ms. Brooke Boston
December 29, 2005
Page 3

- Exhibit 3 Activity Overview, Part F Annual Operating Expenses
- Exhibit 3 Activity Overview, Part G 30 Year Rental Housing Operating Proforma
- Exhibit 4 Funding Request, Part B Summary Sources and Uses of Funds
- Exhibit 5 Populations Served, Part A Rent Schedule
- Exhibit 5 Populations Serviced, Part B Utility Allowance
- Updated Site Plan, Building Plan, and Unit Plan

If you need additional information to process this requested amendment, please feel free to contact our client or me. Due to the time sensitivity of this matter, the Partnership requests that this amendment be considered by the TDHCA Board at the soonest possible Board meeting.

Thank you for your assistance with this matter.

Sincerely,



Cynthia L. Bast

cc: Artisan/American Corp.

**THE MICHAELS
DEVELOPMENT CO.**

Tuesday, January 10, 2006

Brooke Boston
Director
Multi-Family Finance Production Division
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711-3941

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MARLTON NJ
PITTSBURGH PA
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CHICAGO IL
MERIDIAN MS
LOS ANGELES CA
NEW ORLEANS LA
DENVER CO

**RE: Yale Village – TDHCA 02019
 Kings Row – TDHCA 02020
 Continental Terrace – TDHCA 02021
 Castle Gardens – TDHCA 02022**

Dear Ms. Boston,

We are writing this letter to respectfully request that the Board of Directors of the Texas Department of Housing and Community Affairs (TDHCA) approve amendments to the tax credit applications for the Yale Village, Kings Row, Continental Terrace and Castle Gardens Apartments. As you are aware, tax credit applications for these developments were originally submitted by a firm called Century Pacific (CP) in 2002. The applications included scopes of rehabilitation work that, we presume, CP considered adequate at the time. As outlined below, affiliates of our firm, the Michaels Development Company, subsequently acquired the properties. In the course of developing plans and specifications, Michaels discovered that broader scopes were required to assure the economic viability of the properties for another thirty years. We faced both tough decisions and increased costs. For reasons described in the attached tables, some items that had originally been committed by CP were determined to be infeasible. The resulting scopes of work addressed the long term needs of the properties, and, we believe, provided the improvements and amenities required by the Qualified Allocation Plan, but did not exactly match the scopes as described by CP.

The purpose of this correspondence is to provide a brief history of the subject developments, present our proposed amendments and outline several reasons Michaels believes our amendments should be approved. There are four attachments to this letter based on tables provided by your staff. They compare work items originally proposed by CP to the alternatives we wish for the Board to consider. In developing our amendments, we have focused on items that would have affected the award of the original tax credit applications. In other words, we have only focused on items CP committed in its applications that were either threshold or scoring items.

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Purchase of property through settlement terms

The Michaels Development Company, through its affiliates, acquired the subject properties from Century Pacific Equity Corporation (CP). CP sold the properties to Michaels to settle litigation between CP and the Agency over the

Agency's termination of CP's four tax credit applications. When CP consented to sell, CP received the four carryover allocations, which Michaels used, upon acquisition, to rehabilitate the properties. All four developments are "Preservation" developments including acquisition and rehabilitation.

In acquiring the properties, Michaels obtained the records of the four tax credit applications from CP. Unfortunately it appears that some of the correspondence between the Agency and CP was not included in those records. For example, Michaels did not receive the deficiency notices TDHCA sent to CP regarding its applications. Additionally, Michaels did not receive CP's responses including certifications from CP that may have promised certain work items of which Michaels was not aware until a little over a month ago.

Michaels invested more into the rehabs than proposed in the applications

Long term ownership and management of affordable housing resources is the primary mission of the Michaels organization. Our current inventory includes almost 30,000 housing units. We rarely sell an asset. Once a residential community is newly built or rehabilitated, it is turned over to our affiliate for professional property management.

When Michaels develops a rehabilitation scope of work, we focus first on major systems, then on other improvements we believe to be critical to a property's longevity. The scopes of work for Yale Village, Kings Row, Continental Terrace and Castle Gardens, prepared by our project architects, reflect these priorities. They were reviewed and approved not only by our own in-house construction staff, but by a third party architect under contract to our FHA mortgage lender, as well. Although some items were eliminated from CP's original scopes of work, others were added. In the end, we rehabilitated the above properties spending \$5,320,000 more than CP had originally anticipated spending.

Table 1 for each property in the attached analyses compares CP's original cost assumptions in the tax credit applications to Michaels' cost certified figures. Michaels consistently leveraged more money and invested more into the rehabs than CP had projected. Michaels accomplished this without requesting more allocation from the Agency. As you can see in the attached Tables, each project could actually support much higher allocations than have been allocated.

Timeline of Michaels requests for guidance and/or amendments to the original applications

Once our internal assessment of each property's needs was completed, we compared those assessments to the tax credit application materials that had been forwarded by CP. As we were aware that discrepancies existed between the original applications and the scopes of work we were proposing, Michaels requested approval and guidance from the Agency as to how to proceed regarding these deficiencies. The following is a timeline outlining our steps to resolve them:

- During the summer of 2003, Michaels' proposed plans and scopes of work were submitted to TDHCA's review architects for review and approval.
- During the fall of 2003, TDHCA's inspecting architects, distributed inspection reports for each of the properties. These reports listed several discrepancies between Michaels' proposed scopes of work and the original applications.
- On May 28, 2004, Michaels sent the Agency an analysis reviewing the original applications to the scopes of work it was proposing. The letter requested the Agency's review and approval of its proposed changes to the scopes of work. Michaels revised its scopes according to its understanding of TDHCA's QAP to ensure that our work would not jeopardize the tax credit allocations. Michaels' correspondence focused on the discrepancies in threshold and scoring items.
- On October 29, 2004, Michaels sent the Agency correspondence regarding the changes in scope to ensure both TDHCA and its inspectors were aware of our revisions.
- On November 1, 2004, the Agency responded stating that its Compliance Division would assess the discrepancies and that the Agency would get back to us if amendments had to be taken to the Executive Director or Board.
- During April and May of 2005, the Agency inspected the properties.
- In June of 2005, TDHCA provided deficiency notices to Michaels.
- In July of 2005, Michaels responded to the Agency's deficiency notices and requested the original tax credit applications be amended according to our previous correspondence.
- In October of 2005, TDHCA responded to Michaels' July letters. **In TDHCA's responses, it accepted all "construction items that inspection staff has the ability to clear."** The letter further stated that the letter did not approve amenity deficiencies.
- In November of 2005, TDHCA sent email correspondence stating one-for-one replacement of items listed in the original CP application needed to be proposed by Michaels for items not completed in Michaels' scopes of work.

Michaels has completed the rehabilitation of the properties

Michaels had a relatively narrow window of time to finalize the financing of the four properties and commence construction. It was in June of 2003 that TDHCA reissued its Commitment Notices giving Michaels the go ahead to proceed toward acquisition and rehabilitation. In April of 2004, as soon as we had secured HUD approvals of long term HAP contracts and FHA-insured financing, rehabilitation work began. Units were placed in service by December 31, 2004, and construction was fully completed within a few additional months.

Michaels authorized the completion of improvements, in good faith, and with the knowledge that TDHCA had the revised plans, scopes of work, and relevant correspondence regarding changes to the scope and plans in its possession. As we had

received no correspondence to the contrary, we believed that the revised scopes were acceptable to the Agency. Certainly, if questions or concerns had been voiced prior to the initial closings or while construction was underway, they could have been addressed relatively easily as development sources were still available to cover the costs of improvements.

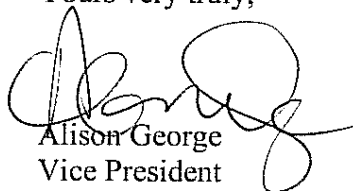
Post-construction, there are no sources of funding, other than project operating revenues, readily available to cover additional improvements. Therefore, in the tables below, we focus on the improvements and amenities that are either (1) required in order to meet threshold requirements; or (2) contribute to the scores that the original CP applications had successfully achieved. We either confirm that the original improvements tied to threshold requirements and scoring remained in the scopes of work, or offer reasonable substitutions. Most of the improvements are already in place. Certain others, such as picnic tables and barbeque grills can be installed quickly.

We respectfully request that the TDHCA board approve these tables as amendments to the tax credit applications. This will allow us to secure our final installments of equity and close-out the construction phase of the properties.

Michaels, as you know, accepted a difficult challenge, stepping into the shoes of another developer to turn four properties around by improving the quality of life for residents while preserving affordable rents. Rehabilitation is fully complete and the apartments are occupied, an accomplishment we could not have achieved without the on-going cooperation and assistance of the TDHCA. We appreciate our good relationship with your Agency and look forward to a quick and successful resolution of this issue.

Thank-you for your careful consideration of our request. Please feel free to contact me if you should have any questions or need additional information. I can be contacted at 303 388-1107.

Yours very truly,



Alison George
Vice President

Cc TDHCA Board of Directors
Ben Sheppard
Ava Goldman

Yale Village – HTC No. - 02019

TABLE 1: Cost Comparison

	Century Pacific <i>2002 Tax Credit Application</i>	Michaels' Affiliate <i>Cost Certified June 2005</i>	Difference
Total Construction Costs	\$ 4,165,033	\$ 6,318,532	\$ 2,153,499
Total Development Costs	\$ 13,297,151	\$ 16,376,534	\$ 3,079,383
Total Eligible Basis	\$ 6,534,941	\$ 11,041,932	\$ 4,506,991
Eligible Credit Allocation	\$ 552,202	\$ 887,771	\$ 335,569

TABLE 2: Minimum Standard Energy Saving Devices Required of All 2002 Developments

We believe that the work described in the column “As Rehabilitated” listed below in Table 2 is the same as the “construction items” previously approved in TDHCA’s October 2005 correspondence. We would appreciate confirmation that, in fact, TDHCA’s minimum standards regarding energy saving devices have been met and no additional improvements are required.

<u>Table 2</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
R-15 wall & R-30 ceiling insulation were required by Threshold.	Replacing all wall insulation was not within the CP scope of work and it was not replaced unless as the result of a sheetrock repair. The CP scope did not call for replacing any roofs. Michaels replaced the roofs of 22 of the 35 buildings. Where ceiling work was performed, an 8" fiberglass blanket was installed although an R-30 rating was not possible.
Radiant barrier was a Threshold requirement.	Not installed because roofs are flat. The CP work write-up did not indicate an intention to change the roof design, which would be costly and necessary to achieve this item.
Soffit and ridge vents were Threshold requirements.	Not installed because roofs are flat. To achieve this requirement, the roofs would have to be redesigned, which was financially infeasible.
Energy Star rated HVAC systems. If used, natural gas heating systems must have a minimum energy factor of 0.85.	Energy Star rated HVAC systems were installed. Natural gas heating with an energy factor of 0.93 was installed.
All appliances installed to be Energy Star Rated.	All appliances installed were Energy Star rated.

TABLE 3: Design Certification Form (Threshold) Representations

Table 3 describes the commitments made by CP and the work actually performed or implemented in association with the Design Certification form. The items below are amenity threshold items. It is our understanding that CP, in a certification submitted after the tax credit applications were submitted, promised to provide each of the items listed below. Michaels, until recently, was not aware of this certification. Nonetheless, as noted in the “As Rehabilitated”

column below, Michaels has already largely addressed most of these items. Unfortunately, in some cases, the improvements don't exactly match the original representations. So, for example, there is a furnished community room and playground equipment as originally promised. But the facilities are currently available to Head Start clients, rather than all residents.

Paragraph 49.7(e)(3)(A) of the 2002 QAP indicates that, "...Preservation Developments must provide at least two of the amenities..." To assure that Agency requirements are satisfied, Michaels proposes to meet threshold through the items in bold below. The community laundry is already installed and in operation. The picnic tables and grills and would be installed upon approval of the Agency. If requested by the Agency, Michaels will create a business center with a computer and fax machine.

Table 3 Representations in the Application	As Rehabilitated
Perimeter fencing with controlled gate access	Perimeter fencing but no controlled gate access
Community laundry and/or hook-ups in units	Community laundry
Furnished community room	Furnished community room is in the Head Start building and is for use by Head Start, only, not for use by all tenants.
Recreation facilities (basketball court)	Picnic tables & grills (recreation facilities) may be installed if agreed in resolving the issues of the amendment request.
On-site daycare free to tenants	On-site daycare is provided but is not free for all tenants. It is offered at a low cost for income-qualified tenants, only. Head Start pays utilities, only, for a playground and a building containing classrooms, kitchen and dining area.
Playground & equipment	Playground & equipment currently exists in a fenced area for the daycare, only.
Public telephone	None
Computer facilities	None – but Michaels has proposed to install a business center with a computer and fax machine if agreed in resolving the issues presented in this amendment request.

TABLE 4: Scoring Items Represented in the Application

Table 4 below describes the commitments made and the work actually performed or implemented in association with the work items considered in the scoring of the application. The items completed and/or proposed to maintain the application’s score are in bold below.

<u>Table 4</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Lighting package including heat light & vent fan in bathrooms and ceiling fixtures with wall switches in all rooms scored two points.	The lighting package could not be installed with existing electrical system. However, we are proposing a Kitchen package as a substitute including microwave, disposal, dishwasher, range/oven, fan/hood, refrigerator – under the 2002 QAP, this package would have also scored two points
Computer line/phone jack in all bedrooms scored two points.	Yes
Mini-blinds or window coverings for all windows scored two points.	Yes
Covered entries scored two points.	Yes

TABLE 5: Other Items Represented in the Application

The items listed in Table 5 below are neither threshold nor scoring items. Substitute items are not being proposed at this time.

<u>Table 5</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Game/recreation room – This was a check the box item in the “Specifications” section of the application that was neither Threshold nor for points but was indicated to be an item that would be free for all tenants.	The daycare center has a game room but it is not available to all tenants.
Cable – This was a check-the-box item that was neither Threshold nor for points but fell under the instructions to mark all features to be provided at no additional cost to the tenants.	None

As indicated by the information above, the applicant will install barbeque grills and picnic tables to comply with the Threshold requirement of building or installing two of the eight possible threshold items. With respect to scoring items, we have substituted a feature of equal value for the feature that was not included.

In addition, Michaels will have security patrols for the development and a Head Start daycare facility which includes a common dining area, commercial kitchen, playground equipment and recreational facilities. Although we understand from the Agency that these items do not qualify to substitute for other items, we believe these to be a great benefit to our residents.

Kings Row, HTC No. 02020

TABLE 1: Cost Comparison

	Century Pacific 2002 Tax Credit Application	Michaels' Affiliate Cost Certified June 2005	Difference
Total Construction Costs	\$ 3,473,066	\$ 4,772,405	\$ 1,299,339
Total Development Costs	\$ 10,728,043	\$ 12,522,198	\$ 1,794,155
Total Eligible Basis	\$ 5,526,472	\$ 7,785,405	\$ 2,258,933
Eligible Credit Allocation	\$ 466,987	\$ 625,947	\$ 158,960

TABLE 2: Minimum Standard Energy Saving Devices Required of All 2002 Developments

We believe that the work described in the column “As Rehabilitated” listed below in Table 2 is the same as the “construction items” previously approved in TDHCA’s October 2005 correspondence. We would appreciate confirmation that, in fact, TDHCA’s minimum standards regarding energy saving devices have been met and no additional improvements are required.

<u>Table 2</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
R-15 wall & R-30 ceiling insulation were required by Threshold.	Replacing all wall insulation was not within the CP scope of work and it was not replaced unless as the result of a sheetrock repair. The CP work write-up stated that 13 buildings would be re-roofed, but Michaels replaced all roofs with built-up bitumen, adding insulation as feasible. R-30 was not achievable. Where ceiling work was performed, an 8" fiberglass blanket was installed.
Radiant barrier was a Threshold requirement.	Not installed because roofs are flat. The CP work write-up did not indicate an intention to change the roof design, which would be costly and necessary to achieve this item.
Soffit and ridge vents were Threshold requirements.	Not installed because roofs are flat. To achieve this requirement, the roofs would have to be redesigned, which was financially infeasible.
Energy Star rated HVAC systems. If used, natural gas heating systems must have a minimum energy factor of 0.85.	Energy Star rated HVAC systems were installed. Natural gas heating with an energy factor of 0.93 was installed.
All appliances installed to be Energy Star Rated.	All appliances installed are Energy Star rated.

TABLE 3: Design Certification Form (Threshold) Representations

Table 3 describes the commitments made by CP and the work actually performed or implemented in association with the Design Certification form. The items below are amenity threshold items. It is our understanding that CP, in a certification submitted after the tax credit applications were submitted, promised to provide each of the items listed below. Michaels, until recently, was not aware of this certification. Nonetheless, as noted in the “As Rehabilitated”

column below, Michaels has already largely addressed most of these items. Unfortunately, in some cases, the improvements don't exactly match the original representations. For example, the perimeter fence does not have a controlled access gate. Our management company finds that maintaining such a gate is very costly. The current quote we have to repair the gate exceeds \$30,000. Management has found, due to heavy wear and tear, such gates will only remain operational for a few weeks at most.

Paragraph 49.7(e)(3)(A) of the 2002 QAP indicates that, "...Preservation Developments must provide at least two of the amenities..." To assure that Agency requirements are satisfied, Michaels proposes to meet threshold through the items in bold below. The community laundry, furnished community room and playgrounds are already installed and in operation. If requested by the Agency, Michaels will also install barbeque grills and picnic tables.

<u>Table 3</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Perimeter fencing with controlled gate access	Perimeter fencing exists but there are no operational controls on the gates
Playground & equipment	Playground & equipment
Community laundry and/or hook-ups in units	Community laundry room
Furnished community room	Furnished community room with common dining area and residential kitchen
Recreation facilities (basketball court)	None – but Picnic tables & grills (recreation facilities) may be installed by the applicant if agreed in resolving the issues of the amendment request.
Public telephone	None
Computer facilities	None

TABLE 4: Scoring Items Represented in the Application

Table 4 below describes the commitments made and the work actually performed or implemented in association with the work items considered in the scoring of the application. The items completed and/or proposed to maintain the application's score are in bold below.

<u>Table 4</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Lighting package including heat light & vent fan in bathrooms and ceiling fixtures with wall switches in all rooms scored two points.	The lighting package could not be installed with existing electrical system. However, we are proposing to install ceramic tile floors in entry, kitchen and bathroom which would also have scored two points – under the 2002 QAP,
Computer line/phone jack in all bedrooms scored two points.	Yes
Mini-blinds or window coverings for all windows scored two points.	Yes
Covered entries scored two points.	Yes

TABLE 5: Other Items Represented by the Application

The items listed in Table 5 below are neither threshold nor scoring items. Substitute items are not being proposed at this time.

<u>Table 5</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Heat light and vent in all bathrooms; ceiling fixtures with accessible wall switches in all rooms	not possible with existing electrical system.
Carpet and vinyl floor covering	All vinyl
Computer line/phone jack in all bedrooms	Yes
Game/recreation room	See Table 3 above

As indicated by the information above, the property’s community laundry room, playground and furnished community room meet TDHCA’s threshold of building or installing two of the eight possible threshold items. With respect to scoring items, we have substituted a feature of equal value for the feature that was not included.

Continental Terrace, HTC No. 02021

TABLE 1: Cost Comparison

	Century Pacific <i>2002 Tax Credit Application</i>	Michaels' Affiliate <i>Cost Certified June 2005</i>	Difference
Total Construction Costs	\$ 4,162,115	\$ 4,775,293	\$ 613,178
Total Development Costs	\$ 10,196,088	\$ 11,474,926	\$ 1,278,838
Total Eligible Basis	\$ 5,040,595	\$ 6,189,353	\$ 1,148,758
Eligible Credit Allocation	\$ 425,930	\$ 498,243	\$ 72,313

TABLE 2: Minimum Standard Energy Saving Devices Required of All 2002 Developments

We believe that the work described in the column “As Rehabilitated” listed below in Table 2 is the same as the “construction items” previously approved in TDHCA’s October 2005 correspondence. We would appreciate confirmation that, in fact, TDHCA’s minimum standards regarding energy saving devices have been met and no additional improvements are required.

<u>Table 2</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
R-15 wall & R-30 ceiling insulation were required by Threshold.	Wall insulation was not replaced unless as the result of a sheetrock repair. R-30 ceiling insulation was achieved at Continental.
Radiant barrier was a Threshold requirement.	Not installed. The CP work write-up did not indicate an intention to install this item.
Soffit and ridge vents were Threshold requirements.	Although the project includes soffits, we reused the existing gable vents.
Energy Star rated HVAC systems. If used, natural gas heating systems must have a minimum energy factor of 0.85.	All electric 13 SEER High Efficiency heating and cooling systems installed in 100% of the property.
All appliances installed to be Energy Star Rated.	All appliances installed are Energy Star rated.

TABLE 3: Design Certification Form (Threshold) Representations

Table 3 describes the commitments made by CP and the work actually performed or implemented in association with the Design Certification form. The items below are amenity threshold items. It is our understanding that CP, in a certification submitted after the tax credit applications were submitted, promised to provide each of the items listed below. Michaels, until recently, was not aware of this certification. Nonetheless, as noted in the “As Rehabilitated” column below, Michaels has already largely addressed most of these items. Unfortunately, in some cases, the improvements don’t exactly match the original representations. So, for example, there is a furnished community room and playground equipment as originally promised. But the facilities do not fully incorporate a “recreational facility”.

Paragraph 49.7(e)(3)(A) of the 2002 QAP indicates that, “...Preservation Developments must provide at least two of the amenities...” To assure that Agency requirements are satisfied, Michaels proposes to meet threshold through the items in bold below. The community laundry,

playground equipment and furnished community room are already installed and in operation. If requested by the Agency, Michaels will install picnic tables and grills as a recreational area.

<u>Table 3</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Perimeter fencing with controlled gate access	None
Playground & equipment	Playground & equipment
Community laundry and/or hook-ups in units	Community laundry
Furnished community room	Furnished community room
Recreation facilities (basketball court)	None – but Michaels has proposed to install picnic tables & grills (recreation facilities) if agreed in resolving the issues of the amendment request.
Public telephone	None
Computer facilities	None

TABLE 4: Scoring Items Represented in the Application

Table 4 below describes the commitments made and the work actually performed or implemented in association with the work items considered in the scoring of the application. The items completed are in bold below. This property scores the maximum of ten points even without the lighting package or 25-year roof shingles. No alternate items are proposed at this time because scoring is not changed.

<u>Table 4</u> Representations in the Application	As Rehabilitated
Lighting package including heat light & vent fan in bathrooms and ceiling fixtures with wall switches in all rooms scored two points.	The lighting package could not be installed with existing electrical system.
Computer line/phone jack in all bedrooms scored two points.	Yes
Twenty-five year architectural shingle roofing scored two points.	New roofs not installed.
Mini-blinds or window coverings for all windows scored two points.	Yes
Covered entries scored two points.	Yes
Greater than 75% masonry on exterior	Yes

TABLE 5: Other Items Represented by the Application

The items listed in Table 5 below are neither threshold nor scoring items. Substitute items are not being proposed at this time.

<u>Table 5</u> Representations in the Application	As Rehabilitated
Computer line/phone jack in all bedrooms	Yes

As indicated by the information above, the property's community laundry room, playground and furnished community room meet TDHCA's threshold of building or installing two of the eight possible threshold items. With respect to scoring items, the property currently meets the maximum score as rehabilitated. No alternate items are proposed at this time.

Castle Garden, HTC No. 02022

TABLE 1: Cost Comparison

	Century Pacific 2002 Tax Credit Application	Michaels' Affiliate Cost Certified June 2005	Difference
Total Construction Costs	\$ 2,536,449	\$ 3,798,466	\$ 1,262,017
Total Development Costs	\$ 6,992,445	\$ 8,843,958	\$ 1,851,513
Total Eligible Basis	\$ 3,947,598	\$ 6,415,848	\$ 2,468,250
Eligible Credit Allocation	\$ 333,572	\$ 513,268	\$ 179,696

TABLE 2: Minimum Standard Energy Saving Devices Required of All 2002 Developments

We believe that the work described in the column “As Rehabilitated” listed below in Table 2 is the same as the “construction items” previously approved in TDHCA’s October 2005 correspondence. We would appreciate confirmation that, in fact, TDHCA’s minimum standards regarding energy saving devices have been met and no additional improvements are required.

<u>Table 2</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
R-15 wall & R-30 ceiling insulation were required by Threshold.	Replacing all wall insulation was not within the CP scope of work and it was not replaced unless as the result of a sheetrock repair. Ceiling insulation meets threshold requirements.
Radiant barrier was a Threshold requirement.	Not installed. The CP work write-up did not indicate an intention to install this item.
Soffit and ridge vents were Threshold requirements.	Although the project includes soffits, we used airhawks, another forms of passive venting.
Energy Star rated HVAC systems. If used, natural gas heating systems must have a minimum energy factor of 0.85.	Energy Star rated HVAC systems were installed. Natural gas heating with an energy factor of 0.93 was installed.
All appliances installed to be Energy Star Rated.	All appliances installed are Energy Star rated.

TABLE 3: Design Certification Form (Threshold) Representations

Table 3 describes the commitments made by CP and the work actually performed or implemented in association with the Design Certification form. The items below are amenity threshold items. It is our understanding that CP, in a certification submitted after the tax credit applications were submitted, promised to provide each of the items listed below. Michaels, until recently, was not aware of this certification. Nonetheless, as noted in the “As Rehabilitated” column below, Michaels has already addressed some of these items.

Paragraph 49.7(e)(3)(A) of the 2002 QAP indicates that, "...Preservation Developments must provide at least two of the amenities..." To assure that Agency requirements are satisfied, Michaels proposes to meet threshold through the items in bold below. The community laundry and original playground equipment is already installed and in operation. If requested by the Agency, Michaels will install additional playground equipment, picnic tables and grills.

Table 3 Representations in the Application	As Rehabilitated
Perimeter fencing with controlled gate access	None
Playground & equipment	Playground & equipment – original equipment in place. Additional equipment may be installed by the applicant if agreed in resolving the issues of the amendment request.
Community laundry and/or hook-ups in units	Community laundry
Furnished community room	None
Recreation facilities (basketball court)	None - picnic tables & grills (recreation facilities) may be installed by the applicant if agreed in resolving the issues of the amendment request.
Public telephone	None
Computer facilities	None

TABLE 4: Scoring Items Represented in the Application

Table 4 below describes the commitments made and the work actually performed or implemented in association with the work items considered in the scoring of the application. The items completed are in bold below. This property scores the maximum of ten points even without the lighting package. No alternate items are proposed at this time because scoring has not changed.

<u>Table 4</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Lighting package including heat light & vent fan in bathrooms and ceiling fixtures with wall switches in all rooms scored two points.	Not possible with existing electrical system
Computer line/phone jack in all bedrooms scored two points.	Yes
Twenty-five year architectural shingle roofing scored two points	Yes
Mini-blinds or window coverings for all windows	Yes
Covered entries	Yes

TABLE 5: Other Items Represented by the Application

The items listed in Table 5 below are neither threshold nor scoring items. Substitute items are not being proposed at this time.

<u>Table 5</u> <u>Representations in the Application</u>	<u>As Rehabilitated</u>
Game/recreation room	See Table 3 above

As indicated by the information above, the applicant will install additional playground equipment to comply with the Threshold requirement of building or installing two of the eight possible threshold items. With respect to scoring items, the property currently meets the maximum score as rehabilitated. No alternate items are proposed at this time.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Items

Requests for approval of extensions of the deadline for commencement of substantial construction are summarized below.

Required Action

Approve or deny these requests for extensions related to 2004 Housing Tax Credit commitments.

Background

Pertinent facts about the requests for extensions are given below. Each request was accompanied by a mandatory \$2,500 extension request fee.

Bahia Palms, HTC Development No. 04275

Summary of Request: Owner requests a first extension of the deadline for commencement of substantial construction. The request was necessary because of a delay in final plan approval from the United States Department of Agriculture – Rural Development (USDA-RD) division. The development is a rehabilitation of existing buildings. The state architect for USDA-RD has approved the plans and the owner anticipates no difficulty in placing the buildings in service by the federal deadline of December 31, 2006.

Applicant:	Cameron Fountainhead, L.P.
General Partner:	Fountainhead Affiliates, Inc.
Developer:	Fountainhead Affiliates, Inc.
Principals/Interested Parties:	Patrick Barbolla
Syndicator:	Boston Capital Corporation
Construction Lender:	TDHCA-HOME Funds
Permanent Lender:	USDA-RD and TDHCA- HOME
Other Funding:	NA
City/County:	Laguna Vista/Cameron
Set-Aside:	At-Risk, Rural, USDA-RD
Type of Area:	Rural
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	64 HTC units
2004 Allocation:	\$123,771
Allocation per HTC Unit:	\$1,934
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Current Deadline:	December 1, 2005
New Deadline Requested:	March 1, 2006
New Deadline Recommended:	March 1, 2006
Prior Extensions:	None
Staff Recommendation:	Approve extension as requested.

Vista Hermosa, HTC Development No. 04287

Summary of Request: Owner requests a first extension of the deadline for commencement of substantial construction. The request was necessary because of a delay in final plan approval from the United States Department of Agriculture – Rural Development (USDA-RD) division. The development is a rehabilitation of existing buildings. The state architect for USDA-RD has approved the plans and the owner anticipates no difficulty in placing the buildings in service by the federal deadline of December 31, 2006.

Applicant:	Maverick Fountainhead, L.P.
General Partner:	Fountainhead Affiliates, Inc.
Developer:	Fountainhead Affiliates, Inc.
Principals/Interested Parties:	Patrick Barbolla
Syndicator:	Boston Capital Corporation
Construction Lender:	TDHCA-HOME Funds
Permanent Lender:	USDA-RD and TDHCA- HOME
Other Funding:	NA
City/County:	Eagle Pass/Maverick
Set-Aside:	At-Risk, Rural, USDA-RD
Type of Area:	Rural
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	20 HTC units
2004 Allocation:	\$61,585
Allocation per HTC Unit:	\$3,079
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Current Deadline:	December 1, 2005
New Deadline Requested:	April 15, 2006
New Deadline Recommended:	April 15, 2006
Prior Extensions:	None
Staff Recommendation:	Approve extension as requested.

Briarwood, HTC Development No. 04288

Summary of Request: Owner requests a first extension of the deadline for commencement of substantial construction. The request was necessary because of a delay in final plan approval from the United States Department of Agriculture – Rural Development (USDA-RD) division. The development is a rehabilitation of existing buildings. The state architect for USDA-RD has approved the plans and the owner anticipates no difficulty in placing the buildings in service by the federal deadline of December 31, 2006.

Applicant:	Kaufman Fountainhead, L.P.
General Partner:	Fountainhead Affiliates, Inc.
Developer:	Fountainhead Affiliates, Inc.
Principals/Interested Parties:	Patrick Barbolla
Syndicator:	Boston Capital Corporation
Construction Lender:	TDHCA-HOME Funds
Permanent Lender:	USDA-RD and TDHCA- HOME
Other Funding:	NA
City/County:	Kaufman/Kaufman
Set-Aside:	At-Risk, Rural, USDA-RD
Type of Area:	Rural
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	48 HTC units
2004 Allocation:	\$170,909
Allocation per HTC Unit:	\$3,561
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Current Deadline:	December 1, 2005
New Deadline Requested:	April 15, 2006
New Deadline Recommended:	April 15, 2006
Prior Extensions:	None
Staff Recommendation:	Approve extension as requested.

La Mirage Villas, HTC Development No. 04295

Summary of Request: Owner requests a first extension of the deadline for commencement of substantial construction. The request was necessary because of a delay in final plan approval from the United States Department of Agriculture – Rural Development (USDA-RD) division. The development is a rehabilitation of existing buildings. The state architect for USDA-RD has approved the plans and the owner anticipates no difficulty in placing the buildings in service by the federal deadline of December 31, 2006.

Applicant:	Perryton Fountainhead, L.P.
General Partner:	Fountainhead Affiliates, Inc.
Developer:	Fountainhead Affiliates, Inc.
Principals/Interested Parties:	Patrick Barbolla
Syndicator:	Boston Capital Corporation
Construction Lender:	TDHCA-HOME Funds
Permanent Lender:	USDA-RD and TDHCA- HOME
Other Funding:	NA
City/County:	Perryton/Ochiltree
Set-Aside:	At-Risk, Rural, USDA-RD
Type of Area:	Rural
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	48 HTC units
2004 Allocation:	\$171,527
Allocation per HTC Unit:	\$3,573
Extension Request Fee Paid:	\$2,500
Note on Time of Request:	Request was submitted late.
Current Deadline:	December 1, 2005
New Deadline Requested:	May 15, 2006
New Deadline Recommended:	May 15, 2006
Prior Extensions:	None
Staff Recommendation:	Approve extension as requested.

FOUNTAINHEAD MANAGEMENT, INC.

4000 OLD BENBROOK ROAD

FORT WORTH, TEXAS 76116

TELEPHONE (817) 732-1055; FAX (817) 732-7716

January 23, 2006

Mr. Ben Sheppard
Texas Department of Housing
And Community Affairs
Insurance Building Annex
221 East 11th Street
Austin, Texas 78701 - 2410

Re: Cameron Fountainhead, L.P. (the "Partnership")
Bahia Palms Apartments project near Laguna Vista, Texas (the "project")
TDHCA File No. 04275

Dear Mr. Sheppard:

The Partnership respectfully requests an extension for the commencement of substantial construction deadline until March 1, 2006. The extension is required due to delays in receiving Final Plan Approval for USDA-Rural Development for the rehabilitation of the Project. Although the State Architect approved the Plans and scheduled a Pre-Construction Conference, evidence of this approval was not forwarded the Partnership, which evidence was necessary for construction.

Due to the nature of this being a rehabilitation project, there will no difficulty in having a Placed in Service date by year end.

I have enclosed a \$2,500 check as payment of the required extension fee. If you need any additional information regarding this matter, please feel free to contact me.

Very truly yours,

Cameron Fountainhead, L.P.
By: Fountainhead Affiliates, Inc.,
its General Partner

By: Patrick A. Barbolla
Patrick A. Barbolla, its President

FOUNTAINHEAD MANAGEMENT, INC.

4000 OLD BENBROOK ROAD

FORT WORTH, TEXAS 76116

TELEPHONE (817) 732-1055; FAX (817) 732-7716

January 23, 2006

Mr. Ben Sheppard
Texas Department of Housing
And Community Affairs
Insurance Building Annex
221 East 11th Street
Austin, Texas 78701 - 2410

Re: Maverick Fountainhead, L.P. (the "Partnership")
Vista Hermosa Apartments project in Eagle Pass, Texas (the "project")
TDHCA File No. 04287

Dear Mr. Sheppard:

The Partnership respectfully requests an extension for the commencement of substantial construction deadline until April 15, 2006. The extension is required due to delays in receiving Final Plan Approval for USDA-Rural Development for the rehabilitation of the Project. Once the State Architect approves the Final Plans (evidence of conditional approval has been received), a Pre-Construction conference will be held and the Notice to Proceed issued.

Due to the nature of this being a rehabilitation project, there will no difficulty in having a Placed in Service date by year end.

I have enclosed a \$2,500 check as payment of the required extension fee. If you need any additional information regarding this matter, please feel free to contact me.

Very truly yours,

Maverick Fountainhead, L.P.
By: Fountainhead Affiliates, Inc.,
its General Partner

By: *Patrick A. Barbolla*
Patrick A. Barbolla, its President

FOUNTAINHEAD MANAGEMENT, INC.

4000 OLD BENBROOK ROAD

FORT WORTH, TEXAS 76116

TELEPHONE (817) 732-1055; FAX (817) 732-7716

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January 23, 2006

Mr. Ben Sheppard
Texas Department of Housing
And Community Affairs
Insurance Building Annex
221 East 11th Street
Austin, Texas 78701 - 2410

Re: Kaufman Fountainhead, L.P. (the "Partnership")
Briarwood Apartments project in Kaufman, Texas (the "project")
TDHCA File No. 04288

Dear Mr. Sheppard:

The Partnership respectfully requests an extension for the commencement of substantial construction deadline until April 15, 2006. The extension is required due to delays in receiving Final Plan Approval for USDA-Rural Development for the rehabilitation of the Project. Once the State Architect approves the Final Plans (evidence of conditional approval has been received), a Pre-Construction conference will be held and the Notice to Proceed issued.

Due to the nature of this being a rehabilitation project, there will no difficulty in having a Placed in Service date by year end.

I have enclosed a \$2,500 check as payment of the required extension fee. If you need any additional information regarding this matter, please feel free to contact me.

Very truly yours,

Kaufman Fountainhead, L.P.
By: Fountainhead Affiliates, Inc.,
its General Partner

By: Patrick A. Barbolla
Patrick A. Barbolla, its President

FOUNTAINHEAD MANAGEMENT, INC.

4000 OLD BENBROOK ROAD
FORT WORTH, TEXAS 76116
TELEPHONE (817) 732-1055; FAX (817) 732-7716

January 23, 2006

Mr. Ben Sheppard
Texas Department of Housing
And Community Affairs
Insurance Building Annex
221 East 11th Street
Austin, Texas 78701 - 2410

Re: Perryton Fountainhead, L.P. (the "Partnership")
La Mirage Villas Apartments in Perryton, Texas (the "project")
TDHCA File No. 04295

Dear Mr. Sheppard:

The Partnership respectfully requests an extension for the commencement of substantial construction deadline until May 15, 2006. The extension is required due to delays in receiving Final Plan Approval for USDA-Rural Development for the rehabilitation of the Project. Once the State Architect approves the Final Plans (evidence of conditional approval is expected by January 31, 2006), a Pre-Construction conference will be held and the Notice to Proceed issued.

Due to the nature of this being a rehabilitation project, there will no difficulty in having a Placed in Service date by year end.

I have enclosed a \$2,500 check as payment of the required extension fee. If you need any additional information regarding this matter, please feel free to contact me.

Very truly yours,

Perryton Fountainhead, L.P.
By: Fountainhead Affiliates, Inc.,
its General Partner

By: Patrick A. Barbolla
Patrick A. Barbolla, its President

**Housing Tax Credit Program
Board Action Request
February 15, 2006**

Action Item

Request review and board determination of four (4) four percent (4%) tax credit applications with other issuers for tax exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of four (4) four percent (4%) Tax Credit Determination Notices with **other issuers** for the tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
05444	The Villas at Bethel	Houston	Houston HFC	177	177	\$15,324,313	\$10,000,000	\$630,713	\$630,677
05449	Arbor Court	Houston	Harris County HFC	232	232	\$10,933,765	\$8,000,000	\$367,441	\$350,478
05451	North Oaks Apartments	Houston	Houston HFC	256	256	\$14,664,729	\$1,000,000	\$470,495	\$469,359
05445	Bayview Apartments	Baytown	Harris County HFC	240	240	\$22,019,259	\$13,000,000	\$900,924	\$887,593

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval for the issuance of Housing Tax Credits for The Villas at Bethel.

Summary of the Transaction

The application was received on November 7, 2005. The Issuer for this transaction is the City of Houston HFC. The development is to be located at 4400 Airport Boulevard in Houston. Demographics for the census tract include AMFI of \$45,559; the total population is 6,180; the percent of population that is minority is 97.59%; the percent of population that is below the poverty line is 13.67%; the number of owner occupied units is 1,780; the number of renter units is 349 and the number of vacant units is 89. The percent of population that is minority for the entire City of Houston is 69% (Census information from FFIEC Geocoding for 2005). The development is new construction and will consist of 177 total units targeting the elderly population, with all affordable. There is no zoning required for the Houston area. The Department has received ten letters of support. Letters of support were received from TX Representative Al Edwards, Former Council Member Gordon Quan, Council Member Ronald C. Green, Council Member Ada Edwards, Houston ISD South Superintendent Warner D. Ervin, Sunnyside Civic Club, Southeast Coalition of Civic Clubs, South Acres West Civic Club as well as 2 members of the community. There were no letters in opposition. The bond priority for this transaction is:

- Priority 1A:** Set aside **50%** of units that cap rents at 30% of **50%** AMFI **and** Set aside **50%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1B:** Set aside **15%** of units that cap rents at 30% of **30%** AMFI **and** Set aside **85%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1C:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. (MUST receive 4% Housing Tax Credits)
- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 3:** Any qualified residential rental development.

This application was previously denied by the TDHCA Board in September 2005 with issues concerning the site inspection; the development being built in the floodplain; financial viability; the lack of commitment for HOME funds from the City of Houston and a capture rate of 95%. The Department's underwriting report, included with this summary, addresses these issues in greater detail.

Recommendation

Staff recommends the Board approve the issuance of Housing Tax Credits for The Villas at Bethel.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Villas at Bethel, TDHCA Number 05444

BASIC DEVELOPMENT INFORMATION

Site Address: 4400 Airport Blvd. Development #: 05444
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77047 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: NC
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: Houston HFC
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: The KRR Villas at Bethel, LP
 Joseph Kemp - Phone: (972) 224-1096
 Developer: KRR Villas at Bethel Development, LP
 Housing General Contractor: Integrated Development & Construction, LP
 Architect: Architecttura
 Market Analyst: Ipser & Associates
 Syndicator: Guilford Capital Corporation
 Supportive Services: To Be Determined
 Consultant: Anderson Capital, LLC

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	177
0	0	0	177	0	0	Market Rate Units:	0
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	95	82	0	0		Total Development Units:	177
Type of Building:	5 units or more per bldng					Total Development Cost:	\$15,324,313
Number of Residential Buildings:	5						

Note: If Development Cost =\$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:		\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$630,713	\$630,677	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$0	\$0	0	0	0.00%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Villas at Bethel, TDHCA Number 05444

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13

NC Points: 0

US Representative: Green, District 9, NC

TX Representative: Edwards, District 146

S Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC

Resolution of Support from Local Government

Ronald C. Green, Houston City Council Member - S

Warner D. Ervin, Houston ISD South Superintendent - S

Ada Edwards, Houston City Council Member - S

Milton Wilson, Jr., Director, Housing and Community Development Department; The proposed project for new construction of rental housing for the elderly is consistent with the City of Houston's Consolidated Plan.

Individuals/Businesses: In Support: 0

In Opposition: 0

Neighborhood Input:

General Summary of Comment:

The Department has received 10 letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Receipt, review, and acceptance of final City of Houston HOME funding commitment, to include all financing terms and conditions.
3. Should the terms and rates of the proposed property tax status, debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Villas at Bethel, TDHCA Number 05444

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$630,677

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$630,677 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$0

Recommendation:

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING REPORT**

DATE: February 6, 2006

PROGRAM: 4% HTC

FILE NUMBER: 05444

DEVELOPMENT NAME

The Villas at Bethel Apartments

APPLICANT

Name: The KRR Villas at Bethel, LP **Type:** For-profit
Address: 1015 N. Duncanville Road **City:** Duncanville **State:** TX
Zip: 75116 **Contact:** Joseph Kemp **Phone:** (972) 224-1096 **Fax:** (972) 224-6098

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	<u>KKR Villas at Bethel GP, LLC</u>	(%):	<u>1%</u>	Title:	<u>Managing General Partner</u>
Name:	<u>KKR Development, LP</u>	(%):	<u>N/A</u>	Title:	<u>75% owner of MGP</u>
Name:	<u>KKR Villas at Bethel Development, LP</u>	(%):	<u>N/A</u>	Title:	<u>Developer</u>
Name:	<u>ISSACHAR of America, Inc.</u>	(%):	<u>N/A</u>	Title:	<u>Nonprofit 25% owner of MGP</u>
Name:	<u>KKR Construction, Inc.</u>	(%):	<u>N/A</u>	Title:	<u>100% owner of KKR Development, LP</u>
Name:	<u>Joseph Kemp</u>	(%):	<u>N/A</u>	Title:	<u>President & 100% owner of KKR Construction, Inc. & Developer</u>
Name:	<u>Elbert R. Curvey</u>	(%):	<u>N/A</u>	Title:	<u>Chairman of ISSACHAR of America, Inc.</u>
Name:	<u>Anderson Capital, LLC (Terri Anderson)</u>	(%):	<u>N/A</u>	Title:	<u>Consultant</u>

PROPERTY LOCATION

Location: 4400 Airport Boulevard **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77047

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$630,713	N/A	N/A	N/A
Other Requested Terms: <u>Annual ten-year allocation of housing tax credits</u>			
Proposed Use of Funds: <u>New construction</u>		Property Type: <u>Multifamily</u>	
Special Purpose (s): <u>Elderly, Urban/Exurban</u>			

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$630,677 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

CONDITIONS

1. Receipt, review, and acceptance of the final City of Houston HOME funding commitment, to include all financing terms and conditions.
2. Should the terms and rates of the proposed property tax status, debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

The application was underwritten on September 8, 2005 and received a recommendation for \$491,245 in annual tax credits for 10 years subject to the following conditions:

- 1) Receipt, review, and acceptance of the final City of Houston HOME funding commitment, to include all financing terms and conditions;
- 2) Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs and building and tenant flood insurance costs, prior to the initial closing on the property;
- 3) Receipt, review, and acceptance of a commitment from the unrelated general contractor to defer fees as necessary to fill a potential gap in permanent financing;
- 4) Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

The application was presented during the September 2005 Board meeting and the motion to approve the recommendation failed. A summary of the five major discussion items raised during the board meeting follows as well as any mitigating factors under consideration in the current Underwriting report.

Issue 1: Site inspection: The original site inspection finding was Questionable (Acceptable with reservations) due to the following observations from the inspector: "I could feel the ground underneath me vibrate while standing on boulevard median while trucks traveled on the boulevard. The area is concentrated with four underground gas pipelines along with a City of Houston main sewer drainage system and an extended ditch. The main's opening, consisting of a concrete collar with metal lid that protrudes from the ground, appears to have shifted. These elements and conditions appear [to be] evidence of some unstable soils."

Mitigation to Issue 1: The site has been re-inspected and the updated finding is Acceptable. The inspector noted the following: "Sims Bayou, a major drainage system directly in front of the property, is being improved. Small vibrations in the area are temporary. This condition is expected based on the usage of heavy off site equipment nearby. There are underground gas lines running parallel with the street and property line." In addition, the Applicant provided a copy of a Geotechnical Investigation with the following conclusions: "...the subject tract described in this report is suitable for the construction of the proposed complex, and that no out of the ordinary design and construction difficulties will be encountered."

Issue 2: Financial viability: The original Underwriting report was conditioned upon deferral of all of the developer fees as well as a portion of the unrelated general contractor fees.

Mitigation to Issue 2: The current application reflects the recent designation of Harris County as a Difficult Development Area (DDA) as a result of the Gulf Opportunity Zone Act signed into law by the President on December 21, 2005. As a result of being located in a DDA, the development is eligible to receive a 30% boost in eligible basis. This boost effectively reduces the recommended deferred developer fees to 7% of the eligible fees.

Issue 3: HOME funds: The original application included \$1M of HOME funds from the City of Houston however the type (loan or grant) and terms of the funding was not finalized at the time of TDHCA Underwriting. The commitment from the City of Houston stated: "No decision will be made as to whether the HOME funds will be a grant or a loan until Applicant's project cash flow has been analyzed and project is

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

fully underwritten.” In addition, the original Underwriting report concluded that the development would not be financially feasible without HOME funds.

Mitigation to Issue 3: The type and terms of the HOME funding is not final in the current Underwriting report. However, with the recent designation of Harris County as a DDA and the subsequent 30% boost in eligible basis, the development is financially feasible without the HOME funds.

Issue 4: Flood plain: The development is located in a flood plain. Current TDHCA rules allows for development within a flood plain as long as certain conditions are met. Section 49.6.(a) of the 2005 QAP applies: “Any Development proposing new construction located within the 100-year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements.”

Mitigation to Issue 4: The Applicant provided a letter from Brown and Gay Engineers, Inc. dated January 20, 2006 stating that “All of the building foundation floors are set at least one foot above the base flood elevation.” The letter also states “The site flood plain mitigation plan has been approved by the Harris County Flood Control District and the City of Houston flood plain administrator.” The Applicant also provided a copy of a flood plain mitigation plan with approval from the Harris County Flood Control Group.

Issue 5: Capture rate: The original Underwriting analysis reflected a capture rate of 95%.

Mitigation to Issue 5: Revisions to the market study include a change in income eligibility reflecting the portion of the HOME units for households earning 50% of Area Median Income. This change in income band results in an increased number of income-eligible households and an inclusive capture rate of 76% as calculated by the Underwriter. While both the original and current capture rates are below the maximum 100% allowed for developments targeted to seniors, the increase in income band improves the capture rate.

DEVELOPMENT SPECIFICATIONS															
IMPROVEMENTS															
Total Units:	<u>177</u>	# Rental Buildings	<u>5</u>	# Non-Res. Buildings	<u>1</u>	Max # of Floors	<u>3</u>	Age:	<u>0</u> yrs	Vacant:	<u>N/A</u>	at	/	/	
Net Rentable SF:	<u>139,034</u>	Av Un SF:	<u>786</u>	Common Area SF:	<u>6,556</u>	Gross Bldg SF:	<u>145,590</u>								
STRUCTURAL MATERIALS															
The structures will be wood-framed on post-tensioned concrete slabs on grade. According to the plans provided in the application the exteriors will be comprised of 76% brick veneer and 24% cement fiber siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composite shingles.															
APPLIANCES AND INTERIOR FEATURES															
The interior flooring will be a combination of carpeting and vinyl. Each unit will include: range and oven, hood and fan, garbage disposal, dishwasher, refrigerator, microwave oven, tile tub/shower, washer and dryer connections, ceiling fans, laminated counter tops, individual water heaters, central heating and air conditioning, and 9-foot ceilings.															
ONSITE AMENITIES															
A 6,556-square foot community building will include activity rooms, management offices, fitness room, kitchen, dining room, restrooms, a business center, a salon, media room, and a central mailroom. The community building is located at the entrance to the property. In addition, perimeter fencing with limited access gate is planned for the site.															
Uncovered Parking:	<u>270</u>	Spaces		Carports:	<u>0</u>	spaces		Garages:	<u>0</u>	spaces					
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION															
Description: The Villa at Bethel Apartments is a 14.5-unit per acre new construction development of 177 units of affordable elderly housing located in south Houston. The development will be comprised of five evenly distributed, large, garden style, elevator-served, low-rise residential buildings as follows:															

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- Three three-story Building Type I with 24 one-bedroom/one-bath units and 18 two-bedroom/one-bath units;
- One two-story Building Type II with 12 one-bedroom/one-bath units, 14 two-bedroom/one-bath units; and
- One two-story Building Type III with eleven one-bedroom/one-bath units, 14 two-bedroom/one-bath units.

Architectural Review: The building and unit plans are of good design, sufficient size, and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

SITE ISSUES				
SITE DESCRIPTION				
Size:	10.42 acres	453,895 square feet	Flood Zone Designation:	Zone AE (100-year floodplain, map 48201CO89OL)
Zoning:	No zoning in Houston			

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is a trapezoidally-shaped parcel located in the southern area of Houston, approximately eight miles from the central business district. The site is situated on the south side of Airport Boulevard.

Adjacent Land Uses:

- **North:** Airport Boulevard is immediately adjacent, and Sims Bayou and a Harris County Flood Control drainage easement beyond;
- **South:** Single-family residences immediately adjacent and Holloway Drive beyond;
- **East:** A vacant tract of land is immediately adjacent and Cullen Boulevard beyond; and
- **West:** A gas service station is immediately adjacent and Leintrim Way, undeveloped land, and a drainage canal beyond.

Site Access: Access to the property is from the east or west along Airport Boulevard, from which the development is to have one main entry. Access to Interstate Highway 610 is 2.5 miles north, which provides connections to all other major roads serving the Houston area.

Public Transportation: Public transportation to the area is provided by the city bus system, with Routes 52 and 89 accessible along Airport Boulevard. The Villas at Bethel will also have a van on site for use by residents.

Shopping & Services: The site is within two miles of several major grocery stores and pharmacies. Schools, shopping centers, restaurants, parks, churches, and health care facilities are located within a short driving distance from the site.

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

- **Floodplain:** The environmental analyst has indicated that the site falls within the 100-year floodplain and therefore the requirements outlined in Section 49.6.(a) of the 2005 QAP apply: “Any Development proposing new construction located within the 100-year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements.” The Applicant provided a letter from Brown and Gay Engineers, Inc. dated January 20, 2006 stating that “All of the building foundation floors are set at least one foot above the base flood elevation.” The letter also states “The site flood plain mitigation plan has been approved by the Harris County Flood Control District and the City of Houston flood plain administrator.” The Applicant also provided a copy of a flood plain mitigation plan with approval from the Harris County Flood Control Group.
- **Environmental Hazard:** According to the survey, multiple buried petroleum pipelines traverse the property; this issue is addressed in the following section.

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Site Inspection Findings: TDHCA staff re-inspected the site on January 6, 2006 and found the site to be Acceptable for the proposed development. Additional comments include: “Sims Bayou, a major drainage system directly in front of the property, is being improved. Small vibrations in the area are temporary. This condition is expected based on the usage of heavy off site equipment nearby. There are underground gas lines running parallel with the street and property line.” The original inspection on June 3, 2005 found the location to be Questionable (Acceptable rating but the inspector has reservations) due to the following observations: “I could feel the ground underneath me vibrate while standing on boulevard median while trucks traveled on the boulevard. The area is concentrated with four underground gas pipelines along with a City of Houston main sewer drainage system and an extended ditch. The main’s opening, consisting of a concrete collar with metal lid that protrudes from the ground, appears to have shifted. These elements and conditions appear [to be] evidence of some unstable soils.”

The Applicant provided a copy of the Geotechnical Investigation prepared by The Murillo Company dated July 2005. The purpose of the study “was to evaluate the subsurface soil conditions in the subject apartment development and provide recommendations for foundation design, pavement design, and detention requirements” (p. 1). According to the General Site Evaluation, “Based on a review of the Boring Logs and Laboratory Testing, we believe that the subject tract described in this report is suitable for the construction of the proposed complex, and that no out of the ordinary design and construction difficulties will be encountered” (p. 11).

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated June 21, 2005, was prepared by ATC Associates Inc., and contained the following findings and recommendations:

Findings:

- **Floodplain:** “According to the February 6, 1996 Flood Insurance Rate Map of Harris County, Texas and incorporated areas (panel 890 Map No. 48201C 0890 J), the subject property is located in “Zone AE.” Zone AE is described as special flood hazard areas subject to inundation by the 100-year flood determined in a flood insurance study by detailed methods.” (p.13) See Special Adverse Site Characteristics section above for discussion of flood plain mitigation plan.
- **Petroleum Pipelines:** “The pipeline easement on the subject property trends northwest to southeast. According to interviews conducted, the corridor contains one 8-inch diameter and one 12-inch diameter Genesis crude oil pipelines installed in 1919, a 12-inch diameter Seminole crude oil pipeline installed in the 1950s, and an 8-inch ExxonMobil crude oil pipeline installed in the 1950s. The Genesis pipelines are reportedly idle and have been idle for approximately 24 months. The Seminole and ExxonMobil pipelines are currently active. According to representatives from the respective pipeline companies, no releases or leaks have been reported on or near the subject property. According to the property owner, he is not aware of releases or environmental concerns associated with the pipelines. No odors or evidence of environmental impact was noted along the pipeline easement during the site reconnaissance. No signs of stained soil or releases from the pipelines were noted during the site reconnaissance. Based on field reconnaissance observations and the lack of reported incidents associated with the pipeline easement, this pipeline corridor does not appear to represent evidence of a recognized environmental condition in connection with the subject property.” (p. 22)
- **Solid Waste:** “Areas containing large piles of solid waste debris, including concrete, rusted metal containers, wooden boards, rubber tires, and household trash were observed scattered in various locations...The waste debris appears to be the result of illegal dumping. The waste containers were deteriorated, which impeded label identification of previous contents. However, all containers were found to be empty during the site reconnaissance...The trash and debris does not appear to represent evidence of a recognized environmental condition in connection with the subject property.” (p. 22)

Recommendations:

- “This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property.” (p. 24)
- “No further assessment of recognized environmental conditions appears to be warranted at this time. The

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solid waste piles located on the subject property should be removed and appropriately disposed.” (p. 3)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, and is a Priority 3 private activity bond lottery development. As a condition of receiving the City of Houston HOME funding at least 20% (three) of the 12 HOME-assisted units must be rented at Low HOME rents, and at initial occupancy the remaining 80% (nine) of the HOME-assisted units must be rented at High HOME rents to households whose incomes do not exceed 60% of AMGI. A proportionate number of units of comparable bedroom size must be in the inventory of HOME-assisted units. The City’s condition states that after initial occupancy 80% of the HOME-assisted units may be occupied by households with incomes up to 80% of AMGI; however, to qualify for HTC funding all 177 of the units will be reserved for elderly households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study dated June 21, 2005 and updated October 10, 2005 was prepared by Ipser & Associates, Inc. (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “...[the] South Houston market area, which is roughly between South Loop 610, Interstate 45, the Harris County line, South Sam Houston Parkway, Hiram Clarke Road, S. Post Oak, and Main Street (U.S. 90 Alternate)” (p. 2-17). This area encompasses approximately 78 square miles and is equivalent to a circle with a radius of five miles.

Population: The estimated 2005 total population of the PMA was 175,825, which exceeds the maximum TDHCA population guideline of 100,000 persons. As justification the Market Analyst stated that “This large market... is considered essentially a pocket between the major highways (Loop 610, Interstate Highway 45, the Sam Houston Parkway, the county line, and State Highway 90). The area contains generally common demographic and housing characteristics. (p. 2-13). The estimated 2005 *elderly* (age 55+) population of the PMA was 30,709 and is expected to increase by 1.1% to approximately 31,049 by 2006. Within the primary market area there were estimated to be 19,800 elderly households in 2005.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 275 qualified households in the PMA, based on the current estimate of 19,800 households, the projected annual growth rate of 1.1%, renter households estimated at 20% of the population, income-qualified households estimated at 17.4%, and an annual renter turnover rate of 35% (update, Ex. N-1). The Market Analyst used an income band of \$17,130 to \$29,300.

ANNUAL SENIORS INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	9	3%	6	3%
Resident Turnover	241	88%	227	97%
Other Sources:	25	9%		
TOTAL ANNUAL DEMAND	275	100%	233	100%

Ref: update p. 3-4, 3-5

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 64% based upon 275 units of demand and 177 units of unstabilized affordable housing in the PMA (the subject). The Underwriter calculated a similar inclusive capture rate of 76% based upon a very slightly lower demand estimate of 233 qualified households. This capture rate is within the 100% guideline for developments targeting senior

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households.

Local Housing Authority Waiting List Information: “The existing Section 8 program is administered by the Houston Housing Assistance Partnership (HHAP) but no current information was available...In March 2004, HHAP indicated that 96.1% of the 14,095 available Section 8 vouchers were issued, and 33.6% of all the distributed vouchers are elderly/disabled tenants (4,552)...Two public housing projects, operated by HACH, are located in the subject’s market area...The 308 total public housing units surveyed were 98.7% occupied and 99.4% leased.” (update, p. 2-21)

Market Rent Comparables: “The comparable market data used in this report consists of [18 apartment properties with] 3,338 total apartment units, 76.1% of which were family-oriented apartments (2,539 units), while 23.9% were elderly-designated units (799 units).” (p. 2-19)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (LH)	\$517	\$517	\$0	\$640	-\$123
1-Bedroom (HH)	\$632	\$547	\$85	\$640	-\$8
1-Bedroom (60%)	\$632	\$632	\$0	\$640	-\$8
2-Bedroom (LH)	\$622	\$622	\$0	\$750	-\$128
2-Bedroom (HH)	\$750	\$759	-\$9	\$750	\$0
2-Bedroom (60%)	\$750	\$759	-\$9	\$750	\$0

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

Primary Market Occupancy Rates: “Physical occupancy in 2,292 non-stabilized units was 88.5%, while leased occupancy was 89.7%. The 1,624 conventional units in the market area were 87.1% occupied and 88.1% leased. Among 1,046 rental-assisted units, occupancy was 96.5% and 96.7% leased, or 97.7% and 98% leased after excluding 13 off-line units.” (p. 2-20)

Absorption Projections: “Average absorption for the subject is estimated at 15 to 18 units per month, and it is expected that a 9- to 11-month lease up period will be required to achieve 92.5% occupancy of 177 units.” (p. 2-23)

Effect on Existing Housing Stock: “The construction of the proposed elderly project will have little impact on the existing apartments in the south Houston market area.” (p. 2-11)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant identified 12 HOME units as shown on the accompanying analysis but provided a rent schedule reflecting 18 units with low HOME rents. For the remainder of the units, the Applicant’s rent projections are the maximum rents allowed under HTC guidelines. The Underwriter has used the lower of the maximum program rents or the estimated market rents for 12 HOME units and 165 HTC units, resulting in the Underwriter’s potential gross rental income estimate being \$11,712 higher than the Applicant’s. The Applicant’s secondary income estimate is slightly higher than the TDHCA maximum underwriting guideline of \$15/unit/month. The Applicant also utilized a lower vacancy and collection loss rate of 7% which is not reflective of the existing market conditions. As a result of these differences the Applicant’s effective gross income estimate is \$3,505 lower than the Underwriter’s estimate, a difference of 0.3%.

Expenses: The Applicant’s total expense estimate of \$3,940 per unit is comparable with the Underwriter’s database-derived estimate of \$4,050 per unit for comparably-sized developments. The Applicant’s budget shows several line item estimates, that deviate significantly when compared to the database averages, payroll (\$29.3K lower), repairs and maintenance (\$26.5K higher), utilities (\$11.7K lower), and water, sewer, and trash (\$20.8K lower). The Underwriter discussed these differences with the Applicant but was unable to reconcile the differences. The Applicant’s operating budget does not reflect any property tax abatement resulting from the participation of the nonprofit ISSACHAR of America, Inc., and therefore the Underwriter has also used a full tax estimate.

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Conclusion: The Applicant's estimated income, operating expenses, and net operating income (NOI) are consistent with the Underwriter's expectations. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30. Should an exemption be sought prior to issuance of 8609's, a re-evaluation of the potential debt service could have an affect on the gap method of calculating the tax credits needed.

ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land Only (11.26 acres):	\$198,847	Assessment for the Year of:	2005
Per acre:	\$17,660	Valuation by:	Harris County Appraisal District
Prorated Assessed Land Value: 10.42 acres	\$184,013	Tax Rate:	3.00954

EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Commercial contract - unimproved property (10.26 acres)		
Contract Expiration Date:	1/ 22/ 2006	Anticipated Closing Date:	12/ 30/ 2005
Acquisition Cost:	\$300,000	Other Terms/Conditions:	\$30,000 earnest money
Seller:	AM Mini Mart No. 23, Inc.	Related to Development Team Member:	No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$300,000 (\$0.67/SF, \$29,240/acre, or \$1,695/unit) is substantiated by the tax assessed value of \$184,013. The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction. The Applicant also included \$30,000 of closing costs and legal fees in the total acquisition cost of the property.

Sitework Cost: The Applicant's claimed sitework costs of \$7,250 per unit are within the Department's allowable guidelines for multifamily developments without requiring additional justifying documentation. These costs would not appear to reflect the extensive floodplain mitigation sitework required by TDHCA policy.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$72K or 1% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

Fees: The Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis by \$792 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown is used to calculate eligible basis and estimate the HTC allocation. As a result, an eligible basis of \$13,704,406 is used to determine an annual credit allocation of \$630,677 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

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FINANCING STRUCTURE			
INTERIM TO PERMANENT BOND FINANCING			
Source:	GMAC/Newman and Associates		Contact: Lloyd Griffin/Jerry Wright
Tax-Exempt Amount:	\$8,200,000	Interest Rate:	6.6%
Amortization:	40 yrs	Term:	33 yrs
Annual Payment:	\$567,628	Lien Priority:	1
		Commitment:	<input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm <input type="checkbox"/> Conditional
		Date:	1/ 10/ 2006
LOCAL HOME FUNDING			
Source:	City of Houston		Contact: Milton Wilson
Principal Amount:	\$1,000,000	Commitment:	<input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional
Additional Information:	Terms (grant/loan) pending underwriting Commitment Date 8/ 19/ 2005		
TAX CREDIT SYNDICATION			
Source:	Guilford Capital Corporation		Contact: Mike Sugrue
Net Proceeds:	\$5,991,174	Net Syndication Rate (per \$1.00 of 10-yr HTC)	95¢
Commitment:	<input type="checkbox"/> LOI <input type="checkbox"/> Firm	<input checked="" type="checkbox"/> Conditional	Date: 1/ 16/ 2006
Additional Information:			
APPLICANT EQUITY			
Amount:	\$133,139	Source:	Deferred developer fee and GIC Income
FINANCING STRUCTURE ANALYSIS			
<p><u>Interim to Permanent Bond Financing:</u> The tax-exempt bonds are to be issued by Houston Housing Finance Corporation and purchased by GMAC/Newman Capital. The permanent financing commitment is not consistent with the terms reflected in the sources and uses listed in the application. Specifically, the commitment interest rate is described with a floor rate of 6.3% and the application indicates and interest rate of 6.6%.</p> <p><u>City of Houston HOME Funds:</u> The Applicant's sources and uses of funds statement reflects \$1,000,000 in City of Houston HOME funds. The commitment from the City of Houston is conditioned on the HOME unit rent restrictions noted in the "Operating Proforma" section above and also states "No decision will be made as to whether the HOME funds will be a grant or a loan until Applicant's project cash flow has been analyzed and project is fully underwritten." Neither the Applicant nor the Underwriter has included any HOME funding debt service in this analysis. However, with the recent designation of Harris County as a DDA and the subsequent 30% boost in eligible basis, it appears that the deal is financially feasible without HOME funds. Without the HOME funds, the Applicant would be required to defer 63% of the total developer fees which would be repayable within ten years of stabilized operation.</p> <p><u>HTC Syndication:</u> The syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.</p> <p><u>Deferred Developer's Fees:</u> The Applicant's proposed deferred developer's fees of \$40,221 amount to 2% of the total fees.</p> <p><u>GIC Income:</u> The Applicant included \$92,918 in anticipated income from investment of the bond proceeds in a guaranteed investment contract (GIC) during the construction period. The Underwriter has included this amount in deferred developer fee in the recommended financing structure.</p> <p><u>Financing Conclusions:</u> Based on the Applicant's adjusted estimate of eligible basis, the tax credit allocation should not exceed \$630,677 annually for ten years, resulting in syndication proceeds of approximately \$5,990,830. This amount is less than the Applicant's requested credits and the credits resulting from the development's gap in need. Therefore, the Underwriter recommends an annual tax credit allocation of \$630,677. Based on the Underwriter's analysis, the Applicant's deferred developer fees will be increased</p>			

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to \$133,483, which represents 7% of the eligible fee and which should be repayable from cash flow within two years of stabilized operation.

Receipt by the Applicant of a partial or full property tax exemption would increase net operating income, and could be used to either increase the first lien debt amount and decrease the amount of fee deferral required, or which could alternatively be used to service the City of Houston HOME funds if awarded as a loan. The transaction appears to be viable as proposed without the City of Houston HOME funds. As the final terms of the Houston HOME funding are not known as of the date of this analysis however, receipt, review, and acceptance of the final City of Houston HOME commitment, to include all financing terms and conditions, is a condition of this report.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and Property Manager firm are all related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 75% owner of the General Partner, KRR Construction Inc., submitted an unaudited financial statement as of December 31, 2004, reporting total assets of \$11.2M and consisting of \$85K in cash, \$128K in receivables, \$271K in real property, \$63K in machinery, equipment, and fixtures, and \$1.7M in partnership interests. Liabilities totaled \$9.7M, resulting in a net worth of \$1.5M.
- The 25% owner and member of the General Partner, ISSACHAR America, Inc., submitted an unaudited financial statement as of June 30, 2005, reporting total assets of \$13K and consisting of \$2K in cash, \$0 in receivables, and \$11K in fixed assets. Liabilities totaled \$7K, resulting in a net worth of \$6K.
- The principal of the General Partner and 100% owner of KRR Construction Inc., Joseph Kemp, submitted an unaudited financial statement as of June 30, 2005 and is anticipated to be guarantor of the development.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant environmental/location risks exist regarding the site's location within the 100-year floodplain and the buried petroleum pipelines traversing the site.
- The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).
- The terms of the City of Houston HOME financing are unknown and may potentially adversely affect the financing of the development.

Underwriter:

Brenda Hull

Date: February 6, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: February 6, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

The Villas at Bethel Apartments, Houston, 4% HTC #05444

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%/LH	2	1	1	726	\$571	\$517	\$1,034	\$0.71	\$54.00	\$32.31
TC 60%/HH	4	1	1	726	601	\$547	2,188	0.75	54.00	32.31
TC 60%	37	1	1	726	686	\$632	23,384	0.87	54.00	32.31
TC 60%	52	1	1	733	686	\$632	32,864	0.86	54.00	36.31
TC 60%/LH	1	2	1	850	686	\$622	622	0.73	64.00	36.31
TC 60%/HH	5	2	1	850	733	\$669	3,345	0.79	64.00	36.31
TC 60%	76	2	1	850	823	\$750	57,000	0.88	64.00	36.31
TOTAL:	177		AVERAGE:	786	\$743	\$680	\$120,437	\$0.87	\$58.63	\$35.34

INCOME Total Net Rentable Sq Ft: 139,034

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

General & Administrative 4.31% \$332 0.42

Management 4.00% 309 0.39

Payroll & Payroll Tax 12.56% 969 1.23

Repairs & Maintenance 5.33% 411 0.52

Utilities 2.28% 176 0.22

Water, Sewer, & Trash 4.34% 335 0.43

Property Insurance 2.54% 196 0.25

Property Tax 3.00954 12.48% 963 1.23

Reserve for Replacements 2.59% 200 0.25

Other: compl fees 2.04% 157 0.20

TOTAL EXPENSES 52.46% \$4,050 \$5.16

NET OPERATING INC 47.54% \$3,670 \$4.67

DEBT SERVICE

First Lien Mortgage (GMAC) 41.14% \$3,176 \$4.04

Local HOME Funds 0.00% \$0 \$0.00

Additional Financing 0.00% \$0 \$0.00

NET CASH FLOW 6.40% \$494 \$0.63

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description Factor % of TOTAL PER UNIT PER SQ FT

Acquisition Cost (site or bldg) 2.17% \$1,864 \$2.37

Off-Sites 0.00% 0 0.00

Sitework 8.43% 7,250 9.23

Direct Construction 48.65% 41,846 53.27

Contingency 5.00% 2.85% 2,455 3.13

General Req'ts 6.00% 3.42% 2,946 3.75

Contractor's G & A 2.00% 1.14% 982 1.25

Contractor's Profit 6.00% 3.42% 2,946 3.75

Indirect Construction 5.41% 4,652 5.92

Ineligible Costs 5.18% 4,457 5.67

Developer's G & A 2.00% 1.55% 1,337 1.70

Developer's Profit 13.00% 10.10% 8,690 11.06

Interim Financing 4.38% 3,767 4.80

Reserves 3.29% 2,826 3.60

TOTAL COST 100.00% \$86,017 \$109.51

Recap-Hard Construction Costs 67.92% \$58,424 \$74.38

SOURCES OF FUNDS

First Lien Mortgage (GMAC) 53.86% \$46,328 \$58.98

Local HOME Funds 6.57% \$5,650 \$7.19

HTC Syndication Proceeds 39.35% \$33,848 \$43.09

Deferred Developer Fees 0.87% \$752 \$0.96

Additional (Excess) Funds Req'd -0.65% (\$561) (\$0.71)

TOTAL SOURCES

TDHCA	APPLICANT
\$1,445,244	\$1,432,392
31,860	33,000
0	0
\$1,477,104	\$1,465,392
(110,783)	(102,576)
0	
\$1,366,321	\$1,362,816
\$58,841	\$67,700
54,653	54,470
171,590	142,287
72,798	99,252
31,134	19,470
59,275	38,500
34,759	32,745
170,460	172,575
35,400	44,250
27,855	26,085
\$716,766	\$697,334
\$649,555	\$665,482
\$562,128	\$567,628
0	0
0	0
\$87,427	\$97,854
1.16	1.17
	1.18

Comptroller's Region 6

IREM Region Houston

\$15.54 Per Unit Per Month

\$1,477,104 \$1,465,392

(110,783) (102,576)

0

\$1,366,321 \$1,362,816

\$58,841 \$67,700

54,653 54,470

171,590 142,287

72,798 99,252

31,134 19,470

59,275 38,500

34,759 32,745

170,460 172,575

35,400 44,250

27,855 26,085

\$716,766 \$697,334

\$649,555 \$665,482

\$562,128 \$567,628

0 0

0 0

\$87,427 \$97,854

1.16 1.17

1.18

PER SQ FT PER UNIT % OF EGI

\$0.49 \$382 4.97%

0.39 308 4.00%

1.02 804 10.44%

0.71 561 7.28%

0.14 110 1.43%

0.28 218 2.83%

0.24 185 2.40%

1.24 975 12.66%

0.32 250 3.25%

0.19 147 1.91%

\$5.02 \$3,940 51.17%

\$4.79 \$3,760 48.83%

\$4.08 \$3,207 41.65%

\$0.00 \$0 0.00%

\$0.00 \$0 0.00%

\$0.70 \$553 7.18%

\$110.22 \$86,578 100.00%

\$74.99 \$58,908 68.04%

RECOMMENDED

\$8,200,000 Developer Fee Available

1,000,000 \$1,787,531

5,990,830 % of Dev. Fee Deferred

133,483 7%

0 15-Yr Cumulative Cash Flow

\$15,324,313 \$2,835,818

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Villas at Bethel Apartments, Houston, 4% HTC #05444

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$ 45.04	\$6,262,771
Adjustments				
Exterior Wall Finish	6.08%		\$2.74	\$380,776
Elderly/9-Ft. Ceilings	6.00%		2.70	375,766
Roofing			0.00	0
Subfloor			(0.81)	(112,896)
Floor Cover			2.00	278,068
Porches/Balconies	\$18.00	46,412	6.01	835,416
Plumbing	\$605		0.00	0
Built-In Appliances	\$1,650	177	2.10	292,050
Stairs/Fireplaces	\$1,475	16	0.17	23,600
Enclosed Corridors	\$35.12		0.00	0
Heating/Cooling			1.53	212,722
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$58.70	6,040	2.55	354,548
Elevators	\$43,200	5	1.55	216,000
SUBTOTAL			65.59	9,118,822
Current Cost Multiplier	1.12		7.87	1,094,259
Local Multiplier	0.88		(7.87)	(1,094,259)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.59	\$9,118,822
Plans, specs, survy, bld prm	3.90%		(\$2.56)	(\$355,634)
Interim Construction Interest	3.38%		(2.21)	(307,760)
Contractor's OH & Profit	11.50%		(7.54)	(1,048,665)
NET DIRECT CONSTRUCTION COSTS			\$53.27	\$7,406,764

PAYMENT COMPUTATION

Primary	\$8,200,000	Amort	480
Int Rate	6.30%	DCR	1.16

Secondary	\$1,000,000	Amort	
Int Rate	2.00%	Subtotal DCR	1.16

Additional		Amort	
Int Rate		Aggregate DCR	1.16

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI

Primary Debt Service	\$562,128
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$103,354

Primary	\$8,200,000	Amort	480
Int Rate	6.30%	DCR	1.18

Secondary	\$1,000,000	Amort	0
Int Rate	2.00%	Subtotal DCR	1.18

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,432,392	\$1,475,364	\$1,519,625	\$1,565,213	\$1,612,170	\$1,868,947	\$2,166,621	\$2,511,708	\$3,375,526
Secondary Income	33,000	33,990	35,010	36,060	37,142	43,058	49,915	57,866	77,767
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,465,392	1,509,354	1,554,634	1,601,273	1,649,312	1,912,004	2,216,537	2,569,574	3,453,292
Vacancy & Collection Loss	(102,576)	(113,202)	(116,598)	(120,096)	(123,698)	(143,400)	(166,240)	(192,718)	(258,997)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,362,816	\$1,396,152	\$1,438,037	\$1,481,178	\$1,525,613	\$1,768,604	\$2,050,297	\$2,376,856	\$3,194,295
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$67,700	\$70,408	\$73,224	\$76,153	\$79,199	\$96,358	\$117,234	\$142,634	\$211,133
Management	54,470	55802.4061	57476.47827	59200.77262	60976.7958	70688.81851	81947.71464	94999.86103	127671.8693
Payroll & Payroll Tax	142,287	147,978	153,898	160,054	166,456	202,519	246,395	299,777	443,744
Repairs & Maintenance	99,252	103,222	107,351	111,645	116,111	141,267	171,873	209,110	309,533
Utilities	19,470	20,249	21,059	21,901	22,777	27,712	33,716	41,020	60,720
Water, Sewer & Trash	38,500	40,040	41,642	43,307	45,040	54,798	66,670	81,114	120,068
Insurance	32,745	34,055	35,417	36,834	38,307	46,606	56,704	68,989	102,120
Property Tax	172,575	179,478	186,657	194,123	201,888	245,628	298,844	363,589	538,201
Reserve for Replacements	44,250	46,020	47,861	49,775	51,766	62,982	76,627	93,228	138,000
Other	26,085	27,128	28,214	29,342	30,516	37,127	45,171	54,957	81,350
TOTAL EXPENSES	\$697,334	\$724,381	\$752,798	\$782,336	\$813,037	\$985,685	\$1,195,181	\$1,449,418	\$2,132,541
NET OPERATING INCOME	\$665,482	\$671,771	\$685,238	\$698,842	\$712,576	\$782,919	\$855,116	\$927,438	\$1,061,754
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$562,128	\$562,128	\$562,128	\$562,128	\$562,128	\$562,128	\$562,128	\$562,128	\$562,128
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$103,354	\$109,643	\$123,111	\$136,715	\$150,448	\$220,791	\$292,988	\$365,310	\$499,626
DEBT COVERAGE RATIO	1.18	1.20	1.22	1.24	1.27	1.39	1.52	1.65	1.89

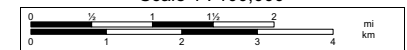
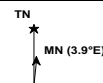
LIHTC Allocation Calculation - The Villas at Bethel Apartments, Houston, 4% HTC #05444

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$330,000	\$330,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,283,250	\$1,283,250	\$1,283,250	\$1,283,250
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$7,478,726	\$7,406,764	\$7,478,726	\$7,406,764
(4) Contractor Fees & General Requirements				
Contractor overhead	\$175,240	\$173,800	\$175,240	\$173,800
Contractor profit	\$525,719	\$521,401	\$525,719	\$521,401
General requirements	\$525,719	\$521,401	\$525,719	\$521,401
(5) Contingencies				
	\$438,099	\$434,501	\$438,099	\$434,501
(6) Eligible Indirect Fees				
	\$823,400	\$823,400	\$823,400	\$823,400
(7) Eligible Financing Fees				
	\$666,723	\$666,723	\$666,723	\$666,723
(8) All Ineligible Costs				
	\$788,925	\$788,925		
(9) Developer Fees				
			\$1,787,531	
Developer overhead		\$236,625		\$236,625
Developer fee	\$1,788,323	\$1,538,061		\$1,538,061
(10) Development Reserves				
	\$500,189	\$500,189		
TOTAL DEVELOPMENT COSTS	\$15,324,313	\$15,225,039	\$13,704,406	\$13,605,925

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$13,704,406	\$13,605,925
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$17,815,727	\$17,687,702
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$17,815,727	\$17,687,702
Applicable Percentage		3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS		\$630,677	\$626,145

Syndication Proceeds	0.9499	\$5,990,830	\$5,947,779
Total Credits (Eligible Basis Method)		\$630,677	\$626,145
Syndication Proceeds		\$5,990,830	\$5,947,779
Requested Credits		\$630,713	
Syndication Proceeds		\$5,991,174	
Gap of Syndication Proceeds Needed		\$6,124,313	
Credit Amount		\$644,729	

The Villas at Bethel



Applicant Evaluation

Project ID # **05444**

Name: **The Villas at Bethel**

City: **Houston**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 10

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 10

Yes No

Projects not reported Yes

grouped ten to nineteen: 0

monitored with a score less than thirty: 10

in application No

by score twenty to twenty-nine: 0

not yet monitored or pending review: 1

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Not applicable
 Review pending
 No unresolved issues
 Issues found regarding late cert
 Issues found regarding late audit
 Unresolved issues found that warrant disqualification
 (Comments attached)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewed by Patricia Murphy

Date 12/20/2005

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer S. Roth
 Date 12/19/2005

Single Family Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer Paige McGilloway
 Date 12/15/2005

Real Estate Analysis (Cost Certification and Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer _____
 Date _____

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer EEF
 Date 12/16/2005

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer _____
 Date _____

Financial Administration

No delinquencies found
 Delinquencies found

Reviewer Melissa M. Whitehead
 Date 12/22/2005

Executive Director: Edwina Carrington

Executed: day, December 28, 2005

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval for the issuance of Housing Tax Credits for Arbor Court.

Summary of the Transaction

The application was received on November 18, 2005. The Issuer for this transaction is Harris County HFC. The development is located at 802 Seminar Dr. in Houston. Demographics for the census tract include AMFI of \$30,109; the total population is 8776; the percent of population that is minority is 93.48%; the percent of population that is below the poverty line is 26.13%; the number of owner occupied units is 85; the number of renter units is 3430 and the number of vacant units is 1116. The percent of population that is minority for the entire City of Houston is 69% (Census information from FFIEC Geocoding for 2005). The development is an acquisition/rehabilitation and will consist of 232 total units targeting the general population, with all affordable – for a Priority 3 bond transaction this means that at least 75% of the units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. There is no zoning required for the Houston area. The Department has received no letters of support and no letters in opposition. The bond priority for this transaction is:

- Priority 1A:** Set aside **50%** of units that cap rents at 30% of **50%** AMFI **and** Set aside **50%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1B:** Set aside **15%** of units that cap rents at 30% of **30%** AMFI **and** Set aside **85%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1C:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. (MUST receive 4% Housing Tax Credits)
- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 3:** Any qualified residential rental development.

Recommendation

Staff recommends the Board approve the issuance of Housing Tax Credits for Arbor Court.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Arbor Court, TDHCA Number 05449

BASIC DEVELOPMENT INFORMATION

Site Address: 802 Seminar Drive Development #: 05449
 City: Houston Region: 6 Population Served: Family
 County: Harris Zip Code: 77060 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: ACQ/R
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: Harris County HFC
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: FPI-Arbor Court, LP
 Hans Juhle - Phone: (415) 788-0700
 Developer: Fidelity Partners, Inc.
 Housing General Contractor: Fidelity Partners, Inc.
 Architect: To Be Determined
 Market Analyst: Butler Burgher
 Syndicator: Boston Capital
 Supportive Services: Rainbow Housing Assistance Corp.
 Consultant: State Street Housing Advisors, LP

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	232
0	0	0	232	0	0	Market Rate Units:	0
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	64	168	0	0		Total Development Units:	232
Type of Building:	5 units or more per bldng					Total Development Cost:	\$10,933,765
Number of Residential Buildings:	15						

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:		\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$367,441	\$350,478	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$0	\$0	0	0	0.00%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Arbor Court, TDHCA Number 05449

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15

NC Points: 0

US Representative: Jackson-Lee, District 18, NC

TX Representative: Thompson, District 141

NC Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC

Resolution of Support from Local Government

Milton Wilson, Jr., Director, Housing and Community Development Department; The proposed rehabilitation is consistent with the City of Houston's Consolidated Plan.

Individuals/Businesses: In Support: 0

In Opposition: 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs if any, building flood insurance and tenant flood insurance costs, prior to initial closing on the property.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Arbor Court, TDHCA Number 05449

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$350,478

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$350,478 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$0

Recommendation:

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 2, 2006

PROGRAM: 4% HTC

FILE NUMBER: 05449

DEVELOPMENT NAME

Arbor Court Apartments

APPLICANT

Name:	<u>FPI - Arbor Court, L.P.</u>	Type:	<u>For-profit</u>
Address:	<u>556 Commercial Street, Suite 300</u>	City:	<u>San Francisco</u> State: <u>CA</u>
Zip:	<u>94111</u>	Contact:	<u>Hans Juhle</u>
		Phone:	<u>(415) 788-0700</u> Fax: <u>(415) 788-0435</u>

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	<u>Gung Ho - Arbor Court, LLC</u>	(%):	<u>0.01</u>	Title:	<u>Managing General Partner</u>
Name:	<u>Gung Ho Partners, LLC</u>	(%):	<u>N/A</u>	Title:	<u>100% Owner of Gung Ho – Arbor Court, LLC</u>
Name:	<u>Fidelity Partners, Inc.</u>	(%):	<u>N/A</u>	Title:	<u>100% Owner of Gung Ho – Partners, LLC and developer/contractor</u>
Name:	<u>Joseph L. Sherman</u>	(%):	<u>N/A</u>	Title:	<u>49% Owner of Fidelity Partners, Inc.</u>
Name:	<u>Sandra Sherman</u>	(%):	<u>N/A</u>	Title:	<u>51% Owner of Fidelity Partners, Inc.</u>
Name:	<u>State Street Housing Advisors, LP</u>	(%):	<u>N/A</u>	Title:	<u>Consultant</u>

PROPERTY LOCATION

Location: 802 Seminar Drive **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77060

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$367,441	N/A	N/A	N/A
Other Requested Terms:	<u>1) Annual ten-year allocation of housing tax credits</u>		
Proposed Use of Funds:	<u>Acquisition/rehab</u>	Property Type:	<u>Multifamily</u>
Special Purpose (s):	<u>General Population</u>		

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$350,478 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs if any, building flood insurance and tenant flood insurance costs, prior to the initial closing on the property;
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 232 **# Rental Buildings:** 15 **# Non-Res. Buildings:** 1 **# of Floors:** 2 **Age:** 26 yrs **Vacant:** 0 at 11/ 7/ 2005
Net Rentable SF: 181,904 **Av Un SF:** 784 **Common Area SF:** 1,441 **Gross Bldg SF:** 183,345

STRUCTURAL MATERIALS

The structures is wood frame on a slab on grade. According to the plans provided in the application the exteriors is comprised as follows: 50% brick veneer/25% cement fiber siding, and 25% wood siding. The interior wall surfaces is drywall and the pitched roofs is finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring is a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, dishwasher, refrigerator, fiberglass tub/shower, laminated counter tops, individual water heaters, and individual heating and air conditioning.

ONSITE AMENITIES

A 1,441-square foot leasing office does include a computer room and a central mailroom. The leasing office, swimming pool, and equipped children's play area are located at the entrance to the property. In addition, a basketball court and perimeter fencing with limited access gates are planned for the site.

Uncovered Parking: 337 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Arbor Court is a 24.6-unit per acre acquisition and rehabilitation development of 232 units of affordable housing located in north Houston. The development was built in 1979 and is comprised of 15 sporadically distributed large garden style, walk-up residential buildings as follows:

- Four Building Type A with 16 one-bedroom/one-bath units;
- One Building Type B with 8 two-bedroom/one-bath units;
- Two Building Type C with 16 two-bedroom/one-bath units;
- Eight Building Type D with 16 two-bedroom/two-bath units;

Existing Subsidies: The property currently operates under a HUD Section 8 project-based Housing Assistance Payment (HAP) contract for all 232 units. The HAP contract will expire on April 15, 2007 and has been assigned to the new owner in conjunction with the acquisition/rehabilitation transaction. HUD will recommend and process the new owner's and/or the current owner's, anticipated request for a new 20-year HAP contract for the project, subject to the availability of sufficient Congressional Appropriations for all 232 units.

Development Plan: The buildings are currently 100% occupied and appear to be in a fair to good overall condition. The proposed renovations include rehab of the interior of all 116 second floor apartment units to include new kitchen cabinets and counters, new bathroom cabinets and counters, removal of all carpet and installation of vinyl tile, new appliances for approximately 50 units, and select interior work and new windows for select units. Replacement of kitchen cabinets and countertops including the sinks and associate plumbing, faucets and disposals. Replacement of appliances and HVAC equipment and water heaters in 50 units. Replacement of doors, window coverings, hardware in 50 units. Replacement of flooring in 125 units. Exterior work will include re-roofing the buildings, drainage system repairs, soffits repairs and exterior painting. Installing perimeter fencing, concrete repairs, landscaping upgrades and clubhouse renovations. The rehabilitation will be phased to not require displacement of current residents.

Architectural Review: The building and unit plans are of good design, sufficient size and are comparable to other apartment developments. They appear to provide acceptable access and storage. The elevations reflect modest buildings with simple fenestration.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

SITE ISSUES

SITE DESCRIPTION

Size:	9.436 acres	411,032 square feet	Flood Zone Designation:	Zone AE
Zoning:	No zoning in Houston			

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is an irregularly-shaped parcel located in the northern area of Houston, approximately fifteen miles from the central business district. The site is situated on the east side of Seminar Drive.

Adjacent Land Uses:

- **North:** Greens Road immediately adjacent and vacant land beyond;
- **South:** single-family residential homes immediately adjacent;
- **East:** Drainage easement and West Hardy Road immediately adjacent and industrial buildings beyond; and
- **West:** Seminar Drive immediately adjacent and multifamily rental communities beyond.

Site Access: Access to the property is from the north or south from Seminar Drive. The development has three entries, all from the north or south from Seminar Drive. Access to Interstate Highway 45 is less than one mile west, which provides connections to all other major roads serving the Houston area.

Public Transportation: “Public bus transportation is available in the market area, although private vehicular transportation is most common. METRO has bus stops on Greens Road, west of the site.” (p. 55)

Shopping & Services: The site is within several miles of major grocery stores, two major shopping centers, a multi-screen theater, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

- **Floodplain:** “According to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Panel No. 48201C 0460 J, dated November 6, 1996, the site falls in Zone AE. This zone is designated as a special flood hazard area prone to the 100-year flood event. In fact, we have been informed that the subject flooded three times from 2001 to 2003. However, we have also been informed that the subject is less likely to occur in the future as a result of the Greens Bayou Mid Reach Flood Reduction Plan. This plan has resulted in three detention sites being purchased along the bayou, with a fourth proposed for acquisition in the near future. In addition, the existing channels/bayous have been cleared of debris and have been both deepened and widened. On-site management reported that the site did not flood during the most recent period of heavy rainfall. Nevertheless, the site falls entirely in the 100-year flood plain, per the FEMA map.” (p. 52) The 2005 QAP allows existing developments with federal funding assistance from HUD to be funded with tax credits, the Department’s underwriting rules require that all such developments with unmitigated flood plain issues also provide a mitigation plan. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs prior to the initial closing on the property is a condition of this report.

Site Inspection Findings: TDHCA staff performed a site inspection on December 21, 2005 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated September 27, 2005 was prepared by Unovate Environmental Services, LP and contained the following findings and recommendations: “Based on the site information gathered herein, the assessment revealed no significant evidence of environmental concerns in connection with the subject property, except for the suspected presence of asbestos containing materials, as described herein.” (p. 21) “The discovered asbestos containing materials on the property are in good shape and do not presently constituting a risk to human health.” (p. 12)

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. As a Priority 3 private activity bond lottery development the Applicant has elected the 100% of units at 60% option. Two hundred and thirty-two of the units (100% of the total) will be reserved for low-income tenants. Two hundred and thirty-two of the units (100%) will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study dated November 3, 2005 was prepared by Butler Burgher (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “The primary market area boundaries are Rankin Road on the north, John F. Kennedy Boulevard and Gloger Street on the east, Little York road on the south, and IH 45 on the west.” (p. 44). This area encompasses approximately 32.3 square miles and is equivalent to a circle with a radius of 3.2 miles.

Population: The estimated 2005 population of the PMA was 92,710 and is expected to increase by 5% to approximately 97,428 by 2010. Within the primary market area there were estimated to be 27,175 households in 2005.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 2,697 qualified households in the PMA, based on the current estimate of 27,175 households, the projected annual growth rate of 3%, renter households estimated at 47% of the population, income-qualified households estimated at 32%, and an annual renter turnover rate of 63 %. (p. 68). The Market Analyst used an income band of \$14,571 to \$32,940.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	69	3%	34	1%
Resident Turnover	2,628	97%	2,674	99%
TOTAL ANNUAL DEMAND	2,697	100%	2,708	100%

Ref: p. 68

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 8.45% based upon 2,697 units of demand and 228 unstabilized affordable housing units (Chisholm Trail) in the PMA (which did not include the subject) (p. 68). The Underwriter calculated an inclusive capture rate of 17% based upon a revised supply of unstabilized comparable affordable units of 460 divided by a revised demand of 2,708. The subject development is currently 100% occupied with everyone receiving a HAP rental subsidy, and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Local Housing Authority Waiting List Information: “The subject currently has a waiting list of approximately 400 households at the property under its current Section 8 HAP program.” (p. 63)

Market Rent Comparables: The Market Analyst surveyed seven comparable apartment projects totaling 1,620 units in the market area. (p. 77).

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom HAP (60%) (583 SF)	\$462	\$462	\$0	\$586	-\$124
1-Bedroom HAP (60%) (635 SF)	\$491	\$491	\$0	\$586	-\$95
2-Bedroom HAP (60%) (766 SF)	\$536	\$536	\$0	\$708	-\$172
2-Bedroom HAP (60%) (860 SF)	\$589	\$589	\$0	\$708	-\$119
2-Bedroom HAP (60%) (875 SF)	\$588	\$588	\$0	\$708	-\$120
2-Bedroom HAP (60%) (896 SF)	\$621	\$621	\$0	\$708	-\$87

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

Primary Market Occupancy Rates: “Occupancy is expected to remain stabilized in the mid-90% range upon completion of renovations.” (p. 70)

Absorption Projections: “As the subject is stabilized and currently exists under a Section 8 HAP contract, with a waiting list of approximately 400 households, absorption at the subject is not warranted.” (p. 70)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s rent projections are the maximum rents allowed under the HAP contract and are achievable according to the Market Analyst even though they are lower than the maximum net tax credit rents. Estimates of secondary income are in line with TDHCA underwriting guidelines, but vacancy and collection losses are greater. As a result of these differences the Applicant’s effective gross income estimate is \$11,892 less than the Underwriter’s estimate.

Expenses: The Applicant’s total expense estimate of \$4,198 per unit is within 5% of the Underwriter’s database-derived estimate of \$4,217 per unit for comparably-sized developments. The Applicant’s budget show one line item estimate, however, that deviates significantly when compared to the database averages, particularly property insurance (\$98.7K higher). This may be reflective of the anticipated cost of flood insurance.

Conclusion: The Applicant’s estimated income is consistent with the Underwriter’s expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant’s net operating income (NOI) estimate is within 5% of the Underwriter’s estimate. Therefore, the Applicant’s NOI should be used to evaluate debt service capacity. In both the Applicant’s and the Underwriter’s income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30. It should be noted that the Applicant’s debt service estimate is \$13,745 less than the underwriter’s estimate.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: (9.436) acres	\$820,000	Date of Valuation:	10/	13/	2005
Existing Building(s): “as is”	\$7,270,000	Date of Valuation:	10/	13/	2005
Total Development: “as is”	\$8,090,000	Date of Valuation:	10/	13/	2005
Appraiser: L. Kyle Lewallen	City: Austin	Phone:	(512)	391-0850	

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Kyle Lewallen of Butler Burgher, Inc. and dated October 13, 2005. The appraisal provides three values: “as-is”, “prospective value” (as completed), and land value. The current “as-is” value is most important in the valuation and underwriting of this property because it should and does support the purchase price of the subject. For the “as-is” valuation, the primary approach used was the sales comparison approach. In this case the value and purchase price are very similar. Based upon the solid quality comparable land sales the value of the underlying land was valued at \$820,000 or 10.1%

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

of the total appraised value. Due to the quality of the comparable sales the appraisal provides a reasonable estimation of land value.

ASSESSED VALUE			
Land: (9.436) acres	\$1,222,890	Assessment for the Year of:	2005
Building:	\$3,876,110	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$5,099,000	Tax Rate:	3.23732
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Purchase and sale agreement (9.436 acres)		
Contract Expiration Date:	11/ 9/ 2005	Anticipated Closing Date:	11/ 9/ 2005
Acquisition Cost:	\$6,200,000	Other Terms/Conditions:	Earnest money - \$62,000
Seller:	THP Arbor Court, L.P.	Related to Development Team Member:	No

CONSTRUCTION COST ESTIMATE EVALUATION
<p>Acquisition Value: The Applicant claimed eligible basis based upon a building value percentage of 86.8% applied to the contract price or \$6,200,000. The assessed value concluded the “as-is” market value of the land to be \$1,222,890 which is greater than either the Appraiser’s value for the land or the prorated value applied by the Applicant. Pursuant to 10TAC 1.32 (e)(1)(c) the Underwriter has used the most conservative building value approach of subtracting the prorata actual assessed land value from the sales price to conclude a value for the existing buildings of \$4,977,110, or 80% of the total value of the subject property.</p> <p>Direct Construction Cost: The Applicant’s scope of work is detailed and consistent with the cost breakdown. The PCA costs appear reasonable but provide slightly lower direct construction cost totals of \$1,390,748 and this is the basis of the Underwriter’s cost analysis. The Rehabilitation will substantially improve the condition of the housing with \$7,433 per unit in direct hard costs which will satisfy the minimum requirement of \$6,000 per unit in 2005, but is less that the minimum of \$12,000 per unit in 2006.</p> <p>Fees: The Applicant’s contractor’s for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant’s developer fees exceed 15% of the Applicant’s adjusted eligible basis by \$13,875 and therefore the eligible portion of the Applicant’s developer fee must be reduced by the same amount.</p> <p>Conclusion: As is the case with most rehabilitation transactions the Applicant’s total development cost estimate is within 5% of the Underwriter’s estimate due to the use of the PCA supplied by the Applicant for verification of the Applicant’s costs. Therefore the Underwriter’s costs are in essence the Applicant’s costs adjusted for any miscalculated eligible basis. In this case the PCA costs provide a slightly lower eligible basis. As a result an eligible basis of \$3,212,944 is used to determine a credit allocation of \$350,478 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Underwriter’s costs to determine the recommended credit amount.</p>

FINANCING STRUCTURE	
INTERIM TO PERMANENT BOND FINANCING	
Source: GMAC Commercial Mortgage	Contact: Lloyd Griffin
Tax-Exempt Amount: \$6,600,000	Interest Rate: 5.75%
Additional Information:	
Amortization: 30 yrs	Term: 30 yrs
Commitment: <input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	
Annual Payment: \$437,345	Lien Priority: 1st Date: 11/ 11/ 2005

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

TAX CREDIT SYNDICATION

Source: Boston Capital **Contact:** Thomas Dixon
Net Proceeds: \$3,532,636 **Net Syndication Rate (per \$1.00 of 10-yr HTC)** 99.55¢
Commitment: LOI Firm Conditional **Date:** 12/ 14/ 2005
Additional Information: _____

APPLICANT EQUITY

Amount: \$801,129 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by Harris County Housing Finance Corporation and purchased by GMAC Commercial Mortgage. The permanent financing commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application. The debt service amount however appears to be lower than the amount calculated by the Underwriter.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$801,129 amount to 65% of the total fees.

Financing Conclusions: Based on the Underwriter's estimate of eligible basis, the HTC allocation should not exceed \$350,478 annually for ten years, resulting in syndication proceeds of approximately \$3,488,658. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to \$845,107, which represents approximately 69% of the eligible fee and which should be repayable from cash flow within ten years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee may be available to fund those development cost overruns.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and General Contractor firms are all related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 100% Owner of the General Partner, Fidelity Partners, Inc., submitted an unaudited financial statement as of October 31, 2005 reporting total assets of \$1.6M. Liabilities totaled \$715K, resulting in a net worth of \$870K.
- The principal of the General Partner, Joseph Sherman, submitted an unaudited financial statement as of November 30, 2005 and is anticipated to be guarantor of the development.

Background & Experience:

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- Multifamily Finance Production staff has verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant locational risks exist regarding the previous flooding issues and the property being in an AE flood zone.
- The property's project-based rent subsidy is subject to Federal funding and may not be renewed as anticipated.
- The significant financing structure changes being proposed have not been reviewed or accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:

Carl Hoover

Date:

February 2, 2006

Director of Real Estate Analysis:

Tom Gouris

Date:

February 2, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Arbor Court, Houston, 4% HTC #05449

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
HAP<TC (60%)	32	1	1	583	\$686	\$462	\$14,784	\$0.79	\$121.00	\$32.31
HAP<TC (60%)	32	1	1	635	686	\$491	15,712	0.77	121.00	32.31
HAP<TC (60%)	40	2	2	766	823	\$536	21,440	0.70	125.00	32.31
HAP<TC (60%)	48	2	2	860	823	\$589	28,272	0.68	125.00	32.31
HAP<TC (60%)	32	2	2	875	823	\$588	18,816	0.67	125.00	32.31
HAP<TC (60%)	48	2	2	896	823	\$621	29,808	0.69	125.00	32.31
TOTAL:	232		AVERAGE:	784	\$785	\$555	\$128,832	\$0.71	\$123.90	\$32.31

INCOME

Total Net Rentable Sq Ft: **181,904**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: **\$14.17**

Other Support Income: (describe)

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: **-5.00%**

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	2.44%	\$158	0.20	\$36,703	\$33,764	\$0.19	\$146	2.26%
Management	4.46%	289	0.37	67,155	59,771	0.33	258	4.00%
Payroll & Payroll Tax	14.05%	912	1.16	211,565	177,349	0.97	764	11.87%
Repairs & Maintenance	6.33%	411	0.52	95,338	45,259	0.25	195	3.03%
Utilities	5.73%	372	0.47	86,232	95,120	0.52	410	6.37%
Water, Sewer, & Trash	5.97%	388	0.49	89,951	87,600	0.48	378	5.86%
Property Insurance	4.23%	274	0.35	63,666	162,400	0.89	700	10.87%
Property Tax 3.23732	10.97%	712	0.91	165,233	165,184	0.91	712	11.05%
Reserve for Replacements	4.62%	300	0.38	69,600	58,000	0.32	250	3.88%
Other: compl fees, security & Supp. Se	6.17%	400	0.51	92,880	89,400	0.49	385	5.98%
TOTAL EXPENSES	64.95%	\$4,217	\$5.38	\$978,323	\$973,847	\$5.35	\$4,198	65.17%
NET OPERATING INC	35.05%	\$2,275	\$2.90	\$527,845	\$520,429	\$2.86	\$2,243	34.83%
DEBT SERVICE								
GMAC Commercial Mortgage	30.69%	\$1,992	\$2.54	\$462,190	\$448,445	\$2.47	\$1,933	30.01%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	4.36%	\$283	\$0.36	\$65,655	\$71,984	\$0.40	\$310	4.82%
AGGREGATE DEBT COVERAGE RATIO				1.14	1.16			
RECOMMENDED DEBT COVERAGE RATIO					1.13			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		56.32%	\$26,724	\$34.08	\$6,200,000	\$6,200,000	\$34.08	\$26,724	56.71%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		0.00%	0	0.00	0	0	0.00	0	0.00%
Direct Construction		12.63%	5,995	7.65	1,390,748	1,392,000	7.65	6,000	12.73%
Contingency	10.00%	1.26%	599	0.76	139,075	139,200	0.77	600	1.27%
General Req'ts	6.00%	0.76%	360	0.46	83,445	83,520	0.46	360	0.76%
Contractor's G & A	2.00%	0.25%	120	0.15	27,815	27,840	0.15	120	0.25%
Contractor's Profit	6.00%	0.76%	360	0.46	83,445	83,520	0.46	360	0.76%
Indirect Construction		3.94%	1,871	2.39	434,167	434,167	2.39	1,871	3.97%
Ineligible Costs		5.89%	2,794	3.56	648,160	648,160	3.56	2,794	5.93%
Developer's G & A	2.00%	1.41%	670	0.85	155,419	0	0.00	0	0.00%
Developer's Profit	13.00%	9.18%	4,354	5.55	1,010,227	1,240,188	6.82	5,346	11.34%
Interim Financing		5.77%	2,738	3.49	635,170	635,170	3.49	2,738	5.81%
Reserves		1.83%	870	1.11	201,813	50,000	0.27	216	0.46%
TOTAL COST		100.00%	\$47,455	\$60.52	\$11,009,483	\$10,933,765	\$60.11	\$47,128	100.00%
Recap-Hard Construction Costs		15.66%	\$7,433	\$9.48	\$1,724,527	\$1,726,080	\$9.49	\$7,440	15.79%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
GMAC Commercial Mortgage	59.95%	\$28,448	\$36.28	\$6,600,000	\$6,600,000	\$6,600,000	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$1,226,313
HTC Syndication Proceeds	32.09%	\$15,227	\$19.42	3,532,636	3,532,636	3,488,658	% of Dev. Fee Deferred
Deferred Developer Fees	7.28%	\$3,453	\$4.40	801,129	801,129	845,107	69%
Additional (Excess) Funds Req'd	0.69%	\$326	\$0.42	75,718	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$11,009,483	\$10,933,765	\$10,933,765	\$1,614,967

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Arbor Court, Houston, 4% HTC #05449

PAYMENT COMPUTATION

Primary	\$6,600,000	Amort	360
Int Rate	5.75%	DCR	1.14

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.14

Additional	\$3,532,636	Amort	
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

Primary Debt Service	\$462,190
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$58,239

Primary	\$6,600,000	Amort	360
Int Rate	5.75%	DCR	1.13

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.13

Additional	\$3,532,636	Amort	0
Int Rate	0.00%	Aggregate DCR	1.13

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,545,984	\$1,592,364	\$1,640,134	\$1,689,338	\$1,740,019	\$2,017,158	\$2,338,440	\$2,710,892	\$3,643,213
Secondary Income	39,456	40,640	41,859	43,115	44,408	51,481	59,681	69,186	92,981
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,585,440	1,633,003	1,681,993	1,732,453	1,784,427	2,068,640	2,398,120	2,780,079	3,736,193
Vacancy & Collection Loss	(91,164)	(81,650)	(84,100)	(86,623)	(89,221)	(103,432)	(119,906)	(139,004)	(186,810)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,494,276	\$1,551,353	\$1,597,894	\$1,645,830	\$1,695,205	\$1,965,208	\$2,278,214	\$2,641,075	\$3,549,384
EXPENSES at 4.00%									
General & Administrative	\$33,764	\$35,115	\$36,519	\$37,980	\$39,499	\$48,057	\$58,468	\$71,136	\$105,298
Management	59,771	62054.0385	63915.6597	65833.12949	67808.12338	78608.19946	91128.44766	105642.8468	141975.1522
Payroll & Payroll Tax	177,349	184,443	191,821	199,494	207,473	252,423	307,111	373,648	553,090
Repairs & Maintenance	45,259	47,070	48,952	50,910	52,947	64,418	78,374	95,354	141,148
Utilities	95,120	98,925	102,882	106,997	111,277	135,385	164,717	200,403	296,646
Water, Sewer & Trash	87,600	91,104	94,748	98,538	102,480	124,682	151,695	184,560	273,194
Insurance	162,400	168,896	175,652	182,678	189,985	231,146	281,224	342,152	506,469
Property Tax	165,184	171,791	178,663	185,810	193,242	235,108	286,045	348,018	515,151
Reserve for Replacements	58,000	60,320	62,733	65,242	67,852	82,552	100,437	122,197	180,882
Other	89,400	92,976	96,695	100,563	104,585	127,244	154,812	188,352	278,807
TOTAL EXPENSES	\$973,847	\$1,012,693	\$1,052,580	\$1,094,045	\$1,137,148	\$1,379,624	\$1,674,013	\$2,031,464	\$2,992,660
NET OPERATING INCOME	\$520,429	\$538,660	\$545,313	\$551,786	\$558,057	\$585,584	\$604,202	\$609,611	\$556,723
DEBT SERVICE									
First Lien Financing	\$462,190	\$462,190	\$462,190	\$462,190	\$462,190	\$462,190	\$462,190	\$462,190	\$462,190
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$58,239	\$76,470	\$83,123	\$89,596	\$95,868	\$123,394	\$142,012	\$147,421	\$94,534
DEBT COVERAGE RATIO	1.13	1.17	1.18	1.19	1.21	1.27	1.31	1.32	1.20

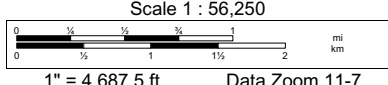
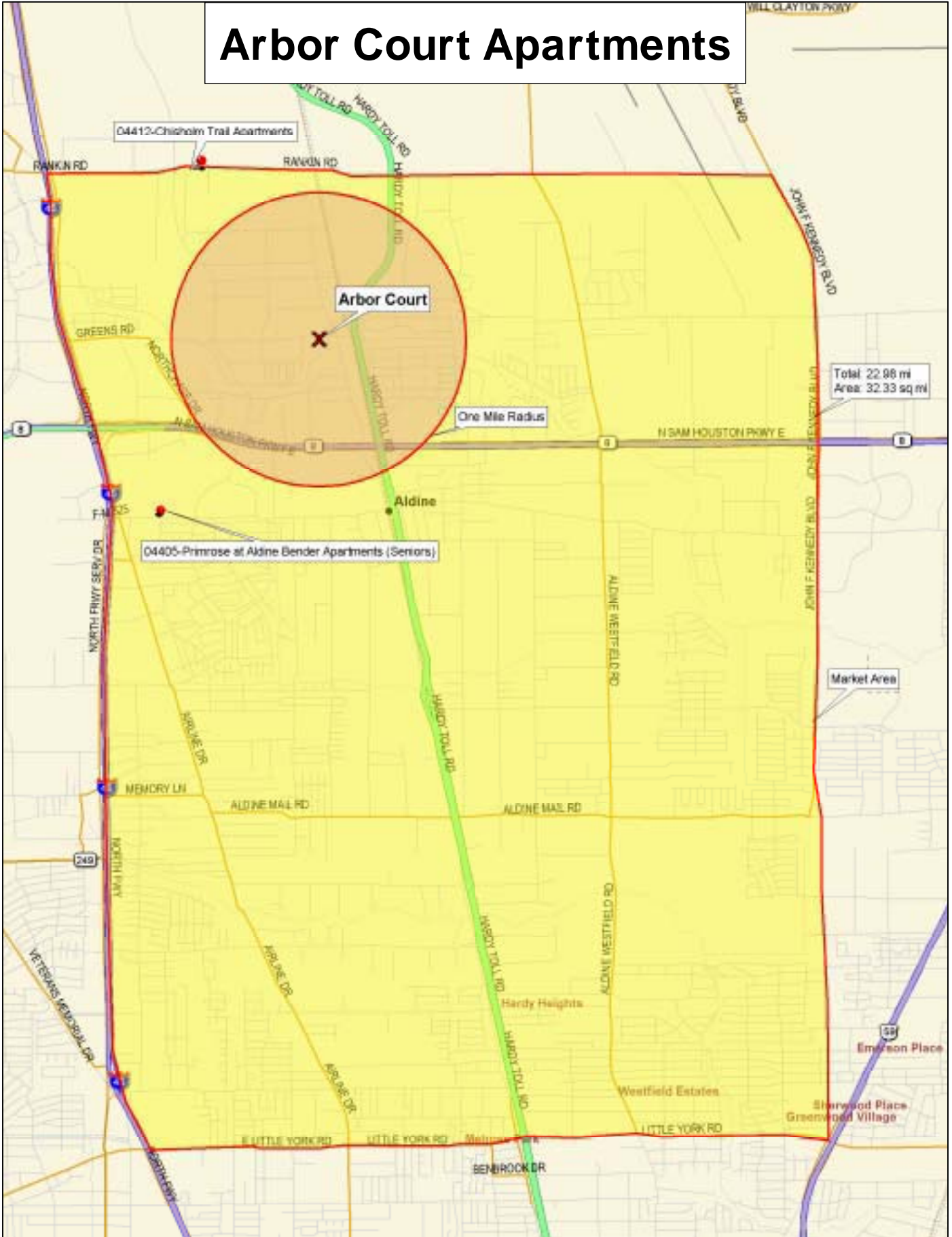
LIHTC Allocation Calculation - Arbor Court, Houston, 4% HTC #05449

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$820,000	\$1,222,890				
Purchase of buildings	\$5,380,000	\$4,977,110	\$5,380,000	\$4,977,110		
(2) Rehabilitation/New Construction Cost						
On-site work						
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,392,000	\$1,390,748			\$1,392,000	\$1,390,748
(4) Contractor Fees & General Requirements						
Contractor overhead	\$27,840	\$27,815			\$27,840	\$27,815
Contractor profit	\$83,520	\$83,445			\$83,520	\$83,445
General requirements	\$83,520	\$83,445			\$83,520	\$83,445
(5) Contingencies	\$139,200	\$139,075			\$139,200	\$139,075
(6) Eligible Indirect Fees	\$434,167	\$434,167			\$434,167	\$434,167
(7) Eligible Financing Fees	\$635,170	\$635,170			\$635,170	\$635,170
(8) All Ineligible Costs	\$648,160	\$648,160				
(9) Developer Fees			\$807,000	\$746,567	\$419,313	\$419,080
Developer overhead		\$155,419				
Developer fee	\$1,240,188	\$1,010,227				
(10) Development Reserves	\$50,000	\$201,813				
TOTAL DEVELOPMENT COSTS	\$10,933,765	\$11,009,483	\$6,187,000	\$5,723,677	\$3,214,730	\$3,212,944

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$6,187,000	\$5,723,677	\$3,214,730	\$3,212,944
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$6,187,000	\$5,723,677	\$4,179,148	\$4,176,827
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$6,187,000	\$5,723,677	\$4,179,148	\$4,176,827
Applicable Percentage			3.54%	3.54%	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS			\$219,020	\$202,618	\$147,942	\$147,860

Syndication Proceeds	0.9954	\$2,180,124	\$2,016,862	\$1,472,614	\$1,471,796
Total Credits (Eligible Basis Method)				\$366,962	\$350,478
Syndication Proceeds				\$3,652,738	\$3,488,658
Requested Credits				\$367,441	
Syndication Proceeds				\$3,657,509	
Gap of Syndication Proceeds Needed				\$4,333,765	
Credit Amount				\$435,379	

Arbor Court Apartments



Applicant Evaluation

Project ID # **05449**

Name: **Arbor Court**

City: **Houston**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 0
grouped ten to nineteen: 0
by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 0

Projects not reported Yes
in application No

not yet monitored or pending review: 0

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Not applicable
Review pending
No unresolved issues
Issues found regarding late cert
Issues found regarding late audit
Unresolved issues found that
warrant disqualification
(Comments attached)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewed by Patricia Murphy

Date 1/27/2006

Multifamily Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer S. Roth
Date 1/30/2006

Single Family Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer Sandy M. Garcia
Date 1/27/2006

Real Estate Analysis (Cost Certification and Workout)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Community Affairs

No relationship
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Office of Colonia Initiatives

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Financial Administration

No delinquencies found
Delinquencies found

Reviewer Melissa M. Whitehead
Date 1/30/2006

Executive Director: Edwina Carrington

Executed: onday, February 06, 2006

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval for the issuance of Housing Tax Credits for North Oaks Apartments.

Summary of the Transaction

The application was received on November 22, 2005. The Issuer for this transaction is the City of Houston HFC. The development is to be located at 225 Aldine Bender in Houston. Demographics for the census tract include AMFI of \$28,874; the total population is 4,248; the percent of population that is minority is 94.61%; the percent of population that is below the poverty line is 25.01%; the number of owner occupied units is 18; the number of renter units is 1457 and the number of vacant units is 85. The percent of population that is minority for the entire City of Houston is 69% (Census information from FFIEC Geocoding for 2005). The development is an acquisition/rehabilitation and will consist of 256 total units targeting the general population, with all affordable. There is no zoning required for the Houston area. The Department has received no letters of support; and one letter in opposition from the Superintendent of Aldine ISD. The bond priority for this transaction is:

- Priority 1A:** Set aside **50%** of units that cap rents at 30% of **50%** AMFI **and** Set aside **50%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1B:** Set aside **15%** of units that cap rents at 30% of **30%** AMFI **and** Set aside **85%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1C:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. (MUST receive 4% Housing Tax Credits)
- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 3:** Any qualified residential rental development.

This application was previously brought before the TDHCA Board in July 2005. The Board approved the previous application however the transaction did not close.

Recommendation

Staff recommends the Board approve the issuance of Housing Tax Credits for North Oaks Apartments.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

North Oaks Apartments, TDHCA Number 05451

BASIC DEVELOPMENT INFORMATION

Site Address: 225 Aldine Bender Road Development #: 05451
 City: Houston Region: 6 Population Served: Family
 County: Harris Zip Code: 77060 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: ACQ/R
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: City of Houston HFC
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: FDI-North Oaks, Ltd.
 James W. Fieser - Phone: (281) 599-8684
 Developer: Fieser Development, Inc.
 Housing General Contractor: Construction Technologies, LLC
 Architect: David J. Albright
 Market Analyst: The Gerald A. Teel Co.
 Syndicator: WNC & Associates, Inc.
 Supportive Services: To Be Determined
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	256
0	0	0	256	0	0	Market Rate Units:	0
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	148	108	0	0		Total Development Units:	256
Type of Building:	5 units or more per bldng					Total Development Cost:	\$14,664,729
Number of Residential Buildings:	15						

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:		\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$470,495	\$469,359	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$0	\$0	0	0	0.00%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

North Oaks Apartments, TDHCA Number 05451

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Gallegos, District 6 [NC] Points: [0] US Representative: Green, District 29, NC
TX Representative: Thompson, District 141 [NC] Points: [0] US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC Resolution of Support from Local Government []

Milton Wilson, Jr., Director, Housing and Community Development Department; The proposed rehabilitation of rental housing is consistent with the City of Houston's Consolidated Plan.

Nadine Kujawa, Aldine ISD Superintendent - O

Individuals/Businesses: In Support: [0] In Opposition: [0]

Neighborhood Input:

General Summary of Comment:

The local schools will experience a loss of tax revenue.

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Receipt, review, and acceptance of a copy of the release of lien on the property or an updated title commitment showing clear title, prior to the initial closing on the property.
3. Receipt, review, and acceptance of documentation from a third party environmental engineer which indicates that no issues of environmental concern exist with regard to the site and that there is no condition or circumstance that warrants further investigation, analysis, or remediation, prior to cost certification.
4. Receipt, review, and acceptance of a table of the estimated long-term repair and replacement costs, which complies with Section 1.36(a)(4)(B) of the 2006 TDHCA PCA Guidelines.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

North Oaks Apartments, TDHCA Number 05451

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$469,359

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$469,359 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$0

Recommendation:

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 7, 2006 **PROGRAM:** 4% HTC **FILE NUMBER:** 05451

DEVELOPMENT NAME

North Oaks Apartments

APPLICANT

Name: FDI-North Oaks, LTD. **Type:** For-profit
Address: 16360 Park Ten Place, Suite 301 **City:** Houston **State:** TX
Zip: 77084 **Contact:** James Fieser **Phone:** (281) 599-8684 **Fax:** (281) 599-8189

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name: Fieser North Oaks, Inc. **(%):** 0.01 **Title:** Managing General Partner
Name: Fieser Development, Inc. **(%):** .0049 **Title:** Developer
Name: James Fieser **(%):** N/A **Title:** Sole member of MGP & Developer

PROPERTY LOCATION

Location: 225 Aldine Bender Road **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77060

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$470,495 (as amended 1/12/2006)	N/A	N/A	N/A
Other Requested Terms: Annual ten-year allocation of housing tax credits			
Proposed Use of Funds: Acquisition/rehabilitation		Property Type: Multifamily	
Special Purpose (s): General population			

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$469,359 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a copy of the release of lien on the property or an updated title commitment showing clear title, prior to the initial closing on the property;
2. Receipt, review, and acceptance of documentation from a third party environmental engineer which indicates that no issues of environmental concern exist with regard to the site and that there is no condition or circumstance that warrants further investigation, analysis, or remediation, prior to cost certification;
3. Receipt, review, and acceptance of a table of the estimated long-term repair and replacement costs, which complies with Section 1.36(a)(4)(B) of the 2006 TDHCA PCA Guidelines; and
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

REVIEW of PREVIOUS UNDERWRITING REPORTS

This development was submitted and underwritten earlier in the 2005 4% HTC cycle as application #05621. The underwriting analysis recommended the project be approved subject to the following conditions:

1. Board waiver of its QAP rule under Section 49.12(a)(2) regarding the submission of all documentation (including the Appraisal received on June 11, 2005) at least 60 days prior to the scheduled Board meeting at which the decision to issue a determination notice would be made.
2. Receipt, review, and acceptance of a revised permanent loan commitment reflecting an increase in the debt amount by \$931,302, or maintenance of an initial deferred developer fee of at least that amount, or any combination of additional debt plus initial deferred developer fee totaling the same amount;
3. Receipt, review, and acceptance of a copy of the release of lien on the property or an updated title commitment showing clear title, prior to the initial closing on the property;
4. Receipt, review, and acceptance of lead-based paint testing results and recommendations for the mitigation of any LBP discovered;
5. Receipt, review, and acceptance of documentation from a third party environmental engineer which indicates that no issues of environmental concern exist with regard to the site and that there is no condition or circumstance that warrants further investigation or analysis, prior to the initial closing on the property;
6. Receipt, review, and acceptance of a 30-year replacement reserve analysis performed by the PCA provider, prior to the initial closing on the property;
7. Receipt, review and acceptance of documentation of the Seller's original acquisition price plus holding costs as allowed to support the current sales price prior to bond closing; and
8. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

The Board approved an HTC allocation of \$469,074 on July 27, 2005 but the Applicant did not close on the bonds due to feasibility and market concerns by the tax credit syndicator. Both the syndicator and lender have been replaced in the current transaction.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units:	<u>256</u>	# Rental Buildings:	<u>15</u>	# Non-Res. Buildings:	<u>1</u>	# of Floors:	<u>2</u>	Age:	<u>~27</u> yrs	Vacant:	<u>~10%</u> at 1/ 6/ 2006	
Net Rentable SF:	<u>204,680</u>	Av Un SF:	<u>800</u>	Common Area SF:	<u>2,870</u>	Gross Bldg SF:	<u>207,550</u>					

STRUCTURAL MATERIALS

The structures are wood-framed on post-tensioned concrete slabs on grade. According to the application the exterior will be comprised of 70% cement fiber siding and 30% brick veneer. The interior wall surfaces are drywall and the flat roofs are finished with built-up asphalt.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range and oven, hood and fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, central boiler water heating system, and individual heating and air conditioning.

ONSITE AMENITIES

A 1,460-square foot community building includes an activity room, management offices, maintenance facilities, a kitchen, a restroom, a computer/business center, and a children's play area. Three small (1,800 SF total) laundry and maintenance areas are located at the ends of three of the residential buildings. The community building and swimming pool are located at the entrance to and middle of the property. In addition, the site also features perimeter fencing with limited access gates.

Uncovered Parking:	<u>335</u>	spaces	Carports:	<u>0</u>	spaces	Garages:	<u>0</u>	spaces
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**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: North Oaks Apartments is a 33.7-unit per acre acquisition and rehabilitation development of 256 units of affordable housing located in north Houston. The development was built circa 1976 and is comprised of 15 evenly distributed two-story, medium and large, garden style, walk-up residential buildings as follows:

- Two buildings with 32 one-bedroom/one-bath units;
- Three buildings with 12 one-bedroom/one-bath units;
- Two buildings with 24 one-bedroom/one-bath units;
- Six buildings with 12 two-bedroom/two-bath units;
- One building with 20 two-bedroom/two-bath units; and
- One building with 16 two-bedroom/two-bath units.

Development Plan: (NOTE: As required by Section 49.9(f)(6)(E) of the 2005 QAP, the Applicant submitted a property condition assessment (PCA) report prepared by AECC, Inc. Although the report was generally in compliance with the 2005 TDHCA PCA Guidelines, the report was addressed only to Fieser Development, Inc. and Paramount Financial Group. Section 1.36(d) of the 2005 TDHCA PCA Guidelines requires that “The PCA shall be conducted by a Third Party at the expense of the Applicant, and addressed to TDHCA as the client. Copies of reports provided to TDHCA which were commissioned by other financial institutions should address TDHCA as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to TDHCA”. Though not recognized at the time of the original analysis and Board approval for this property, the AECC PCA report was not addressed to TDHCA, and AECC was unwilling to extend reliance to TDHCA to correct this oversight without TDHCA staff signing an agreement limiting reliance to the Applicant’s scope of work, terms, and conditions. TDHCA Legal staff advised against signing such an agreement, and therefore the Applicant was advised that the application was in danger of termination for failing to meet a threshold requirement. To avoid termination and meet the February Board meeting timeline the Applicant submitted a construction cost estimate report and an architectural/engineering review report, both dated December 27, 2005 and performed by The Quadratex Group, Inc. Although these reports were not addressed to TDHCA, the report provider agreed to extend reliance to TDHCA, and the detailed third party rehabilitation cost estimates included were usable by the Underwriter in evaluating the Applicant’s proposed cost estimates. However, the Quadratex reports did not include any evaluation of expected repairs and replacements over the affordability period, and therefore receipt, review, and acceptance of a table of the estimated long-term costs, which complies with Section 1.36(a)(4)(B) of the 2006 TDHCA PCA Guidelines is a condition of this report. The bond reservation for this transaction does not expire until April 22, 2006, and as such the application could be delayed 60 days to allow the recently submitted PCA to meet the 60-day prior to Board meeting date submission requirement of the QAP. Staff has been able to review the report and determine the additional needs of the report so that the application can be presented to an earlier meeting. Thus, terminating the application for failing to meet the 60-day requirement or a waiver of same does not appear necessary, as the Applicant could simply ask to move the Board decision date back two months (though such a delay would only serve to further burden the Department’s calendar down the road).

The architectural/engineering report states that “The apartments are generally in fair condition except for some vacant units which are in poor condition but are being reconditioned at this time.” The appraisal report states that “The property is presently in average condition and is considered Class C product”. The overall condition at the date of inspection was good, with nominal deferred maintenance noted”. The Applicant’s scope of work includes:

- Accessibility improvements
- Repair perimeter fencing and relocate access gates
- Enclose dumpsters with concrete block walls
- Flatwork repair
- Replace all roofs except one building which was reconstructed in 2002 following a fire
- Replace wood siding, fascias, and soffits with cement fiber products

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

- Replace wood stairs and railings with metal versions
- Repair masonry veneer
- Install storm windows and screens
- Replace all sliding glass doors with insulated doors
- Repair or replace all interior and exterior doors and weatherstripping
- Repair and paint interior and exterior walls
- Repair second floor subfloors
- Replace floor coverings
- Add smoke detectors and GFI outlets and perform other electrical work as needed for code compliance
- Install ceiling fans in living rooms and bedrooms
- Replace kitchen and bathroom cabinets and countertops as required
- Replace all refrigerators and ranges
- Replace all air conditioning units with 12 SEER units
- Inspect and repair central hot water boilers

The Applicant does not anticipate any displacement of current residents by the rehabilitation work, but has not included \$34K in relocation costs in the cost schedule.

Architectural Review: The buildings and units are of good design, sufficient size, and are comparable to other modern apartment developments of a similar age.

SITE ISSUES
SITE DESCRIPTION

Size: 7.6109 acres 331,531 square feet **Flood Zone Designation:** Zone X
Zoning: No zoning in Houston

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is an irregularly-shaped parcel located in the northern area of the city, approximately 12 miles from the central business district. The site is situated on the north side of Aldine Bender Road (FM 525) and the east side of Imperial Valley Drive.

Adjacent Land Uses:

- **North:** vacant land immediately adjacent and Imperial Valley Drive, more vacant land, and retail and multifamily residential beyond;
- **South:** Aldine Bender Road immediately adjacent and retail and single-family residential beyond;
- **East:** vacant land immediately adjacent and multifamily residential beyond; and
- **West:** Imperial Valley Drive immediately adjacent and retail and a recently constructed HTC & HTF-funded multifamily residential property (Brittmore Apartments, #01433) beyond.

Site Access: Access to the property is from the east or west along Aldine-Bender Road or the north or south from Imperial Valley Drive. The development has a main entry from Aldine-Bender Road and a secondary entry from Imperial Valley Drive. Access to Beltway 8 is one-half mile north and Interstate Highway 45 is one mile west, each of which provides connections to all other major roads serving the Houston area.

Public Transportation: Public transportation to the area is provided by the city bus system with a bus stop located adjacent to the site.

Shopping & Services: “Greenspoint Mall, which includes nearly 140 retailers and four department stores, is located 1.3 miles northwest of the site. Numerous retail stores and restaurants line Greens Road within two miles of the site...The Imperial Valley Shopping Center, which offers an Aldine Food Store and a dozed other retailers, is directly west of the site across Imperial Valley Drive. Imperial Valley Center, a new 21,000-square foot shopping center development, is to be constructed in a grass area adjacent to the north of the site. Kroger, as major grocery store, is located 2.3 miles northwest of the site.” (market study update, p. 6)

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

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- **Site Control/Title:** The title commitment lists a mechanic's and materialman's lien that must be cleared by the closing. Receipt, review, and acceptance of documentation verifying the resolution of this issue is a condition of this report.
- **Environmental Hazards:** The environmental analyst identified a number of issues which are discussed in the following section.

Site Inspection Findings: TDHCA staff performed a site inspection on June 15, 2005 and found the location to be acceptable for the proposed development. The inspector noted that some of the wooden stairways leading to the second floors are unstable and that the swimming pool is not maintained.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Phase I Environmental Site Assessment (ESA): A Phase I ESA report dated May 20, 2005 was prepared by HBC Terracon and contained the following findings and recommendations:

- **Pipelines/Soil/Groundwater Contamination:** "...Terracon notes that the southern site boundary borders an inactive pipeline easement containing two Teppco Pipeline Company petroleum pipelines. In order to confirm if potential release from the pipelines within the easement have impacted the site, a subsurface investigation would be required...For a higher level of confidence, the client may conduct a subsurface investigation to evaluate if the site has been impacted by the historical dry cleaning facility located south of the site." (p. 28)
- **Asbestos-Containing Materials (ACM):** "Fifteen samples of suspect materials were collected...nine of the fifteen samples collected contained asbestos" (p. 23). "Terracon recommends that the on-site ACM and any suspect ACM be maintained in a site-specific operations and maintenance (O&M) program. It is important to note that state and federal regulations require notification, and additional sampling requirements must be adhered to prior to any demolition or renovation activities that may impact the condition of ACM in a building that affords public access or occupancy. Additionally, it should be noted that if any ACM or suspect ACM becomes damaged, additional samples should be collected and/or the materials should be abated in accordance with applicable regulations." (p. 28)
- **Lead-Based Paint (LBP):** "...per the agreed-on scope of services...lead-based paint testing...[was] not accomplished" (p. 22).
- **Polychlorinated Biphenyls (PCBs):** "...the pad-mounted transformer located on the northeastern corner of Building 16, adjacent to Unit 1611, was observed to have minor staining...Terracon recommends that the site transformers, as well as the stained material on the concrete pad and the ground around the apparent leaking transformer, be assumed to be PCB-contaminated until evidence proves otherwise and that the electrical company be notified of the apparent leakage. The cleanup of the potential PCB mineral oil on the concrete pad and surrounding soils should be conducted by properly trained personnel and the waste disposed of as hazardous waste in accordance with TCEQ regulations." (p. 26)
- **Noise:** "...the site is located within 1,000 feet of a heavily traveled roadway and within 15 miles of a commercial airport; therefore, a noise assessment is required to assess the noise impact on the site." (p. 27)
- **Well:** "...a monitor well was observed along the western portion of the property between Buildings 1 and 16...Terracon recommends that if the on-site monitor well is not to be used in the future, it should be properly plugged and abandoned in accordance with applicable state and local regulations" (p. 27). (NOTE: The Quadratex architectural/engineering review report states "This well is associated with the city sanitary sewer system. The City will not permit the well to be capped or removed.")

Limited Site Investigation (LSI): An LSI report dated July 6, 2005 was prepared by HBC Terracon and contained the following findings and recommendations:

- "PCE [tetrachloroethene], TCE [trichloroethene], and cis-DCE [1,2-cis-dichloroethene] were detected in the groundwater samples collected along the southern property line across from the former dry cleaning facility across Aldine Bender Road to the south at concentrations above the TCEQ TRRP [Texas Risk Reduction Program] action levels. The impact to groundwater appears to be the result of a release of dry cleaning solvents from the former offsite dry cleaning facility. Because impact to the groundwater is the apparent result of a release from an offsite source, the owner of the site may be eligible to participate in

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the IOP [innocent owner/operator program] administered by the TCEQ. An innocent owner or operator is an owner or operator of property that has become contaminated as a result of a release or migration of contaminants from a source or sources of contamination on the offsite property. An innocent owner/operator is not liable for investigation, monitoring, remediation, or other response actions regarding the impact originating from an offsite source. If the site is approved, the TCEQ will issue an Innocent Owner/Operator Certificate to the applicant confirming that person as an innocent owner/operator.” (p. 5)

- “MTBE [methyl tertiary ethyl-ether] was detected in the groundwater samples from [three sampling wells, with] concentrations well below the TRRP assessment level of 0.240 mg/l for MTBE” (p. 4). “As there are no on-site known sources associated with MTBE, the presence of MTBE in the groundwater samples collected...along the southwest boundary of the site appear to be associated with groundwater migration from a historic release from the LST [leaking storage tank] facility west across Imperial Valley Drive. However, the concentrations of MTBE in groundwater are well below the TRRP action levels. If IOP certification is pursued for the chlorinated solvents (i.e., PCE, TCE, and cis-DCE) apparently released from the historic dry cleaning facility, additional IOP certification for the MTBE may be considered” (p. 5).
- “It should be noted that in accordance with Chapter 26 of the Texas Water Code, upon confirmation of impact to groundwater, the owner/operator of the facility where impact was identified may have reporting requirements to the TCEQ and others. Terracon recommends that legal counsel familiar with environmental law be consulted regarding reporting requirements.” (p. 5)
- In response to the Underwriter’s request for an opinion regarding the potential impact of the groundwater contamination on residents of the property, on January 18, 2006 Terracon Consultants, Inc. provided the following: “It is our opinion that the concentrations of dry cleaning solvent detected in the groundwater sample from [the] temporary groundwater sampling point TSP-2 completed near the south property boundary and off-site dry cleaner does not constitute a health hazard to residents of the apartment complex...it should be noted that residents of the apartment complex are on a City of Houston municipal water supply and will not be ingesting groundwater from beneath the subject property. Therefore, the slightly affected groundwater documented at the southern boundary of the property does not pose a health hazard to residents of the apartment complex for exposure via groundwater ingestion. Inhalation of vapors from the affected groundwater is a second exposure pathway to consider...the detected concentrations of PCE, TCE, and DCE in groundwater beneath the southern boundary of the site does not appear to pose a health hazard to residents of the apartment complex for exposure via inhalation of vapors from groundwater. The TRRP Tier 1 PCLs [protective concentration levels] for the inhalation of vapors from groundwater are for outside air, and the published PCLs do not account for exposure to indoor air should vapors from groundwater accumulate inside a building structure...Based on the relatively low concentrations of dry cleaning solvent (and breakdown products) detected in site groundwater during the LSI and our experience at other sites, vapors from site groundwater would not be expected to pose an indoor air health hazard to residents of the apartment complex.”

Asbestos Survey Summary: An asbestos survey summary report dated October 13, 2005 was prepared by Terracon Consultants, Inc. and contained the following findings and recommendations: “Terracon previously performed a [Phase I ESA] at the site... during which limited asbestos sampling was performed. Analysis of the Phase I ESA samples determined that the walls and ceilings throughout the complex have asbestos-containing texture/joint compound materials...The identified ACM materials must be removed prior to renovation or demolition activities that may disturb them. The removal must:

- Be designed by a TDSHS-licensed asbestos consultant;
- Be performed under a ten-day notification to TDSHS;
- Be performed by a TDSHS-licensed asbestos contractor.

Air monitoring must be performed before, during, and subsequent to asbestos abatement activities, by a TDSHS-licensed asbestos consultant agency. A ten-day notification to TDSHS will also be required prior to demolition” (cover letter). The Applicant also submitted an asbestos operations and maintenance plan

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prepared by Terracon Consultants, Inc. which describes the practices required to remove the properly remove the ACMs.

Lead-Based Paint (LBP) Inspection: An LBP inspection report dated October 27, 2005 was prepared by Texas Lead Inspection & Environmental Services for Terracon Consultants, Inc. and contained the following findings and recommendations:

- “Based on the results of the tests, brown and black paints on a metal horse in the playground area were identified as containing greater than 1 mg/sq. cm. of lead and are considered to be lead-based paint as per HUD regulations...A number of other painted surfaces throughout the apartment complex were identified as containing detectable concentrations of leads in levels lower than 1 mg/sq. cm. OSHA regulations govern exposure of workers to lead, regardless of the concentration of lead identified...Although the painted surfaces were not classified as LBP as per HUD, EPA, or TDSHS [Texas Department of State Health Services] regulations, they exhibited detectable concentrations of lead and must be treated as LBP for the purpose of worker protection.” (cover letter)

Limited Visual Mold Assessment: A limited visual mold assessment report dated October 27, 2005 was prepared by Terracon Consultants, Inc. and contained the following findings and recommendations:

- “Evidence of moisture intrusion and/or mold growth was observed under sinks and on walls, ceilings, window and door frames and surrounds, supply air vents, and HVAC units. Of the 50 residential units entered during the site visit, 40 units (80%) had visible apparent mold growth and 21 units (42%) had other visible water damage...Sixty percent of the units had apparent mold growth in the HVAC system, chiefly on the metal panels of the HVAC units (3 s.f. or less). [Three] apartments [had] significant amounts of mold growth on walls and/or ceilings...In all three units, the bulk of the mold growth is on bathroom ceilings and walls.
- It is important that a thorough inspection of the building envelope be conducted and that sources of water intrusion be identified and repaired. Building roofs and window and door seals should be inspected and repaired as necessary. Failure to repair leaks in the building envelope will likely result in recurrence of mold growth in the building interior.” (p. 4)

Noise Assessment: A noise assessment report dated June 29, 2005 was prepared by Loflin Environmental Services, Inc. and contained the following findings and recommendations:

- “Major noise sources identified at the site included a major commercial airport within five miles, and several roadways within 1,000 feet, including Imperial Valley and Aldine Bender Road.”
- “The Day-Night Average Sound Level at the chosen noise area location was found to be 69.8 decibels. This sound level indicates that the site is not automatically acceptable without noise abatement according to the guidelines established in the U.S .Housing and Urban Development Title 24 CFR Chapter 1, Part 51, Subpart B.” [NOTE: The referenced HUD guidelines state: “Exterior noise goals: It is a HUD goal that exterior noise levels do not exceed a day-night average sound level of 55 decibels...For the purposes of this regulation and to meet other program objectives,, sites with a day-night average sound level of 65 [decibels] and below are acceptable. Interior noise goals: It is a HUD goal that the interior auditory environment shall not exceed a day-night average sound level of 45 decibels. Attenuation measures to meet these interior goals shall be employed where feasible. Emphasis shall be given to noise-sensitive interior spaces such as bedrooms.”]

In light of the work to be accomplished during the proposed rehabilitation, receipt, review, and acceptance of documentation by a third party environmental engineer which addresses all the outstanding issues identified in the reports referenced above and indicates that no issues of environmental concern exist with regard to the property and that there is no condition or circumstance that warrants further investigation, analysis, or remediation, prior to cost certification property, is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 2 private activity bond lottery development the Applicant has elected the

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100% at 60% option.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$19,980	\$22,800	\$25,680	\$28,500	\$30,780	\$33,060

MARKET HIGHLIGHTS

A market feasibility study dated December 2, 2004 and an update dated January 6, 2006 were prepared by Vogt Williams Bowen, LLC (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “The Houston Site PMA includes the northern portion of the city of Houston. The boundaries of the PMA include FM 1960 to the north, U.S. Highway 59 to the east, Little York Road to the south, and Veterans Memorial Drive to the west” (p. 3). This area encompasses approximately 96 square miles and is equivalent to a circle with a radius of 5.5 miles.

Population: The estimated 2005 population of the PMA was 209,123 and is expected to increase by 8.9% to approximately 227,632 by 2010. Within the primary market area there were estimated to be 66,285 households in 2005. The PMA population significantly exceeds the TDHCA maximum guideline of 100,000 persons; the Market Analyst offered the following rationale for the variance: “The areas beyond the northwest portion of the site PMA have higher concentrations of upper-income residents that would not qualify for the proposed site. Veterans Memorial Drive has been selected as a western boundary due to the distinction between a large percentage of renter-occupied residences to the east and a much smaller percentage of enter-occupied residences to the west of the roadway. The percentages of residents to the west of Veterans Memorial Drive also have higher incomes than the residents to the east. Therefore, we do not expect a large portion of residents to come from this area. According to managers at apartments surrounding the subject site, the area draws many tenants from the Greenspoint area and also a high percentage of tenants from the extreme northern portions of Houston, as the site is perceived as a more desirable location. Also, given the close proximity of the site to the airport, where many area residents are employed, the site will draw support from the areas to the west and south of the airport, as there is a high amount of low-to-moderate-income households in these areas.” (p. 2-3)

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 7,559 qualified households in the PMA, based on the current estimate of 67,268 households, the projected annual household growth rate of 1.5%, renter households estimated at 63.6% of the population, income-qualified households estimated at 26.7%, and an annual renter turnover rate of 64.4 % (p. 30). The Market Analyst used an income band of \$15,420 to \$32,940.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	203	3%	183	4%
Resident Turnover	7,356	97%	4,518	96%
Other Sources:	0	0%	0	0%
TOTAL ANNUAL DEMAND	7,559	100%	4,701	100%

Ref: p. 30

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 4% based upon 7,559 units of demand and 306 unstabilized affordable housing units in the PMA (including the subject) (p. 30). The Market Analyst significantly understated the number of unstabilized units by including only the 50 unstabilized units in two properties (Park at Kirkstall (#02457) and Northwood Villas (#94080) rather than all of the 1,632 units in the eight unstabilized properties in the PMA. The Underwriter calculated an inclusive capture rate of 29.6% based upon a revised supply of 1,632 unstabilized comparable affordable

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units divided by a revised demand estimate of 4,701 households. However, the subject development is currently +/-90% occupied and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Local Housing Authority Waiting List Information: “According to the City of Houston Housing Authority website, there are more than 15,000 families receiving Section 8 assistance in the Houston area and the waiting list is five years long and is currently closed to new applicants of the program.”(p. VII-5)

Market Rent Comparables: The Market Analyst initially surveyed five comparable apartment properties totaling 1,077 units located four to six miles away in the northwest end of the market area. These properties were built from 1985-2000 and the Market Analyst concluded estimated market rents of \$625, \$655, \$800, and \$865 for the subject’s four unit types. However, the Applicant also submitted an appraisal report which used five different comparable apartment properties located within 1.2 miles of the subject to conclude estimated market rents of \$470, \$520, \$670, and \$740. These properties were built from 1978-1984 and are likely to be more comparable to the subject in location and amenities, even following the proposed rehabilitation. In light of the significant differences in the two market rent estimates, the Underwriter requested the Market Analyst to reconsider his initial estimates. On January 27, 2006 the Market Analyst submitted revised estimated market rent estimates, based on the five older and closer comparable properties used by the Appraiser, of \$495, \$530, \$650, and \$710, and the Underwriter has used these revised estimated market rents in this analysis.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-BR, 570 SF (60%)	\$460	\$632	-\$172	\$495	-\$35
1-BR, 730 SF (60%)	\$495	\$632	-\$137	\$530	-\$35
1-BR, 915 SF (60%)	\$640	\$755	-\$115	\$650	-\$10
2-BR, 1,070 SF (60%)	\$685	\$755	-\$70	\$710	-\$25

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

Primary Market Occupancy Rates:

- “In December 2005, we identified and surveyed by telephone 93 conventional housing projects containing a total of 24,291 units within the PMA...These rentals have a combined occupancy rate of 95.3%, a good occupancy rate, which we consider indicative of a balanced rental market. Note that occupancies in the market have increased from 88.1% [at the time of our original survey] in November 2004. Much of this increase in occupancy rates is attributed to rising home mortgage rates in the last several months, as well as the substantial impact on the local housing market created by the victims of Hurricanes Katrina and Rita, which displaced tens of thousands of families in Louisiana and the Gulf Coast portion of Texas. Among these properties, 90 are non-subsidized (market rate and/or tax credit) projects containing 23,239 units, with an occupancy rate of 95.2%. There are also 14 non-subsidized units under construction at this time. The remaining subsidized projects have 1,052 government-subsidized units that are 97.1% occupied.” (p. 10)
- “During our telephone survey we identified 19 LIHTC properties within the PMA...Seven of the 19 comparable tax credit properties are 100% occupied. Overall, the 19 competitive LIHTC properties have a combined occupancy rate of 94.8%.” (p. 12)

Absorption Projections: “It is our opinion that the 256-unit subject site will likely retain approximately 40% of the current residents following renovations under tax credit program income guidelines. Thus we anticipate approximately 110 of the currently occupied units will remain occupied by the current renters given that units will be improved and the project will be much more attractive following renovations. We believe absorption will range from 10 to 12 units per month on the remaining 146 units, which will have to be re-rented to new tenants following renovations. Based on these estimates, the subject site will achieve a stabilized occupancy of 93% within 12 to 14 months of opening.” (p. 31)

Known Planned Development: “There have been eight new apartment projects added to the PMA since the

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beginning of 2002, and there are an additional five still completely under construction (p. V-2)...Besides the five tax credit properties mentioned earlier that are currently under construction within the PMSA, it was determined that there are two additional tax credit projects planned for the area...Both of these proposed LIHTC projects...will target seniors age 55 or older. As such, we do not expect these two properties to compete directly with the subject site for family renters.” (p. V-15)

Effect on Existing Housing Stock: “Given that the subject site is already existing, and targets renter households with similar incomes as those needed to live in the proposed tax credit units, we do not anticipate the subject property heavily impacting the occupancy rates of existing rentals in the market following its renovation under the LIHTC program.” (p. 31)

Other Relevant Information: “Note that while it is apparent that the movement of displaced hurricane victims into areas such as the site PMA has improved occupancies in the Houston area in general, we believe that the future removal of some of these households from the market will not impact the marketability of the subject site, given its good market position among other tax credit properties.” (p. 32)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s rent projections are from \$70 to \$172 lower than the maximum rents allowed under HTC program guidelines, and from \$10 to \$35 lower than the Market Analyst’s estimated market rents. The Underwriter has used the revised market rent estimates in this analysis, which results in the Underwriter’s potential gross income estimate exceeding the Applicant’s estimate by \$84,480. The Applicant stated that the property pays for centrally-heated hot water, and rents and expenses were calculated accordingly. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of the differences in net rents the Applicant’s effective gross income estimate is \$78,144 less than the Underwriter’s estimate.

Expenses: The Applicant’s total expense estimate of \$3,455 per unit is 4.6% lower than the Underwriter’s database- and historically-derived estimate of \$3,623 per unit for comparably-sized developments in this area. The Applicant’s budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$26.3K lower), insurance (\$24.8K higher), and property taxes (\$18.1K higher). The Underwriter discussed these differences with the Applicant but was unable to reconcile them further. As the Quadratex Group’s cost report did not include any analysis of long-term repair and replacement costs or a reserve or replacement estimate, the Underwriter has used the replacement reserve estimate of \$451/unit/year provided in the AECC, Inc. PCA report. The Underwriter will be able to calculate another replacement reserve requirement upon receipt of the Quadratex Group’s long-term cost estimate.

Debt Service: The interim to permanent financing commitment included in the application states the fixed interest rate to be 5.35%, which would result in an annual permanent loan debt service amount of \$585,823 using a 35-year amortization. The Applicant subsequently used an interest rate of 5.55% in later submissions but did not provide a revised commitment reflecting this rate and actually used a debt service amount of \$642,013 which is equivalent to an all-in rate of 6.113%. The Underwriter’s analysis reflects the 5.35% rate for both construction and permanent loans, resulting in a lower annual permanent debt service estimate of \$585,823.

Conclusion: The Applicant’s total operating expense estimate is consistent with the Underwriter’s expectation and the Applicant’s income and net operating income (NOI) estimates are within 5% of the Underwriter’s estimates. Therefore, the Applicant’s NOI will be used to evaluate debt service capacity. In the Applicant’s income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30. Due to the Underwriter’s lower debt service estimate as discussed above, the Underwriter’s DCR of 1.32 is slightly above the maximum guideline. A significant reduction in the reserve for replacement expense would exacerbate this issue and would suggest that additional debt is achievable.

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ACQUISITION VALUATION INFORMATION					
APPRAISED VALUE					
Land Only: 7.6108 acres	\$910,000	Date of Valuation:	10/	11/	2005
Existing Buildings: "as is"	\$5,960,000	Date of Valuation:	10/	11/	2005
Total Development: "as is"	\$6,600,000	Date of Valuation:	10/	11/	2005
Appraiser: <u>The Gerald A. Teel Co., Inc.</u>	City: <u>Houston</u>	Phone:	<u>(713)</u>	<u>467-5858</u>	
APPRAISAL ANALYSIS/CONCLUSIONS					
<p>The Appraiser used four comparable land sales in northwest Houston since March 2002 to derive the underlying land valuation of \$2.75/square foot. Due to the quality of the comparable sales and adjustments thereto the appraisal provides a reasonable estimation of land value.</p> <p>The Appraiser relied on the income capitalization and sales comparison approaches in estimating the "as is" value of the improvements. The cost approach was not relied upon due to the age of the property. (p. 155)</p>					
ASSESSED VALUE					
Land: 7.6 acres	\$827,640	Assessment for the Year of:	<u>2005</u>		
Building:	\$3,494,940	Valuation by:	<u>Harris County Appraisal District</u>		
Total Assessed Value:	\$4,322,580	Tax Rate:	<u>3.23732</u>		
EVIDENCE of SITE or PROPERTY CONTROL					
Type of Site Control:	<u>Improved property commercial contract</u>				
Contract Expiration Date:	<u>4/</u>	<u>30/</u>	<u>2006</u>	Anticipated Closing Date:	<u>3/</u>
Acquisition Cost:	<u>\$6,600,000</u>	Other Terms/Conditions:	<u>\$60,000 earnest money</u>		
Seller: <u>B.J. Kidd & Co., L.C.</u>	Related to Development Team Member: <u>No</u>				

CONSTRUCTION COST ESTIMATE EVALUATION
<p>Acquisition Value: The site cost of \$6,600,000 (\$25,781/unit) is substantiated by the appraisal value of \$6,600,000, and the appraisal concluded the "as-is" market value of the land to be \$910K or 14% of the total appraised value. The Applicant claimed acquisition eligible basis based upon the appraised land and improvement values, and the Underwriter has also used the appraised values.</p> <p>Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal, and the Applicant has estimated sitework costs of \$1,334 per unit. The third party property construction cost estimate prepared by The Quadratex Group, Inc. estimated sitework costs of \$312,650 or \$1,221 per unit, and this estimate has been used by the Underwriter.</p> <p>Direct Construction Cost: The Applicant's direct construction cost estimate is \$33K or 1.1% lower than the Quadratex Group's estimate, which has been used by the Underwriter. The Applicant's combined sitework and direct construction costs of \$12,513/unit satisfy the 2005 TDHCA minimum rehabilitation cost guideline of \$6K/unit.</p> <p>Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.</p> <p>Reserves: The Applicant's combined reserves of \$1,144,136 exceed the TDHCA guideline by \$485K, and the Underwriter was unable to determine the requirement for such a high reserve requirement from the application materials.</p> <p>Conclusion: Based on the third party construction cost estimate, the Underwriter's total cost breakdown is used to calculate eligible basis and estimate the HTC allocation. As a result, an eligible basis of \$11,708,986 is used to determine a credit allocation of \$469,359 from this method. The resulting syndication proceeds</p>

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will be used to compare to the Applicant's request and to the gap of need using the Underwriter's costs to determine the recommended credit amount.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: Davis Penn Mortgage **Contact:** James Morton
Interim Amount: \$9,259,500* **Interest Rate:** 5.35%, fixed (Applicant used 5.55%)
Permanent Amount: \$9,259,500* **Interest Rate:** 5.35%, fixed (Applicant used 5.55%)
Additional Information: *Commitment in amount of \$10,273,200, interest-only during 2-year construction phase
Amortization: 35 yrs **Term:** 37 yrs **Commitment:** LOI Firm Conditional
Annual Payment: \$585,823 **Lien Priority:** 1st **Date:** 11 15/ 2005

TAX CREDIT SYNDICATION

Source: WNC & Associates, Inc. **Contact:** Patrick Day
Net Proceeds: \$4,324,227* **Net Syndication Rate (per \$1.00 of 10-yr HTC)** 92¢
Commitment: LOI Firm Conditional **Date:** 9/ 6 2005
Additional Information: *Commitment in amount of \$4,208,046 based on allocation of \$457,396

APPLICANT EQUITY

Amount: \$1,081,000 **Source:** Deferred developer fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by the Houston Housing Finance Corporation. The permanent financing commitment is in the amount of \$10,273,200, although the Applicant's sources and uses of funds as listed in the application reflects lower interim and permanent loan amounts of \$9,259,500. As discussed above, the commitment states the interest rate to be 5.35%; although the Applicant subsequently used an interest rate of 5.55% in later submissions no revised commitment reflecting this rate was provided and the Underwriter's analysis reflects the 5.35% rate for both construction and permanent loans.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application, except that the lower commitment amount is based on a lower eligible basis/tax credit estimate.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,081,000 amount to 71% of the total fees.

Financing Conclusions: Based on the Underwriter's estimate of eligible basis, the HTC allocation should not exceed \$469,359 annually for ten years, resulting in syndication proceeds of approximately \$4,317,672. This recommendation is \$1,136 lower than the Applicant's request due to the Applicant's use of an applicable percentage of 3.55% instead of the TDHCA underwriting applicable percentage of 3.54% used for applications received in November 2005. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased slightly to \$1,087,557, which represents approximately 71% of the eligible fee and which should be repayable from cash flow within six years.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and property manager are all related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving

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MULTIFAMILY UNDERWRITING ANALYSIS**

assistance from TDHCA and developing the property and therefore have no material financial statements.

- The Developer, Fieser Development, Inc., submitted an unaudited financial statement as of December 20, 2005 reporting total assets of \$4.2M and consisting of \$200K in cash, \$350K in predevelopment costs for new acquisitions, \$3.6M in receivables, and \$30K in equipment. Liabilities totaled \$104K, resulting in net equity of \$4.1M.
- The principal of the General Partner and the Developer, James Fieser, submitted an unaudited financial statement as of December 20, 2005 and is anticipated to be guarantor of the development.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant environmental risks may exist regarding asbestos-containing building materials, lead-based paint, noise, underground pipelines, polychlorinated biphenyl soil contamination, and an uncapped well.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.

Underwriter:

Jim Anderson

Date: February 7, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: February 7, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

North Oaks Apartments, Houston, 4% HTC #05451

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	64	1	1	570	\$686	\$495	\$31,680	\$0.87	\$54.00	\$43.33
TC 60%	84	1	1	730	686	\$530	44,520	0.73	54.00	43.33
TC 60%	56	2	1	915	823	\$650	36,400	0.71	68.00	50.33
TC 60%	52	2	2	1,070	823	\$710	36,920	0.66	68.00	50.33
TOTAL:	256		AVERAGE:	800	\$744	\$584	\$149,520	\$0.73	\$59.91	\$46.28

INCOME

Total Net Rentable Sq Ft: 204,680

POTENTIAL GROSS RENT		300
Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income:		
POTENTIAL GROSS INCOME		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

TDHCA	APPLICANT
\$1,794,240	\$1,709,760
46,080	46,080
0	0
\$1,840,320	\$1,755,840
(138,024)	(131,688)
0	0
\$1,702,296	\$1,624,152

Comptroller's Region	6
IREM Region	Houston
Per Unit Per Month	
% of Potential Gross Rent	

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.74%	\$249	0.31
Management	4.39%	292	0.37
Payroll & Payroll Tax	11.30%	752	0.94
Repairs & Maintenance	6.24%	415	0.52
Utilities	3.76%	250	0.31
Water, Sewer, & Trash	6.86%	456	0.57
Property Insurance	3.01%	200	0.25
Property Tax	3.23732	7.22%	480
Reserve for Replacements	6.78%	451	0.56
Other: security, compl fees	1.19%	79	0.10
TOTAL EXPENSES	54.49%	\$3,623	\$4.53
NET OPERATING INC	45.51%	\$3,027	\$3.79

	PER SQ FT	PER UNIT	% OF EGI
\$63,644	\$37,298	\$0.18	\$146
74,775	64,000	0.31	250
192,386	195,300	0.95	763
106,165	107,900	0.53	421
64,023	68,000	0.33	266
116,800	98,000	0.48	383
51,170	76,000	0.37	297
122,853	141,000	0.69	551
115,456	76,800	0.38	300
20,240	20,240	0.10	79
\$927,512	\$884,538	\$4.32	\$3,455
\$774,784	\$739,614	\$3.61	\$2,889

DEBT SERVICE

First Lien Mortgage (Davis Penn)	34.41%	\$2,288	\$2.86
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	11.10%	\$738	\$0.92

\$585,823	\$642,013	\$3.14	\$2,508
0	0	\$0.00	\$0
0	0	\$0.00	\$0
\$188,962	\$97,601	\$0.48	\$381

AGGREGATE DEBT COVERAGE RATIO
RECOMMENDED DEBT COVERAGE RATIO

1.32	1.15
	1.26

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		46.56%	\$25,781	\$32.25
Off-Sites		0.00%	0	0.00
Sitework		2.21%	1,221	1.53
Direct Construction		20.42%	11,307	14.14
Contingency	9.99%	2.26%	1,251	1.56
General Req'ts	5.99%	1.36%	751	0.94
Contractor's G & A	2.00%	0.45%	250	0.31
Contractor's Profit	5.99%	1.36%	751	0.94
Indirect Construction		2.83%	1,567	1.96
Ineligible Costs		6.39%	3,538	4.42
Developer's G & A	3.00%	2.15%	1,193	1.49
Developer's Profit	12.00%	8.62%	4,771	5.97
Interim Financing		0.81%	449	0.56
Reserves		4.60%	2,545	3.18
TOTAL COST		100.00%	\$55,375	\$69.26
Recap-Hard Construction Costs		28.05%	\$15,531	\$19.43

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
\$6,600,000	\$6,600,000	\$32.25	\$25,781	45.01%	
0	0	0.00	0	0.00%	
312,650	341,500	1.67	1,334	2.33%	
2,894,585	2,861,700	13.98	11,179	19.51%	
320,320	320,320	1.56	1,251	2.18%	
192,192	192,192	0.94	751	1.31%	
64,064	64,064	0.31	250	0.44%	
192,192	192,192	0.94	751	1.31%	
401,250	401,250	1.96	1,567	2.74%	
905,642	905,642	4.42	3,538	6.18%	
305,347	305,347	1.49	1,193	2.08%	
1,221,386	1,221,386	5.97	4,771	8.33%	
115,000	115,000	0.56	449	0.78%	
651,432	1,144,136	5.59	4,469	7.80%	
\$14,176,060	\$14,664,729	\$71.65	\$57,284	100.00%	
\$3,976,003	\$3,971,968	\$19.41	\$15,516	27.09%	

SOURCES OF FUNDS

First Lien Mortgage (Davis Penn)	65.32%	\$36,170	\$45.24
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds (WNC)	30.50%	\$16,892	\$21.13
Deferred Developer Fees	7.63%	\$4,223	\$5.28
Additional (Excess) Funds Req'd	-3.45%	(\$1,909)	(\$2.39)
TOTAL SOURCES			

	TDHCA	APPLICANT	RECOMMENDED	
\$9,259,500	\$9,259,500	\$9,259,500	Developer Fee Available	
0	0	0	\$1,526,733	
4,324,227	4,324,227	4,317,672	% of Dev. Fee Deferred	
1,081,000	1,081,000	1,087,557	71%	
(488,667)	2	(0)	15-Yr Cumulative Cash Flow	
\$14,176,060	\$14,664,729	\$14,664,729	\$3,727,775	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
North Oaks Apartments, Houston, 4% HTC #05451

Primary	\$9,259,500	Amort	420
Int Rate	5.350%	DCR	1.32

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.32

Additional	\$4,324,227	Amort	
Int Rate		Aggregate DCR	1.32

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI

Primary Debt Service	\$585,823
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$153,791

Primary	\$9,259,500	Amort	420
Int Rate	5.350%	DCR	1.26

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.26

Additional	\$4,324,227	Amort	0
Int Rate	0.00%	Aggregate DCR	1.26

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,709,760	\$1,761,053	\$1,813,884	\$1,868,301	\$1,924,350	\$2,230,849	\$2,586,165	\$2,998,075	\$4,029,161
Secondary Income	46,080	47,462	48,886	50,353	51,863	60,124	69,700	80,802	108,591
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,755,840	1,808,515	1,862,771	1,918,654	1,976,213	2,290,973	2,655,866	3,078,876	4,137,752
Vacancy & Collection Loss	(131,688)	(135,639)	(139,708)	(143,899)	(148,216)	(171,823)	(199,190)	(230,916)	(310,331)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,624,152	\$1,672,877	\$1,723,063	\$1,774,755	\$1,827,997	\$2,119,150	\$2,456,676	\$2,847,960	\$3,827,421
EXPENSES at 4.00%									
General & Administrative	\$37,298	\$38,790	\$40,342	\$41,955	\$43,633	\$53,087	\$64,588	\$78,581	\$116,319
Management	64,000	65,920	67,897.6	69,934.528	72,032.56384	83,505.48377	96,805.74239	112,224.3874	150,820.1924
Payroll & Payroll Tax	195,300	203,112	211,236	219,686	228,473	277,973	338,196	411,468	609,073
Repairs & Maintenance	107,900	112,216	116,705	121,373	126,228	153,575	186,848	227,329	336,502
Utilities	68,000	70,720	73,549	76,491	79,550	96,785	117,754	143,266	212,068
Water, Sewer & Trash	98,000	101,920	105,997	110,237	114,646	139,485	169,704	206,471	305,628
Insurance	76,000	79,040	82,202	85,490	88,909	108,172	131,607	160,121	237,018
Property Tax	141,000	146,640	152,506	158,606	164,950	200,687	244,166	297,066	439,730
Reserve for Replacements	76,800	79,872	83,067	86,390	89,845	109,310	132,993	161,806	239,512
Other	20,240	21,050	21,892	22,767	23,678	28,808	35,049	42,643	63,122
TOTAL EXPENSES	\$884,538	\$919,280	\$955,392	\$992,928	\$1,031,946	\$1,251,387	\$1,517,712	\$1,840,974	\$2,709,792
NET OPERATING INCOME	\$739,614	\$753,597	\$767,671	\$781,827	\$796,051	\$867,763	\$938,964	\$1,006,986	\$1,117,628
DEBT SERVICE									
First Lien Financing	\$585,823	\$585,823	\$585,823	\$585,823	\$585,823	\$585,823	\$585,823	\$585,823	\$585,823
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$153,791	\$167,775	\$181,849	\$196,004	\$210,229	\$281,941	\$353,141	\$421,164	\$531,806
DEBT COVERAGE RATIO	1.26	1.29	1.31	1.33	1.36	1.48	1.60	1.72	1.91

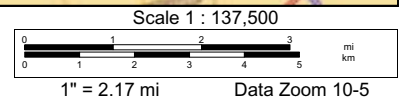
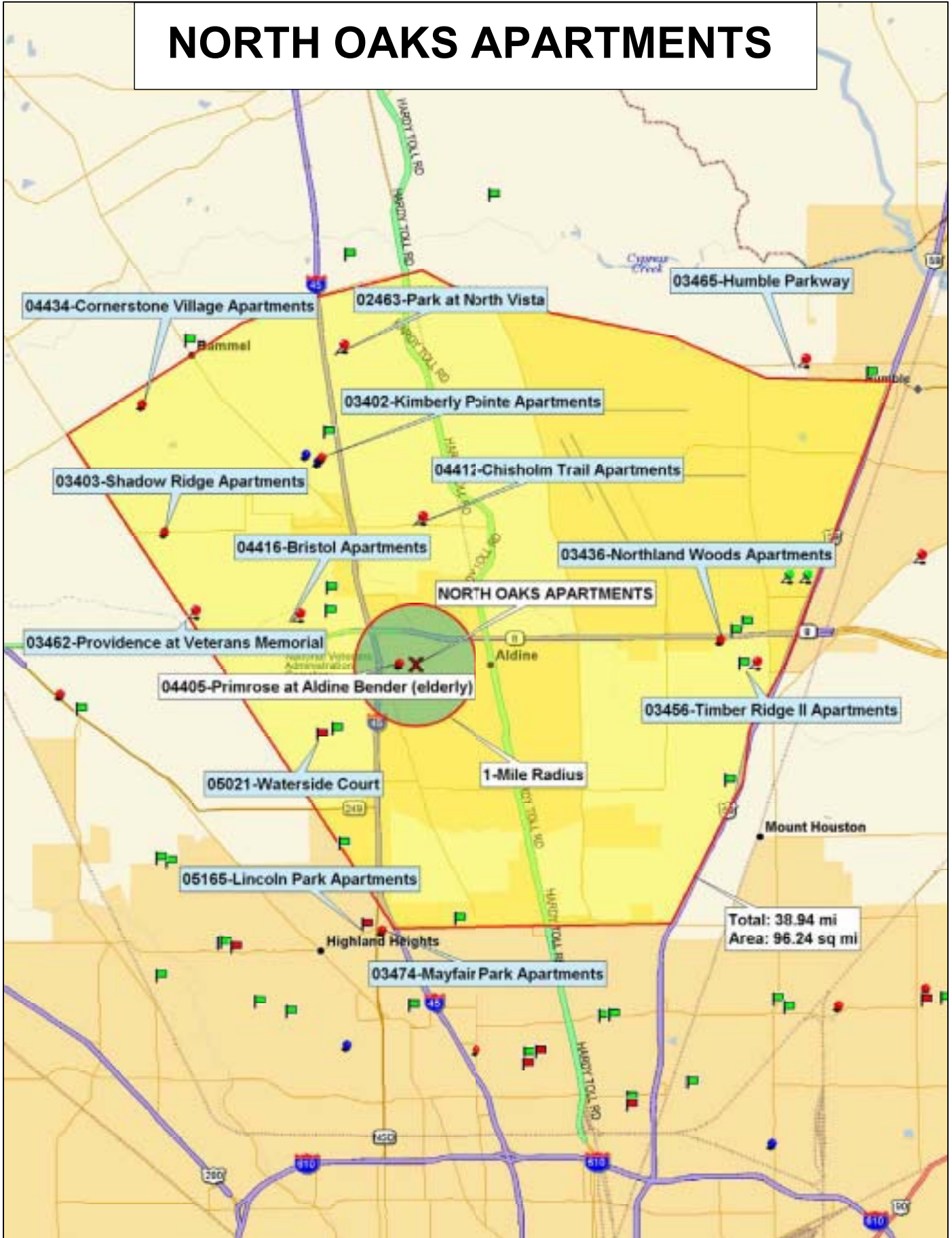
LIHTC Allocation Calculation - North Oaks Apartments, Houston, 4% HTC #05451

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$910,000	\$910,000				
Purchase of buildings	\$5,690,000	\$5,690,000	\$5,690,000	\$5,690,000		
(2) Rehabilitation/New Construction Cost						
On-site work	\$341,500	\$312,650			\$341,500	\$312,650
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$2,861,700	\$2,894,585			\$2,861,700	\$2,894,585
(4) Contractor Fees & General Requirements						
Contractor overhead	\$64,064	\$64,064			\$64,064	\$64,064
Contractor profit	\$192,192	\$192,192			\$192,192	\$192,192
General requirements	\$192,192	\$192,192			\$192,192	\$192,192
(5) Contingencies	\$320,320	\$320,320			\$320,320	\$320,320
(6) Eligible Indirect Fees	\$401,250	\$401,250			\$401,250	\$401,250
(7) Eligible Financing Fees	\$115,000	\$115,000			\$115,000	\$115,000
(8) All Ineligible Costs	\$905,642	\$905,642				
(9) Developer Fees			\$853,500		\$673,233	
Developer overhead	\$305,347	\$305,347		\$170,633		\$134,714
Developer fee	\$1,221,386	\$1,221,386		\$682,529		\$538,857
(10) Development Reserves	\$1,144,136	\$651,432				
TOTAL DEVELOPMENT COSTS	\$14,664,729	\$14,176,060	\$6,543,500	\$6,543,162	\$5,161,451	\$5,165,824

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$6,543,500	\$6,543,162	\$5,161,451	\$5,165,824
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$6,543,500	\$6,543,162	\$6,709,886	\$6,715,571
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$6,543,500	\$6,543,162	\$6,709,886	\$6,715,571
Applicable Percentage			3.54%	3.54%	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS			\$231,640	\$231,628	\$237,530	\$237,731

Syndication Proceeds	0.9199	\$2,130,874	\$2,130,764	\$2,185,057	\$2,186,909
Total Credits (Eligible Basis Method)				\$469,170	\$469,359
Syndication Proceeds			\$11,708,986	\$4,315,931	\$4,317,672
Requested Credits				\$470,495	
Syndication Proceeds				\$4,328,121	
Gap of Syndication Proceeds Needed				\$4,916,560	
Credit Amount				\$534,462	

NORTH OAKS APARTMENTS



Applicant Evaluation

Project ID # **05451**

Name: **North Oaks Apartments**

City: **Houston**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 2

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 2
grouped ten to nineteen: 0
by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 2

Projects not reported Yes
in application No

not yet monitored or pending review: 21

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Not applicable
Review pending
No unresolved issues
Issues found regarding late cert
Issues found regarding late audit
Unresolved issues found that warrant disqualification (Comments attached)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewed by Patricia Murphy

Date 1/27/2006

Multifamily Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer S. Roth
Date 1/30/2006

Single Family Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer Sandy M. Garcia
Date 1/27/2006

Real Estate Analysis (Cost Certification and Workout)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Community Affairs

No relationship
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Office of Colonia Initiatives

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Financial Administration

No delinquencies found
Delinquencies found

Reviewer Melissa M. Whitehead
Date 1/30/2006

Executive Director: Edwina Carrington

Executed: onday, February 06, 2006

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval for the issuance of Housing Tax Credits for Bayview Apartments.

Summary of the Transaction

The application was received on November 14, 2005. The Issuer for this transaction is Harris County HFC. The development is to be located at 6900 N. Main St. in Baytown. Demographics for the census tract include AMFI of \$78,520; the total population is 7,009; the percent of population that is minority is 27.02%; the percent of population that is below the poverty line is 6.45%; the number of owner occupied units is 2,073; the number of renter units is 364 and the number of vacant units is 176. The percent of population that is minority for the entire City of Baytown is 49% (Census information from FFIEC Geocoding for 2005). The development is new construction and will consist of 240 total units targeting the general population, with all affordable – for a Priority 3 bond transaction this means that at least 75% of the units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. There is no zoning required for the Baytown area. The Department received no letters in support and no letters in opposition. The bond priority for this transaction is:

- Priority 1A:** Set aside **50%** of units that cap rents at 30% of **50%** AMFI **and** Set aside **50%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1B:** Set aside **15%** of units that cap rents at 30% of **30%** AMFI **and** Set aside **85%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 1C:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. (MUST receive 4% Housing Tax Credits)
- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)
- Priority 3:** Any qualified residential rental development.

This application was previously brought before the TDHCA Board in November 2004. The Board approved the previous application however the transaction did not close because the financing parties backed out of the deal. The previous lender was Malone Mortgage and the syndicator was Paramount Financial Group. The current lender is MMA Financial and the syndicator is WNC & Associates.

Recommendation

Staff recommends the Board approve the issuance of Housing Tax Credits for Bayview Apartments.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Bayview Apartments, TDHCA Number 05445

BASIC DEVELOPMENT INFORMATION

Site Address: 6900 Main Street Development #: 05445
 City: Baytown Region: 6 Population Served: Family
 County: Harris Zip Code: 77521 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: NC
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: Harris County HFC
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: H. C. Crosby, LP
 Manish Verma - Phone: (210) 240-8373
 Developer: GMAT III Development, Ltd.
 Housing General Contractor: Galaxy Builders, Ltd.
 Architect: Chiles Architects, Inc.
 Market Analyst: Apartment Market Data
 Syndicator: WNC & Associates
 Supportive Services: To Be Determined
 Consultant: Commercial Investment Services, Inc.

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	240
0	0	0	240	0	0	Market Rate Units:	0
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	76	108	56	0		Total Development Units:	240
Type of Building:	5 units or more per bldng					Total Development Cost:	\$22,019,259
Number of Residential Buildings:	11						

Note: If Development Cost =\$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:		\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$900,924	\$887,593	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$0	\$0	0	0	0.00%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Bayview Apartments, TDHCA Number 05445

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15 [NC] Points: [0] US Representative: Poe, District 2, NC
TX Representative: Smith, District 128 [NC] Points: [0] US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Calvin Munding, Mayor, City of Baytown - NC Resolution of Support from Local Government []

Gary Jackson, City Manager, City of Baytown - Consistent with the City of Baytown's current, approved Consolidated Plan.

Individuals/Businesses: In Support: [0] In Opposition: [0]

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Bayview Apartments, TDHCA Number 05445

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$887,593

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$887,593 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$0

Recommendation:

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 6, 2006

PROGRAM: 4% HTC

FILE NUMBER: 05445

DEVELOPMENT NAME

Bayview Apartments

APPLICANT

Name:	H.C. Crosby, L.P.	Type:	For-profit
Address:	45 NE Loop 410, Suite 290	City:	San Antonio
		State:	TX
Zip:	78216	Contact:	Manish Verma
		Phone:	(210) 240-8376
		Fax:	(210) 493-7573

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	CIS Crosby Development, LLC	(%):	0.01	Title:	Managing General Partner
Name:	GMAT III Development, Ltd.	(%):	N/A	Title:	Developer
Name:	Arun Verma	(%):	N/A	Title:	45% Owner of Developer
Name:	CIP, Ltd.	(%):	N/A	Title:	45% Owner of Developer
Name:	Manish Verma	(%):	N/A	Title:	10% Owner of Developer

PROPERTY LOCATION

Location: 6900 N. Main Street QCT DDA
City: Baytown **County:** Harris **Zip:** 77521

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$900,924	N/A	N/A	N/A
Other Requested Terms:	Annual ten-year allocation of housing tax credits		
Proposed Use of Funds:	New construction	Property Type:	Multifamily
Special Purpose (s):	General population		

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$887,593 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

The Application was previously underwritten in November 2004 and received a recommendation for housing tax credits not to exceed \$574,895 annually for ten years with the following condition:

- Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

The Board approved the motion to recommend the Application. According to the Applicant, the lender and the syndicator, Malone Mortgage and Paramount Financial Group, Inc., changed the terms of the guarantees at the last minute. At that point the Applicant decided to withdraw the application and seek other financial

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partners. The updated application and current Underwriting report reflect a different lender and syndicator, MMA Financial and WNC & Associates. The current application has identified higher construction costs and is requesting significantly more credits as a result of a change in the Difficult Development Area (DDA) designation for Gulf Coast counties affected by hurricane Rita. The Applicant also made some slight changes to the unit mix by reducing the number of one-bedroom units and increasing the number of two- and three-bedroom units.

DEVELOPMENT SPECIFICATIONS									
IMPROVEMENTS									
Total Units:	<u>240</u>	# Rental Buildings	<u>11</u>	# Non-Res. Buildings	<u>1</u>	# of Floors	<u>3</u>	Age:	<u>N/A</u> yrs
Net Rentable SF:	<u>223,234</u>	Av Un SF:	<u>930</u>	Common Area SF:	<u>4,880</u>	Gross Bldg SF:	<u>228,114</u>		
STRUCTURAL MATERIALS									
The structure will be wood frame on a slab on grade. According to the plans provided in the application the exterior will be comprised as follows: 37% stone/40% cement fiber siding, and 23% stucco. The interior wall surfaces will be drywall and the pitched roof will be finished with asphalt composite shingles.									
APPLIANCES AND INTERIOR FEATURES									
The interior flooring will be a combination of carpeting & ceramic tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, individual heating and air conditioning.									
ON-SITE AMENITIES									
A 4,880-square foot community building will include a great room, management offices, fitness, computer room, maintenance, a kitchen, restrooms, & a computer/library center. The community building and swimming pool will be located at the entrance to the property. In addition, a volleyball court & perimeter fencing with limited access gate is planned for the site.									
Uncovered Parking:	<u>494</u>	spaces	Carports:	<u>0</u>	spaces	Garages:	<u>0</u>	spaces	
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION									
Description: Bayview Apartments is a relatively dense (20 units per acre) new construction development of 240 units of affordable housing located in north Baytown. The development is comprised of eleven evenly distributed large garden style walk-up low-rise residential buildings as follows:									
<ul style="list-style-type: none"> • 1 Building Type I with 36 one-bedroom/one-bath units; • 1 Building Type II with 24 two-bedroom/two-bath units; • 7 Building Type III with 12 two-bedroom/two-bath units and 8 three-bedroom/two-bath units; • 1 Building Type IV with 24 one-bedroom/one-bath units; and • 1 Building Type V with 16 one-bedroom/one-bath units; 									
Architectural Review: The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.									

SITE ISSUES		
SITE DESCRIPTION		
Size:	<u>12</u> acres	<u>522,720</u> square feet
Zoning/ Permitted Uses:	<u>MU</u>	
Flood Zone Designation:	<u>Zone X</u>	Status of Off-Sites: <u>Partially improved</u>

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Baytown is located approximately ten miles east of Houston, in Harris County. The site is an irregularly-shaped parcel located in the northern ETJ of Baytown, approximately one-quarter mile south of

Interstate 10. The site is situated on the east side of North Main Street.

Adjacent Land Uses:

- **North:** commercial development, vacant land and I-10 beyond;
- **South:** vacant land immediately adjacent;
- **East:** Barkaloo Road immediately adjacent and vacant land beyond; and
- **West:** North Main Street immediately adjacent and vacant land beyond;

Site Access: Access to the property is from the north or south from North Main Street. The development is to have one main entry from North Main Street. Access to Interstate Highway I-10 is less than one mile north, which provides connections to all other major roads serving the Houston area.

Public Transportation: Public transportation in the area is not provided.

Shopping & Services: The site is within 3 miles of major grocery/pharmacies, shopping centers, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Site Inspection Findings: TDHCA staff performed a site re-inspection on December 6, 2005 after an original inspection on October 7, 2004. The re-inspection found the site Acceptable for the proposed development. The re-inspection noted "There is truck travel 1000' from site...I-10 is within 1000' from site..." The original inspection found the location to be Questionable (Acceptable with reservations) for the proposed development due to the following conditions: The inspector noted the site is located on a busy road with traffic that backs up from IH-10 to the property. There is a busy gas station on the corner with heavy truck traffic and a large semi-truck parking lot next door. According to the inspector, it is not an area likely to attract tenants looking for a quiet community because there is a lot of traffic on IH-10 and a lot of noise.

The Applicant provided a copy of a noise survey prepared by Frost GeoSciences dated January 7, 2006. The stated purpose of the Noise Information Survey is "to determine if there are any potential noise concerns associated with the project site due to automotive, railroad, or aircraft traffic" (p. 1). The report was conducted for the purpose of completing a Noise Information Worksheet required by the Department of Housing and Urban Development. The Noise Information Worksheet identified that there is a roadway (four or more lanes) within 1000 feet from the site and the projected traffic count for a 24 hour period was 167,806 with an average speed of 45 to 70 mph. There is no railroad track within 3000 feet from the site. There are three airports located within 15 miles from the site however the project is not located within a Runway Clear Zone nor Clear Zone and Accident Potential Zone. According to a letter from Frost GeoSciences dated February 6, 2006, "...based on the information obtained in this noise survey and given the lack of airplane and train traffic in the area, Frost GeoSciences, Inc. is of the opinion that the noise levels generated from nearby streets and businesses would not present an adverse condition to the proposed development."

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated November 5, 2005 was prepared by Frost GeoSciences, Inc. and contained the following findings and recommendations:

Findings:

- **Asbestos-Containing Materials (ACM):** "The project site was visually inspected for areas that might contain asbestos-containing materials. No obvious visual indications of asbestos-containing materials were noted on the project site at the time of the on site inspection" (p. 17).
- **Lead-Based Paint (LBP):** "The project site was visually inspected for areas that might contain lead-based paint. No obvious visual indications of lead-based paint were noted on the project site at the time of the on site inspection" (p. 17).
- **Radon:** "According to the Final Report of the Texas Indoor Radon Survey by the Texas Department of Health and Human Services, Radiation Control, Harris County has an average radon level of <0.5 pico curies per liter. This value is below the Environmental Protection Agency (EPA) action level of 4 picocuries per liter. According to the EPA Map of Radon Zones (<http://www.epa.gov/iaq/radon/zonemap/texas.htm>), the project site is located within Zone 3. According to the EPA, Zone 3 is characterized by areas having a low potential (less than 2.0 pCi/L for Radon" (p.17).

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- **Floodplain:** “The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map for Harris County, Texas, Community Panel Number 48201C0765 J (11/06/1996) was reviewed to determine in the project site is located in areas prone to flooding. A review of the above mentioned panel number indicates that no portion of the project site is located within the 100-year floodplain” (p. 11).

Recommendation: “This assessment has revealed no evidence of recognized environmental conditions in connection with the project site. There is no reason to suspect that the project site or adjoining properties are of sufficient environmental concern to warrant additional investigations at this time” (p. 1).

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The development was part of the Bond Review Board August collapse and 2005 non-traditional carryforward.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study dated November 11, 2005 was prepared by MarketData Research Services, LLC (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “For this analysis, we utilized a custom trade area comprising a 7.4 mile radius. This trade encompasses 172.01 square miles” (p. 3)

Population: The estimated 2004 population of the PMA was 99,271 and is expected to increase by 8.4% to approximately 107,574 by 2009. Within the primary market area there were estimated to be 36,541 households in 2004.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 2,405 qualified households in the PMA, based on the current estimate of 36,541 households, the projected annual growth rate of 1.7%, renter households estimated at 56.2% of the population, income-qualified households estimated at 19.1%, and an annual renter turnover rate of 62.8 %. (p. 47). The Market Analyst used an income band of \$23,520 to \$39,540.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	100	4.2%	86	3%
Resident Turnover	2,305	95.8%	2,592	97%
TOTAL ANNUAL DEMAND	2,405	100%	2,678	100%

Ref: p. 48

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 20.37% based upon 2,405 units of demand and 490 unstabilized affordable housing in the PMA (including the subject) (p. 49). The Underwriter calculated an inclusive capture rate of 18.3% based upon a supply of unstabilized comparable affordable units of 490 divided by a revised demand of 2,678.

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 1,562 units in the market area.

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RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%) 650 SF	\$625	\$625	\$0	\$630	-\$5
1-Bedroom (60%) 725 SF	\$625	\$625	\$0	\$660	-\$35
2-Bedroom (60%) 920 SF	\$751	\$751	\$0	\$790	-\$39
2-Bedroom (60%) 954 SF	\$751	\$751	\$0	\$805	-\$54
3-Bedroom (60%) 1261 SF	\$862	\$862	\$0	\$995	-\$133

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

Primary Market Occupancy Rates: “The current occupancy rate of the overall market area is 90.0%, as a result of a great amount of absorption over the past year and a half...we see the greatest number of vacancies in projects build in the 1970’s and 1980’s. Several of these projects report higher vacancies from rehabilitation construction, tornado damage, down units, and other management/resident issues. However, occupancy rates for units built in the 70’s, 80’s 90’s and 2000’s have risen significantly over the past year due to rehab completions and stabilization” (p. 10).

Absorption Projections: “Overall absorption in the Primary Market Area (PMA) has been 100 units per year over the past eleven years. This has been in part due to a shift of residents from older projects in poorer condition into newer projects with modern amenities” (p. 12).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s rent projections are the maximum rents allowed under HTC guidelines, and are achievable according to the Market Analyst. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines.

Expenses: The Applicant’s estimate of total operating expense is comparable with the Underwriter’s database-derived estimate. In addition, each of the Applicant’s specific expense line items compare well to the Underwriter’s estimates.

Conclusion: The Applicant’s estimated income is consistent with the Underwriter’s expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant’s net operating income (NOI) estimate is within 5% of the Underwriter’s estimate. Therefore, the Applicant’s NOI should be used to evaluate debt service capacity. In both the Applicant’s and the Underwriter’s income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: (12.0) acres	\$183,820	Assessment for the Year of:	2005
Building:	\$N/A	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$183,820	Tax Rate:	2.53839

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and sale agreement		
Contract Expiration Date:	3/ 31/ 2006	Anticipated Closing Date:	12/ 31/ 2005
Acquisition Cost:	\$1,045,440	Other Terms/Conditions:	N/A
Seller: Ten Main, LTD	Related to Development Team Member: No		

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CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$1,045,440 (\$2.00/SF, \$87,120/acre, or \$4,356/unit), although significantly higher than the tax assessed value of \$183,820 is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant's claimed sitework costs of \$7,335 per unit are within the Department's guidelines for sitework costs for multifamily developments.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$98K or 1% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted. The Underwriter's cost estimate has increased 6% over the November 2004 analysis.

Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by \$156,264 based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis by \$23,439 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter, is used to calculate eligible basis and determine the HTC allocation. An eligible basis of \$19,287,111 is used to determine a credit allocation of \$887,593 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

The Applicant used an applicable percentage rate of 3.56% rather than the underwriting applicable percentage of 3.54% for applications received in November of 2005.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: MMA Financial **Contact:** Rick Monfred
Tax-Exempt Amount: \$13,000,000 **Interest Rate:** 6.4%
Amortization: 40 yrs **Term:** 42.5 yrs **Commitment:** LOI Firm Conditional
Annual Payment: \$902,222 **Lien Priority:** 1st **Commitment Date** 11/ 10/ 2005

TAX CREDIT SYNDICATION

Source: WNC & Associates **Contact:** Darrick Metz
Net Proceeds: \$9,055,550 **Net Syndication Rate (per \$1.00 of 10-yr HTC)** 97¢
Commitment LOI Firm Conditional **Date:** 1/ 5/ 2006
Additional Information: Based upon credits of \$9,226,550

APPLICANT EQUITY

Amount: \$671,495 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by Harris County HFC and purchased by MMA Financial. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application before an update to the amount of credits requested. The Applicant adjusted the amount of credits requested and the Underwriter applied the syndication rate to

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calculate the total updated syndication proceeds (\$8,738,089).

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees (calculated based on the updated amount of credits requested) of \$281,170 amount to 11% of the total fees.

Financing Conclusions: The syndication proceeds calculated based on eligible basis using the Applicant's costs is \$8,608,790, or \$887,593 in annual tax credits. This annual figure is \$13,331 less than the Applicant's request and less than the annual tax credit estimate of \$929,913 calculated based on gap in need. Therefore, the recommended annual tax credit allocation is \$887,593. According to the Underwriter's analysis, the deferred developer fee will increase to \$410,469, or 16% of the total fee available, and should be repayable within three years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer and General Contractor are both related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 45% Owner of GMAT III Development, Ltd, CIP Ltd., submitted an unaudited financial statement as of December 31, 2004 reporting total assets of \$1K and no liabilities resulting in a net worth of \$1K.
- The principals of the Developer (GMAT III Development, Ltd), Arun and Manish Verma, submitted unaudited financial statements as of December, 2005 and are anticipated to be guarantors of the development.

Background & Experience: Multifamily Finance Production staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- None

Underwriter:	_____	Date:	February 6, 2006
	<i>Brenda Hull</i>		
Director of Real Estate Analysis:	_____	Date:	February 6, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

Bayview Apartments, Baytown, 4% HTC #05445

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC (60%)	30	1	1	650	\$686	\$625	\$18,750	\$0.96	\$61.00	\$32.31
TC (60%)	46	1	1	725	686	625	28,750	0.86	61.00	32.31
TC (60%)	96	2	2	920	823	751	72,096	0.82	72.00	37.31
TC (60%)	12	2	2	954	823	751	9,012	0.79	72.00	37.31
TC (60%)	56	3	2	1,261	951	862	48,272	0.68	89.00	49.31
TOTAL:	240		AVERAGE:	930	\$809	\$737	\$176,880	\$0.79	\$72.48	\$38.53

INCOME

Total Net Rentable Sq Ft: 223,234

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income: (describe)		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.67%	\$390	0.42
Management	5.00%	417	0.45
Payroll & Payroll Tax	11.68%	975	1.05
Repairs & Maintenance	5.57%	465	0.50
Utilities	2.61%	217	0.23
Water, Sewer, & Trash	4.10%	342	0.37
Property Insurance	2.79%	233	0.25
Property Tax 2.53839	7.79%	650	0.70
Reserve for Replacements	2.40%	200	0.22
Other: compl fees	1.08%	90	0.10
TOTAL EXPENSES	47.68%	\$3,980	\$4.28
NET OPERATING INC	52.32%	\$4,367	\$4.70

DEBT SERVICE

MMA Finacial	45.04%	\$3,759	\$4.04
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	7.28%	\$608	\$0.65

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		4.86%	\$4,400	\$4.73
Off-Sites		0.00%	0	0.00
Sitework		8.11%	7,335	7.89
Direct Construction		45.70%	41,326	44.43
Contingency	5.00%	2.69%	2,433	2.62
General Req'ts	6.00%	3.23%	2,920	3.14
Contractor's G & A	2.00%	1.08%	973	1.05
Contractor's Profit	6.00%	3.23%	2,920	3.14
Indirect Construction		6.82%	6,171	6.63
Ineligible Costs		4.52%	4,089	4.40
Developer's G & A	3.82%	2.93%	2,651	2.85
Developer's Profit	11.18%	8.58%	7,759	8.34
Interim Financing		5.88%	5,317	5.72
Reserves		2.37%	2,147	2.31
TOTAL COST		100.00%	\$90,439	\$97.23
Recap-Hard Construction Costs		64.03%	\$57,907	\$62.26

SOURCES OF FUNDS

MMA Finacial	59.89%	\$54,167	\$58.23
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	40.26%	\$36,409	\$39.14
Deferred Developer Fees	1.30%	\$1,172	\$1.26
Additional (excess) Funds Required	-1.45%	(\$1,308)	(\$1.41)
TOTAL SOURCES			

	TDHCA	APPLICANT
POTENTIAL GROSS RENT	\$2,122,560	\$2,122,560
Secondary Income	43,200	43,200
Other Support Income: (describe)	0	
POTENTIAL GROSS INCOME	\$2,165,760	\$2,165,760
Vacancy & Collection Loss	(162,432)	(162,432)
Employee or Other Non-Rental Units or Concessions	0	
EFFECTIVE GROSS INCOME	\$2,003,328	\$2,003,328
General & Administrative	\$93,533	\$77,220
Management	100,166	100,167
Payroll & Payroll Tax	233,990	230,771
Repairs & Maintenance	111,675	98,138
Utilities	52,188	67,200
Water, Sewer, & Trash	82,198	76,128
Property Insurance	55,809	66,970
Property Tax	156,032	159,800
Reserve for Replacements	48,000	48,000
Other: compl fees	21,600	21,600
TOTAL EXPENSES	\$955,191	\$945,994
NET OPERATING INC	\$1,048,137	\$1,057,334
MMA Finacial	\$902,222	\$902,222
Additional Financing	0	0
Additional Financing	0	0
NET CASH FLOW	\$145,915	\$155,112
AGGREGATE DEBT COVERAGE RATIO	1.16	1.17
RECOMMENDED DEBT COVERAGE RATIO		1.17

	PER SQ FT	PER UNIT	% OF EGI
POTENTIAL GROSS RENT			
Secondary Income	\$15.00		
Other Support Income: (describe)			
POTENTIAL GROSS INCOME			
Vacancy & Collection Loss	-7.50%		
Employee or Other Non-Rental Units or Concessions			
EFFECTIVE GROSS INCOME			
General & Administrative	\$0.35	\$322	3.85%
Management	0.45	417	5.00%
Payroll & Payroll Tax	1.03	962	11.52%
Repairs & Maintenance	0.44	409	4.90%
Utilities	0.30	280	3.35%
Water, Sewer, & Trash	0.34	317	3.80%
Property Insurance	0.30	279	3.34%
Property Tax	0.72	666	7.98%
Reserve for Replacements	0.22	200	2.40%
Other: compl fees	0.10	90	1.08%
TOTAL EXPENSES	\$4.24	\$3,942	47.22%
NET OPERATING INC	\$4.74	\$4,406	52.78%
MMA Finacial	\$4.04	\$3,759	45.04%
Additional Financing	\$0.00	\$0	0.00%
Additional Financing	\$0.00	\$0	0.00%
NET CASH FLOW	\$0.69	\$646	7.74%

	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	\$4.73	\$4,400	4.80%
Off-Sites	0.00	0	0.00%
Sitework	7.89	7,335	8.00%
Direct Construction	44.87	41,735	45.49%
Contingency	2.64	2,454	2.67%
General Req'ts	3.32	3,091	3.37%
Contractor's G & A	1.19	1,107	1.21%
Contractor's Profit	3.57	3,322	3.62%
Indirect Construction	6.63	6,171	6.73%
Ineligible Costs	4.40	4,089	4.46%
Developer's G & A	3.03	2,821	3.08%
Developer's Profit	8.34	7,759	8.46%
Interim Financing	5.72	5,317	5.79%
Reserves	2.31	2,147	2.34%
TOTAL COST	\$98.64	\$91,747	100.00%
Recap-Hard Construction Costs	\$63.48	\$59,045	64.36%

	RECOMMENDED	
MMA Finacial	\$13,000,000	Developer Fee Available
Additional Financing	0	\$2,515,710
HTC Syndication Proceeds	8,738,089	% of Dev. Fee Deferred
Deferred Developer Fees	410,469	16%
Additional (excess) Funds Required	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES	\$22,019,259	\$4,802,456

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Bayview Apartments, Baytown, 4% HTC #05445

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$49.50	\$11,049,594
Adjustments				
Exterior Wall Finish	2.96%		\$1.47	\$327,068
Elderly/9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.70)	(156,264)
Floor Cover			3.43	765,709
Porches/Balconies	\$20.49	18,733	1.72	383,916
Plumbing	\$680	492	1.50	334,560
Built-In Appliances	\$1,675	240	1.80	402,000
Stairs	\$1,475	92	0.61	135,700
Floor Insulation			0.00	0
Heating/Cooling			1.53	341,548
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$59.87	4,880	1.31	292,185
Other:			0.00	0
SUBTOTAL			62.16	13,876,017
Current Cost Multiplier	1.01		0.62	138,760
Local Multiplier	0.87		(8.08)	(1,803,882)
TOTAL DIRECT CONSTRUCTION COSTS			\$54.70	\$12,210,895
Plans, specs, survy, bld prn	3.90%		(\$2.13)	(\$476,225)
Interim Construction Interest	3.38%		(1.85)	(412,118)
Contractor's OH & Profit	11.50%		(6.29)	(1,404,253)
NET DIRECT CONSTRUCTION COSTS			\$44.43	\$9,918,299

PAYMENT COMPUTATION

Primary	\$13,000,000	Term	480
Int Rate	6.40%	DCR	1.16
Secondary	\$0	Term	
Int Rate	0.00%	Subtotal DCR	1.16
Additional	\$8,738,089	Term	
Int Rate		Aggregate DCR	1.16

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NO

Primary Debt Service	\$902,222
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$155,112

Primary	\$13,000,000	Term	480
Int Rate	6.40%	DCR	1.17
Secondary	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.17
Additional	\$8,738,089	Term	0
Int Rate	0.00%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NO)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,122,560	\$2,186,237	\$2,251,824	\$2,319,379	\$2,388,960	\$2,769,459	\$3,210,562	\$3,721,922	\$5,001,952
Secondary Income	43,200	44,496	45,831	47,206	48,622	56,366	65,344	75,751	101,804
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,165,760	2,230,733	2,297,655	2,366,584	2,437,582	2,825,826	3,275,906	3,797,673	5,103,755
Vacancy & Collection Loss	(162,432)	(167,305)	(172,324)	(177,494)	(182,819)	(211,937)	(245,693)	(284,825)	(382,782)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFEFFECTIVE GROSS INCOME	\$2,003,328	\$2,063,428	\$2,125,331	\$2,189,091	\$2,254,763	\$2,613,889	\$3,030,213	\$3,512,848	\$4,720,974
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$77,220	\$80,309	\$83,521	\$86,862	\$90,336	\$109,908	\$133,720	\$162,691	\$240,822
Management	100,167	103172.01	106267.1703	109455.1854	112738.841	130695.2155	151511.575	175643.4408	236050.097
Payroll & Payroll Tax	230,771	240,001	249,601	259,585	269,969	328,458	399,620	486,199	719,693
Repairs & Maintenance	98,138	102,064	106,146	110,392	114,808	139,681	169,944	206,762	306,059
Utilities	67,200	69,888	72,684	75,591	78,614	95,647	116,369	141,580	209,573
Water, Sewer & Trash	76,128	79,173	82,340	85,634	89,059	108,354	131,829	160,390	237,417
Insurance	66,970	69,649	72,435	75,332	78,345	95,319	115,970	141,096	208,856
Property Tax	159,800	166,192	172,840	179,753	186,943	227,445	276,722	336,674	498,361
Reserve for Replacements	48,000	49,920	51,917	53,993	56,153	68,319	83,120	101,129	149,695
Other	21,600	22,464	23,363	24,297	25,269	30,744	37,404	45,508	67,363
TOTAL EXPENSES	\$945,994	\$982,832	\$1,021,113	\$1,060,895	\$1,102,236	\$1,334,570	\$1,616,210	\$1,957,673	\$2,873,889
NET OPERATING INCOME	\$1,057,334	\$1,080,596	\$1,104,217	\$1,128,195	\$1,152,527	\$1,279,318	\$1,414,004	\$1,555,175	\$1,847,085
DEBT SERVICE									
First Lien Financing	\$902,222	\$902,222	\$902,222	\$902,222	\$902,222	\$902,222	\$902,222	\$902,222	\$902,222
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$155,112	\$178,374	\$201,995	\$225,973	\$250,305	\$377,096	\$511,781	\$652,953	\$944,863
DEBT COVERAGE RATIO	1.17	1.20	1.22	1.25	1.28	1.42	1.57	1.72	2.05

LIHTC Allocation Calculation - Bayview Apartments, Baytown, 4% HTC #05445

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,055,895	\$1,055,895		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,760,459	\$1,760,459	\$1,760,459	\$1,760,459
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$10,016,399	\$9,918,299	\$10,016,399	\$9,918,299
(4) Contractor Fees & General Requirements				
Contractor overhead	\$265,770	\$233,575	\$235,537	\$233,575
Contractor profit	\$797,312	\$700,725	\$706,611	\$700,725
General requirements	\$741,942	\$700,725	\$706,611	\$700,725
(5) Contingencies				
	\$588,843	\$583,938	\$588,843	\$583,938
(6) Eligible Indirect Fees				
	\$1,480,940	\$1,480,940	\$1,480,940	\$1,480,940
(7) Eligible Financing Fees				
	\$1,276,000	\$1,276,000	\$1,276,000	\$1,276,000
(8) All Ineligible Costs				
	\$981,250	\$981,250		
(9) Developer Fees			\$2,515,710	
Developer overhead	\$677,106	\$636,156		\$636,156
Developer fee	\$1,862,043	\$1,862,043		\$1,862,043
(10) Development Reserves				
	\$515,300	\$515,300		
TOTAL DEVELOPMENT COSTS	\$22,019,259	\$21,705,307	\$19,287,111	\$19,152,862

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$19,287,111	\$19,152,862
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$25,073,245	\$24,898,720
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$25,073,245	\$24,898,720
Applicable Percentage			3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS			\$887,593	\$881,415

Syndication Proceeds **0.9699** **\$8,608,790** **\$8,548,868**

Total Credits (Eligible Basis Method) **\$887,593** **\$881,415**

Syndication Proceeds **\$8,608,790** **\$8,548,868**

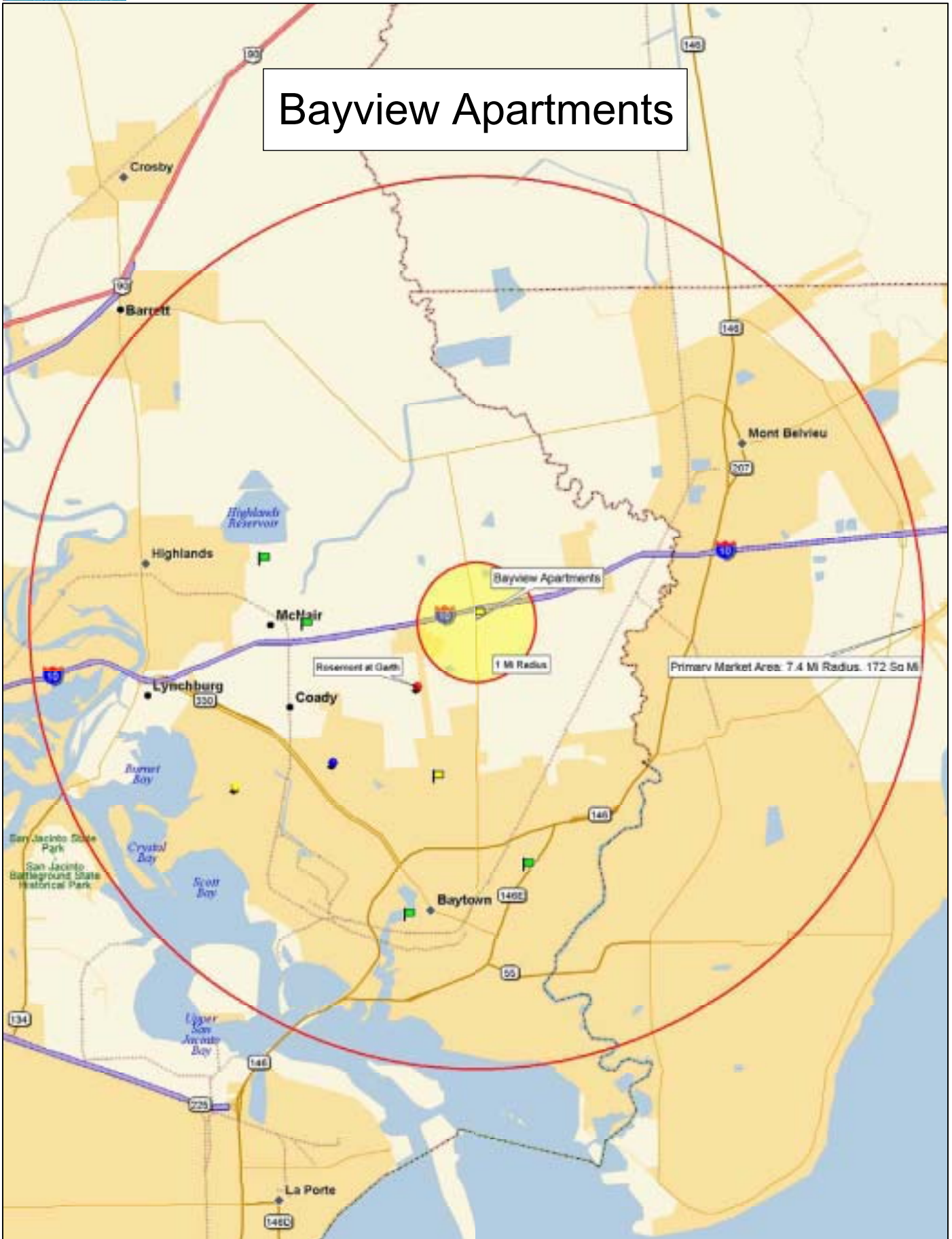
Requested Credits **\$900,924**

Syndication Proceeds **\$8,738,089**

Gap of Syndication Proceeds Needed **\$9,019,259**

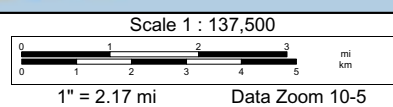
Credit Amount **\$929,913**

Bayview Apartments



Primary Market Area: 7.4 Mi Radius, 172 Sq Mi

1 Mi Radius



Applicant Evaluation

Project ID # **05445**

Name: **Bayview Apartments**

City: **Baytown**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 0
 grouped ten to nineteen: 0
 by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 0

Projects not reported Yes
 in application No

not yet monitored or pending review: 3

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Not applicable
 Review pending
 No unresolved issues
 Issues found regarding late cert
 Issues found regarding late audit
 Unresolved issues found that warrant disqualification
 (Comments attached)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewed by Patricia Murphy

Date 12/20/2005

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer S. Roth
 Date 12/19/2005

Single Family Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer Paige McGilloway
 Date 12/15/2005

Real Estate Analysis (Cost Certification and Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer _____
 Date _____

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer EEF
 Date 12/16/2005

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification
 (Comments attached)

Reviewer _____
 Date _____

Financial Administration

No delinquencies found
 Delinquencies found

Reviewer Melissa M. Whitehead
 Date 12/20/2005

Executive Director: Edwina Carrington

Executed: day, December 28, 2005

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
February 15, 2006

Action Item

Appeal determination of meeting ineligibility for a 2006 Four Percent Housing Tax Credit (HTC).

Requested Action

Issue a determination on the appeal.

Background and Recommendations

Consistent with §50.12(a)(2), the Department must receive the full application and any outstanding documentation for Four Percent Housing Tax Credit Applications no later than 60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made. The appellant has requested that they be considered for the March 2006 Board meeting. However, the 60 day deadline was not satisfied. Therefore, the Department has scheduled the application for the May Board meeting, still giving sufficient time for closing. The appellant has chosen to appeal their meeting date ineligibility.

Sea Breeze Senior Apartments

According to the applicant, the appeal is based on the following reason:

Sea Breeze Senior Apartments was originally awarded private activity bonds and tax credits in May 2005. However, for a variety of reasons, they have been unable to close the transaction. Initially delays were associated with originally intending to use U.S. Department of Housing and Urban Development (HUD) Replacement Housing Funds for the acquisition. Due to time-consuming negotiations, the applicant was forced to re-induce the bonds and then still ultimately was unable to close the transaction with the HUD Program. At the point they were finally prepared to close on the transaction, Hurricane Katrina struck the Gulf Coast and it was not possible to obtain casualty insurance or surety bonds. Additionally, due to bonding difficulties with the original contractor, a new contractor had to be selected and the public procurement process for this took some time. These delays again created a need to re-induce the bonds. The applicant asserts that the location, site plan, design, development team, debt and equity providers all remain unchanged; the only change is an increase to the construction and indirect construction costs which have created an increase in the credit request amount.

The Volume I and II of the application for Sea Breeze was received on February 3, 2006, after the 60 day deadline had passed for the March Board meeting. It should be noted that as of February 7, 2006, the remaining Volume III and third party reports remain outstanding.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Sea Breeze Seniors, LP
Site Location: 5751 I-37 Access Road
City/County: Corpus Christi / Nueces
Population Served: Elderly
Type of Development: New Construction
Units: 200
Credits Requested: \$614,145

Staff Recommendation:

The Executive Director denied the original appeal. Staff is therefore recommending that the Board also deny the appeal of ineligibility, particularly in light of the cost increases that warrant a full re-analysis. Staff recommends that the application be presented to the Board in May 2006 consistent with program rules, conditioned on receipt of all outstanding documents (Volume III and all third party reports) by March 3, 2006, which is 60 days prior to the May Board meeting.



2006 HOUSING TAX CREDIT APPEAL SUBMISSION REQUEST FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

Do wish to appeal to the Board of Directors and request that my application be added to the February 15, 2006 TDHCA Board of Directors meeting agenda. I understand that as long as I return this form, with my appeal to the Executive Director, by February 7, 2006 at 12:00 noon, I may still be placed on the February 15 agenda. My appeal documentation provided to the Executive Director will serve as my Board appeal documentation to be provided to the Board in their board materials.

Do wish to appeal to the Board of Directors and request that my application be added to the March 20, 2006 TDHCA Board of Directors meeting agenda. I will submit that documentation no later than the deadline required under §50.17(b).

Do not wish to appeal to the Board of Directors.

Development Name:	SEA BREEZE SENIORS
Development Address:	PADRE/INTERSTATE 37
Title:	CEO
Date:	2-3-06

Signed:

A handwritten signature in black ink, appearing to be "L. Sherrill" or similar, written over a horizontal line.



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RICK PERRY
Governor

February 7, 2006

EDWINA P. CARRINGTON
Executive Director

Richard J. Franco
Sea Breeze Seniors, LP
3701 Ayers St.
Corpus Christi, TX 78415
Telephone: (361) 889-3349
Facsimile: (361) 889-3326

BOARD MEMBERS
Elizabeth Anderson, Chair
Shadrick Bogany
C. Kent Conine
Vidal Gonzalez
Patrick R. Gordon
Norberto Salinas

Re: Sea Breeze Seniors, #060405

Dear Mr. Franco:

Appeal Review

I have carefully reviewed the appeal that we received on February 7, 2006 regarding the ineligibility of the above-referenced application.

On February 3, 2006 you submitted Volumes I and II of a Housing Tax Credit application for the above-referenced development to the Texas Department of Housing and Community Affairs (the "Department"). In your submission, you requested that your application be placed on the Board agenda for consideration at the March 20, 2006 meeting.

Consistent with §50.12(a)(2), the Department must receive the full application and any outstanding documentation no later than 60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made. Because none of your documentation was received until February 3, 2006, the 60 day requirement has not been satisfied and unfortunately this application is ineligible for consideration for the March Board meeting.

Appeal Determination

Because of the reasons above, your appeal is denied. The application is not eligible to be presented at the March 2006 Board meeting.

Mr. Franco
February 7, 2006
Page 2 of 2

Section 50.17(b)(4) of the 2006 QAP states that if you are not satisfied with this response to your appeal, you may appeal directly in writing to the Board of the Texas Department of Housing and Community Affairs. I am in receipt of your Appeal Submission Request Form; as indicated on that form your appeal to the Board has been placed on the February 15, 2006 Board meeting agenda.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

A handwritten signature in cursive script that reads "Edwina P. Carrington". The signature is written in black ink and is positioned above the printed name and title.

Edwina P. Carrington
Executive Director

HOUSING COMMISSIONERS

ELMER CHARLES WILSON, Chairperson
PRISCILLA WALLER Vice-Chairperson
WILLIAM D. BONILLA, Commissioner
FRANK W. MONTESANO, Commissioner
VIRGINIA BARBOSA, Commissioner

**HOUSING AUTHORITY OF
THE CITY OF CORPUS CHRISTI**

Executive Offices
3701 Ayers Street
Corpus Christi, Texas 78415

RICHARD J. FRANCO, CEO

Office: 361-889-3349
Fax: 361-889-3326
Website: HACC.ORG

February 6, 2006

Edwina Carrington, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Sea Breeze Senior Apartments
Corpus Christi, Texas
Denial of a Requested Waiver to Requirements of §50.12(a)(2)

Dear Ms. Carrington:

Please accept this correspondence as an Appeal to the recent denial for a waiver of the referenced section regarding submission of documentation to the department relative to an allocation of private activity bonds as follows: *"60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made."* We respectfully request reconsideration of our original request that the proposed 4% tax credit allocation be considered at the March 20, 2006 meeting of the Texas Department of Housing and Community Affairs ("TDHCA"). If this appeal is denied by the Executive Director, we wish to appeal to the Board of Directors and request that this item be added to the February 15, 2006 TDHCA Board meeting agenda.

We believe that you are personally familiar with our issue and the rationale behind our request for expedited consideration. Nonetheless, at the risk of being redundant, we would like to detail our situation. To provide a bit of historic perspective, in late 2004 the Corpus Christi Housing Authority ("CCHA"), utilizing both internal and independent market studies, determined that there was a significant unmet need for affordable housing targeted to the elderly in our community. We met with representatives of Cimarron Estates, ("Cimarron") a senior facility originally funded using the Tax Credit Program. Cimarron reported that it maintains a 99% occupancy rate with attrition occurring primarily as a result of death or declining physical condition and that the property maintained a significantly long waiting list. Cimarron is the only tax credit funded senior facility in Corpus Christi.

Accordingly, CCHA through Sea Breeze Seniors, LP applied for and was awarded a \$7,855,000 allocation of Private Activity Bonds for the development of an elderly apartment community. In addition, Sea Breeze Seniors, LP submitted an application for tax credits to TDHCA to finalize the funding of Sea Breeze Senior Apartments which was originally approved on May 26, 2005.

Sea Breeze will consist of 200 apartments designated as tax credit units with qualification limited to elderly families earning at or below 60% of area median family income ("AMFI"). As a demonstration of our support, CCHA provided a capital injection of \$961,200 to the transaction to facilitate the development of this apartment community. Specifically, CCHA has purchased the proposed site and will provide Sea Breeze Seniors, LP a long-term lease at a rate of \$1 a year. In addition, the City of Corpus Christi has approved a \$150,000 grant to subsidize on-site development costs.

Unfortunately, we have been unsuccessful accomplishing a closing of the transaction due to a number of factors. Initially, we hoped to utilize Replacement Housing Funds from the U. S. Department of Housing and Urban Development ("HUD") to finance the acquisition of the proposed site. After many months of difficult negotiations we were forced to re-induce the bonds (incurring the corresponding expense) and receive new private activity bond authority from the Bond Review Board. Eventually, unable to bring closure to the HUD financing, we turned instead to Fannie Mae to obtain the resources necessary to acquire the site. We were poised to close the transaction (dates had actually been set) when Hurricane Katrina struck the Gulf Coast. As you may know, for a period of 45 days after the disaster, the insurance industry abstained from writing both casualty insurance as well as surety bonds. Finally, once we were able to obtain property insurance, we experienced difficulties with our contractor's ability to acquire bonding; prior to the impact of the hurricane, surety companies required 4-5% liquidity to provide construction bonding, after the disaster the amount of liquidity increased to as much as 12%. Replacing the contractor, due to the procurement process required by the public status of the sponsor, was less than timely but did result in the selection of a construction company with significant experience and bonding capacity. Unfortunately, this delay resulted in the need to again re-induce the bonds and re-apply for new private activity bond authority.

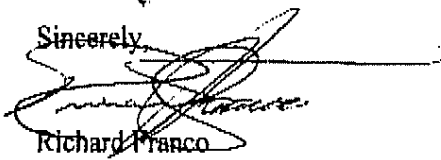
We have been awarded that authority and contemporaneous with this letter submit Volumes I and II for the referenced transaction to your office for your review and consideration. It is our intent to submit Volume III, the Market Study and the Phase I Environmental Study no later than February 10, 2006. We recognize that this allows staff only forty days to perform the appropriate underwriting. However, we would note that the transaction as submitted is virtually identical to last year's original submission with the only significant difference being an increase in construction and indirect construction costs. This cost increase has been offset by a corresponding increase in basis and thus, a \$31,268 increase in the 4% tax credit request. The location, site plan, design, development team members, debt and equity providers all remain identical to the original submission and thus should facilitate an expedited review.

In addition, this transaction has been fully underwritten and approved by both the bond underwriter, RBC Dain Rauscher and the bond purchaser, John Nuveen. The equity provider, PNC Multifamily Capital has also completed underwriting allowing for a closing date to be set immediately. A new allocation of 2006 tax credits is the final remaining step in allowing for the closing of the Sea Breeze transaction. Were the project to wait for consideration at the May TDHCA Board meeting, another bond inducement and corresponding allocation along with the related costs estimated at \$12,000 will be required of this not-for-profit sponsor. Lastly, the selected general contractor, Cook Construction, will not guaranty current pricing and available bonding capacity if the project is delayed for closing until after the May Board meeting. Increasing costs and further delays beyond approval at the March Board meeting could jeopardize the creation of this critical affordable housing.

We are prepared to set a closing date corresponding with a favorable review by staff and TDHCA Board approval which would allow for a construction start on this long delayed project prior to April 1. My staff and I are available at any time prior to the February and March TDHCA Board meetings to respond to any requests for additional information that will assist Department staff in reviewing the revised financing proposal for the Sea Breeze Apartments.

We greatly appreciate your favorable consideration of this Appeal. Absent that, we would welcome your support of our appeal to your Board of Directors. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Franco", is written over the word "Sincerely,". The signature is stylized and somewhat illegible due to the cursive style.

Richard Franco

**Housing Tax Credit Program
Board Action Request
February 15, 2006**

Action Item

Request, review, and board determination of two (2) four percent (4%) tax credit applications with TDHCA as the Issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of two (2) four percent (4%) Tax Credit Determination Notices with **TDHCA** as the Issuer for tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
05619	The Oakmoor	Houston	TDHCA	248	248	\$22,137,554	\$14,635,000	\$848,010	\$765,655
05629	Village Park Apartments	Houston	TDHCA	418	418	\$21,211,006	\$13,660,000	\$574,490	\$574,490



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2005 Private Activity Multifamily Housing Revenue Bonds

The Oakmoor Apartments

**South side of Airport Boulevard, approximately one half of a mile east of Almeda and
approximately three quarters of a mile west of State Highway 288 South
Houston, Texas**

Airport Boulevard Apartments, Ltd.

248 Units

Priority 2 – 100% of units will serve 60% AMFI

\$14,635,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	TDHCA Compliance Summary Report
TAB 7	Public Input and Hearing Transcript (September 12, 2005)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
February 15, 2006

Action Item

Presentation, Discussion and Possible Approval of a resolution for the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for The Oakmoor Apartments development.

Summary of The Oakmoor Apartments Transaction

The pre-application for the 2005 Waiting List was received on April 14, 2005. The application was scored and ranked by staff. The application was induced at the June 27, 2005 Board meeting and submitted to the Texas Bond Review Board. The application received a Reservation of Allocation on November 28, 2005. This application was submitted under the Priority 2 category in which 100% of units serve individuals and families at or below sixty percent (60%) AMFI. A public hearing was held on September 12, 2005. There was no one present at the hearing. A copy of the transcript is behind Tab 7 of this presentation.

The proposed site is located on the south side of Airport Boulevard, approximately one half of a mile west of State Highway 288 South, Houston, Harris County, Texas. Demographics for the census tract (3310.00) include AMFI of \$59,400; the total population is 4; the percent of population that is minority is 75.00%; there are no owner occupied units, renter units or vacant units. (FFIEC Geocoding for 2005)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed \$14,635,000. The bonds will be unrated and privately placed with MuniMae Financial LLC. The term of the bonds will be for 40 years. The construction and lease up period will be for 18 months during which payment terms will be interest only, followed by an amortization schedule with a maturity date of March 1, 2046. The interest rate on the bonds from the date of issuance through and including October 1, 2007 will be 5.50% per annum followed by a permanent interest rate of 6.00% per annum thereafter until maturity.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for The Oakmoor Apartments development because of the quality of construction of the development as demonstrated by the plans and specifications, the feasibility of the development (as demonstrated by the commitments from the bond purchaser/equity provider and the underwriting report from the department's real estate analysis division) and the need of affordable housing in the Houston area as demonstrated by the market study and appraisal reports.

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD MEMORANDUM
February 15, 2006

DEVELOPMENT: The Oakmoor Apartments, Houston, Harris County, Texas

PROGRAM: Texas Department of Housing & Community Affairs
2005 Private Activity Multifamily Revenue Bonds
(Reservation received November 28, 2005)

ACTION REQUESTED: Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

PURPOSE: The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Airport Boulevard Apartments, Ltd., a Texas limited partnership (the "Owner" or "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a proposed 248-unit multifamily residential rental development located on the south side of Airport Boulevard, approximately one half of a mile east of Almeda and approximately three quarters of a mile west of State Highway 288 South, Houston, Harris County, Texas (the "Development"). The Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental development.

BOND AMOUNT: \$ 14,635,000 (*) Series 2006 Tax Exempt Bonds

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Development and the amount for which Bond Counsel can deliver its Bond Opinion.

ANTICIPATED CLOSING DATE: The Department received a volume cap allocation for the Bonds on November 28, 2005 pursuant to the Texas Bond Review Board's 2005 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before April 27, 2006, the anticipated closing date is March 3, 2006.

BORROWER: Airport Boulevard Apartments, Ltd., a Texas limited partnership, the general partner of which is Oakmoor Partners, Ltd. of which Oakmoor Management, LLC is the general partner with Walter M. Embrey, Jr. owning 58.5% interest. MMA Financial, LLC, is an Investor Limited Partner of Borrower, and it or an affiliate thereof, will be providing the equity for the transaction by purchasing approximately a 99% limited partnership interest in the Borrower, MMA Special Limited Partner,

Inc. is a Special Limited Partner of Borrower.

COMPLIANCE HISTORY:

The Compliance Status Summary completed on February 6, 2006 reveals that the principals of the general partner above have a total of four (4) properties that will be monitored by the Department. Two of those properties have been monitored with no findings of material noncompliance and the other two have not been monitored at this time.

ISSUANCE TEAM/ADVISORS:

MuniMae TEI Holdings, LLC or an affiliate thereof (“Bond Purchaser”)
MMA Financial, LLC (“Equity Provider”)
The Bank of New York Trust Company, N.A. (“Trustee”)
Vinson & Elkins L.L.P. (“Bond Counsel”)
RBC Capital Markets (“Financial Advisor”)
McCall, Parkhurst & Horton, L.L.P. (“Disclosure Counsel”)

BOND PURCHASER:

The Bonds will be purchased by MuniMae TEI Holdings, LLC or an affiliate thereof. The purchaser and any subsequent purchaser will be required to sign the Department’s standard traveling investor letter.

DEVELOPMENT DESCRIPTION:

The Development is a 248-unit apartment community to be constructed on an approximately 13.8 acres to be located on the south side of Airport Boulevard, approximately one half of a mile east of Almeda and approximately three quarters of a mile west of State Highway 288 South, Houston, Harris County, Texas. The Development will consist of twelve (12) three-story residential, wood-framed apartment buildings consisting of 40% brick veneer and 60% hardiplank exteriors with a total of approximately 229,064 net rentable square feet and an average unit size of 923 square feet. The development will include a clubhouse with business/conference center, activity room with computers, games room/TV lounge, exercise room, laundry facilities, swimming pool, playground, splash ground (waterpark for children), full perimeter fencing with gated access, and barbeque and picnic area. The unit amenities include microwave ovens, washer/dryer connections, storage room, and ceiling fans.

<u>Units</u>	<u>Unit Type</u>	<u>Sq Ft</u>	<u>Proposed Net</u>	<u>Rent</u>
72	1-Bed/1-Baths	664	\$618.00	60%
96	2-Bed/2-Baths	954	\$744.00	60%
80	3-Bed/2-Baths	1,120	\$854.00	60%
248	Total Units			

SET-ASIDE UNITS:

For Bond covenant purposes, at least forty (40%) of the residential units in the development are set aside for persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each development will be set aside on a priority basis for persons with special needs. *(The Borrower has elected to set aside 100% of the units for tax credit purposes.)*

RENT CAPS:

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for a family whose income equals sixty percent (60%) of the area median income which is a Priority 2 category with the private activity bond program.

TENANT SERVICES:

Borrower has selected Texas Inter-Faith Management Corporation (TIMC) to be the future provider of social services, and manager to conduct tenant programs for the residents. The provision of these services will be required pursuant to the Regulatory and Land Use Restriction Agreement (LURA).

DEPARTMENT ORIGINATION

FEES:

\$1,000 Pre-Application Fee (Paid)
\$10,000 Application Fee (Paid)
\$73,175 Issuance Fee (.50% of the bond amount paid at closing)

DEPARTMENT ANNUAL FEES:

\$14,635 Bond Administration (0.10% of first year bond amount)
\$9,920 Compliance (\$40/unit/year adjusted annually for CPI).

ASSET OVERSIGHT

FEE:

\$6,200 to TDHCA or assigns (\$25/unit/year adjusted annually for CPI) *(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Development cash flow.)*

TAX CREDITS:

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to approximately \$765,655 and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of its limited partnership interests, typically 99%, to raise equity funds for the Development. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately \$7,502,554 of equity for the transaction.

BOND STRUCTURE:

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser. The Bond Purchaser contemplates transferring the Bonds to a custodial or trust arrangement whereby beneficial interests in the Bonds will be sold in the form of trust certificates to Qualified Institutional Buyers or Accredited Investors.

The Bond Purchaser will be required to sign the Department's standard investor letter. Should the Bonds be transferred to a custodial trust, a slightly modified investor letter will be provided by the trust. During the construction and lease-up period, the Bonds will pay as to interest only.

BOND INTEREST

RATES:

The interest rate on the bonds from the date of issuance to October 1, 2007 will be 5.50% per annum followed a permanent interest rate on the Bonds will be 6.00% per annum until maturity.

CREDIT

ENHANCEMENT:

The bonds will be unrated with no credit enhancement.

FORM OF BONDS:

The Bonds will be issued in physical form and in denominations of \$100,000 or any amount in excess of \$100,000.

**MATURITY/SOURCES
& METHODS OF**

REPAYMENT:

The Bonds will bear interest at a fixed rate until maturity and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Capitalized Interest Fund, earnings derived from amounts held on deposit in an investment agreement, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

TERMS OF THE

MORTGAGE LOAN:

The Mortgage Loan is a nonrecourse obligation of the Borrower (which means, subject to certain exceptions, the Owner is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and interest upon conversion to the permanent phase. Deeds of Trust and related documents convey the Owner's interest in the Development to secure the payment of the Mortgage Loan.

**REDEMPTION OF
BONDS PRIOR TO
MATURITY:**

The Bonds are subject to redemption under any of the following circumstances:

Mandatory Redemption:

The Bonds are subject to mandatory redemption, in whole or in part (i) at the written direction of the Servicing Agent from any and all Receipts Requiring Mandatory Redemption; (ii) to the extent funds are required to be applied to the redemption of the Bonds pursuant to Article IV of the Indenture from the proceeds of any Loan Equalization Payment made by the Borrower; and (iii) at a redemption price equal to 100% of the principal amount of Bonds being redeemed plus interest accrued to the redemption date.

Optional Redemption:

From and after March 1, 2023 only, the Bonds shall be subject to redemption at the option of the Issuer, in whole or in part, and only at the written direction of the Borrower, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, plus interest accrued to the redemption date.

Optional Redemption at Direction of Servicing Agent and Holders:

- (a) The Bonds are subject to redemption, in whole, at the option of the Issuer acting at the direction of the Servicing Agent, from and to the extent of amounts on deposit in the Construction Fund and from amounts paid under the Note if construction of the Development has not lawfully commenced within sixty (60) days of the Closing Date. At a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest.
- (b) The Bonds are subject to redemption, in whole, at the option of the Issuer acting at the direction of the Holders of a majority of the outstanding principal amount of the Bonds, upon the occurrence of an Event of Taxability, but only if so directed by the Holders in writing within ninety (90) days of the occurrence of the Event of Taxability, at a redemption price equal to 106% of the principal amount of the Bonds being redeemed, plus interest accrued to the redemption date; provided, however, that the foregoing redemption premium of six percent (6%) shall not be payable if the Event of Taxability is solely the result of a change in federal tax laws as determined by Bond Counsel at the sole cost and expense of the Borrower.
- (c) The Bonds are subject to redemption, in whole, at the option of the Issuer acting at the direction of the Holders of 100% of the outstanding principal amount of the Bonds, at any time after the March 1, 2023, without premium, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, plus interest accrued to the redemption date, but only if the Holders provide the Issuer, the Trustee and the Borrower with written notice of their election to require redemption of the Bonds at least one hundred and eighty (180) days prior to the date set for redemption.
- (d) The Bonds are subject to redemption, in whole, at the option of the Holders of 100% of the principal amount of the Bonds outstanding in the event that the Bonds do not convert to permanent phase by the outside conversion date, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

**FUNDS AND
ACCOUNTS/FUNDS
ADMINISTRATION:**

Under the Trust Indenture, The Bank of New York Trust Company, N.A. (the "Trustee") will serve as registrar, and authenticating agent for the Bonds, trustee of certain of the funds created under the Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture funds are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will initially create up to ten (10) funds with the following general purposes:

1. Bond Proceeds Fund – On the closing date, the proceeds of the Bonds shall be deposited in the Bond Proceeds Fund and immediately applied by the Trustee to other funds and accounts as required by the Indenture.
2. Revenue Fund – Revenues from the Development are deposited to the Revenue Fund and disbursed to its accounts for payment according to the amount required and time designated by the Trust Indenture – first to the Fee and Expense Account, second to the Tax and Insurance Account, third to the Interest Account, and fourth to the Principal Account.
3. Borrower Equity Fund – Funds from sources other than Bond proceeds to pay for Costs of Issuance, capitalized interest and certain other costs relating to the acquisition and development of the Development.
4. Costs of Issuance Fund – Fund into which amounts for the payment of certain costs incurred in connection with the issuance of the bonds are deposited and disbursed.
5. Construction Fund – Fund into which amounts needed to complete construction of the improvements are deposited and disbursed.
6. Capitalized Interest Fund – Fund into which a portion of the proceeds of the bonds and/or borrower equity are deposited and used to fund the payment of interest during the construction period.
7. Lease-Up Fund – Funded from syndication proceeds or other funds provided by the Borrower other than proceeds of the Bonds. Such amount, plus other funds transferred therein pursuant to the Indenture, will be applied to pay the Operating Expenses of the Development to the extent that the Development's net cash flow is insufficient to pay such amounts. On or after the date which is the earlier of the Conversion Date and the Loan Equalization Payment Date, amounts remaining in the Lease-Up Fund will be used (i) first, to redeem Bonds if required pursuant to the terms of the Indenture and the Borrower does not pay or cause to be paid by the Guarantors under the Guaranty all amounts required to redeem Bonds; (ii) second, to pay any deferred and unpaid developer's fee; and (iii) third, the balance, if any, will be paid to the Borrower.
8. Rebate Fund - Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.
9. Replacement Fund – Fund into which amounts are held in reserve

to cover replacement costs and ongoing maintenance to the Development.

10. Bond Proceeds Clearance Fund – Fund into which monies are transferred from the Bond Proceeds Account of the Construction Fund and the Bond Proceeds Account of the Capitalized Interest Fund, as and when provided in the Indenture, and are applied, after completion of the Development, either directly or after being transferred to the Principal Account of the Reserve Fund, to pay any unpaid or deferred developer's fee and/or to redeem Bonds.
11. Temporary Funds and Accounts – the trustee may establish and maintain for so long as is necessary one or more temporary funds and accounts under the Indenture.

Essentially, all of the Bond proceeds will be deposited into the Bond Proceeds Fund, the Construction Fund and the Capitalized Interest Fund and disbursed from there during the Construction Phase (over 18 to 24 months) to finance the construction of the Development and to pay interest on the Bonds. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

**DEPARTMENT
ADVISORS:**

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in September 2005.
2. Bond Trustee – The Bank of New York Trust Company, N.A. was selected as bond trustee by the Department pursuant to a request for proposal process in December 2003.
3. Financial Advisor – RBC Capital Markets, formerly RBC Dain Rauscher, was selected by the Department as the Department's financial advisor through a request for proposals process in August 2003.
4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in August 2003.

**ATTORNEY GENERAL
REVIEW OF BONDS:**

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings

with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 06-003

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (THE OAKMOOR APARTMENTS*) SERIES 2006; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and construction that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (The Oakmoor Apartments*) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and The Bank of New York Trust Company, N.A., a national banking association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Airport Boulevard Apartments, Ltd., a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental development described on Exhibit A attached hereto (the "Development") located within

*Formerly Known as Airport Boulevard Apartments

the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Governing Board of the Department (the "Board"), by resolution adopted on June 27, 2005, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department and the Borrower will execute and deliver a Loan and Financing Agreement (the "Financing Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original aggregate principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that the Borrower's obligations under the Note will be secured by a Deed of Trust, Security Agreement and Assignment of Rents and Leases and Financing Statement (the "Deed of Trust") from the Borrower for the benefit of the Department; and

WHEREAS, the Department's interest in the Loan (except for certain reserved rights), including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Harris County, Texas; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Financing Agreement, the Assignments, the Regulatory Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution, and (b) the Deed of Trust and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Deed of Trust and the Note, and the taking of such other actions as may be necessary or convenient in connection therewith; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD:

ARTICLE I

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Bonds shall be (A) from the date of issuance through and including September 30, 2007, 5.50% per annum, and (B) from October 1, 2007 until the maturity date thereof, 6.00% per annum; provided, however, that the interest rate is subject to adjustment as set forth in the Indenture; provided further, that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall be \$14,635,000; and (iii) the final maturity of the Bonds shall occur on March 1, 2046.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreement. That the form and substance of the Financing Agreement is hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Financing Agreement and deliver the Financing Agreement to the Borrower and the Trustee.

Section 1.5--Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement is hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Regulatory Agreement and deliver the Regulatory Agreement to the Borrower and the Trustee.

Section 1.6--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.7--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Assignment of Deed of Trust Documents and that the authorized

representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Assignment of Note and to deliver the Assignments to the Trustee.

Section 1.8--Approval, Execution and Delivery of the Asset Oversight Agreement. That the form and substance of the Asset Oversight Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Asset Oversight Agreement to the Borrower.

Section 1.9--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.10--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Financing Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Deed of Trust
- Exhibit F - Note
- Exhibit G - Assignments
- Exhibit H - Asset Oversight Agreement

Section 1.11--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.12--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.13--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or Acting Executive Director of the Department; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that service programs will be provided to tenants of the Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of State bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for the units of the Development shall not exceed the amounts attached as Exhibit G to the Regulatory Agreement and shall be annually re-determined by the Borrower and reviewed by the Department as set forth in the Financing Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

Section 2.7--Engagement of Other Professionals. That the Executive Director or Acting Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act, and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iv) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Financing Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Financing Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Financing Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of administration, monitoring and oversight with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution, the Issuer Documents, the Deed of Trust, the Note and any other bond document authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

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PASSED AND APPROVED this 9th day of February, 2006.

By: _____
Elizabeth Anderson, Chair

Attest: _____
Kevin Hamby, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Airport Boulevard Apartments, Ltd., a Texas limited partnership

Development: The Development is a 248-unit multifamily facility known as The Oakmoor Apartments* and is located at, 11900 Oakmoor Parkway Houston, Harris County, Texas 77051. The Development will include the reimbursement for the acquisition of and the costs of the construction of a total of 12 residential apartment buildings with a total of approximately 229,064 net rentable square feet and an average unit size of approximately 923 square feet. The unit mix consists of:

72	one-bedroom/one-bath units
96	two-bedroom/two-bath units
<u>80</u>	three-bedroom/two-bath units
248	Total Units

Unit sizes range from approximately 664 square feet to approximately 1,120 square feet.

Common areas include a clubhouse with business/conference center, activity room with computers, exercise room, laundry facilities, swimming pool, playground, splash ground (waterpark for children), and barbeque and picnic area.

* Formerly Known as Airport Boulevard Apartments



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Oakmoor, TDHCA Number 05619

BASIC DEVELOPMENT INFORMATION

Site Address: Airport Blvd., east of Alameda and west of SH 288 Development #: 05619
 City: Houston Region: 6 Population Served: Family
 County: Harris Zip Code: 77051 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: NC
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: TDHCA
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Airport Boulevard Apartments, Ltd.
 Jim Bruner - Phone: (210) 824-6044
 Developer: Embrey Partners, Ltd.
 Housing General Contractor: Apartment Builders, Ltd.
 Architect: Chiles Architects, Inc.
 Market Analyst: O'Connor & Associates
 Syndicator: MMA Financial, LLC
 Supportive Services: To Be Determined
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	248
0	0	0	248	0	0	Market Rate Units:	0
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	72	96	80	0		Total Development Units:	248
Type of Building:	5 units or more per bldng					Total Development Cost:	\$22,137,554
Number of Residential Buildings:	12						

Note: If Development Cost =\$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:		\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$848,010	\$765,655	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$14,635,000	\$14,635,000	40	40	6.00%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Oakmoor, TDHCA Number 05619

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13

NC Points: 0

US Representative: Green, District 9, NC

TX Representative: Edwards, District 146

NC Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC

Resolution of Support from Local Government

Individuals/Businesses: In Support: 0

In Opposition: 0

Neighborhood Input:

General Summary of Comment:

Public Hearing:

Number that attended: 1

Number that spoke: 0

Number in Support: 0

Number in Opposition: 0

Number Neutral: 0

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Receipt, review, and acceptance of evidence that all Phase I ESA, subsequent site investigation report, and GZA Geoenvironmental, Inc. recommendations have been followed. All reports and documentation related to the environmental status of the subject Site provided to the permanent lender must be copied to TDHCA.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit allocation may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

The Oakmoor, TDHCA Number 05619

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$765,655

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$765,655 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$14,635,000

Recommendation: Recommend approval of issuance of \$14,635,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 6.0% and a 40 year amortization period, subject of conditions.

The Oakmoor Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 14,635,000
Tax Credit Proceeds	5,424,990
Deferred Developer's Fee	1,972,010
Interest Income	105,553
Total Sources	\$ 22,137,553

Uses of Funds

Acquisition and Site Work Costs	\$ 3,488,264
Direct Hard Construction Costs	10,403,844
Other Construction Costs (General Require, Overhead, Profit)	2,557,801
Indirect Construction Costs	906,828
Developer Fees	2,100,000
Direct Bond Related	359,043
Bond Purchaser Costs	412,700
Other Transaction Costs	1,482,132
Real Estate Closing Costs	426,941
Total Uses	\$ 22,137,553

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 73,175
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	29,270
TDHCA Bond Compliance Fee (\$40 per unit)	9,920
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Borrower's Counsel	50,000
Trustee Fee	4,232
Trustee's Counsel (Note 1)	5,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,659
TX Department on Aging	14,635
Miscellaneous/TEFRA Hearing	30,652
Total Direct Bond Related	\$ 359,043

The Oakmoor Apartments

Bond Purchase Costs	
MMA Financial	317,700
MMA Financial Counsel	45,000
Miscellaneous Closing & Legal	50,000
Total Bond Purchase Costs	<u>\$ 412,700</u>
Other Transaction Costs	
Tax Credit Application and Determination Fees (if paid at closing)	35,000
Construction Interest	882,958
Lease-up Reserves	314,174
Operating Reserves	250,000
Total Other Transaction Costs	<u>\$ 1,482,132</u>
Real Estate Closing Costs	
Title & Recording (Const.& Perm.)	110,000
Property Taxes	65,141
Impact Fees	251,800
Total Real Estate Costs	<u>\$ 426,941</u>
Estimated Total Costs of Issuance	<u>\$ 2,680,816</u>

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 7, 2006

PROGRAM: 4% HTC

FILE NUMBER: 05619

DEVELOPMENT NAME

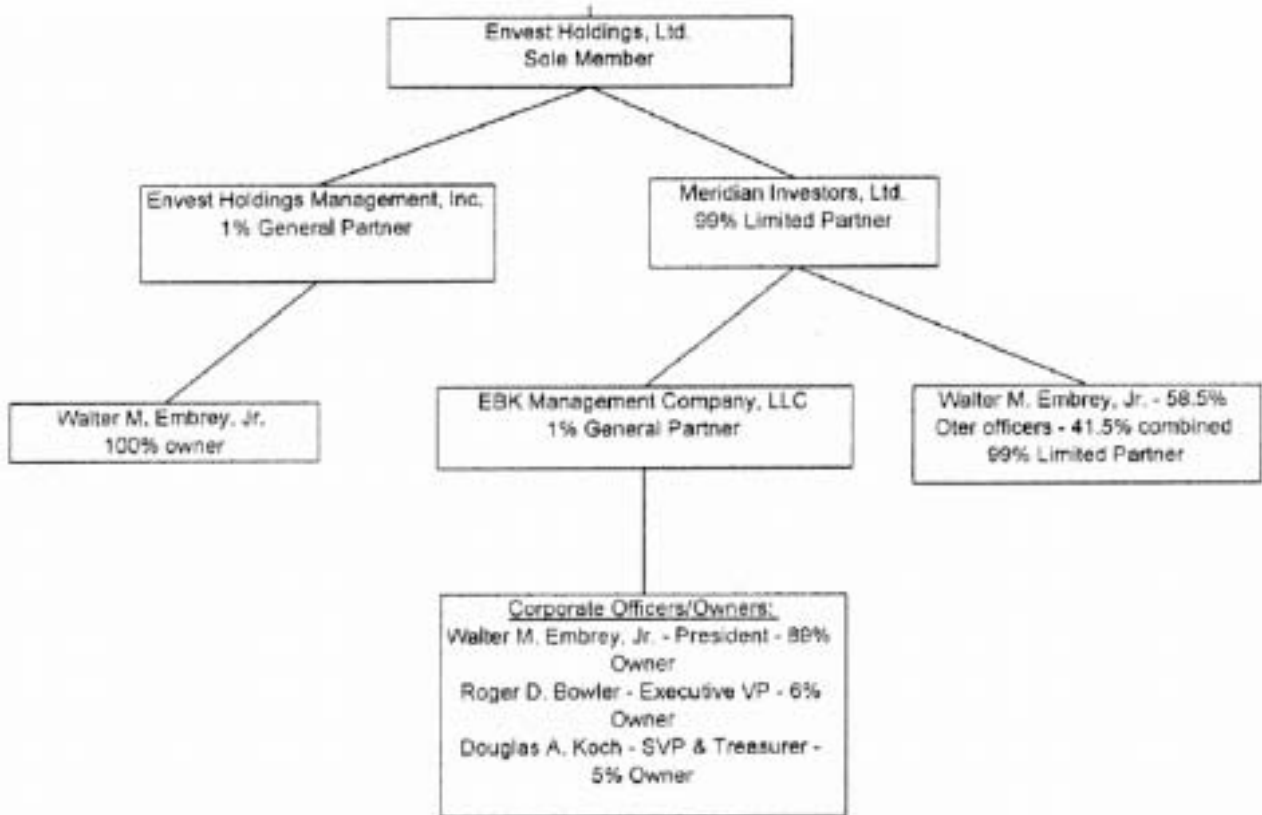
The Oakmoor (fka, Airport Boulevard Apartments)

APPLICANT

Name:	Airport Boulevard Apartments, Ltd	Type:	For-profit				
Address:	1100 NE Loop 410, Suite 900	City:	San Antonio	State:	TX		
Zip:	78209	Contact:	Jim Bruner	Phone:	(210) 824-6044	Fax:	(210) 824-7656

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Oakmoor Partners, Ltd	(%):	1%	Title:	Managing General Partner
Name:	Oakmoor Management, LLC. (OML)	(%):	N/A	Title:	1% General Partner of MGP
Name:	Operational Assets, Ltd. (OAL)	(%):	N/A	Title:	Sole Member of OML, 99% LP of EPL
Name:	Operational Assets Management, LLC (OAM)	(%):	N/A	Title:	1% GP of OAL
Name:	Envest Holdings, Ltd.	(%):	N/A	Title:	99% LP of OAL, sole member of OAM



Name:	Embrey Partners, Ltd (EPL)	(%):	N/A	Title:	Developer
Name:	EPL-GP, LLC	(%):	N/A	Title:	1% GP of EPL
Name:	Walter M Embrey, Jr	(%):	N/A	Title:	89% owner of EPL-GP, LP of OML
Name:	Roger D Bowler	(%):	N/A	Title:	6% owner of EPL-GP
Name:	Douglas A Koch	(%):	N/A	Title:	5% owner of EPL-GP

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

PROPERTY LOCATION

Location: Airport Boulevard, east of Almeda and west of SH 288 **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77051

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$848,010	N/A	N/A	N/A
2) \$14,635,000	6%	40 yrs	18 yrs
Other Requested Terms:	1) Annual ten-year allocation of housing tax credits; updated January 17, 2006 2) Tax-exempt mortgage revenue bond allocation		
Proposed Use of Funds:	<u>New construction</u>	Property Type:	<u>Multifamily</u>
Special Purpose (s):	<u>General Population</u>		

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$14,635,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.0% AND A 40-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$765,655 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance of evidence that all Phase I ESA, subsequent site investigation report, and GZA Geoenvironmental, Inc. recommendations have been followed. All reports and documentation related to the environmental status of the subject Site provided to the permanent lender must be copied to TDHCA.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit allocation may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 248 **# Rental Buildings:** 12 **# Non-Res. Buildings:** 1 **# of Floors:** 3 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 229,496 **Av Un SF:** 924 **Common Area SF:** 4,652* **Gross Bldg SF:** 234,148

* Includes 4,256 square foot community building and 396 square foot mail building

STRUCTURAL MATERIALS

The structures will be wood frame on post-tensioned slab. According to the plans provided in the application the exterior will be 40% brick veneer and 60% cement composition siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpet and vinyl. Threshold criteria for the 2005 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal,

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: energy star or equivalently rated kitchen appliances, microwave, an ice maker in the refrigerator, washer/dryer connections, covered entries, covered patio or balcony, tile tub/shower surrounds, an individual heating and air conditioning unit, individual water heaters, and nine-foot ceilings.

ONSITE AMENITIES

The community areas include: an office, a furnished community room, a kitchen, public restrooms, a laundry, maintenance, furnished fitness center, equipped business center, and a separate central mail building. The building also includes a covered public porch, and the application indicates a swimming pool, a public telephone, an equipped play area, barbecue grills and picnic tables, and full perimeter fence with limited access gates will be provided. In addition, the application indicates monitored unit security will be provided for a fee.

Uncovered Parking: 480 spaces **Carports:** 24 spaces **Garages:** 9 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The Oakmoor is an 18-unit per acre new construction development of affordable housing located in south Houston. The development is comprised of 12 evenly distributed garden style, walk-up residential buildings as follows:

- € Two buildings with 12 one-bedroom and 12 two-bedroom units;
- € Four buildings with 12 one-bedroom and eight three-bedroom units; and
- € Six buildings with 12 two-bedroom and eight three-bedroom units.

Architectural plans submitted January 17, 2006 indicate a change in the size of some two-bedroom units from 954 net rentable square feet to 960 net rentable square feet.

Architectural Review: The building and unit plans appear to provide acceptable access and storage. The elevations reflect exteriors typical of new construction garden-style apartment buildings.

SITE ISSUES

SITE DESCRIPTION

Size: 13.989 acres 609,361 square feet **Flood Zone Designation:** Zone X
Zoning: No zoning in Houston

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The proposed site is located on the south side of Airport Boulevard, between Almeda Road and SH 288 in Houston.

Adjacent Land Uses:

- € **North:** Airport Boulevard immediately adjacent and vacant land beyond;
- € **South:** vacant land under construction immediately adjacent;
- € **East:** vacant land immediately adjacent; and
- € **West:** vacant land under construction immediately adjacent.

Site Access: The subject neighborhood is accessible from the Houston Central Business District by proceeding south along SH 288 approximately six miles to Loop 610, which is the northern boundary of the subject defined neighborhood. East/West arteries include Beltway 8, Loop 610, Almeda Genoa, and Highway 90, while North/South arteries include Highway 288, Mykawa, and FM 518.

Public Transportation: Houston METRO operates a public bus line (11 Almeda/Nance), which runs along Almeda Road, to the west of the proposed site. The Underwriter could not determine the distance to the nearest stop.

Shopping & Services: The site is served by the Houston Independent School District with the closest schools being: Reynolds Elementary, Woodson Middle School and Worthington High School. Numerous single-tenant and small neighborhood retail centers are scattered throughout the neighborhood. SH 288 and

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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Loop 610 have a significant amount of retail development. Medical services are located within or near the subject neighborhood including the Medical Center hospitals.

Site Inspection Findings: TDHCA staff performed a site inspection on September 12, 2005 and found the location to be acceptable.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated July 5, 2005 was prepared by Terracon Consulting Engineers & Scientists and contained the following findings and recommendations:

Findings:

- ∅ “The regulatory database review identified one (1) EPA RCRA Non-CORRACTS facility within the specified search radii. The facility identified in the regulatory database review does not appear to constitute an REC [recognized environmental condition] to the site based on distance, topographic relationship, and/or facility characteristics as discussed in this report” (p. 1).
- ∅ “Associated labeling indicated that a Copano NGL Services liquefied petroleum gas (LPG) pipeline was located within the pipeline easement along the northern site boundary. According to Mr. Shaw, Right of Way Manager for Copano NGL Services, the Copano NGL Services pipeline markers are associated with an inactive six (6) inch LPG pipeline which was installed in the mid-1940s...Associated labeling indicated that a Teppco crude pipeline was located within the pipeline easement along the northern site boundary...the Teppco pipeline marker is associated with an inactive ten (10) inch crude pipeline which was installed in 1932...the pipeline is subject to reactivation...[there is no] documented release associated with this pipeline” (p. 2).
- ∅ “Several soil/debris mounds were observed along the western and southern portions of the site during the sit reconnaissance...no notable odors were apparent from this area at the time of the site reconnaissance” (p. 2).
- ∅ “A protruding steel pipe was observed on the northern portion of the site...Terracon attempted to contact [the owner of the site] concerning the presence of the pipe...At this time, the use of this feature is undetermined” (p. 2)

Recommendations: “Based on the findings of this assessment, Terracon notes that the northern site boundary borders a pipeline easement containing one (1) inactive Teppco Pipeline Company crude pipeline and one (1) inactive Copano NGL Services LPG pipeline. In order to confirm if potential releases from the pipelines within the easement have impacted the site, a subsurface investigation would be required. However, the pipelines are apparently inactive, and should the pipelines be utilized in the future, it should be the responsibility of the pipeline company to respond to releases from their pipelines, including the remediation of properties affected by such releases (p. 2).

Based on the findings of this assessment, Terracon recommends that additional investigation be conducted to evaluate if the site has been affected by potential release from the historical onsite oil/gas activity.

Based on the results of this assessment, Terracon recommends that the soil within the onsite soil/debris mounds be characterized prior to offsite disposal and/or onsite reuse.

If the use of the protruding steel pipe cannot be adequately discerned through interviews, it is recommended that this feature be investigated through intrusive methods” (p. 3).

A Limited Site Investigation report dated August 23, 2005 was prepared by Terracon Consulting Engineers & Scientists and contained the following findings and recommendations:

Findings:

- ∅ “...the site consisted of vacant, undeveloped land until apparent oil/gas exploration and production (E&P) activities were conducted in the northeastern and western portions of the property in the early 1950s. Evidence of two onsite drilling locations (apparent wellheads) and associated former pits were identified on several (1950s and subsequent) historical photographs. In addition, based on the review of the GEOMAP (#UTGC 317, dated September 19, 1994), two (2) oil/gas wells were located onsite; the

locations of the wells appeared to correlate with the locations of the former oil/gas E&P activities...both wells were reportedly producing oil wells which were plugged in 1967...Based on the nature of the former oil and gas E&P activities, it is the opinion of Terracon they represent an REC [recognized environmental condition] to the site” (p. 1-2).

€ “Several soil/debris (spoils) mounds were observed along the southern and western portions of the site...debris consisting of trash, wood, metal, and concrete material was observed within the spoils; however, no notable odors were apparent from this area at the time of the site reconnaissance. Based on this information and the unknown origin of the spoils mounds, the spoils should be characterized prior to off-site disposal and/or onsite reuse” (p. 2).

€ “There was field evidence of potential petroleum hydrocarbon impact detected in soils or sediments recovered from the following boring:

B-6 – [Organic Vapor Monitoring (OVM)] readings were observed throughout the soil column; the readings ranged up to 292 parts per million (ppm) in the subsurface soil at a depth of approximately 10 to 11 feet bgs; in addition, petroleum hydrocarbon odors were detected in the soil cores.

Pit #1 – OVM readings ranging up to 316 ppm were detected in the near surface soils/sediments at a depth of approximately 1 to 3 feet bgs; in addition, petroleum hydrocarbon odors and free phase oily residues were detected in the soil cores.

In addition to the aforementioned, it should be noted that slight OVM readings (up to 4 PPM) were detected in one of the spoils samples (Spoils #2). However, other field evidence of impact was not observed and it is suspected that the OVM readings were reflective of high organic content of the spoils materials (p. 6).

B-3 – The detected concentrations of lead and mercury exceed the respective [Texas Commission on Environmental Quality Texas Risk Reduction Program (TRRP)]-defined action levels for regulatory site closure (of 15 and 0.04 mg/kg, respectively).

B-5 – The detected concentrations of lead exceeds the respective TRRP-defined action level for regulatory site closure (of 15 mg/kg) (p. 8).

Soil Sample Pit #1 – The detected concentrations of C6-C12 and C12-C28 carbon range TPH, benzene, arsenic, barium, lead, and mercury exceed the respective TRRP-defined screening/action levels for regulatory site closure (of 65, 200, 0.026, 5.9, 440, 15, and 0.04 mg/kg, respectively) (p. 9).

Given the relatively low detected concentrations and the absence of elevated concentrations for other metals typically considered as chemicals of concern in oil and gas related wastes (i.e., barium), it is the opinion of Terracon that the referenced arsenic detected in soil sample B-5 (3 to 4 feet bgs), and lead detected in soil sample B07 (5 to 10 feet bgs) likely represent background levels for the area and are not indicative of releases or oil and gas waste residues” (p. 10).

Recommendations: “...in accordance with various state regulations, the owner/operator of the facility where an environmental impact was identified may have reporting requirements to jurisdictional state regulatory agencies and others. It is the opinion of Terracon that interested parties should consult appropriate legal counsel for guidance in reporting requirements to the [Railroad Commission of Texas (RRC)].

Terracon recommends that the client evaluate other relevant risks associated with any proposed development which might infringe upon the vicinity of the former oil and gas exploration/production facilities. Such risks include, but are not limited to, the suitability of the observed fill soils and debris materials within the former onsite pit for engineering construction purposes and the potential for structural impacts from oil/gas leaks associated with referenced well-heads.

...a segment of a flow line was observed which appears to trend from the vicinity of the slab across the site to the southwest (select historical aerial photographs appeared to indicate that the flow line transected the site). Additional infrastructure common to oil and gas exploration/production site may not have been visible during the course of the assessment/investigation activities performed to date. Terracon recommends that

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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observations be made during the course of any future site clearing/development for such infrastructure and that additional environmental investigation be conducted as warranted” (p. 11).

In response to a request for documentation indicating the recommendations of the Limited Site Investigation have been followed, the Applicant provided: a letter addressed to MMA Financial, LLC, prepared by GZA GeoEnvironmental, Inc and dated December 19, 2005; a letter addressed to MMA Financial, LLC, prepared by Terracon Consulting Engineers & Scientists and dated January 12, 2006; and a Remedial Action Completion Report prepared by Terracon Consulting Engineers & Scientists and dated October 3, 2005.

The letter prepared by GZA GeoEnvironmental, Inc addresses a Phase I Environmental Site Assessment, Limited Site Investigation, Geotechnical Investigation, and Remedial Action Completion Report. The letter is arranged to address issues, GZA’s recommendation, and status of the issue.

1. Issue: “The ESA indicates that oil and gas exploration and production activity occurred at the site between the late 1940s, when the two production wells were installed, and 1967, when the two wells, were capped.”

Recommendation: “The submission of the Remedial Action Completion Report, which indicates that soil was excavated from two areas where contamination had been identified, and that no evidence of the presence of a flow line was found in the course of several excavations in the area, partially addresses [our] recommendation...any correspondence with the [Railroad Commission] should be provided to MMA.”

Status: “No immediate response required; documentation of the disposition of the piles should be provided to MMA as soon as available.”

2. Issue: “Terracon observed piles of soil, apparently spoils from the two wells installed at the Site.”

Recommendation: “...GZA recommends that all applicable regulations be followed in the disposal of these materials.”

Status: “No immediate response required; documentation of the disposition of the piles should be provided to MMA as soon as available.”

3. (Non-issue for TDHCA)

4. Issue: “Terracon observed a 2-inch-diameter metal pipe protruding from the ground in the northern portion of the Site.”

Recommendation: “...GZA concurs with [Terracon’s] recommendation. Any further information on the pipe, whether received from the Site owner or from additional field activities, should be provided to MMA.”

Status: “OPEN”

5. Issue: “Terracon noted that, based on Site observations and review of aerial photographs, additional oil- and gas-related infrastructure could be present at the Site.”

Recommendation: “...GZA recommends that a pre-construction geophysical survey should be conducted in any areas where available evidence suggests oil- and gas-related infrastructure may be present so that assessment and, if necessary, remediation, can be conducted before construction begins.”

Status: “OPEN”

6. Issue: “Terracon notes in the LSI that the concentrations of arsenic (in sample B-5) and led (in sample B-7) ‘likely represent basckground levels for the area and are not indicative of releases of oil and gas waste residues.’”

Recommendation: “MMA should request that Terracon provide evidence regarding what the expected ‘background’ levels of arsenic and lead are in the vicinity of the Site.”

Status: “CLOSED by information contained in the Remedial Action Completion Report.”

7. Issue: “Terracon notes in the LSI that ‘owner/operator of the facility where an environmental impact was identified may have reporting requirements to the jurisdictional regulatory state agency (aka, RRC) and others.’”

Recommendation: “MMA should be provided all information regarding the reporting status of the SITE.”

Status: “OPEN”

8. Issue: “The 2002 ESA report refers to an ESA report prepared by Phase One Technologies, LLC on November 7, 2001.”

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Recommendation: “MMA should request a copy of 2001 ESA report.”
Status: “OPEN”

9. Issue: “The 1995 ESA indicates that a portion of the property covered by that study was formerly occupied as a nursery which closed in the early 1980s. The Terracon ESA indicates that a tree farm was developed on southerly adjacent property in the 1960s. It is not clear whether the ‘tree farm’ and the ‘nursery’ were the same operation.”

Recommendation: “MMA should request clarification as to whether the ‘tree farm’ and the ‘nursery’ were one in the same, and whether any of this operation was located on the current study parcel. If the nursery/tree farm was on or immediately abutting the current study Site, MMA should be provided with information concerning the possible impact of residual agricultural chemicals on the proposed residential use of the Site.”

Status: “OPEN”

10. Issue: “The 1995 ESA indicates that two water wells which are no longer in use are located on the 214-acre property covered by that study. It is not clear if the wells are on the smaller parcel covered by more recent reports.”

Recommendation: “If water well(s) are encountered during Site development, they should be abandoned in accordance with applicable regulations.”

Status: “OPEN”

It does not appear that any improvements will be constructed over the former wells and soil/groundwater test sites. However, receipt, review and acceptance of evidence that all Phase I ESA, subsequent site investigation report, and GZA Geoenvironmental, Inc. recommendations have been followed is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The Oakmoor was included in the August 15 collapse and the 2005 non-traditional carryforward. All of the units (100%) will be reserved for low-income tenants earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study dated August 23, 2005 was prepared by O’Connor & Associates (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “The subject property is located in the South submarket, by O’Connor & Associates. In order to accurately portray the apartment market within the subject’s primary market area, we segmented the data by zip cods. The subject’s primary market includes the following zip codes: 77033, 77045, 77051, and 77085” (p. 18). This area encompasses approximately 30 square miles and is equivalent to a circle with a radius of three miles.

Population: “Claritas has estimated 24,667 households in the primary market area for 2005, and projected 26,129 for the year 2010” (p. 27).

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand based on income-qualified renter households estimated at 10.9% of the population, households at the appropriate size at 89.17% of the population, and an annual renter turnover rate of 65% (p. 69). The Market Analyst used an income band of \$23,520 to \$39,540 (p. 66).

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ANNUAL PMA DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	43	2%	32	20%
Resident Turnover	1,558	74%	1,558	80%
Other Sources: Section 8	347	16%	N/A	
Other Sources: 10% of demand	160	8%	N/A	
TOTAL ANNUAL DEMAND	2,108	100%	1,590	100%

Ref: p. 69

“According to the Housing Authority of the City of Houston’s PHA Plans, Annual Plan for Fiscal Year 2004, there were 5,000 housing vouchers added to the existing 17,013 vouchers resulting in a total of 22,013 vouchers. Therefore, we have used 17,013 as the number of vouchers available within the City of Houston. Theoretical demand from Section 8 Vouchers is calculated by multiplying the total number of vouchers by the ratio of income-qualified Senior households in the PMA and in Houston. Theoretical Demand = 17,013 x (8,659/275,712) = 534 units Utilizing the typical 65% turnover rate, total theoretical demand from Section 8 vouchers is estimated to be 347 units...” (p. 69).

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 18.45% based upon 389 unstabilized affordable housing in the PMA (including the subject) (p. 70). The Underwriter calculated an inclusive capture rate of 24.5% based upon a revised demand for 1,590 affordable units. Both the Market Analyst’s and the Underwriter’s inclusive capture rate conclusions are below the maximum of 25%.

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 1,050 units in the market area (p. 47).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$637	\$637	\$0	\$690	-\$53
2-Bedroom (60%)	\$767	\$767	\$0	\$900	-\$133
3-Bedroom (60%)	\$888	\$888	\$0	\$1,100	-\$212

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

Primary Market Occupancy Rates: “According to the 3rd Quarter 2005 O’Connor & Associates Houston Area Apartment Database survey, there were 27 comparable apartment projects in this market area, which contained a total of 3,648 units. Several older, inferior properties were excluded from this analysis due to their not being considered comparable to the proposed subject property. The overall occupancy rate for comparable apartment projects in this market area 91.72%” (p. 18).

Absorption Projections: “New construction in the subjects’ neighborhood has been moderate over the past 12-48 months...The limited amount of new product that entered the market in 2000 through 2005 was readily absorbed. Based on our research, most projects that are constructed in the Greater Houston area typically lease up within 12 months. Pre-leasing should commence prior to the completion of construction” (p. 38).

Known Planned Development: “We are aware of no market rate apartment developments in the subject’s primary market under construction, and one HTC project under construction (Lansborough) in the primary market area...[Lansborough] consists of 141 rent-restricted Family units and 35 market units” (p. 33). Although the Department’s mapping data appears to place Willow Park (4% HTC #03422) with 260 affordable units within the PMA boundaries, the development is outside the designated zip codes. In addition, The Peninsula (4% HTC #03411) and The Villas at Bethel (proposed seniors development) are also located just outside the boundary of the defined PMA.

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

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OPERATING PROFORMA ANALYSIS

Income: The Applicant's rental income assumption is comparable to the Underwriter's estimate. The Applicant's vacancy and collection loss at 7.0% is less than the current underwriting guideline of 7.50%. The Applicant's secondary income estimate of \$21.50 per unit per month exceeds the current underwriting guideline of \$15 per unit per month. The additional income is attributed to rental income from nine garages, 24 carports, 12 storage closets and 48 washers and dryers. Despite the difference in secondary income and vacancy and collection loss, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense of \$4,303 per unit is within 5% of the Underwriter's estimate of \$4,224. The Underwriter calculated individual line item expenses based on TDHCA regional database information for developments of similar size and IREM database information. The Applicant's general and administrative line item is \$31K less than the Underwriter's estimate. The Applicant's estimate of compliance fees at \$90 per unit per year exceeds the current fee of \$40 per unit.

Conclusion: The Applicant's effective gross income, total operating expense, and net operating income are each within 5% of the Underwriter's estimate. Therefore, the Applicant's Year 1 proforma will be used to determine the development's debt service capacity and long term feasibility. Although the Applicant's sources and uses indicate the permanent loan amount is anticipated at only \$13,935,000 (as of January 31, 2006), the underwriting analysis assumes the full amount of \$14,635,000 committed by MuniMae Portfolio Services. Despite the lower debt amount, the Applicant's debt service is higher than the Underwriter's estimate. Both the Underwriter's and the Applicant's estimates indicate the committed financing structure results in an initial debt coverage ratio (DCR) that is within the Department's DCR guideline of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 13.989 acres \$1,525,000 **Date of Valuation:** 10/ 05/ 2005
Appraiser: Pacific Southwest Valuation **City:** Austin **Phone:** (512) 371-9027

APPRAISAL ANALYSIS/CONCLUSIONS

There is no indication that the acquisition is an identity of interest transaction and there is no existing building; therefore, an appraisal is not required for use in the underwriting analysis.

ASSESSED VALUE

Land: 41.95 acres \$535,450 **Assessment for the Year of:** 2004
1 acre: \$12,764 **Valuation by:** Harris County Appraisal District
Total: 13.989 acres prorated \$178,556 **Tax Rate:** 2.9913

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control: Agreement of Sale and Purchase (13.2 acres)
Contract Expiration Date: 03/ 09/ 2006 **Anticipated Closing Date:** 03/ 02/ 2006
Acquisition Cost: \$1,868,724 **Other Terms/Conditions:** _____
Seller: NE 40 Partners, LP **Related to Development Team Member:** No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Market Study states, "According to HCAD, the subject site is currently owned by NE 40 Partners LP, which has owned the property (under various entity names) since June 2004...The subject property is currently under contract to be sold by Airport/288 Associates Limited and purchased by Embrey Partners, Ltd, etal for a reported purchase price of \$1,888,724. No other arms-length transactions involving the subject are known to have occurred within the last three years."

The site cost of \$133,585 per acre or \$3.00 per square foot is assumed to be reasonable since the acquisition

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is an arm's-length transaction. The appraisal does not support the purchase price.

Total acquisition costs also include \$105,000 for "a 'Cost Sharing' payment to the land seller at closing." The Applicant explains, "This item is the result of cost he has incurred to extend a utility line to the site, which will not be reimbursed through any additional property tax. Other sites sharing this line will be taxed through a Municipal Utility District; however, the Oakmoor will not participate in this reimbursement activity...the estimated cost is \$76,004 with an additional \$29,000 added for contingency."

Sitework Cost: The Applicant's claimed sitework costs of \$7,359 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is within 5% of the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. The Applicant did not claim costs for constructing nine garages and 24 carports as eligible basis for tax credit purposes since a fee will be charged for use by tenants.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$88K to reflect an apparent overestimation of eligible construction loan interest based on a loan of \$14,635,000, to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Fees: The Applicant's contractor general and administrative fees exceed the 2% of eligible sitework and direct construction cost maximum allowed by HTC guidelines by \$1,500 based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

Conclusion: The Applicant has claimed the 30% boost in eligible basis due to the recent characterization of Harris County as a difficult development area.

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$18,373,575, as adjusted by the Underwriter for overstated eligible costs, supports annual tax credits of \$843,163. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE			
INTERIM TO PERMANENT BOND FINANCING			
Source:	MuniMae Portfolio Services	Contact:	Louis Lembo
Tax-Exempt Amount:	\$14,635,000	Interest Rate:	6.0%, fixed
Additional Information:	18-month construction period at 5.50%, fixed		
Amortization:	40 yrs	Term:	42.5 yrs
Commitment:	<input type="checkbox"/> LOI <input checked="" type="checkbox"/> Firm <input type="checkbox"/> Conditional		
Annual Payment:	\$966,285	Lien Priority:	1 st
		Date:	01/ 17 2006
TAX CREDIT SYNDICATION			
Source:	MMA Financial	Contact:	Marie H Keutmann
Net Proceeds:	\$8,097,000	Net Syndication Rate (per \$1.00 of 10-yr HTC)	98¢
Commitment:	<input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm <input type="checkbox"/> Conditional		
Date:	01/ 13/ 2006		
Additional Information:	\$826,320 in tax credits anticipated		
APPLICANT EQUITY			
Amount:	\$0		
Source:	N/A		
FINANCING STRUCTURE ANALYSIS			
Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by TDHCA and will be			

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privately placed. MuniMae Portfolio Services has committed to providing a loan from the proceeds of the bonds at terms mirroring those of the bonds. It should be noted, the Applicant's sources and uses indicates an anticipated permanent loan of only \$13,935,000 while the submitted commitment indicates total bond proceeds of \$14,635,000. A financing narrative states, "MMA currently estimates the permanent loan will size to \$13,935,000 based on today's information. However, the loan may size to a larger amount based on incomes, expenses, etc. Assuming the resizing of the permanent loan to \$13,935,000 the additional equity available after completion will be utilized to reduce the outstanding debt from \$14,635,000 to \$13,935,000 (\$700,000) with the remaining additional equity being utilized to pay off the deferred development fee, resulting in deferred development fee of \$105,553." Although requested, a current commitment from the permanent lender indicating a permanent loan amount consistent with the submitted sources and uses and financing narrative was not provided. The project can service the higher debt amount as committed by the lender and anticipated by the bond reservation. The underwriting analysis will continue to assume a permanent loan funded at \$14,635,000.

HTC Syndication: The syndication letter of interest was updated to reflect the increase in anticipated tax credits due to the development's qualification for the 30% boost due to Harris County's recent designation as a difficult development area. In addition, the syndication rate increased from 97% to 98%.

Deferred Developer's Fees: The Applicant did not included deferred developer fees as a source of permanent financing.

Financing Conclusions: As stated above, the Applicant's cost schedule was used to calculate the development's eligible basis. The resulting annual tax credit is less than the Applicant's request, but higher than the tax credit resulting from the gap method; therefore, the recommended annual tax credit allocation is \$765,655 based on the gap in need for permanent funds. It appears that the Applicant may be aware of the gap issue, which explains the discrepancy in the permanent loan amount included in the sources and uses and the amount committed to by MuniMae. It is not likely that the developer will be required to defer fees based on the current analysis.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, General Contractor, and Property Manager are related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- € The Applicant, Managing General Partner (MGP), and 1% general partner of the MGP are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- € Operational Assets, Ltd submitted an unaudited balance sheet as of December 31, 2005 indicating total assets of \$2.6M comprised of \$3k in cash, \$305K in notes receivable from related interests and \$2.3M in investments. Liabilities total \$2K for total equity of \$2.6M.
- € Operational Assets Management, LLC submitted an unaudited balance sheet as of December 31, 2005 indicating total assets of \$97K comprised of \$71K in cash and \$26K in investments. Liabilities total \$3K for total equity of \$94K.
- € Invest Holdings, Ltd, general partner of the general partner of the Managing General Partner, submitted unaudited financial statements dated July 31, 2005. Total assets of \$16M consist of \$13.7M in total current assets and \$2.3M in total non-current assets. Liabilities total \$5M for total equity of \$10.9M. Audited financial statements for year ended December 31, 2004 indicate total assets of \$13.3M, total liabilities of \$2.5M, and partner's capital of \$10.7M.
- € Embrey Partners, Ltd, the Developer, submitted unaudited financial statements dated December 31, 2004. Total assets of \$3M consist of \$1.9M in total current assets and \$1.1M in total non-current assets. Liabilities total \$200 for total equity of \$3M.
- € A principal of the Developer, Walter M Embrey, Jr, also submitted an unaudited financial statement.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the

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proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- ⊘ Significant environmental/location risks exist regarding prior use of the site for oil and gas exploration and production activity prior to 1967.
- ⊘ The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:

Lisa Vecchietti

Date: February 7, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: February 7, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

The Oakmoor, Houston, 4% HTC #05619

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	72	1	1	664	\$686	\$637	\$45,864	\$0.96	\$49.00	\$32.32
TC 60%	24	2	2	957	823	\$767	18,408	0.80	56.00	36.32
TC 60%	72	2	2	960	823	\$767	55,224	0.80	56.00	36.32
TC 60%	80	3	2	1,120	951	\$888	71,040	0.79	63.00	47.32
TOTAL:	248		AVERAGE:	925	\$825	\$768	\$190,536	\$0.83	\$56.23	\$38.71

INCOME

Total Net Rentable Sq Ft: **229,496**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income: 9 garages \$25, 24 carports \$15, 12 storage \$15, 48 w/d \$20

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.27%	\$372	0.40
Management	3.72%	323	0.35
Payroll & Payroll Tax	11.41%	992	1.07
Repairs & Maintenance	5.12%	445	0.48
Utilities	1.94%	169	0.18
Water, Sewer, & Trash	4.17%	363	0.39
Property Insurance	2.66%	231	0.25
Property Tax 2.9913	10.32%	897	0.97
Reserve for Replacements	2.30%	200	0.22
Other: supp serv, compl fees	2.69%	234	0.25
TOTAL EXPENSES	48.61%	\$4,226	\$4.57
NET OPERATING INC	51.39%	\$4,468	\$4.83

DEBT SERVICE

First Lien Mortgage	44.81%	\$3,896	\$4.21
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	6.58%	\$572	\$0.62

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		8.97%	\$8,039	\$8.69
Off-Sites		0.00%	0	0.00
Sitework		8.21%	7,359	7.95
Direct Construction		48.30%	43,303	46.79
Contingency	3.18%	1.80%	1,613	1.74
General Req'ts	4.57%	2.58%	2,315	2.50
Contractor's G & A	2.00%	1.13%	1,013	1.09
Contractor's Profit	4.57%	2.58%	2,315	2.50
Indirect Construction		2.96%	2,654	2.87
Ineligible Costs		7.96%	7,132	7.71
Developer's G & A	13.20%	9.45%	8,468	9.15
Developer's Profit	0.00%	0.00%	0	0.00
Interim Financing		4.01%	3,599	3.89
Reserves		2.05%	1,841	1.99
TOTAL COST		100.00%	\$89,649	\$96.88
Recap-Hard Construction Costs		64.60%	\$57,917	\$62.59

SOURCES OF FUNDS

First Lien Mortgage	65.83%	\$59,012	\$63.77
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	36.42%	\$32,649	\$35.28
Deferred Developer Fees	0.47%	\$426	\$0.46
Additional (Excess) Funds Req'd	-2.72%	(\$2,438)	(\$2.63)
TOTAL SOURCES			

TDHCA	APPLICANT
\$2,286,432	\$2,286,432
44,640	43,284
0	20,700
\$2,331,072	\$2,350,416
(174,830)	(164,532)
0	0
\$2,156,242	\$2,185,884
\$92,134	\$60,760
80,141	87,435
246,133	241,800
110,450	131,780
41,832	31,130
89,995	84,190
57,374	62,000
222,553	248,000
49,600	49,600
57,940	70,340
\$1,048,151	\$1,067,035
\$1,108,090	\$1,118,849
\$966,285	\$947,018
0	0
0	0
\$141,805	\$171,831
1.15	1.18
	1.16

Comptroller's Region	6	
IREM Region	Houston	
\$14.54 Per Unit Per Month		
\$6.96 Per Unit Per Month		
-7.00% of Potential Gross Rent		
PER SQ FT	PER UNIT	% OF EGI
\$0.26	\$245	2.78%
0.38	353	4.00%
1.05	975	11.06%
0.57	531	6.03%
0.14	126	1.42%
0.37	339	3.85%
0.27	250	2.84%
1.08	1,000	11.35%
0.22	200	2.27%
0.31	284	3.22%
\$4.65	\$4,303	48.81%
\$4.88	\$4,511	51.19%
\$4.13	\$3,819	43.32%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.75	\$693	7.86%

TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
\$1,993,724	\$1,993,724	\$8.69	\$8,039	9.01%
0	0	0.00	0	0.00%
1,824,930	1,824,930	7.95	7,359	8.24%
10,739,022	11,091,709	48.33	44,725	50.10%
400,083	400,083	1.74	1,613	1.81%
574,002	574,002	2.50	2,315	2.59%
251,279	259,833	1.13	1,048	1.17%
574,002	574,002	2.50	2,315	2.59%
658,075	658,075	2.87	2,654	2.97%
1,768,755	1,768,755	7.71	7,132	7.99%
2,100,000	2,100,000	9.15	8,468	9.49%
0	0	0.00	0	0.00%
892,441	892,441	3.89	3,599	4.03%
456,689	0	0.00	0	0.00%
\$22,233,002	\$22,137,554	\$96.46	\$89,264	100.00%
\$14,363,318	\$14,724,559	\$64.16	\$59,373	66.51%

RECOMMENDED

\$14,635,000	\$13,935,000	\$14,635,000	Developer Fee Available
0	0	0	\$2,100,000
8,097,000	8,097,000	7,502,554	% of Dev. Fee Deferred
105,553	105,553		0%
(604,551)	1	0	15-Yr Cumulative Cash Flow
\$22,233,002	\$22,137,554	\$22,137,554	\$4,596,805

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Oakmoor, Houston, 4% HTC #05619

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$49.59	\$11,379,850
Adjustments				
Exterior Wall Finish	3.20%		\$1.59	\$364,155
9-Ft. Ceilings	3.40%		1.69	386,915
Roofing			0.00	0
Subfloor			(0.90)	(205,628)
Floor Cover			2.22	509,481
Porches/Balconies	\$16.80	61,620	4.51	1,035,271
Plumbing	\$680	528	1.56	359,040
Built-In Appliances	\$1,675	248	1.81	415,400
Exterior Stairs	\$1,650	76	0.55	125,400
Garages	\$24.78	2700	0.00	0
Heating/Cooling			1.73	397,028
Carports	\$8.90	3,600	0.00	0
Comm &/or Aux Bldgs	\$60.46	4,256	1.12	257,322
Other:			0.00	0
SUBTOTAL			65.47	15,024,234
Current Cost Multiplier	1.01		0.65	150,242
Local Multiplier	0.87		(8.51)	(1,953,150)
TOTAL DIRECT CONSTRUCTION COSTS			\$57.61	\$13,221,326
Plans, specs, survy, bld prm	3.90%		(\$2.25)	(\$515,632)
Interim Construction Interes	3.38%		(1.94)	(446,220)
Contractor's OH & Profit	11.50%		(6.63)	(1,520,452)
NET DIRECT CONSTRUCTION COSTS			\$46.79	\$10,739,022

PAYMENT COMPUTATION

Primary	\$14,635,000	Amort	480
Int Rate	6.00%	DCR	1.15

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.15

Additional	\$8,097,000	Amort	
Int Rate		Aggregate DCR	1.15

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$966,285
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$152,563

Primary	\$14,635,000	Amort	480
Int Rate	6.00%	DCR	1.16

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

Additional	\$8,097,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

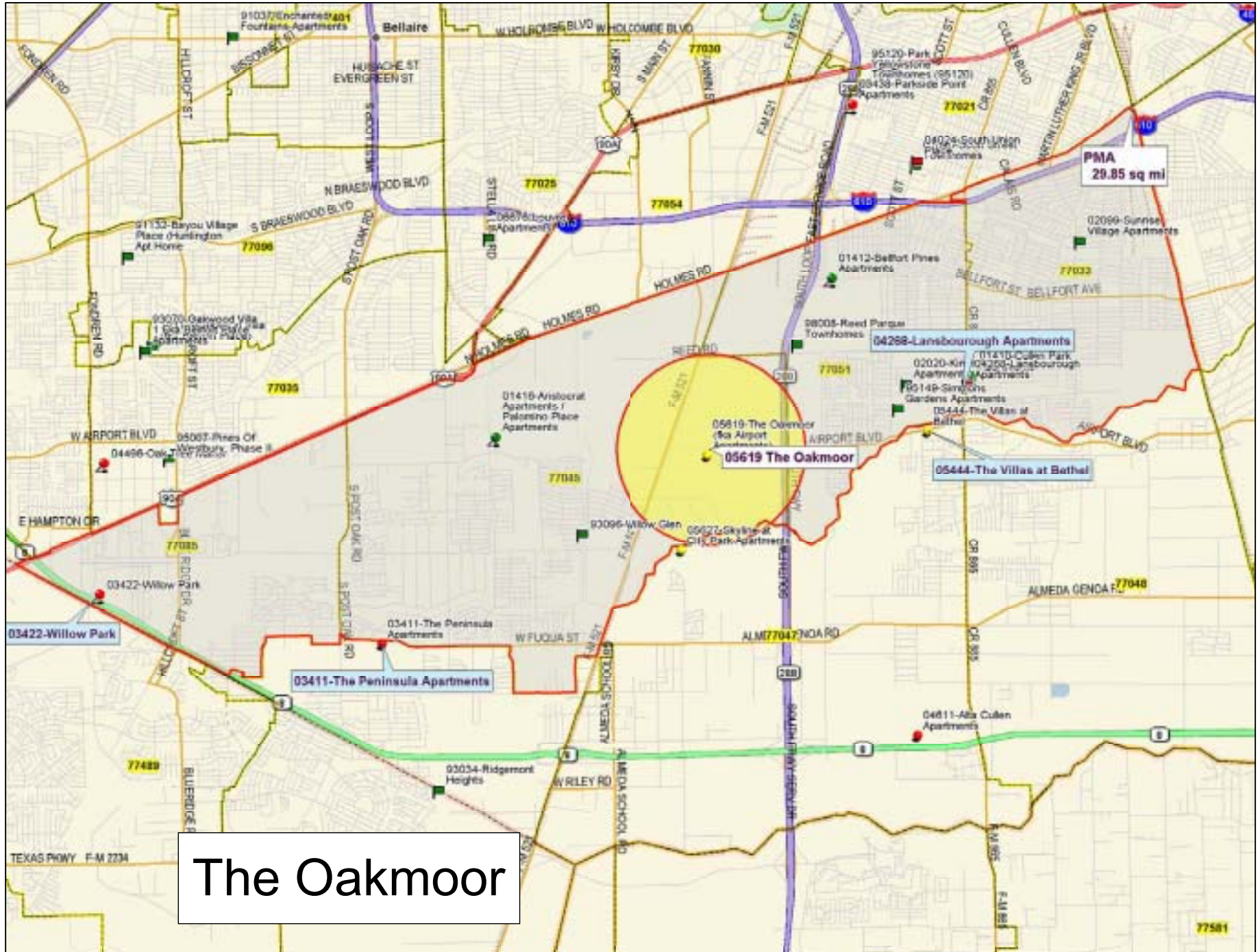
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,286,432	\$2,355,025	\$2,425,676	\$2,498,446	\$2,573,399	\$2,983,275	\$3,458,434	\$4,009,272	\$5,388,127
Secondary Income	43,284	44,583	45,920	47,298	48,717	56,476	65,471	75,899	102,002
Contractor's Profit	20,700	21,321	21,961	22,619	23,298	27,009	31,311	36,298	48,781
POTENTIAL GROSS INCOME	2,350,416	2,420,928	2,493,556	2,568,363	2,645,414	3,066,760	3,555,215	4,121,469	5,538,909
Vacancy & Collection Loss	(164,532)	(181,570)	(187,017)	(192,627)	(198,406)	(230,007)	(266,641)	(309,110)	(415,418)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,185,884	\$2,239,359	\$2,306,540	\$2,375,736	\$2,447,008	\$2,836,753	\$3,288,574	\$3,812,359	\$5,123,491
EXPENSES at 4.00%									
General & Administrative	\$60,760	\$63,190	\$65,718	\$68,347	\$71,081	\$86,480	\$105,217	\$128,012	\$189,489
Management	87,435	89,574.4767	92,261.711	95,029.56233	97,880.4492	113,470.2671	131,543.1389	152,494.5506	204,939.9243
Payroll & Payroll Tax	241,800	251,472	261,531	271,992	282,872	344,157	418,719	509,436	754,090
Repairs & Maintenance	131,780	137,051	142,533	148,235	154,164	187,564	228,200	277,641	410,976
Utilities	31,130	32,375	33,670	35,017	36,418	44,308	53,907	65,586	97,084
Water, Sewer & Trash	84,190	87,558	91,060	94,702	98,490	119,829	145,790	177,376	262,559
Insurance	62,000	64,480	67,059	69,742	72,531	88,245	107,364	130,625	193,356
Property Tax	248,000	257,920	268,237	278,966	290,125	352,981	429,456	522,499	773,426
Reserve for Replacements	49,600	51,584	53,647	55,793	58,025	70,596	85,891	104,500	154,685
Other	70,340	73,154	76,080	79,123	82,288	100,116	121,806	148,196	219,366
TOTAL EXPENSES	\$1,067,035	\$1,108,358	\$1,151,797	\$1,196,946	\$1,243,874	\$1,507,747	\$1,827,893	\$2,216,364	\$3,259,971
NET OPERATING INCOME	\$1,118,849	\$1,131,000	\$1,154,743	\$1,178,789	\$1,203,134	\$1,329,006	\$1,460,681	\$1,595,995	\$1,863,520
DEBT SERVICE									
First Lien Financing	\$966,285	\$966,285	\$966,285	\$966,285	\$966,285	\$966,285	\$966,285	\$966,285	\$966,285
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$152,563	\$164,715	\$188,457	\$212,504	\$236,849	\$362,721	\$494,395	\$629,709	\$897,235
DEBT COVERAGE RATIO	1.16	1.17	1.20	1.22	1.25	1.38	1.51	1.65	1.93

LIHTC Allocation Calculation - The Oakmoor, Houston, 4% HTC #05619

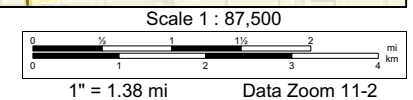
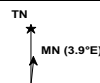
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,993,724	\$1,993,724		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,824,930	\$1,824,930	\$1,824,930	\$1,824,930
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$11,091,709	\$10,739,022	\$11,091,709	\$10,739,022
(4) Contractor Fees & General Requirements				
Contractor overhead	\$259,833	\$251,279	\$258,333	\$251,279
Contractor profit	\$574,002	\$574,002	\$574,002	\$574,002
General requirements	\$574,002	\$574,002	\$574,002	\$574,002
(5) Contingencies				
	\$400,083	\$400,083	\$400,083	\$400,083
(6) Eligible Indirect Fees				
	\$658,075	\$658,075	\$658,075	\$658,075
(7) Eligible Financing Fees				
	\$892,441	\$892,441	\$892,441	\$892,441
(8) All Ineligible Costs				
	\$1,768,755	\$1,768,755		
(9) Developer Fees				
Developer overhead	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
Developer fee				
(10) Development Reserves				
		\$456,689		
TOTAL DEVELOPMENT COSTS	\$22,137,554	\$22,233,002	\$18,373,575	\$18,013,834

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$18,373,575	\$18,013,834
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$23,885,647	\$23,417,984
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$23,885,647	\$23,417,984
Applicable Percentage		3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS		\$843,163	\$826,655

Syndication Proceeds	0.9799	\$8,262,046	\$8,100,281
Total Credits (Eligible Basis Method)		\$843,163	\$826,655
Syndication Proceeds		\$8,262,046	\$8,100,281
Requested Credits		\$848,010	
Syndication Proceeds		\$8,309,537	
Gap of Syndication Proceeds Needed		\$7,502,554	
Credit Amount		\$765,655	



The Oakmoor



Applicant Evaluation

Project ID # **05619REV**

Name: **The Oakmoor**

City: **Houston**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 2

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 2
grouped ten to nineteen: 0
by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 2

Projects not reported Yes
in application No

not yet monitored or pending review: 2

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Not applicable
Review pending
No unresolved issues
Issues found regarding late cert
Issues found regarding late audit
Unresolved issues found that warrant disqualification (Comments attached)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewed by Patricia Murphy

Date 1/27/2006

Multifamily Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer S. Roth
Date 1/30/2006

Single Family Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer Sandy M. Garcia
Date 1/27/2006

Real Estate Analysis (Cost Certification and Workout)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Community Affairs

No relationship
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Office of Colonia Initiatives

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)

Reviewer _____
Date _____

Financial Administration

No delinquencies found
Delinquencies found

Reviewer Melissa M. Whitehead
Date 1/30/2006

Executive Director: Edwina Carrington

Executed: onday, February 06, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

The Oakmoor Apartments

Public Hearing	
<i>Total Number Attended</i>	1
<i>Total Number Opposed</i>	0
<i>Total Number Supported</i>	0
<i>Total Number Neutral</i>	0
<i>Total Number that Spoke</i>	0

Public Officials Letters Received	
<i>Opposition</i>	0
<i>Support</i>	0

General Public Letters and Emails Received	
<i>Opposition</i>	0
<i>Support</i>	0

Summary of Public Comment	
No Opposition	

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

PUBLIC HEARING
AIRPORT BOULEVARD APARTMENTS

6:15 p.m.
Monday,
September 12, 2005

James Madison High School
Auditorium
13719 White Heather
Houston, Texas

PRESENT:

TDHCA Staff:

Shannon Roth, Multifamily Housing Specialist

P R O C E E D I N G S

MS. ROTH: Good evening. My name is Shannon Roth. I would like to proceed with the public hearing. Let the record show that it is 6:15 p.m., Monday September 12. And we are at the James Madison High School, located at 13719 White Heather, Houston, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue.

No decisions regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider the transaction on November 10, 2005.

In addition to providing your comments at this hearing, the public is also invited to provide comment directly to the board at any of their meetings. The Department staff will also accept written comments from the public up till 5:00 p.m. on October 28, 2005.

The bonds will be issued as tax-exempt

multifamily revenue bonds in the aggregate principal amount not to exceed \$15 million, and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the issuer.

The proceeds of the bonds will be loaned to the Airport Boulevard Apartments, Limited, or a related person or affiliate entity thereof, to finance a portion of the costs of the acquisition and rehabilitation and costs of acquiring, constructing and equipping a multifamily rental housing community described as follows:

A 248-unit multifamily residential rental development to be constructed on approximately 13.8 acres of land located on the south side of Airport Boulevard, approximately one-and-a-half mile east of Almeda, and approximately three-quarters of a mile west of State Highway 288 South, Harris County, Texas. The proposed multifamily rental housing community will be initially owned and operated by the borrower, or a related person or affiliate thereof.

And let the record show there are no attendees at this meeting; therefore the meeting is now adjourned, and the time is 6:17 p.m.

(Whereupon, at 6:17 p.m., the public hearing

was concluded.)



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2005 Private Activity Multifamily Housing Revenue Bonds

**Village Park Apartments
8701 Hammerly Boulevard
Houston, Texas**

**Village Park Apartments Partners, Ltd.
418 Units
Priority 3**

\$13,660,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	TDHCA Compliance Summary Report
TAB 7	Public Input and Hearing Transcript (January 12, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval of a resolution for the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the acquisition and rehabilitation of the Village Park Apartments.

Summary of the Village Park Apartments Transaction

The pre-application was received on October 3, 2005. The application was scored and ranked by staff. The application was induced at the November 10th Board meeting and submitted to the Texas Bond Review Board for addition to the 2005 Waiting List. The application received a Reservation of Allocation on November 18, 2005. This application was submitted under the Priority 3 category. At least 75% of the units will serve families at 80% or below the Area Median Family Income. There were twenty-two people in attendance at the public hearing and four spoke for the record. Most of the people in attendance were current residents of the development who had concerns of whether they would be displaced as a result of the rehabilitation. Only one person in attendance, the president of a super neighborhood organization, signed-in as opposed. Her statement for the record was that she did not want to see money put into this development for rehabilitation when it would just deteriorate again. A copy of the transcript is located behind Tab 7 in this presentation. The proposed site is located in the Houston Independent School District.

The Village Park Apartments proposed acquisition and rehabilitation will be located at 8701 Hammerly Boulevard, Houston, Harris County. Demographics for the census tract (5212.00) include AMFI of \$35,111; the total population is 6,145; the percent of population that is minority is 70.46%; the number of owner occupied units is 502; the number of renter units is 1,639 and the number of vacant units is 107. (FFIEC Geocoding for 2005)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in the amount of \$13,660,000. Credit enhancement will be provided by Fannie Mae through a standby irrevocable transferable credit enhancement instrument. Throughout the construction phase, Fannie Mae will be protected by a Letter of Credit issued by Regions Bank. The Bonds will carry a AAA/Aaa rating. Greystone Servicing Corporation, Inc. (Fannie Mae DUS Lender) will underwrite the transaction using a debt coverage ratio of 1.20 to 1 (Net Operating Income 1.2 times the debt service) amortized over 30 years. The term of the bonds will be for 33 years. The construction and lease up period will be for thirty months plus one 6 month optional extension with payment terms of interest only, followed by a 30 year term and amortization.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Village Park Apartments development because of the demonstrated quality of construction of the proposed development, the feasibility of the development (as demonstrated by the financial commitments from Regions Bank, Fannie Mae, Guilford Capital Corporation and the underwriting report by the Department's Real Estate Analysis division), the tenant and social services provided by the development and the demand for affordable units as demonstrated by the market area.

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD MEMORANDUM
February 15, 2006

DEVELOPMENT: Village Park Apartments, Houston, Harris County, Texas

PROGRAM: Texas Department of Housing & Community Affairs
2005 Private-Activity Multifamily Revenue Bonds
(Reservation received 11/18/2005)

ACTION
REQUESTED:

Approve the issuance of multifamily housing revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371 of the Texas Government Code and under Chapter 2306 of the Texas Government Code, the Department's enabling legislation which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

PURPOSE: The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Village Park Apartments Partners, Ltd., an Alabama limited partnership (the "Borrower"), to finance the acquisition, rehabilitation, equipping and long-term financing of a 418-unit multifamily residential rental development to be located at 8701 Hammerly Boulevard, Harris County, Texas (the "Development"). The Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental development.

BOND AMOUNT: \$13,660,000 Series 2006 Tax Exempt bonds (*)
\$13,660,000 Total bonds

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Development and the amount for which Bond Counsel can deliver its Bond Opinion.

ANTICIPATED
CLOSING DATE:

The Department received a volume cap allocation for the Bonds on November 18, 2005, pursuant to the Texas Bond Review Board's 2005 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before April 17, 2006, the anticipated closing date is March 9, 2005.

BORROWER: Village Park Apartments Partners, L.P., an Alabama limited partnership, the general partner of which is Summit America Properties, Inc., the managing member is W. Daniel Hughes, Jr,

with 78% ownership. Guilford Capital Corporation or an affiliate thereof will be providing the equity for the transaction by purchasing a 99.99% limited partnership interest in the Borrower.

COMPLIANCE HISTORY:

The Compliance Status Summary completed on February 6, 2006 reveals that the principals of the general partner above have two properties that will be monitored by the Department.

ISSUANCE TEAM:

Greystone Servicing Corporation, Inc. (FNMA DUS Lender/Servicer)
 Regions Bank (Letter of Credit Provider)
 Fannie Mae (Credit Facility Provider)
 Merchant Capital, LLC (Underwriter)
 JPMorgan Chase Bank, National Association (Trustee)
 Vinson & Elkins L.L.P. (Bond Counsel)
 RBC Capital Markets (Financial Advisor)
 McCall, Parkhurst & Horton, L.L.P. (Issuer Disclosure Counsel)

BOND PURCHASER:

The Bonds will be publicly offered for sale on or about March 8, 2006 at which time the final pricing and Bond Purchaser(s) will be determined.

DEVELOPMENT DESCRIPTION:

The Development is a 419 unit apartment community (418 rental units and 1 employee unit) to be acquired and rehabilitated located at 8701 Hammerly Boulevard, Houston, Harris County, Texas. The rehabilitation will consist of rebuilding and surfacing the parking lot, replacing the siding, and installing new windows. There will be a new community and general amenities to the inside of the property. In addition, new surveillance cameras will be installed.

Units	Unit Type	Sq Ft	Proposed	AMFI
3	Efficiency	537	\$570.00	60%
1	Efficiency	537	\$570.00	Mkt.
126	1-Bed/1-Bath	715	\$590.00	60%
22	1-Bed/1-Bath	715	\$590.00	Mkt.
63	2-Bed/1-Bath	898	\$690.00	60%
11	2-Bed/1-Bath	898	\$690.00	Mkt.
112	2-Bed/2-Baths	1,030	\$750.00	60%
20	2-Bed/2-Baths	1,030	\$750.00	Mkt.
51	3-Bed/2-Baths	1,150	\$866.00	60%
9	3-Bed/2-Baths	1,150	\$866.00	Mkt.
418	Total Rental Units			

SET-ASIDE UNITS:

For Bond covenant purposes, forty percent (40%) of the units in the Development will be restricted to occupancy by persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in the Development will be set aside on a priority basis for persons with special needs.

TENANT SERVICES:

Tenant Services will be provided by the developer according to the requirements as outlined in the Departments Land Use Restriction Agreement.

DEPARTMENT

ORIGINATION

FEES:

\$1,000 Pre-Application Fee (Paid)
\$10,000 Application Fee (Paid)
\$68,300 Issuance Fee (.50% of the bond amount paid at closing)

DEPARTMENT

ANNUAL FEES:

\$13,660 Bond Administration (0.10% of first year bond amount)
\$16,720 Compliance (\$40/unit/year adjusted annually for CPI)

(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Development cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)

ASSET OVERSIGHT

FEE:

\$10,450 to TDHCA or assigns (\$25/unit/year adjusted annually for CPI))

TAX CREDITS:

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to \$574,490 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of the limited partnership, typically 99.99%, to raise equity funds for the Development. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately \$5,457,109 of equity for the transaction.

BOND STRUCTURE &

SECURITY FOR THE

BONDS:

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

As stated above, the Bonds are being issued to fund a Mortgage Loan to finance the acquisition, rehabilitation, equipping and long-term financing of the Development. The Mortgage Loan will be secured by, among other things, a Deed of Trust and other security instruments on the Development. The Mortgage Loan and security instruments will be assigned to the Trustee and

Fannie Mae and will become part of the Trust Estate securing the Bonds.

During both the construction period (the “Construction Phase”) and, if conversion (“Conversion”) from the Construction Phase to the permanent mortgage period (the “Permanent Phase”) occurs, and the permanent phase, credit enhancement for the Loan and, if Conversion occurs, liquidity support for the Bonds outstanding will be provided by Fannie Mae pursuant to a Stand-by Irrevocable Transferable Credit Enhancement Instrument (the “Fannie Mae Credit Facility”). Throughout the Construction Phase, Fannie Mae will be protected against risk of loss by a letter of credit issued by Regions Bank. If Conversion does not occur and Regions Bank has not exercised its option to purchase the Bonds, the Bonds will be subject to mandatory redemption.

In addition to the credit enhanced Mortgage Loan, other security for the Bonds during the Construction Phase consists of the net bond proceeds, the revenues and any other moneys received by the Trustee for payment of principal and interest on the Bonds, and amounts otherwise on deposit in the Funds and Accounts (excluding the Rebate Fund, the Fees Account of the Revenue Fund and the Costs of Issuance Deposit Account of the Cost of Issuance Fund) and any investment earnings thereon (see Funds and Accounts section, below).

**CREDIT
ENHANCEMENT:**

The credit enhancement by Fannie Mae allows for an anticipated rating by the Rating Agency of AAA/Aaa and an anticipated initial fixed rate not to exceed 6.11%. Without the credit enhancement, the Bonds would not be investment grade and therefore command a higher interest rate from investors on similar maturity bonds.

FORM OF BONDS:

The Bonds will be issued in book entry form and will be in authorized denominations of \$5,000 or any integral multiple of \$5,000.

**TERMS OF THE
MORTGAGE LOAN:**

The Mortgage Loan is a non-recourse obligation of the Owner, which means, subject to certain exceptions, that the Owner is not liable for the payment thereof beyond the amount realized from the pledged security. The Mortgage Loan provides for monthly payments of interest during the Construction Phase and level monthly payments of principal and interest following Conversion to the Permanent Phase.

During the Construction Phase, the Borrower will be required to make payments on the Mortgage Loan directly to the Trustee (to the extent that capitalized interest funds deposited at closing into

the Mortgage Loan Fund are insufficient to make the semi-annual interest payments on the Bonds) along with all other bond and credit enhancement fees. Upon Conversion, the Borrower will be required to pay mortgage payments on the Mortgage Loan to the Servicer, who will remit the principal and interest components of the mortgage payments to the Trustee. The Borrower will continue to pay certain other fees, including the Department's fees, directly to the Trustee.

Effective on the Conversion Date, which is anticipated to occur thirty months from the closing date of the Bonds with one six-month extension option, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase upon satisfaction the conversion requirements set forth in the Construction Phase Financing Agreement. Among other things, these requirements include completion of the Development according to plans and specifications and achievement of certain occupancy thresholds.

**MATURITY/SOURCES
& METHODS OF
REPAYMENT:**

The Bonds will bear interest (a) from the date of issuance to the Initial Remarketing Date at a fixed rate and (b) from the Initial Remarketing Date to maturity, which is November 1, 2038, or earlier redemption or acceleration at the rates determined from time to time by the Remarketing Agent pursuant to the Indenture.

The Bonds will be payable from: (1) revenues earned from the Mortgage Loan (which during the Construction Phase will be payable as to interest only); (2) earnings derived from amounts held in Funds & Accounts (discussed below) on deposit in an investment agreement; (3) funds deposited to the Mortgage Loan Fund specifically for capitalized interest during a portion of the Construction Phase; (4) or payments made by Fannie Mae under the Fannie Mae Credit Facility.

Fannie Mae is obligated under the Fannie Mae Credit Facility to fund the payment of the Borrower's loan payments in the event the Borrower fails to make any payment of interest or interest and principal. The Borrower is obligated to reimburse Fannie Mae for any moneys advanced by Fannie Mae for such payments.

**REDEMPTION OF
BONDS PRIOR TO
MATURITY:**

The Bonds are subject to redemption under any of the following circumstances:

Optional Redemption:

The Bonds are not subject to optional redemption prior to November 1, 2015. On or after November 1, 2015 and prior to the Initial Remarketing Date, the Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Mortgage Loan in accordance with the Mortgage Loan Documents.

On or after the Initial Remarketing Date, the Bonds are subject to optional redemption in whole or in part during the periods and at the respective redemption prices set forth in the Indenture as expressed percentages of the principal amount of the Bonds called for redemption.

Mandatory Redemption:

- (1) The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Development are applied in accordance with the Financing Agreement and the Mortgage Loan Documents to restoring or repairing the Mortgaged Property or, with the consent of the Credit Provider, otherwise used for improvements to the Mortgaged Property or applied to the reimbursement of amounts owed to the Credit Provider.
- (2) The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction, or with the prior written consent, of the Credit Provider requiring that the Bonds be redeemed pursuant to the Indenture following any Event of Default under the Security Instrument, the Credit Facility Agreement or the Financing Agreement or the occurrence of a Borrower Default under the Construction Phase Financing Agreement.
- (3) The Bond shall be subject to mandatory sinking fund installments, at the times and in the amounts set forth in the amortization schedule established pursuant to the Indenture.
- (4) The Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization

Payment.

- (5) The Bonds shall be redeemed in whole if the Loan Servicer does not issue the Conversion Notice on or before the Termination Date, unless the Credit Provider otherwise directs the Trustee and Loan Servicer in writing.
- (6) The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Mortgage Loan Fund or the General Account of the Revenue Fund are transferred to the Redemption Account.

**FUNDS AND
ACCOUNTS/FUNDS
ADMINISTRATION:**

Under the Trust Indenture, JPMorgan Chase Bank, National Association, (the "Trustee") will serve as registrar and authenticating agent for the Bonds, trustee of certain of the funds created under the Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will initially be issued as fully registered securities and when issued will be registered in the name of Cede & Co., as nominee for DTC. One fully registered global bond in the aggregate principal amount of each stated maturity of the Bonds will be deposited with DTC.

Moneys on deposit in Trust Indenture funds are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will create up to six (6) funds with the following general purposes:

1. Mortgage Loan Fund – Consists of a Project Account and Capitalized Interest Account. Monies in the Mortgage Loan Fund will be withdrawn to pay the costs of rehabilitation and other approved costs of the Development, and interest on the Bonds.
2. Revenue Fund – Consists of a General Account, Redemption Account, Credit Facility Account and the Fees Account. Monies in the Revenue Fund shall be disbursed for interest on the Bonds, sinking fund redemption payments, principal amounts due, third party fees and to the redemption of Bonds.

3. Costs of Issuance Fund – Consists of a Cost of Issuance Deposit Account and a Cost of Issuance Bond Proceeds Account. A temporary fund into which amounts for the payment of the costs of issuance are deposited and disbursed by the Trustee.
4. Rebate Fund - Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.
5. Bond Purchase Fund – Consists of a Remarketing Proceeds Account and a Remarketing Expenses Account. Monies are used to pay the purchase price of the Bonds on a Remarketing Date in the event the Bonds are not remarketed and Remarketing Expenses.
6. Equity Fund – Fund into which amounts designated by the Borrower as equity funds are deposited and disbursed by the Trustee pursuant to a requisition.

Essentially, all of the bond proceeds will be deposited into the Loan Fund and disbursed during the Construction Phase to finance the construction of the Development. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

DEPARTMENT
ADVISORS:

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in September 2005.
2. Bond Trustee – JPMorgan Chase Bank, National Association was selected by the Borrower from the Department's list of approved trustees for multifamily bond issues. This trustee was approved by the Department in December 2003.
3. Financial Advisor - RBC Capital Markets, formerly RBC Dain Rauscher, was selected by the Department as the

Department's financial advisor through a request for proposals process in August 2003.

4. Underwriter – Merchant Capital was selected by the Borrower from the Department's list of approved senior managers for multifamily bond issues. The underwriter list was approved by the Department in September 2004.
5. Disclosure Counsel – McCall, Parkhurst & Horton, L.P.P. was selected to serve as the Department's disclosure counsel in September 2005.

ATTORNEY GENERAL
REVIEW OF BONDS:

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 06-004

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (VILLAGE PARK APARTMENTS) SERIES 2006; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Village Park Apartments) Series 2006 (the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture (the “Indenture”) by and between the Department and JPMorgan Chase Bank, National Association, a national banking association, as trustee (the “Trustee”), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Village Park Apartments Partners, Ltd., an Alabama limited partnership (the “Borrower”), in order to finance the cost of acquisition, rehabilitation and equipping of a qualified residential rental development described on Exhibit A attached hereto (the “Development”) located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on November 14, 2005, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Financing Agreement (the “Financing Agreement”) pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the “Mortgage Loan”) to the

Borrower to enable the Borrower to finance the cost of acquisition, rehabilitation and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a multifamily note (the "Mortgage Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for by a Credit Enhancement Instrument (Standby) issued by Fannie Mae ("Fannie Mae"); and

WHEREAS, it is anticipated that the Mortgage Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Texas) (the "Security Instrument") by the Borrower for the benefit of the Department and Fannie Mae; and

WHEREAS, the Department's interest in the Mortgage Loan (except for certain reserved rights), including the Mortgage Note and the Security Instrument, will be assigned to the Trustee, as its interests may appear, and to Fannie Mae, as its interests may appear, pursuant to an Assignment and Intercreditor Agreement (the "Assignment") among the Department, the Trustee and Fannie Mae and acknowledged, accepted and agreed to by the Borrower; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Harris County, Texas; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of a Preliminary Official Statement (the "Preliminary Official Statement") and an Official Statement (the "Official Statement", and together with the Preliminary Official Statement, the "Official Statements") and to authorize the authorized representatives of the Department to deem the Official Statements "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statements as may be required to provide final Official Statements for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower and Merchant Capital, L.L.C. (the "Underwriter"), and any other parties to such Bond Purchase Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Underwriter or another party will purchase all or their respective portion of the Bonds from the Department and the Department will sell the Bonds to the Underwriter or another party to such Bond Purchase Agreement; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Official Statements, the Bond Purchase Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Security Instrument and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance

of the Security Instrument and the Note and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF THE DEPARTMENT:

ARTICLE I

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest (a) from the date of issuance to the Initial Remarketing Date at a fixed rate not to exceed 6.00% and (b) from the Initial Remarketing Date until maturity or earlier redemption or acceleration thereof at the rates determined from time to time by the Remarketing Agent (as such term is defined in the Indenture) in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall not exceed \$13,660,000; (iii) the final maturity of the Bonds shall occur not later than [April 1, 2040]; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Bond Purchase Agreement shall not exceed 103% of the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreement. That the form and substance of the Financing Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Financing Agreement and deliver the Financing Agreement to the Borrower and the Trustee.

Section 1.5--Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Regulatory Agreement and deliver the Regulatory Agreement to the Borrower

and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Harris County, Texas.

Section 1.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and any other party to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter and any other party to the Bond Purchase Agreement, as appropriate.

Section 1.7--Acceptance of the Mortgage Note and Security Instrument. That the form and substance of the Mortgage Note and Security Instrument are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are hereby authorized to endorse and deliver the Mortgage Note to the order of the Trustee and Fannie Mae, as their interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignment and to deliver the Assignment to the Trustee and Fannie Mae.

Section 1.9--Approval, Execution, Use and Distribution of the Official Statements. That the form and substance of the Official Statements and their use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chairman of the Board and the Executive Director or Acting Executive Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934; that the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such changes in the Official Statements as may be required to provide a final Official Statement for the Bonds; that the authorized representatives of the Department named in this Resolution each are authorized hereby to accept the Official Statements, as required; and that the distribution and circulation of the Official Statements by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director or Acting Executive Director of the Department and the Department's counsel.

Section 1.10--Approval, Execution and Delivery of the Asset Oversight Agreement. That the form and substance of the Asset Oversight Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Asset Oversight Agreement to the Borrower.

Section 1.11--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.12--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Financing Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Bond Purchase Agreement
- Exhibit F - Security Instrument
- Exhibit G - Mortgage Note
- Exhibit H - Assignment
- Exhibit I - Preliminary Official Statement
- Exhibit J - Asset Oversight Agreement

Section 1.13--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.14--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.15--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or Acting Executive Director of the Department; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Engagement of Other Professionals. That the Executive Director or Acting Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.4--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.5--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director or Acting Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., is approved, ratified and confirmed hereby.

Section 2.6--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.7--Underwriter. That the underwriter with respect to the issuance of the Bonds shall be Merchant Capital, L.L.C.

Section 2.8--Approving Initial Rents. That the initial maximum rent charged by the Borrower for the units of the Development shall not exceed the amounts attached as Exhibit G to the Regulatory Agreement and shall be annually redetermined by the Borrower and reviewed by the Department as set forth in the Financing Agreement.

Section 2.9--Engagement of Other Professionals. That the Executive Director or Acting Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.10--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Financing Agreement and Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Mortgage Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Financing Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Financing Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Financing Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 15th day of February, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Village Park Apartments Partners, Ltd., an Alabama limited partnership

Development: The Development is a 418-unit multifamily facility to be known as Village Park Apartments and located at 8701 Hammerly Boulevard, Houston, Harris County, Texas. It will consist of 26 three-story residential apartment buildings with approximately 374, 298 net rentable square feet and an average unit size of approximately 875 square feet. The unit mix will consist of:

4	efficiency
148	one-bedroom/one-bath units
74	two-bedroom/one-bath units
132	two-bedroom/two-bath units
<u>60</u>	three-bedroom/two-bath units
418	Total Units

Unit sizes will range from approximately 537 square feet to approximately 1,150 square feet.

[Common areas are expected to include two swimming pools and laundry facilities. All units are expected to have central heating and air conditioning, carpeting and vinyl tile, miniblinds, a dishwasher, a range and oven, a microwave and washer/dryer connections.]



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Village Park Apartments, TDHCA Number 05629

BASIC DEVELOPMENT INFORMATION

Site Address: 8701 Hammerly Blvd. Development #: 05629
 City: Houston Region: 6 Population Served: Family
 County: Harris Zip Code: 77080 Allocation:
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Purpose/Activity: ACQ/R
 HOME Set Asides: CHDO Preservation General
 Bond Issuer: TDHCA
 HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Village Park Apartments Partners, Ltd.
 Hunter McKenzie - Phone: (334) 954-4458
 Developer: Summit Asset Management, LLC
 Housing General Contractor: Penco Construction Company
 Architect: Brown, Chambless & Company
 Market Analyst: Novogradac & Company
 Syndicator: Guilford Capital Corporation
 Supportive Services: To Be Determined
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>65%</u>	<u>80%</u>	Total Restricted Units:	355
0	0	0	355	0	0	Market Rate Units:	63
<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>		Owner/Employee Units:	0
0	152	206	60	0		Total Development Units:	418
Type of Building:	5 units or more per bldng					Total Development Cost:	\$21,211,006
Number of Residential Buildings:	29						

Note: If Development Cost =\$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
9% Housing Tax Credits-Credit Ceiling:	\$0	\$0	0	0	0.00%
4% Housing Tax Credits with Bonds:	\$574,490	\$574,490	0	0	0.00%
Housing Trust Fund Loan Amount:	\$0	\$0	0	0	0.00%
HOME Fund Loan Amount:	\$0	\$0	0	0	0.00%
Bond Allocation Amount:	\$13,660,000	\$13,660,000	30	30	6.10%



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary
Village Park Apartments, TDHCA Number 05629

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15

NC Points: 0

US Representative: Jackson-Lee, District 18, NC

TX Representative: Woolley, District 136

NC Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC

Resolution of Support from Local Government []

Milton Wilson, Jr., Director, Housing and Community Development Department - The proposed development for rehabilitation of existing affordable rental housing is consistent with the City of Houston's Consolidated Plan.

Individuals/Businesses: In Support: 0

In Opposition: 0

Neighborhood Input:

General Summary of Comment:

Public Hearing: Current residents had concerns of garbage pick-up and whether or not they would be displaced. The President of a Super Neighborhood Organization had concerns of whether the development would deteriorate again and also had questions regarding Compliance requirements.

- Number that attended: 21
Number that spoke: 4
Number in support: 0
Number in opposition: 0
Number Neutral: 21

CONDITIONS OF COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Receipt, review and acceptance by cost certification indicating the Asbestos O&M Program will be continued.
3. Receipt, review and acceptance by closing of the construction loan of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

February 15, 2006

Development Information, Public Input and Board Summary

Village Park Apartments, TDHCA Number 05629

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: Meeting a Required Set-Aside Credit Amount: \$0

Recommendation:

HOME Loan: Loan Amount: \$0

Recommendation:

Housing Trust Fund Loan: Meeting a Required Set-Aside Loan Amount: \$0

Recommendation:

4% Housing Tax Credits with Bond Issuance: Credit Amount: \$574,490

Recommendation: Recommended approval of a housing tax credit allocation not to exceed \$574,490 annually for ten years, subject to conditions.

Private Activity Bond Issuance with TDHCA: Bond Amount: \$13,660,000

Recommendation: Recommend approval of issuance of \$13,660,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate underwritten at an all in rate of 6.11% and a 30 year amortization period, subject to conditions.

Village Park Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 13,660,000
Tax Credit Proceeds	5,306,757
Deferred Developer's Fee	1,966,079
GP Contribution	243,701
Interest Income	1,658
Total Sources	<u>\$ 21,178,195</u>

Uses of Funds

Acquisition and Site Work Costs	\$ 14,111,000
Direct Hard Construction Costs	3,308,336
Other Construction Costs (General Require, Overhead, Profit)	165,457
Indirect Construction Costs	96,200
Developer Fees	2,191,079
Direct Bond Related	383,055
Bond Purchaser Costs	769,037
Other Transaction Costs	66,555
Real Estate Closing Costs	87,476
Total Uses	<u>\$ 21,178,195</u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 68,300
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	27,320
TDHCA Bond Compliance Fee (\$40 per unit)	16,720
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	30,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Borrower's Counsel	30,000
Trustee Fee	7,300
Trustee's Counsel (Note 1)	3,000
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,415
DTC, CUSIP, Misc	81,500
Total Direct Bond Related	<u>\$ 383,055</u>

Village Park Apartments

Bond Purchase Costs	
Letter of Credit Provider (Construction Lender)	204,900
LOC Counsel	22,000
Permanent Lender	130,940
Permanent Lender Counsel	36,000
FNMA Counsel	32,000
Equity Provider	25,000
Rating Agency	13,500
Bridge Loan Interest	165,417
Underwriter	109,280
Underwriter Counsel	30,000
Total Bond Purchase Costs	\$ 769,037
Other Transaction Costs	
Tax Credit Application and Determination Fees (if paid at closing)	40,800
Miscellaneous	25,755
Total Other Transaction Costs	\$ 66,555
Real Estate Closing Costs	
Title & Recording (Const.& Perm.)	87,476
Total Real Estate Costs	\$ 87,476
Estimated Total Costs of Issuance	\$ 1,306,123

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: February 6, 2006 **PROGRAM:** 4% HTC/MFB **FILE NUMBER:** 05629

DEVELOPMENT NAME

Village Park Apartments

APPLICANT

Name: Village Park Apartments Partners, Ltd. **Type:** For-profit
Address: 105 Tallapoosa Street, Suite 300 **City:** Montgomery **State:** AL
Zip: 36104 **Contact:** Hunter McKenzie **Phone:** (334) 954-4458 **Fax:** (334) 954-4496

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Summit America Properties, Inc	(%):	0.01	Title:	Managing General Partner
Name:	Realty Partners, LLC	(%):	N/A	Title:	100% member of MGP/Guarantor
Name:	WDH Holdings, LLC	(%):	N/A	Title:	78% member of Realty Partners
Name:	Summit Asset Management, LLC	(%):	N/A	Title:	Developer
Name:	Summit Construction, LLC	(%):	N/A	Title:	Consultant
Name:	Summit America, LLC	(%):	N/A	Title:	Guarantor
Name:	W Daniel Hughes, Jr	(%):	N/A	Title:	Guarantor/Owner of WDH Holdings

PROPERTY LOCATION

Location: 8701 Hammerly Boulevard **QCT** **DDA**
City: Houston **County:** Harris **Zip:** 77080

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$574,490	N/A	N/A	N/A
2) \$13,660,000	6.10%	30 yrs	18 yrs

Other Requested Terms: 1) Annual ten-year allocation of housing tax credits
2) Tax-exempt mortgage revenue bonds

Proposed Use of Funds: Acquisition/Rehab **Property Type:** Multifamily

Special Purpose (s): General population

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$13,660,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.11% WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$574,490 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance by cost certification indicating the Asbestos O&M Program will be

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

- continued;
2. Receipt, review and acceptance by closing of the construction loan of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42;
 3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units:	<u>418</u>	# Rental Buildings:	<u>29</u>	# Non-Res. Buildings:	<u>4</u>	# of Floors:	<u>3</u>	Age:	<u>34</u> yrs	Vacant:	<u>30</u>	at	<u>12/ 01/ 2005</u>
Net Rentable SF:	<u>374,298</u>	Av Un SF:	<u>895</u>	Common Area SF:	<u>6,134</u>	Gross Bldg SF:	<u>380,432</u>						

STRUCTURAL MATERIALS

The structures will be wood frame on a slab on grade. According to the plans provided in the application the exteriors will be comprised as follows: 10% brick veneer/90% wood siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composition roll.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, refrigerator, tile tub/shower surround, washer and dryer connections, laminated counter tops, central boiler, central heat and air conditioning, and 8-foot ceilings.

ONSITE AMENITIES

According to the Property Condition Assessment, the Subject property's community amenities include perimeter fencing with controlled gate access, two central laundry rooms, volleyball court, playground, central mail kiosk, and a swimming pool. An existing building will also be converted to a community center during the renovation.

Uncovered Parking:	<u>627</u>	spaces	Carpports:	<u>0</u>	spaces	Garages:	<u>0</u>	spaces
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PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Village Park is a 33-unit per acre acquisition and rehabilitation development proposed for conversion to mixed-income housing located in the northwestern section of the City of Houston. The development was built in 1972 and is comprised of 17 three-story and 10 two-story apartment buildings, One leasing office, and two common laundry rooms. It should be noted, the Property Condition Assessment indicates the development was rehabbed in 1995 through 1996. This issue is discussed in more detail in the acquisition value paragraph of the construction cost estimate evaluation section and the conclusion to the financing structure analysis section (below).

Development Plan: The buildings are currently 93% occupied and in a good to fair state. The Property Condition Assessment (PCA) noted deteriorated metal stair components and support columns at a majority of staircases and the wood railing system needs isolated repairs due to normal weathering and light damage from tenants. The soffits were observed to be in good to fair condition with instances of minor damage at numerous buildings. Sealant is needed at gaps and cracks in the concrete surfaces of upper level walkways. Property management reported no current or persistent roof leaks. The flat roof areas were reportedly replaced in 1997 and a protective silver coating was applied to all roofs in 2004. There are two roofs (building #5 and #22) that require replacement due to large areas of standing water. The apartment buildings also feature smaller areas of sloped roofing with asphalt shingles. Instances of peeling and damaged shingles were observed at several locations and isolated damages to gypsum soffits were observed at numerous locations. Repairs and repaint of building exteriors are needed.

The PCA also states, no down (i.e. uninhabitable) units were reported or observed at the Property. Repair of

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

heavily cracked lightweight concrete flooring is needed in unit #2235. According to Mr. Daniel Pereira, Maintenance Manager, many of the package HVAC are original, but fan motors, coils, etc. have been replaced as needed. Forty-six of the original units should be replaced with new split system components. Wiring that runs from the circuit breakers to the light switches and outlets throughout buildings #1 through #22 at the Property was observed to be aluminum. Apartments in remaining buildings were noted to have copper branch wiring. In order to prevent a potential electrical hazard, property management should install copper/aluminum rated (COALR) receptacles (switches and outlets) in the apartment units with aluminum wiring. Though not required by code at the time of construction, Property management may wish to install GFI outlets near kitchen and bathroom sinks.

Finally the PCA indicates several areas of deteriorated asphalt pavement were observed in driveways throughout the site. Based on current conditions of the asphalt surfaces, minor repair, seal coat application and restriping is recommended at this time. Trip hazards due to damaged or settled sidewalks should be repaired. Steps into the existing pool do not feature hand rails. Although not required, property management may consider installing hand rails at pool steps as a general accessibility improvement. The chain link fence at the east site perimeter is damaged. REA noted no deficiencies with respect to lighting at the Property. Trimming of trees contacting building exteriors is needed at this time. Isolated cracks in the concrete deck surrounding the pool area should be sealed. Accessible compliant hardware should be installed at the leasing office entry door. Total cost for immediate repairs is \$250,000.

In response to a request, the Applicant provided a revised PCA providing a breakdown of costs for rehabilitation work proposed by the Applicant. Proposed work includes: asphalt overlay over existing parking; repair of damaged pilasters at entrance; repair of eroded areas and new landscaping; installation of a surveillance system; repair to chain link fencing; repair of the playground; testing of the galvanized piping; addition of accessible parking areas; repair and repaint of exterior components; repair of damaged gypsum soffits; tree trimming; repair and repaint of miscellaneous wood trim, columns, rails, and exterior doors; installation of vinyl at building walkways and balcony areas; repair of asphalt shingles and other roofing; new building signage; repair of stairs and landings; repair of concrete walks; installation of miscellaneous column supports at connecting walks between buildings; replacement of aluminum windows; replacement of appliances; replacement of cabinetry and countertops; installation of new smoke detectors; provision of GFI outlets in kitchens and bathrooms; CO/ALR outlets to be installed in units with aluminum wiring; replacement of HVAC; retrofit of 5% of unit for accessibility; renovation of clubhouse interior. The total budget reviewed and confirmed by the PCA provider is \$2,902,070.

According to a letter dated December 12, 2005, "Summit Asset Management, LLC does not intend to relocate or displace any residents during the rehabilitation of Village Park Apartments. A rolling rehabilitation is performed around the residents to ensure that their lifestyle does not become disrupted."

SITE ISSUES			
SITE DESCRIPTION			
Size:	12.7052 acres	553,439 square feet	Flood Zone Designation: Zone X
Zoning:	No zoning in Houston		
SITE and NEIGHBORHOOD CHARACTERISTICS			
Location: The development is located at 8701 Hammerly Boulevard in Houston. The Subject has frontage along Hammerly Boulevard, which is a heavily traveled, four-lane residential street. The Subject also has frontage along Ojeman Road, which is a lightly traveled, two-lane residential street running along the eastern property boundary.			
Adjacent Land Uses:			
⊖	North: Hammerly Boulevard followed by Cedar Brook Elementary School;		
⊖	South: Storage facility;		
⊖	East: Ojeman Road followed by commercial (Lanehart Electric Contractors), vacant land, and a small office building; and		
⊖	West: Hammerly Walk Apartments.		

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Site Access: Primary access to the site is via Hammerly Boulevard, which is a four-lane heavily traveled thoroughfare through the neighborhood. Access is also provided at two locations along Ojeman Road, a lightly traveled two-lane residential street. The Subject is also located within 0.1 mile of Bingle Road, which is a major north-south roadway in this area that connects with Interstate 10 and U.S. Highway 290. Interstate 10 is approximately two miles south of the Subject, and U.S. Highway 290 is approximately 2.5 miles to the northeast.

Public Transportation: “The Metropolitan Transit Authority of Harris County (METRO) provides public bus transportation to the City of Houston. Metro operates 130 routes, has 17 transit centers and 27 park and ride lots. The nearest bus stop is located in directly in front of the Subject property on Hammerly Boulevard (Route #58)” (p. 24, Market Study).

Shopping & Services: The site is within two miles of major grocery/pharmacies, shopping centers, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Site Inspection Findings: TDHCA staff performed a site inspection on January 12, 2006 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated December 12, 2005 was prepared by Real Estate Advisory, LLC (REA) and contained the following findings and recommendations:

Findings:

- € **Asbestos-Containing Materials (ACM):** “An Asbestos Operations and Maintenance (O&M) Plan is currently in place at the Property. The O&M plan was initiated based on the findings of an Asbestos Survey conducted at the Property dated September 28, 2004. The O&M discussed findings from the Asbestos Survey and identified wall texture material, ceiling texture material, and floor tile mastic as asbestos-containing materials (ACM)” (p. iii).
- € **Lead-Based Paint (LBP):** “Sampling conducted by REA did not identify LBP at the Property. Therefore, REA considers the potential for significant applications of LBP at the Property to be unlikely” (p. 21).
- € **Radon:** “Detected levels of radon gas were below the USEPA action level of 4.0 pCi/L. Therefore, radon is not considered an environmental concern at the Property” (p. 22).
- € **Floodplain:** “REA reviewed a National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) for Harris County, Texas and Incorporated Areas (Community 48201C, Panel 0645J, dated November 6, 1996). According to the FIRM, the Property is located in unshaded Zone X. Unshaded Zone X is identified as areas outside the 500-year flood zone; such areas are not considered flood hazard areas” (p. 8).

Recommendations: “REA did not locate recognized environmental conditions that would impose a liability, restrict the use, limit the development, or impact the value or marketability of the Property...REA recommends continuing the Asbestos O&M Program. No further environmental investigation is recommended at this time” (p. iv). Receipt, review and acceptance at cost certification indicating the Asbestos O&M Program will be continued is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The Village Park was included in the August 15 collapse and the 2005 non-traditional carryforward. Three-hundred and fifty-five (355) units (85%) will be reserved for households earning 60% or less of AMGI, and the remaining 63 units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

A market feasibility study with an effective date of September 28, 2005 was prepared by Novogradac and Company (“Market Analyst”) and highlighted the following findings:

Definition of Primary Market Area (PMA): “For the purpose of this Study, the Subject’s Primary Market Area (PMA) is defined as two zip code areas: 77080 and 77055. This area encompasses approximately 17 square miles and is bounded by Clay Road to the north, Hempstead Road to the east, Interstate 10 to the south and Gessner Road to the west, as depicted on the following page. This area was defined based on conversations with local property managers (including the Subject’s), city officials, natural physical barriers and overall similarities in market characteristics observed during the field investigation. It is assumed 100 percent of the income qualified demand for the Subject will be generated from within the PMA” (p. 12).

Population: The estimated 2004 population of the PMA was 92,626 and is expected to increase to approximately 96,860 by 2009. Within the primary market area there were estimated to be 29,606 households in 2004.

Total Primary Market Demand for Rental Units: “The PMA has an older residential base with approximately 80 percent of the housing stock constructed prior to 1980. The development pattern in the PMA suggests a slowing trend, with less than nine percent of the housing stock being built since 1990. The Subject was originally constructed in 1972. However, since the Subject will offer above-average condition and good curb appeal after renovation, it should have a competitive advantage in terms of age/condition relative to most of the properties in the PMA” (p. 27).

The Market Analyst used an income band of \$21,120 to \$39,540. “Minimum income levels were calculated based on the assumption that lower income families should pay no more than 35 percent of their income to gross rent” (p. 78).

The Market Analyst calculated projected renter household demand by bedroom type. The total number of households in the PMA in 2004 were categorized as one- to +seven-person households, a renter percentage specific to the household size was applied, and a standard income-eligible percentage of 26.29% was also applied, as follows:

Type	No. Households	Renters	Inc-Eligible	Total
1 person	6,582	56.37%	26.29%	976
2 persons	7,846	41.72%	26.29%	861
3 persons	4,828	59.79%	26.29%	759
4 persons	4,488	63.76%	26.29%	752
5 persons	2,863	69.98%	26.29%	527
6 persons	1,493	73.34%	26.29%	288
+7 persons	1,507	72.02%	26.29%	285
Total	29,606			4,448

Based on this analysis and the current distribution of households by number of persons at the subject development, a total demand for 3,438 affordable units was calculated resulting in a capture rate of 3.08% for the development’s three studio units; 13.23% for the 126 one-bedroom units; 14.09% for the 175 two-bedroom units; and 4.45% for the 51 three-bedroom units (p. 80).

The Market Analyst also provided a demand analysis based on overall turnover and household growth demand in the PMA. The Market Analyst assumed income-qualified households at 26.3% of total households; renter households at 57.5%; and percentage of rent-overburdened households (turnover) at 27.5% (p. 81).

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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PRIMARY MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	45	4%	32	3%
Resident Turnover	1,233	96%	1,237	97%
TOTAL ANNUAL DEMAND	1,278	100%	1,269	100%

Ref: p. 81

Inclusive Capture Rate: “Based on conversations with the developer and the property manager, it is estimated that approximately 80 percent of the existing tenants will likely be income qualified under the LIHTC Program after converting from a market rate property” (p. 77). “To be conservative, Novogradac has estimated the inclusive capture rate assuming 50 percent of the Subject’s LIHTC units will be unoccupied upon completion of the renovation. Although Windcrest on Westview is not currently maintaining an occupancy rate of 90 percent, we did not deduct these 154 units from the demand because the property is an existing LIHTC property that has previously reached stabilization of at least 90 percent. No new LIHTC properties are planned for the PMA. Thus, there are an estimated 178 unstabilized LIHTC units in the PMA, including the Subject property. Dividing the 178 unstabilized LIHTC units into the total demand of 1,278 income qualified renter households indicates an inclusive capture rate of approximately 13.9 percent” (p. 81).

The Underwriter calculated an inclusive capture rate of 28% based upon a supply of unstabilized comparable affordable units of 355 (the total number of subject affordable units proposed) divided by a demand for 1,269 affordable units in the PMA. However, the subject development is currently 93% occupied, and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Market Rent Comparables: “To evaluate the competitive position of the Subject, a total of seven comparable LIHTC and market-rate properties were screened to ascertain whether these properties would compete directly with the Subject for prospective low-income tenants. Each of these properties is located within two miles of the Subject. Properties that were deemed most comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general” (p. 32).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
Efficiency (60%)	\$570	\$640	-\$70	\$575	-\$5
Efficiency (MR)	\$570	N/A		\$575	-\$5
1-BR 672 SF (60%)	\$586	\$686	-\$100	\$670	-\$84
1-BR 672 SF (MR)	\$586	N/A		\$670	-\$84
1-BR 758 SF (60%)	\$592	\$686	-\$94	\$670	-\$78
1-BR 758 SF (MR)	\$592	N/A		\$670	-\$78
2-BR/1BA 864 SF (60%)	\$690	\$823	-\$133	\$775	-\$85
2- BR/1BA 864 SF (MR)	\$690	N/A		\$775	-\$85
2-BR/1BA 869 SF (60%)	\$696	\$823	-\$127	\$775	-\$79
2- BR/1BA 969 SF (MR)	\$696	N/A		\$775	-\$79
2-BR/1BA 959 SF (60%)	\$693	\$823	-\$130	\$775	-\$82
2- BR/1BA 959 SF (MR)	\$693	N/A		\$775	-\$82
2-BR/2BA 1,026 SF (60%)	\$750	\$823	-\$73	\$850	-\$100
2- BR/2BA 1,026 SF (MR)	\$750	N/A		\$850	-\$100
2-BR/2BA 1,040 SF (60%)	\$747	\$823	-\$76	\$850	-\$103
2- BR/2BA 1,040 SF (MR)	\$747	N/A		\$850	-\$103
3-Bedroom (60%)	\$866	\$951	-\$85	\$940	-\$74
3-Bedroom (MR)	\$866	N/A		\$940	-\$74

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

Primary Market Occupancy Rates: “The vacancy rate for the comparable properties range from zero to 14.1 percent, with the overall weighted average of 6.2 percent. The average vacancy rate of the two comparable LIHTC properties is 4.4 percent. The closest LIHTC property is reporting 0.7 percent vacancy and the two closest market rate properties are reporting an average vacancy rate of approximately 8.8 percent. The Subject property is currently operating at approximately 6.0 percent vacancy as a market rate property, which appears consistent with the overall average of the comparable properties” (p. 39).

Absorption Projections: “The three recently constructed LIHTC properties reported absorption rates ranging from 12 to 33 units per month, with an average of approximately 19 units per month. The two LIHTC properties that were acquired and rehabilitated experienced considerably higher absorption rates than new construction because most of the previous tenants remained in place during and after conversion to LIHTC. The Subject property will likely experience an absorption rate that is more comparable to Peninsula Apartments and Yale Village since the developer estimates that approximately 80 percent of the existing tenant base at the Subject will be income qualified once the property converts to LIHTC. After renovation, the existing tenant base at the Subject will benefit from improvements to the site, exterior finishes, unit appliances, a new community center and rents that are below achievable market rents. Thus, if we conservatively assume an absorption rate of 60 units per month overall, the absorption period is estimated to be approximately seven months to reach stabilization of 95 percent occupancy” (p. 38).

Known Planned Development: “We spoke to Ms. Renissa Montalvo, a planner with the City of Houston Planning Department. According to a record search done by Ms. Montalvo, there are no planned multifamily developments in the general area of the Subject” (p. 29).

Other Relevant Information: “At this time, we cannot know how many people displaced by Hurricane Katrina or Rita will become permanent residents of a particular community. Based on the results of this survey, less than one percent of the tenants at the comparable properties are Hurricane Katrina or Rita evacuees. Thus, it appears to have a negligible impact on the demand for housing in this area. We have researched numerous articles and discussed with numerous participants this issue. However, there is no consensus on the long-term impact on demand in this region” (p. 37).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant calculated tenant-paid rents by subtracting the current utility allowance for tenant-paid electric costs from gross rents that are inconsistent with program gross rent limits. Application materials indicate tenants are currently responsible for no utility expenses. Although the units are not individually metered for electric usage and there is no plan to add individual meters, the Applicant plans to charge both LIHTC and market rate unit tenants a pass-through utility cost capped at the utility allowance for electric costs. It should be noted the development’s water is heated through a central boiler system. The pass-through payments were included in the Applicant’s proforma as a secondary source of income.

Section 1.32(d)(1)(A)(ii) of the underwriting rules and guidelines state units must be individually metered for utility costs to be paid by the tenant. Based on this guideline, the Underwriter has calculated potential gross rent by assuming no utility allowance. In addition, the tenant-paid rent assumptions were limited to the lesser of the gross program rent limit and the market rents indicated in the submitted Market Study. If the Applicant revises rehabilitation plans to include installation of individual unit meters for utility costs, review of the conclusions of this analysis by the Underwriter will be required.

Secondary income from sources other than utility reimbursement meets current underwriting guidelines. The Applicant has assumed a vacancy and collection loss at 7.0% that is slightly less than the underwriting guideline of 7.5%. Despite differences in tenant-paid rent calculations and vacancy loss assumptions, the Applicant’s effective gross income is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense of \$5,684 per unit is within 5% of the Underwriter’s estimate of \$5,691. The Underwriter calculated individual line item expenses based on TDHCA regional database information for developments of similar size, IREM database information, and the development’s operating history. Several of the Applicant’s line-item expenses are inconsistent with the

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Underwriter’s estimates, including: general and administrative (\$90K lower); payroll (\$93K lower); repair and maintenance (\$72K lower); and utilities (\$274K higher). The Applicant also failed to include compliance fees at \$40 per unit. It should be noted, the underwriting minimum guideline for rehabilitation developments of \$300 per unit per year for replacement reserve appears to be adequate to meet the expected repairs estimated by the Property Condition providers at \$3.3M over the 30-year proforma.

Conclusion: The Applicant’s effective gross income, total operating expense, and net operating income are each within 5% of the Underwriter’s estimate. Therefore, the Applicant’s Year 1 proforma will be used to determine the development’s debt service capacity and long term feasibility. It should be noted, although the Applicant has requested a bond rate of 6.10%, the permanent lender’s underwriting rate of 6.11% was used to estimate debt service in this analysis. Both the Underwriter’s and the Applicant’s estimates indicate the committed financing structure results in an initial debt coverage ratio (DCR) that is within the Department’s DCR guideline of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION					
APPRAISED VALUE					
Land Only: 12.7051 acres	\$1,675,000		Date of Valuation:	09/ 28/	2005
Existing Building(s): “as is”	\$12,425,000		Date of Valuation:	09/ 28/	2005
Total Development: “as is”	\$14,100,000		Date of Valuation:	09/ 28/	2005
Appraiser: Novogradac & Company	City: Austin		Phone:	(512) 340-0420	

APPRAISAL ANALYSIS/CONCLUSIONS

Highest and Best Use: The Appraiser has assumed a highest and best use as vacant of construction of a multifamily development with financial subsidies such as tax credits, favorable financing or some other gap subsidy and a highest and best use as improved of rehabilitation of the Subject using tax credit equity, favorable financing or some other gap subsidy to fund needed renovations, which will extend the physical and economic life of the improvements.

Cost Approach: “The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property.

To arrive at an estimated land value for the Subject site, we attempted to analyze actual sales of comparable sites in the competitive area. Even though we do not deem the Subject to be in a speculative market, a sale history has been provided where pertinent. The adjusted sales indicate a range from \$2,165 to \$5,518 per unit, and an average of \$3,987 per unit. All of the comparable land sales have received approximately equivalent weight in the overall value conclusion. Thus, the estimated value for the Subject property’s land is \$4,000 per unit, which equates to approximately 12 percent of the current purchase price of \$13,700,000. Thus, the indicated fee simple value of the Subject’s land (as vacant), via the sales comparison approach, as of September 28, 2005, is: **\$1,675,000.**”

Income Capitalization Approach: “The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject is an income producing property and this is considered to be the best method of valuation.

In order to estimate the appropriate capitalization rate, we relied upon several methods: Market Extraction Method – Trend Analysis; Market Extraction Method – Comparable Properties; The Korpacz Survey; Band of Investment; and Debt Coverage Formula. We reconciled to an **8.50 percent** capitalization rate for the ‘as is’ scenario. As a result of our analysis of the Subject, the estimated market value assuming ‘as is,’ in the fee simple, via the income capitalization approach, as of September 28, 2005 is: **\$14,100,000.**”

Sales Comparison Approach: “In the sales comparison approach, we estimate the value of a property by

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comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach using the EGIM and NOI/unit analysis in valuing the Subject property.

We attempted to identify sales of comparable rental properties in the PMA that were similar to the Subject in terms of age, condition, number of units and amenities before and after completing the proposed renovations. We were successful in identifying six reasonably similar transactions of multifamily properties in this general market area. [The transaction dates range from April 2003 to March 2005 for 256- to 424-unit developments.] The Subject's 'as is' market value assuming market rents, as of September 28, 2005, via the sales comparison approach, is: **\$13,500,000.**"

Conclusion: "In the final analysis, we considered the influence of the three approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach. As a result of Novogradac's investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated land value 'as vacant', of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **\$1,675,000** [and] the estimated market value 'as is', of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **\$14,100,000.**"

ASSESSED VALUE

Land: 12.71 acres	\$1,383,720	Assessment for the Year of:	2005
Building:	\$7,771,240	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$9,154,960	Tax Rate:	3.10377

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and Sale Agreement (12.705 acres)					
Contract Expiration Date:	01/	31/	2006	Anticipated Closing Date:	02/	28/ 2006
Acquisition Cost:	\$13,700,000 (2 nd Amendment)			Other Terms/Conditions:		
Seller:	Brittany Village Park, LP			Related to Development Team Member:	No	

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The development cost of \$32,697 per unit is substantiated by the appraisal and is assumed to be reasonable since the acquisition is an arm's-length transaction. The Applicant also estimated closing and other ineligible acquisition costs totaling \$411,000.

Due to the mention in the Property Condition Assessment of rehabilitation work completed on the development in 1996, the development's eligibility for tax credits based on the acquisition cost of the existing buildings is in question. In response to a request, the Applicant submitted a list of rehabilitation work completed from 1996 to 2004 indicating the cost of the work, the basis of the buildings at the beginning of the period and the costs as a percentage of the beginning basis. It should be noted the Applicant certified in Volume 3, Tab 6, Part C of the uniform application that no rehabilitation work greater than 25% of the building's adjusted basis was performed in the previous ten years. For purposes of this analysis, the Underwriter will assume that the development is eligible for acquisition tax credits; however, the recommendations of this report are conditioned upon receipt, review and acceptance of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42.

The Applicant has claimed an acquisition eligible basis for the existing buildings of \$12,316,280 based on a land value of \$1,383,720. The tax assessment also indicates a land value at \$1,383,720; however, the appraisal commissioned by the Applicant gives a current value of \$1,675,000 based on comparable land sales.

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The underwriting analysis assumes the appraised land value of \$1,675,000 providing for a more conservative acquisition eligible basis of \$12,025,000.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$2,888 per unit, which is inconsistent with the estimate in the Property Condition Assessment.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$720K or 30% lower than the estimate provided in the Property Condition Assessment.

It should be noted the total sitework and direct construction cost indicated in the Applicant's development cost schedule is consistent with the total indicated in the Property Condition Assessment (PCA). It appears the Applicant and PCA-provider have different methodology for characterizing costs as part of sitework.

The total rehabilitation hard costs of \$8,310 per unit is greater than the 2005 minimum requirement of \$6,000, but less than the 2006 minimum of \$12,000.

Interim Financing Fees: The Applicant did not characterize any developments costs as interim interest. In fact, only \$30,945 of financing costs is included in their eligible basis estimate.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant has claimed the 30% boost in eligible basis due to the recent characterization of Harris County as a difficult development area.

The Applicant's total development cost is within 5% of the Underwriter's estimate. However, the Underwriter's estimate reflects the verifiable development costs and an eligible basis estimate that meets current underwriting guidelines; therefore, the Underwriter's development cost schedule will be used to estimate eligible basis and determine the development's need for permanent funds. An eligible basis of \$18,069,749, as adjusted by the Underwriter for overstated acquisition basis, supports annual tax credits of \$581,511. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE			
INTERIM CONSTRUCTION FINANCING			
Source:	Regions Bank	Contact:	E Spencer Knight
Principal Amount:	\$13,796,600	Fees:	1% at issuance; 1% per year
Additional Information:	Letter of credit		
Amortization:	N/A yrs	Term:	30 mos
Commitment:	<input type="checkbox"/> LOI <input checked="" type="checkbox"/> Firm <input type="checkbox"/> Conditional		
PERMANENT BOND FINANCING			
Source:	Fannie Mae via Greystone Servicing Corporation, Inc	Contact:	Kelly Davis
Tax-Exempt Amount:	\$13,660,000	Interest Rate:	6.11% fixed lender's underwriting rate
Additional Information:	30-year credit enhancement at 46 bps per year		
Amortization:	30 yrs	Term:	30 yrs
Commitment:	<input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional		
Annual Payment:	\$994,406	Lien Priority:	1 st
		Date:	01/ 17/ 2006

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TAX CREDIT SYNDICATION			
Source:	Guilford Capital Corporation	Contact:	Matt Edwards
Net Proceeds:	\$5,368,683	Net Syndication Rate (per \$1.00 of 10-yr HTC)	95¢
Commitment:	<input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm <input type="checkbox"/> Conditional	Date:	12/ 28/ 2005
Additional Information:	\$565,124 anticipated annually in tax credits		

APPLICANT EQUITY			
Amount:	\$278,586	Source:	Cash Equity
Amount:	\$1,930,196	Source:	Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Permanent Bond Financing: TDHCA will be the issuer of the bonds and the Applicant's financing plan includes credit enhancement by Fannie Mae and a public offering. The permanent financing commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application. However, the Applicant estimates annual debt service of \$998,647, which is higher than the debt service of \$994,406 resulting from the terms of the commitment.

HTC Syndication: The tax credit syndication commitment is inconsistent with the terms reflected in the sources and uses of funds listed in the application. While the application form indicates a syndication rate of 93%, the letter of interest commits to 95%.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,930,196 amount to 80% of the total proposed fees. The underwriting analysis includes the proposed cash equity of \$278,586 with anticipated deferred fees.

Financing Conclusions: The proforma analysis indicates the development can support the requested bond allocation of \$13,660,000 at the lender's underwriting rate of 6.11%. As stated above, the Underwriter's cost schedule was used to calculate the development's eligible basis. However, the Applicant's request is less than both the annual tax credits based on the estimated eligible basis and the tax credit resulting from the gap method; therefore, the recommended annual tax credit allocation is \$574,490. The anticipated deferred fees of \$2,093,897, or 87% of eligible developer fees, appear to be repayable from cashflow within ten years of stabilized operation.

Should it be found that the development does not qualify for acquisition tax credits, the development would be characterized as infeasible based on current underwriting guidelines. The development would not be recommended for a tax credit or bond allocation.

**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

The Applicant, Developer, and Property Manager are related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- ∞ The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- ∞ Summit America Properties, Inc, the General Partner, submitted a preliminary consolidated balance sheet as of December 31, 2004 indicating total asset of \$786K comprised of \$787K in notes receivable, investments in partnerships, and \$4K in loan costs. Liabilities total \$796K for negative equity of \$10K.
- ∞ Realty Partners, LLC, 100% owner of the General Partner, submitted a consolidated financial statement worksheet for 2004 indicating total assets of \$72.4M comprised of \$2.4M in current assets, \$3M in restricted assets, \$63.2M in real property net of accumulated depreciation, and \$3.7M in intangibles. Liabilities total \$75.8M for negative net assets of \$327K.
- ∞ WDH Holdings, LLC, member of the owner of the General Partner, submitted an unedited balance sheet

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as of April 30, 2005 indicating total assets of \$10.2M comprised of \$5K in cash and \$10.2M in equity investments in closely held companies. Liabilities totaled \$500K in notes payable for net assets of \$9.7M.

€ Summit America, LLC, a proposed guarantor of permanent financing, submitted consolidated balance sheets as of March 31, 2005 indicating total assets of \$32.5M comprised of \$8.4M in current assets, \$15.9M in property, plant and equipment, and \$8.2M in other assets. Liabilities total \$25.7M resulting in net assets of \$6.8M.

€ W Daniel Hughes, Jr, proposed guarantor of permanent financing and 100% owner of WDH Holdings, LLC, also submitted an unaudited financial statement.

Background & Experience: Multifamily Finance Production staff has verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

€ Significant inconsistencies in the application could affect the financial feasibility of the development.

Underwriter:

Lisa Vecchietti

Date: February 6, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: February 6, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Village Park, Houston, 4% HTC #05629

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Utilities	Wtr. Swr. Trsh
TC 60%	3	0	1	537	\$640	\$575	\$1,725	\$1.07	\$55.00	\$26.31
MR	1	0	1	537		\$575	575	1.07	55.00	26.31
TC 60%	102	1	1	672	686	670	68,340	1.00	65.00	32.31
MR	18	1	1	672		670	12,060	1.00	65.00	32.31
TC 60%	24	1	1	758	686	670	16,080	0.88	65.00	32.31
MR	4	1	1	758		670	2,680	0.88	65.00	32.31
TC 60%	31	2	1	864	823	775	24,025	0.90	80.00	38.31
MR	5	2	1	864		775	3,875	0.90	80.00	38.31
TC 60%	25	2	1	869	823	775	19,375	0.89	80.00	38.31
MR	5	2	1	869		775	3,875	0.89	80.00	38.31
TC 60%	7	2	1	959	823	775	5,425	0.81	80.00	38.31
MR	1	2	1	959		775	775	0.81	80.00	38.31
TC 60%	51	2	2	1,026	823	823	41,973	0.80	80.00	38.31
MR	9	2	2	1,026		823	7,407	0.80	80.00	38.31
TC 60%	61	2	2	1,040	823	823	50,203	0.79	80.00	38.31
MR	11	2	2	1,040		823	9,053	0.79	80.00	38.31
TC 60%	51	3	2	1,150	951	940	47,940	0.82	94.00	51.31
MR	9	3	2	1,150		940	8,460	0.82	94.00	51.31
TOTAL:	418		AVERAGE:	895	\$672	\$775	\$323,846	\$0.87	\$76.46	\$37.94

INCOME

Total Net Rentable Sq Ft: **374,298**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
Other Support Income: Utility Reimbursement

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	
General & Administrative	3.70%	\$324	0.36	
Management	3.72%	326	0.36	
Payroll & Payroll Tax	11.49%	1,007	1.13	
Repairs & Maintenance	4.39%	385	0.43	
Utilities	16.83%	1,476	1.65	
Water, Sewer, & Trash	6.61%	579	0.65	
Property Insurance	2.55%	224	0.25	
Property Tax	3.10377	8.85%	776	0.87
Reserve for Replacements	3.42%	300	0.34	
Compliance, contract labor, security	3.35%	294	0.33	
TOTAL EXPENSES	64.92%	\$5,691	\$6.36	
NET OPERATING INC	35.08%	\$3,075	\$3.43	

DEBT SERVICE

First Lien Mortgage	27.14%	\$2,379	\$2.66
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	7.94%	\$696	\$0.78

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		65.13%	\$33,758	\$37.70
Off-Sites		0.00%	0	0.00
Sitework		2.25%	1,165	1.30
Direct Construction		11.15%	5,778	6.45
Contingency	5.70%	0.76%	396	0.44
General Req'ts	6.00%	0.80%	417	0.47
Contractor's G & A	2.00%	0.27%	139	0.16
Contractor's Profit	6.00%	0.80%	417	0.47
Indirect Construction		0.48%	249	0.28
Ineligible Costs		4.67%	2,420	2.70
Developer's G & A	2.00%	1.45%	752	0.84
Developer's Profit	13.00%	9.43%	4,887	5.46
Interim Financing		0.51%	263	0.29
Reserves		2.30%	1,192	1.33
TOTAL COST		100.00%	\$51,831	\$57.88

Recap-Hard Construction Costs

First Lien Mortgage	63.05%	\$32,679	\$36.49
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	24.78%	\$12,844	\$14.34
Deferred Developer Fees	10.19%	\$5,284	\$5.90
Additional (Excess) Funds Req'd	1.98%	\$1,024	\$1.14
TOTAL SOURCES			

		TDHCA	APPLICANT			
POTENTIAL GROSS RENT		\$3,886,152	\$3,494,208	Comptroller's Region 6		
Secondary Income		75,240	75,240	IREM Region Houston		
Other Support Income: Utility Reimbursement		0	316,008	\$15.00	Per Unit Per Month	
POTENTIAL GROSS INCOME		\$3,961,392	\$3,885,456	\$63.00	Per Unit Per Month	
Vacancy & Collection Loss		(297,104)	(271,980)	-7.00%	of Potential Gross Rent	
Employee or Other Non-Rental Units or Concessions		0	0			
EFFECTIVE GROSS INCOME		\$3,664,288	\$3,613,476			
EXPENSES						
General & Administrative		\$135,600	\$46,000	\$0.12	PER SQ FT	PER UNIT % OF EGI
Management		136,190	145,573	0.39		\$110 1.27%
Payroll & Payroll Tax		421,086	328,000	0.88		348 4.03%
Repairs & Maintenance		161,028	88,980	0.24		785 9.08%
Utilities		616,767	891,154	2.38		213 2.46%
Water, Sewer, & Trash		242,047	277,193	0.74		2,132 24.66%
Property Insurance		93,575	94,050	0.25		663 7.67%
Property Tax		324,344	272,948	0.73		225 2.60%
Reserve for Replacements		125,400	125,700	0.34		225 2.60%
Compliance, contract labor, security		122,880	106,160	0.28		653 7.55%
TOTAL EXPENSES		\$2,378,917	\$2,375,758	0.34		301 3.48%
NET OPERATING INC		\$1,285,370	\$1,237,718	0.28		254 2.94%
DEBT SERVICE				\$6.35	PER SQ FT	PER UNIT % OF EGI
First Lien Mortgage		\$994,406	\$998,647	\$6.35		\$5,684 65.75%
Additional Financing		0	0	\$3.31		\$2,961 34.25%
Additional Financing		0	0			
NET CASH FLOW		\$290,964	\$239,071			
AGGREGATE DEBT COVERAGE RATIO		1.29	1.24			
RECOMMENDED DEBT COVERAGE RATIO			1.24			

		TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		\$14,111,000	\$14,111,000	\$37.70	\$33,758	66.53%
Off-Sites		0	0	0.00	0	0.00%
Sitework		487,000	1,207,342	3.23	2,888	5.69%
Direct Construction		2,415,070	1,694,708	4.53	4,054	7.99%
Contingency		165,417	165,417	0.44	396	0.78%
General Req'ts		174,123	174,123	0.47	417	0.82%
Contractor's G & A		58,039	58,039	0.16	139	0.27%
Contractor's Profit		174,123	174,123	0.47	417	0.82%
Indirect Construction		104,210	104,210	0.28	249	0.49%
Ineligible Costs		1,011,588	1,011,588	2.70	2,420	4.77%
Developer's G & A		314,257	0	0.00	0	0.00%
Developer's Profit		2,042,667	2,400,613	6.41	5,743	11.32%
Interim Financing		109,843	109,843	0.29	263	0.52%
Reserves		498,142	0	0.00	0	0.00%
TOTAL COST		\$21,665,479	\$21,211,006	\$56.67	\$50,744	100.00%
Recap-Hard Construction Costs		\$3,473,772	\$3,473,752	\$9.28	\$8,310	16.38%
SOURCES OF FUNDS						
First Lien Mortgage		\$13,660,000	\$13,660,000			RECOMMENDED
Additional Financing		0	0			\$13,660,000
HTC Syndication Proceeds		5,368,683	5,342,224			Developer Fee Available
Deferred Developer Fees		2,208,782	2,208,782			\$2,400,613
Additional (Excess) Funds Req'd		428,014	0			% of Dev. Fee Deferred
TOTAL SOURCES		\$21,665,479	\$21,211,006			87%
						15-Yr Cumulative Cash Flow
						\$4,538,272

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Village Park, Houston, 4% HTC #05629

PAYMENT COMPUTATION

Primary	\$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.29

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.29

Additional	\$5,342,224	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$994,406
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$243,312

Primary	\$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.24

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24

Additional	\$5,342,224	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

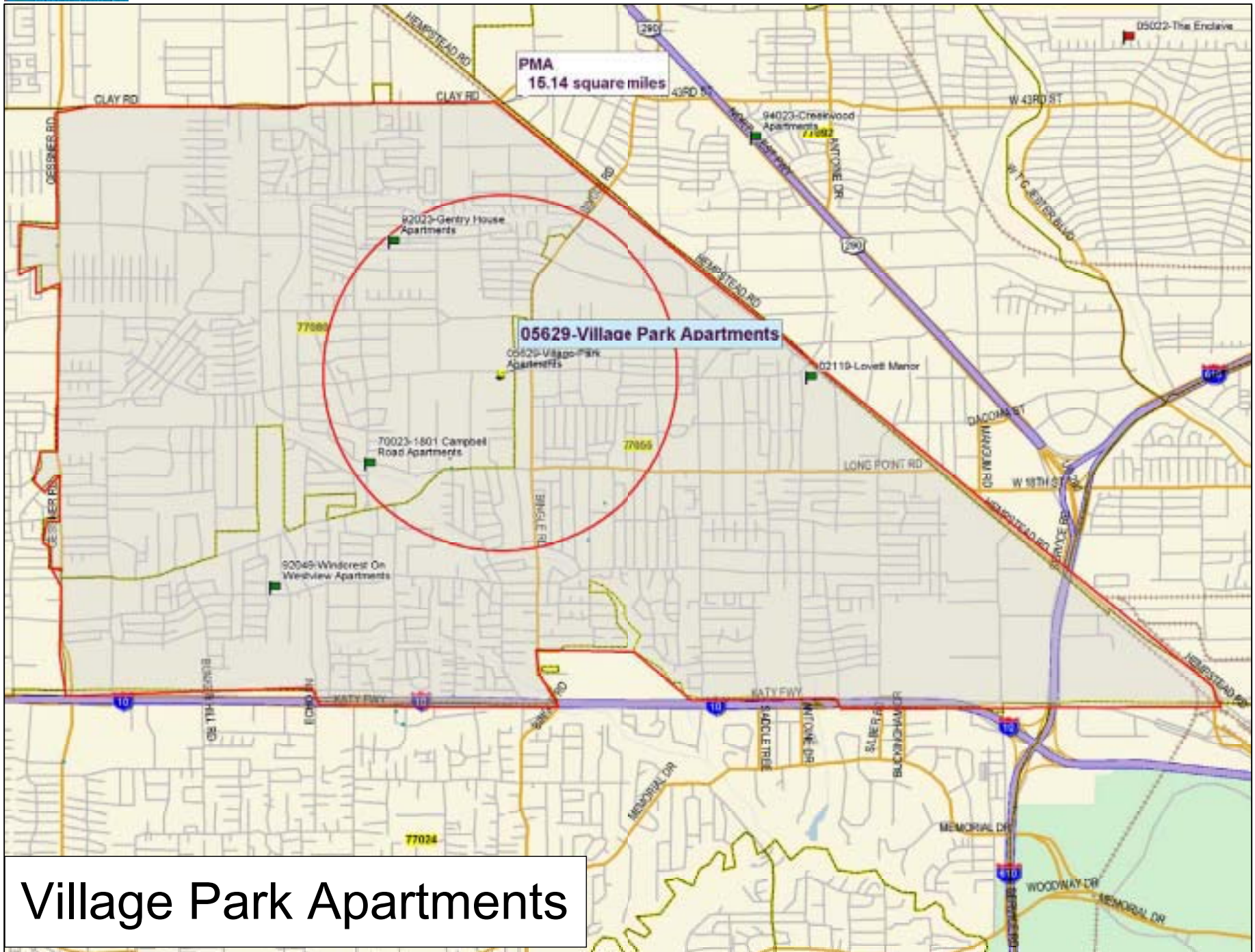
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$3,494,208	\$3,599,034	\$3,707,005	\$3,818,215	\$3,932,762	\$4,559,149	\$5,285,303	\$6,127,115	\$8,234,330
Secondary Income	75,240	77,497	79,822	82,217	84,683	98,171	113,807	131,934	177,308
Contractor's Profit	316,008	325,488	335,253	345,310	355,670	412,319	477,990	554,122	744,694
POTENTIAL GROSS INCOME	3,885,456	4,002,020	4,122,080	4,245,743	4,373,115	5,069,639	5,877,101	6,813,171	9,156,332
Vacancy & Collection Loss	(271,980)	(300,151)	(309,156)	(318,431)	(327,984)	(380,223)	(440,783)	(510,988)	(686,725)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$3,613,476	\$3,701,868	\$3,812,924	\$3,927,312	\$4,045,131	\$4,689,416	\$5,436,318	\$6,302,183	\$8,469,607
EXPENSES at 4.00%									
General & Administrative	\$46,000	\$47,840	\$49,754	\$51,744	\$53,813	\$65,472	\$79,657	\$96,915	\$143,458
Management	145,573	149,133.981	153,608.0001	158,216.2401	162,962.7273	188,918.4649	219,008.2785	253,890.6193	341,207.7618
Payroll & Payroll Tax	328,000	341,120	354,765	368,955	383,714	466,846	567,990	691,047	1,022,918
Repairs & Maintenance	88,980	92,539	96,241	100,090	104,094	126,646	154,085	187,467	277,498
Utilities	891,154	926,800	963,872	1,002,427	1,042,524	1,268,390	1,543,190	1,877,527	2,779,199
Water, Sewer & Trash	277,193	288,281	299,812	311,804	324,277	394,532	480,009	584,004	864,468
Insurance	94,050	97,812	101,724	105,793	110,025	133,862	162,864	198,149	293,309
Property Tax	272,948	283,866	295,221	307,029	319,311	388,490	472,658	575,060	851,230
Reserve for Replacements	125,700	130,728	135,957	141,395	147,051	178,910	217,672	264,831	392,014
Other	106,160	110,406	114,823	119,416	124,192	151,099	183,835	223,663	331,076
TOTAL EXPENSES	\$2,375,758	\$2,468,526	\$2,565,776	\$2,666,871	\$2,771,964	\$3,363,167	\$4,080,967	\$4,952,554	\$7,296,377
NET OPERATING INCOME	\$1,237,718	\$1,233,342	\$1,247,148	\$1,260,441	\$1,273,168	\$1,326,249	\$1,355,351	\$1,349,629	\$1,173,229
DEBT SERVICE									
First Lien Financing	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406	\$994,406
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$243,312	\$238,936	\$252,742	\$266,035	\$278,762	\$331,843	\$360,945	\$355,223	\$178,824
DEBT COVERAGE RATIO	1.24	1.24	1.25	1.27	1.28	1.33	1.36	1.36	1.18

LIHTC Allocation Calculation - Village Park, Houston, 4% HTC #05629

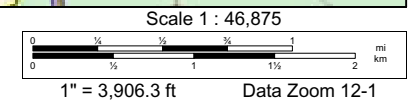
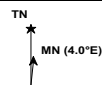
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$1,794,720	\$2,086,000				
Purchase of buildings	\$12,316,280	\$12,025,000	\$12,316,280	\$12,025,000		
(2) Rehabilitation/New Construction Cost						
On-site work	\$1,207,342	\$487,000			\$1,207,342	\$487,000
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,694,708	\$2,415,070			\$1,694,708	\$2,415,070
(4) Contractor Fees & General Requirements						
Contractor overhead	\$58,039	\$58,039			\$58,039	\$58,039
Contractor profit	\$174,123	\$174,123			\$174,123	\$174,123
General requirements	\$174,123	\$174,123			\$174,123	\$174,123
(5) Contingencies						
	\$165,417	\$165,417			\$165,417	\$165,417
(6) Eligible Indirect Fees						
	\$104,210	\$104,210			\$104,210	\$104,210
(7) Eligible Financing Fees						
	\$109,843	\$109,843			\$109,843	\$109,843
(8) All Ineligible Costs						
	\$1,011,588	\$1,011,588				
(9) Developer Fees						
			\$1,847,442	\$1,803,750	\$553,171	\$553,174
Developer overhead		\$314,257				
Developer fee	\$2,400,613	\$2,042,667				
(10) Development Reserves						
		\$498,142				
TOTAL DEVELOPMENT COSTS	\$21,211,006	\$21,665,479	\$14,163,722	\$13,828,750	\$4,240,976	\$4,240,999

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$14,163,722	\$13,828,750	\$4,240,976	\$4,240,999
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$14,163,722	\$13,828,750	\$5,513,268	\$5,513,298
Applicable Fraction			85%	85%	85%	85%
TOTAL QUALIFIED BASIS			\$12,028,998	\$11,744,513	\$4,682,321	\$4,682,347
Applicable Percentage			3.54%	3.54%	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS			\$425,827	\$415,756	\$165,754	\$165,755

Syndication Proceeds	0.9499	\$4,044,948	\$3,949,285	\$1,574,507	\$1,574,516
Total Credits (Eligible Basis Method)				\$591,581	\$581,511
Syndication Proceeds				\$5,619,455	\$5,523,800
Requested Credits				\$574,490	
Syndication Proceeds				\$5,457,109	
Gap of Syndication Proceeds Needed				\$7,551,006	
Credit Amount				\$794,922	



Village Park Apartments



Applicant Evaluation

Project ID # **05629**

Name: **Village Park Apartments**

City: **Houston**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 0

Projects in Material Noncompliance

in noncompliance: 0

Projects zero to nine: 0
grouped ten to nineteen: 0
by score twenty to twenty-nine: 0

Yes No

monitored with a score less than thirty: 0

Projects not reported Yes
in application No

not yet monitored or pending review: 2

of projects not reported 0

Portfolio Monitoring

Single Audit

Contract Administration

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Not applicable
Review pending
No unresolved issues
Issues found regarding late cert
Issues found regarding late audit
Unresolved issues found that
warrant disqualification
(Comments attached)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewed by Patricia Murphy

Date 1/27/2006

Multifamily Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer S. Roth
Date 1/30/2006

Single Family Finance Production

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer Sandy M. Garcia
Date 1/27/2006

Real Estate Analysis (Cost Certification and Workout)

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Community Affairs

No relationship
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Office of Colonia Initiatives

Not applicable
Review pending
No unresolved issues
Unresolved issues found
Unresolved issues found that
warrant disqualification
(Comments attached)

Reviewer _____
Date _____

Financial Administration

No delinquencies found
Delinquencies found

Reviewer Stephanie A. D'Couto
Date 2/3/2006

Executive Director: Edwina Carrington

Executed: Monday, February 06, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

Village Park Apartments

Public Hearing

<i>Total Number Attended</i>	21
<i>Total Number Opposed</i>	0
<i>Total Number Supported</i>	0
<i>Total Number Neutral</i>	21
<i>Total Number that Spoke</i>	4

Public Officials Letters Received

<i>Opposition</i>	0
<i>Support</i>	0

General Public Letters and Emails Received

<i>Opposition</i>	0
<i>Support</i>	0

Summary of Public Comment

Current residents had the following concerns:

- whether they would be displaced
- garbage pick-up with the current owner

The president of a super-neighborhood group was concerned about the development being rehabbed and then deteriorating

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING
VILLAGE PARK APARTMENTS

Thursday,
January 12, 2006

Cedar Park Elementary Gym
2121 Ojeman Road
Houston, Texas

BEFORE:

AUDREY MARTIN
SHANNON ROTH

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
Blake Brazeal	4
Jon Killough	7
Christina Spurgeon	10
Catherine Alexander	19
Jon Killough	23

P R O C E E D I N G S

MS. MARTIN: All right. Good evening everybody. This is the public hearing for Village Park Apartments. I'm just going to kind of go through what we're going to do, kind of the order of how we're going to proceed, and then we'll get started.

What we're going to do first is we're going to have the president of the development company come up and give you some information about the project. After that, I'm going to give a little basic information on the programs that are financing this project, this rehabilitation.

After that, we'll have a little question-and-answer session, where I can answer some questions about our programs, and the developer can answer development-specific questions that you might have.

And after that I'll read a little speech and we'll take any public comment.

So far we only have one person signed up to speak. If there's anyone in here who would like to make a public comment, you'll have about two minutes each, and there's a form up here, it's called the witness affirmation form, just, you can come up and grab it and fill it out and then bring it to either one of us and

we'll call your name whenever it's your turn to speak.

So right now I'm going to turn it over to the president of the development company.

Blake?

MR. BRAZEAL: Thank you. My name's Blake Brazeal; I'm the president of the company that is ultimately going to acquire Village Park.

We're based out of Montgomery, Alabama. We currently own roughly 60 properties in seven different states in the southeast. This will be our fourth acquisition in the city of Houston, and we're very excited over taking over Village Park.

The first thing that I do want to make clear to everyone is that when we come in and take over a property we're in it for the long haul. We own, as I said, 60 properties, and we've only sold two properties during that time, so this is a long-term investment for us. We consider our interests are aligned with the residents' in the surrounding area.

And this property, to give you some quick facts, we're going to be injecting in equity approximately \$3 million into improvements into the property. We're going to -- the property will not look like it currently does. We're going to be putting siding on the property.

Parking lots will be redone; painting, woodwork, retrofitting the community room. There'll be a completely new community room, and general amenities to the inside of the property.

So we're going to be putting money into this property. We're not going to be -- a lot of developers, I'm sure you hear the horror stories that they come in, they buy it and they're from out of state, and you never see them.

That's not the way we do things, because the success of Village Park is very big to us because we are putting money into it and we have the same goals as y'all, that it's to improve the quality of life. So that's something that on the front end when I talk to groups I want to make real clear to everyone.

Another thing that I know will be of interest to everyone, at this point we do not anticipate any rent adjustments. We're not going to lower rents; we're not going to raise rents at this time.

So that's another thing that's usually one of the first questions that someone asks me in a situation like this.

So we're excited about it, we see great possibilities. We've been in this city now for over two

years. We feel comfortable with the area.

We're planning a lot of things. One of the main things that we come in is we evaluate the needs of the residents. We have a community services director that comes in and sets up, meets with the residents, meets with our new manager. We get involved with the high schools, we get involved with the boys' clubs, we get involved with the schools, and we're looking at the after-school programs and anything that the residents may want. We've got three people in that group that are assigned to do just that very thing.

So we're in it together, and our interests are aligned when we come into these properties. So we're excited about it. That's a general idea what we're going to be doing. I'll be happy to answer any questions.

FEMALE VOICE: [inaudible] properties
[inaudible]

MR. BRAZEAL: We've got one property in the Woodlands.

MS. MARTIN: Would you repeat the question before you answer it, please.

MR. BRAZEAL: Yes. We've got one property in the Woodlands: Fawn Ridge.

VOICE: Could you repeat the question?

MR. BRAZEAL: Oh, I'm sorry. Wanted to know where we have properties in Houston. Fawn Ridge in the Woodlands; we have another property, Villa Americana; on Selenski. It's out by -- Villa Americana; it's out by Hobby Airport. Another, Coral Hills, and it's over by Lee High School, close to the Galleria area.

This will give us close to what, Jon? -- a thousand units in the Houston area.

VOICE: What is the siding going to be made of?

MR. BRAZEAL: What is the siding going to be made of? Vinyl.

VOICE: Vinyl?

MR. BRAZEAL: Vinyl.

MR. KILLOUGH: My name is Jon Killough. I'm an employee of Summit Asset Management, the developer.

Currently the siding is a masonite and wood product, both of which deteriorate, both of which have to be painted. So we're going with vinyl siding, which is a lower maintenance, better looking.

Also one thing Blake failed to mention is windows. So the siding coupled with the new windows will also help the energy efficiency of the units as well.

FEMALE VOICE: How often will you clean the siding? -- because it mildews.

MR. KILLOUGH: Question is how often will we clean the siding? We budget for siding to be cleaned one time a year. It's inside of our operating budget.

You're right. Normally there's mildew during the -- from the heating season to the cooling season, so we normally budget one time a year.

MR. BRAZEAL: But on several of our properties we'll do it more than once a year as needed.

I didn't go over the complete scope of work we're going to do. I was trying to hit the main items, and I did leave out the windows. We're going to be replacing all the windows in the property. The property is not going to look the same.

FEMALE VOICE: What kind of windows?

MR. BRAZEAL: They're the double thermal insulated windows.

FEMALE VOICE: Are you going to go through the entire scope of work? Are you going to enumerate that?

MR. BRAZEAL: Am I going to go through the entire scope of work that's going to be done at the property, line by line? I can do that.

FEMALE VOICE: A summary's okay.

MR. BRAZEAL: Summaries? Prepare them --

FEMALE VOICE: If you could tell us slowly,

because we're trying to translate --

MR. BRAZEAL: I know you had a question too. Okay. We're going to redo the whole parking lot, asphalt overlay. And I can get into specifics on that; I don't know how much you want to know, but -- okay.

MS. MARTIN: Speak slowly because they're translating everything you say.

MR. BRAZEAL: All right. I'm sorry. We're going to be spending quite a bit of money on landscaping.

Another thing that I did fail to mention that I assumed would come up later in the presentation, we're going to be spending \$45,000 that we have budgeted right now -- it could be more -- on new surveillance cameras for the property.

Ready?

FEMALE VOICE: Are they tearing down or are they just refurbishing?

MR. BRAZEAL: No, no. We're not tearing down. We're refurbishing the apartments.

FEMALE VOICE: [inaudible]

MR. BRAZEAL: Correct.

FEMALE VOICE: [inaudible]

MR. BRAZEAL: Sure.

MS. MARTIN: I'm going to stop and say that we

should probably pass this mike off. If you have a question, just let us know, and we'll kind of -- like if you want to stand a little closer over here, so that we can get it where everybody hears every question and every answer, and the court reporter can get it.

So Blake, here you go.

(Pause.)

MS. MARTIN: Could you state your name for the court reporter.

MS. SPURGEON: Christina Spurgeon.

(Pause.)

MS. MARTIN: I'm sorry, folks. We didn't know that the setup was going quite be like --

MR. BRAZEAL: I think I got her question.

MS. MARTIN: Okay.

MR. BRAZEAL: You said the dumpsters are --

MS. SPURGEON: Yes, it's really bad. It looks bad --

MR. BRAZEAL: Okay.

MS. MARTIN: We'd like to get you on the mike.

MS. SPURGEON: I'm not much of a talker. Well, I've been living there for two years. The dumpsters are a really bad situation every time. They aren't picked up enough and it overflows and looks really bad. Is that

going to be bigger dumpsters, somehow fixed up?

MR. BRAZEAL: That is not something that we had contemplated, but typically in situations like that what we do is we take from meetings such as this and also when we get out there and start running the property, and we start seeing -- we have community meetings of all the residents monthly, and that's something that we really, really stress in our properties, that the residents take ownership of the property, and they tell us what the problems are.

And we certainly in -- now, that's something that I get involved with, because I don't like dumpsters that look bad. That's kind of a pet peeve of mine, so that's something that me and Jon will take back with us, and we'll look at what we can do as far as in the scope of the budget.

If there are any other things like that, we'd like to know when we're in here, too, that help us.

FEMALE VOICE: Someone who's living in an apartment wanted to know will they be able to stay in that apartment during this process?

MR. BRAZEAL: Yes. In most --

MS. MARTIN: Could you repeat the question?

MR. BRAZEAL: Yes, I'm having to get used to

this.

MS. MARTIN: Please repeat the question that you just answered.

MR. BRAZEAL: All right. He wanted to know if he will be able to stay in his apartment during the rehab, permanently. The answer is yes.

FEMALE VOICE: So you're not rehabbing the interiors, just the exteriors?

MR. BRAZEAL: The question was, are we not rehabbing the interiors, just the exteriors.

The answer is, some of the interiors, per our scope, will receive some rehab. And I've got a copy of the scope if you'd like to see it.

We're replacing some refrigerators, some -- I mean it -- we really need to give you copies of the scope of what we're planning on doing.

Some don't -- some did not need it, some did. So we're not going in and rehabbing the total inside of every unit, because we didn't deem that we needed to do that. We felt like the outside of the property needed quite a bit of work, so that's what we're doing.

(Pause.)

MR. BRAZEAL: Jon, come here.

MR. KILLOUGH: For the record, my name is Jon

Killough. Again, I work with Summit Asset Management.

And one thing I really want to relay to the existing residents, that this is an acquisition where we're buying the property and we're going to rehabilitate the property.

Any existing tenant is going to be able to stay in their home; we're not going to displace any tenants. And I want to make that crystal clear, that our goal is not to come and tear down anything; it's not to manipulate anything. We're merely buying it and rehabbing it, and we're doing that by virtue of the programs that the State of Texas allows.

So we're actually accessing below-market-rate interest to acquire the property and to keep it affordable. I wanted to make sure that was clear, and I know Shannon and Audrey are both going to mention that, but I do want to stress, we're acquiring and rehabilitating. No displacement.

And I'll be glad to answer any other questions you may have as well, speaking on behalf of Summit.

FEMALE VOICE: I know that the program requires you to have certain things for daycare and so forth in your facility; I know that goes with this program. Are you going to be offering that to them? Will you have a

daycare center there and somebody there to staff it? How about English as a second language and so forth for the inhabitants that could use that?

MR. BRAZEAL: The question is, as a whole, about amenities to the tenants: Will we offer babysitting, will we offer second language, I guess, adult education courses, and the answer is yes.

Now the program itself doesn't set forth we have to offer babysitting. It doesn't set forth the actual requirements.

The program sets forth us to align ourselves with a community service provider. And that community service provider's going to be based on what the tenants need. If the tenants want adult education or GED courses or want language courses, it'll be based on the tenants' need, and I don't think the state housing agency puts us in a position to mandate a particular program. They want the resident profile to be served.

FEMALE VOICE: Are you aware of the three-tier program that the City of Houston had started in the apartments? The apartments were rated as I, II, and III tier, and they're going to require that you follow certain guidelines that the City of Houston has for the maintenance and the welfare of the people of these

apartments?

MR. BRAZEAL: She's asking if we're familiar with the three-tier process, and again we are existing apartment owners in the city of Houston, going on a thousand-plus units.

FEMALE VOICE: So this is something Houston started the first of this year by our new mayor.

MR. BRAZEAL: Rest assured that we have operators here on the ground in Houston. We're very familiar with the programs. We read recently about the focus of the mayor on the five top crime properties in the city. We're very familiar with the city, and, again, we will have somebody on the ground here in Houston.

FEMALE VOICE: Would you consider joining the Blue Star program that the city has started again that's also in Arizona and is starting again here in Houston?

MR. BRAZEAL: Would we be willing to join the Blue Star program? We will entertain anything that benefits our tenants, because let me stress we are in this transaction for 15 to 20 years.

If this is a program that benefits our tenants, we will gladly consider it. We are community members. When we buy Village Park Apartments we become members of this community. We're here. We can't buy this property

and unwind it in five years, so we're here for the long term.

FEMALE VOICE: It says in the article here 30 years.

MR. BRAZEAL: Well, I stand corrected: 30 years.

MS. MARTIN: If you want to go over there --

MR. BRAZEAL: No, I'll be glad to give her the floor if I need to. But if it does say 30 -- there are different tiers of restriction. You can do a 15-year restriction, you can do 15 plus 15, you can do 15 plus 15 plus 5. It's all based on the subsidy you're receiving from the state.

MS. MARTIN: Does anyone have any additional questions?

(No response.)

MS. MARTIN: Okay. My name is Audrey Martin, by the way. I didn't mention that earlier. Right now I'm going to speak to the programs that are providing the financing for the development, which Jon alluded to earlier.

This development is receiving financing from two different programs. One is the Housing Tax Credit program, and the other is the Private Activity Bond

program.

First I'll speak about the bond program. This is a program that offers a tax exemption to the purchaser of the bonds. The property will not receive a property tax exemption in connection with the issuance of bond funds.

The federal government has created both of these programs, and the purpose of these programs is to incentivize developers and private industry to get involved in affordable housing to create a higher-quality product by allowing for, you know, financial incentives.

The bond program allows investors to -- it allows the borrower to borrow at a lower rate of interest in order to provide a higher quality product at a lower cost of borrowing. That's basically what the bond program is about.

The tax credit program provides instant equity into the project. The tax credit is very similar to a mortgage deduction on your personal income taxes. Equity providers come in, and they buy the tax credits, and they get to use the credits. And again the developer is able to provide a higher quality product at a lower cost of borrowing.

As we kind of mentioned earlier, this

development will be monitored for compliance for a period of 30 years by the State of Texas. We will make sure that they're meeting income restrictions, that they're qualifying all the tenants under the programs. There will be site inspections to make sure that the amenities they said they were going to provide are actually provided and that sort of thing.

In addition, as a part of our programs they are required to provide tenant services, which Jon was talking about their approach is going to be specific to the tenant population and what they see as needs that arise.

So if there are any questions about the programs in general, that's kind of the basics.

Does anyone have any questions?

(No response.)

MS. MARTIN: If there aren't any questions right now, there's a speech that I'm required to read, and after I read the speech there's a time for public comment.

Again, just as a reminder, if anyone wants to speak, go ahead and fill out one of these sheets. We only have one speaker right now, but I'll go ahead and get started.

Good evening, my name is Audrey Martin. I would like to proceed with the public hearing. Let the record show that it is 6:30 p.m., Thursday, January 12,

2006, and we are at Cedar Brook Elementary, located at 2121 Ojeman, Houston, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue.

No decisions regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider the transaction on February 9, 2006.

In addition to providing your comments at this hearing, the public is also invited to provide comment direct to the board at any of their meetings. The Department staff will also accept written comments from the public up to 5:00 p.m. January 27, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$15 million, and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and

Community Affairs, the issuer.

The proceeds of the bonds will be loaned to Village Park Apartments Partners, Ltd., or a related person or affiliate entity thereof, to finance the acquisition and rehabilitation of a multifamily housing development described as follows: a 418-unit multifamily residential rental development to be constructed on approximately 12.71 acres of land located at 8701 Hammerly Boulevard, Harris County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

I would like to now open the floor for public comment.

Catherine Alexander?

MS. ALEXANDER: My name's Catherine Alexander.

I'm the president of Spring Branch Central Super Neighborhood, which is where you all live in. I ask you please to join us. I'm here to help you. I will leave my number with you for you to call me if you need some questions answered by this. I'm not here to be your worst enemy; I'm trying to help these people.

We're trying to raise the quality of life in Spring Branch for everyone. This is our goal; we've been

working on this for five years.

As I told you, the mayor has started a three-step process for these apartments, tier I, II, and III; that each apartment in the city of Houston, and especially Spring Branch, because they're starting it in Spring Branch, is being graded as to are you I, II, or III.

Our police enforcement here will be out here to help you. I understand your garbage issue with the trash.

I think it's horrible at the apartments here in Houston.

I think you guys need to have them come twice a week and not once a week. Whoever decided that Houston only needed trash and garbage picked up once a week was nuts. The city has too much things going on; it's too hot, and it's horrible.

I mean, when you have maggots running in your garbage and you've got your kids playing in the parking lot, that is very, very unsafe: very unsafe for us all.

My question is this. These apartments do need renovated. I think it's great somebody wants to come in and do it. Our concern is, what about the people that live there? What happens to them?

You're saying that no, you're not going to do the interiors of all of them, just some. How do you determine which ones get done?

The gentleman back there may think he needs new carpeting but you may not. I mean, are you going to deal with them and talk to them and ask them what they need? Are you going to have someone there that speaks Spanish so that they can work with these people? Obviously not, because they wouldn't be here if they're confused. You don't have someone that speaks Spanish this evening.

I promise all of you I will take Spanish this year.

The other thing I have with this is this isn't the first time someone's tried to come in in our community and do this. If you go down the street -- and I'll tell you where they are -- Hilton Town Apartments. I know you probably all know where they are.

These apartments were refabbed I don't know how many times; owned by a landlord from overseas. He has gotten federal money, he's gotten city money, and these apartments now 42 buildings that are vacant, standing there.

The City won't tear them down. They can't be rehabbed any more. We are stuck with an eyesore in this community that nobody deserves. The people that live in part of Hilton Town don't deserve to have to look at those behind them that are falling down.

Safety is a huge issue for all of you. Safety is what we need; a better quality of life. If you bring that to us, that's wonderful.

Now, I ask you, will your manager join my Super Neighborhood and be a delegate and come to our meetings? If you're going to have community meetings with your people, invite us to come so we can answer their questions and help them. That is what we're here for.

We want a quality person to come in to these apartments and take them over, not have them come in and you leave, and you said you'll have someone in Houston. I mean, that means you guys won't be in Houston; you're going to have a manager in Houston? Are you a property management company or are you an owner that's going to live in Houston also?

MALE VOICE: [inaudible]

MS. ALEXANDER: A portfolio manager. What is a portfolio manager?

MS. MARTIN: Why don't you ask your questions; I think Jon's writing them down --

MS. ALEXANDER: Oh, I want this down on record, though. What I want to know from you guys: How many apartments do we have in the state of Texas that have been funded? You said you didn't know. How many actual people

come to Houston and check these apartments and how often do they do it? That's what I need to know from you guys. Okay? That's all.

MS. MARTIN: For the Department's part, your questions about compliance and inspections will go on the record. In addition, I think you're going to provide us with your e-mail address. We will be sure to get back with you on specific compliance requirements for what will be done with this property, and in addition we can provide you with the portfolio information: number of units, properties in Texas that are under the tax credit program. Okay.

Jon, would you like to come up and address the other question?

MR. KILLOUGH: My name is Jon Killough. I'm with the proposed developer. One thing I want to stress is that we, coming in to do the rehab, are not the current owner of the property. We can't control the garbage pickup right now. We can't control the garbage pickup until we own it, and when we own it, we'll control it.

We have your notes, ma'am, and if it's an issue, we'll address it.

The owner right now is not very willing to let us talk to their tenants because we don't own the

property; another owner in Boston, Massachusetts, owns it.

So we don't have the right to speak to the tenants right now. That's why they showed up. And, again, I will be glad to answer any questions, but we want to make the quality of life better.

Yes, our managers -- they have two employees over there that speak Spanish. They communicate very well with the tenants. They have seven staff employees, and again, I'm probably -- saying only two; probably five of the staff members are bilingual. And I see heads shaking, so. We've met with the staff. The staff knows what's occurring. The staff's going to keep their job. We're communicating with them.

So we do have bilingual people. Jennifer Thompson, our Manager of Community Development -- Jennifer will be out here aligning us, again, with services that benefit our tenants.

So we're a little bit hamstrung with, you know, the existing condition of the property, because there's limited things we can do about the existing condition.

But after we acquire the property in March, we can make it a better place to live. And, yes, we will commit to be a part of this community, and yes you are more than welcome to come to our community meetings.

Again, we're regulated by the State. If you drive by this property two years down the road, you know the Texas Department of Housing and Community Affairs administers the program; you can pick up the phone and call Robbye Meyer who's the bond manager, and say, Robbye, I'm very unhappy with Village Park, and rest assured I'll get a call from Robbye Meyer, so we can't afford to be an absentee owner.

And to answer the last question about local management, my home's in Montgomery, Alabama; our company's based in Montgomery, Alabama. I'm in Houston once or twice a month.

But we will hire a Houston native, and we're in the process of interviewing a Houston native that will run this property. So you will have four levels of management of this property. You'll have a property manager. Above the property manager you'll have a regional portfolio manager who'll live here in Houston, Texas. That regional portfolio manager reports to Alan Smith, who's in Montgomery, Alabama, who's the senior portfolio manager. Then Alan Smith reports to Blake Brazeal.

So you have a lot of eyes on this asset. And again, don't let me discount that we have a lot of skin in this game; we can't walk away from this transaction. It

would hurt my person integrity and my personal livelihood and me going for it, so, I say that, I don't want any heart-felt -- I mean, I just want you to understand it.

If we could control it now, and if we could communicate with our tenants, we would. But we can't. So I'll end with that.

MS. MARTIN: Is there anyone else who wishes to make public comment?

(No response.)

MS. MARTIN: Okay. Thank you for attending this hearing. Let the record show that we have approximately 22 attendees, and your comments have been recorded. The meeting is now adjourned, and the time is now 6:43 p.m.

(Whereupon, the hearing was adjourned.)

C E R T I F I C A T E

IN RE: Village Park Apartments
LOCATION: Houston, Texas
DATE: January 12, 2006

I do hereby certify that the foregoing pages, numbers 1 through 28, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Lonnie Helmer before the Texas Department of Housing & Community Affairs.

(Transcriber) 01/19/2006
(Date)

On the Record Reporting
3307 Northland, Suite 315
Austin, Texas 78731



WWW.TDHCA.STATE.TX.US

**REQUEST FOR BOARD ACTION
Multifamily Finance Production**

Private Activity Bond Program – Waiting List

1 Priority 3 Application for 2006 Waiting List

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation – February 15, 2006
TAB 2	Summary of Applications
TAB 3	Inducement Resolutions
TAB 4	Prequalification Analysis Worksheets

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Inducement resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2006 Waiting List.

Requested Action

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2006 Private Activity Bond Program for one (1) application.

Background

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$402.3 million is set aside for multifamily until August 15th for the 2006 bond program year. TDHCA has a set aside of approximately \$80.5 million and approximately \$22.8 million of 2005 Non-traditional CarryForward for a total of \$103.3 million available for new 2006 applications.

Inducement Resolution 06-005 includes one (1) application that was received on or before January 2, 2006. This application will reserve approximately \$13.5 million in 2006 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2006 Waiting List. The Board currently has approved nine (9) applications for the 2006 program year. Two have been submitted to the Bond Review Board.

Meadowlands Apartments – The proposed development will be located at approximately the northwest corner of Steeplepark Drive and Steepleway Blvd., Houston, Harris County. Demographics for the census tract (5519.00) include AMFI of \$58,794; the total population is 4,278; the percent of the population that is minority is 38.73%; the number of owner occupied units is 21; the number renter occupied units is 2,353 and the number of vacant units is 355. (*)

Recommendation

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

(*) Census Information from FFIEC Geocoding for 2005

Texas Department of Housing and Community Affairs

2006 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
2006-010	Meadowlands NWC of Steeplepark Dr. and Steepleway Blvd.	236	\$ 13,500,000	HT Seattle Slew, Ltd. Manish Verma	Recommend
Priority 3	City: Houston County: Harris <i>New Construction</i>	General	Score - 50	45 NE Loop 410, Suite 290 San Antonio, Texas 78216 (210) 530-0090	
Totals for Recommended Applications		236	\$ 13,500,000		

RESOLUTION NO. 06-005

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF APPLICATIONS FOR ALLOCATIONS OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a "Development" and collectively, the "Developments") as more fully described in Exhibit A attached hereto. The ownership of each Development as more fully described in Exhibit A will consist of the ownership entity and its principals or a related person (each an "Owner" and collectively, the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Development will be occupied at all times by eligible tenants, as determined by the Governing Board of the Department (the "Board") pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that its Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse each Owner for the costs associated with its Development listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of each Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of each respective Development described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Development an Application for Allocation of Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

Section 1--Certain Findings. The Board finds that:

- (a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the financing of each Development is a public purpose and will provide a public benefit;
- (d) each Owner is financially responsible; and
- (e) each Development will be undertaken within the authority granted by the Act to the Department and each Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of each respective Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of its Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Development will not exceed the amount set forth in Exhibit A which corresponds to its Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Development and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Development.

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other

expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2006 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of each respective Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State of the State of Texas (the "Secretary of State") and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 15th day of February, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Meadowlands Apartments	H.T. Seattle Slew, Ltd.	CIS Seattle Slew GP, LLC, the General Partner, to be formed, or other entity, a Principal of which will be Manish Verma	\$13,500,000
<p>Costs: (i) acquisition of real property located approximately the northwest corner of Steeplepark Drive and Steepleway Boulevard, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 236-unit multifamily residential rental housing project, in the amount not to exceed \$13,500,000.</p>			

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
MULTIFAMILY FINANCE DIVISION
PREQUALIFICATION ANALYSIS**

Meadowlands Apartments, Houston (#2006-010) Priority 3

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	60	\$ 625	725	0.86
60% AMI	2BD/2BA	104	\$ 751	954	0.79
60% AMI	3BD/2BA	72	\$ 862	1,261	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		236	\$ 2,132,016	233,508	\$ 0.76
Averages			\$ 753	989	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,298,542	\$ 5,502	\$ 5.56	0.06
Off-sites	0	0	0.00	0.00
Subtotal Site Costs	\$ 1,298,542	\$ 5,502	\$ 5.56	0.06
Sitework	1,882,859	7,978	8.06	0.09
Hard Construction Costs	9,860,876	41,783	42.23	0.45
General Requirements (6%)	704,624	2,986	3.02	0.03
Contractor's Overhead (2%)	234,875	995	1.01	0.01
Contractor's Profit (6%)	704,624	2,986	3.02	0.03
Construction Contingency	1,189,756	5,041	5.10	0.05
Subtotal Construction	\$ 14,577,614	\$ 61,770	\$ 62.43	0.66
Indirect Construction	1,166,704	4,944	5.00	0.05
Developer's Fee	2,592,459	10,985	11.10	0.12
Financing	2,089,661	8,854	8.95	0.09
Reserves	292,300	1,239	1.25	0.01
Subtotal Other Costs	\$ 6,141,124	\$ 26,022	\$ 26	0
Total Uses	\$ 22,017,280	\$ 93,294	\$ 94.29	1.00

Applicant - Sources of Funds				
	Net Proceeds	Sale Price	Applicable Percentage	
Source I				
Tax Credits	\$ 8,645,000	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,250,000	6.75%	40	\$ 959,337
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 318,430	12.3%	\$2,274,029	
Source IV	Proceeds	Description	Annual D/S	
Other			\$ -	
Total Sources	\$ 22,213,430			\$ 959,337

TDHCA - Sources of Funds				
	Net Proceeds	Sale Price	Applicable Percentage	
Source I				
Tax Credits	\$ 8,645,000	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,250,000	6.75%	40	\$ 959,337
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 122,280	4.7%	\$ 2,470,179	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
Total Sources	\$ 22,017,280			\$ 959,337

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income		\$2,132,016	\$9.13	
Other Income & Loss		42,480	0.18	180
Vacancy & Collection	7.50%	163,092	0.70	691
Effective Gross Income		\$2,337,588	10.01	9,905
Total Operating Expenses		\$943,790	\$4.04	\$3,999
Net Operating Income		\$1,393,798	\$5.97	\$5,906
Debt Service		959,337	4.11	4,065
Net Cash Flow		\$434,460	\$1.86	\$1,841
Debt Coverage Ratio		1.45		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0
Net Cash Flow		\$434,460	\$1.86	\$1,841
DCR after TDHCA Fees		1.45		
Break-even Rents/S.F.		0.68		
Break-even Occupancy		89.26%		

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income		\$2,132,016	\$9.13	
Other Income & Loss		42,480	0.18	180
Vacancy & Collection	7.50%	(163,087)	-0.70	-691
Effective Gross Income		2,011,409	8.61	8,523
Total Operating Expenses	46.9%	\$943,790	\$4.04	\$3,999
Net Operating Income		\$1,067,618	\$4.57	\$4,524
Debt Service		959,337	4.11	4,065
Net Cash Flow		\$108,281	\$0.46	\$459
Debt Coverage Ratio		1.11		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0
Net Cash Flow		\$108,281	\$0.46	\$459
DCR after TDHCA Fees		1.11		
Break-even Rents/S.F.		0.68		
Break-even Occupancy		89.26%		

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$77,064	0.33	327
Management Fees	90,514	0.39	384
Payroll, Payroll Tax & Employee Exp.	230,541	0.99	977
Maintenance/Repairs	96,774	0.41	410
Utilities	131,928	0.56	559
Property Insurance	70,052	0.30	297
Property Taxes	159,800	0.68	677
Replacement Reserves	47,200	0.20	200
Other Expenses	39,918	0.17	169
Total Expenses	\$943,790	\$4.04	\$3,999

Staff Notes/Comments
Other expenses include: Supportive Service - \$11,328 Compliance Fees - \$9,440 Bond Admin & Asset Mgmt. - \$19,150

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval of Senior Managing and Co-Managing Underwriting Firms for the Multifamily Mortgage Revenue Bond Transactions.

Requested Action

Approve the addition of Stephens Inc. to the Multifamily Bond Approved Underwriters List.

Background

The Department currently has an Open Request for Qualifications (RFQ) for Investment Banking Firms relating to the Multifamily Bond Program. The RFQ is posted on the Department's website. The Investment Firms are approved for two years at which time they are required to update their qualifications to remain on the approved list. The Department received qualifications from Stephens Inc. requesting to be approved as a Senior Manager for the Creekside Senior Community. A review of their qualifications indicates that they satisfactorily meet the requirements of the RFQ.

The Department staff recommends the following Investment Banking Firm to be added to the Multifamily Bond Approved Underwriters List:

Firm	Role	Action
Stephens Inc.	Senior Manager	Add to approved list

There are sixteen (16) Senior Managers and four (4) Co-Managers currently on the Approved Multifamily Bond List (list attached).

Recommendation

Staff recommends the Board approve Stephens Inc. Investment Banking Firm to be added to the Multifamily Bond Approved Underwriters list.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Items

Approval of an Intergenerational Housing Policy for Multifamily Housing.

Required Action

Discuss and Approve an Intergenerational Housing Policy for Multifamily Housing.

Background

Intergenerational Housing is a concept that essentially means one development or property being designed to foster, and provide, housing for both elderly and family populations. In November 2005 the Board approved a 2006 Qualified Allocation Plan to govern Housing Tax Credit developments that included a new reference to an Intergenerational Housing Policy.

The research for this policy consisted of approximately thirty national reports and articles referencing by intergenerational housing developments and organizations that promote and advocate for intergenerational housing efforts. It included reports submitted to the U. S. Senate and House of Representatives on the values and best practices of intergenerational housing. The Texas Bond Review Board (the "BRB") approved an intergenerational policy at their November Board meeting. The proposed intergeneration policy before the TDHCA Board reflects the BRB policy requirements with the exception of requiring card-key access to all age-restricted units. TDHCA staff did not propose such a requirement due to the fact that having card-key access to an outside apartment entrance was a safety issue. Card-key access is proposed for units that are entered from within a main building.

At the December 2005 Board meeting, the Board requested staff hold public meetings to solicit additional public comment on the policy. Two open forums were held. The first was in Austin on January 17th and the second was on January 24th in Fort Worth. One person attended the meeting in Austin to hear what others had to say and discussed the policy in general. No formal comments have been received. The policy remains the same with the correction of clerical typing errors.

Staff Recommendation

Staff recommends that the Board adopt the attached proposed Intergenerational Housing Policy.

INTERGENERATIONAL HOUSING POLICY FOR MULTIFAMILY HOUSING

February 2006

I. Introduction

Intergenerational Housing fosters interaction of social programs that engage and support all age groups to improve the lives of children, youth and senior adults. It provides a forum for multiple generations to collaborate for a common ground and explore the values of each generation.

II. Background

Over the past fifteen years, Intergeneration Housing has emerged and grown in popularity. Statistics show that eighty percent of older adults volunteer. Community service activities play an active role in the quality of their lives. These activities have shown to improve mental and physical health, enhance their socialization, improve their self worth, increase personal independence and improve attitudes about other generations. Children show enhanced social skills, lower levels of aggression, decreased drug use, increased stability and improved academic performance. Developers design these developments not only to provide the goals above but also for marketing reasons. There are areas that cannot support two hundred to two hundred and fifty units of only family units or only elderly units. It improves the feasibility of the operations of the development and allows smaller more rural communities the opportunity to have decent, quality housing. It provides needed services to the community and creates opportunities to share resources. Intergeneration Housing gives all a sense of community and family and lowers turnover rates.

III. Definition

Intergenerational Housing includes specific units that are restricted to the age requirements of a Qualified Elderly Development and specific units that are not age restricted in the same Development that:

- 1) have separate and specific buildings exclusively for the age-restricted units;
- 2) have separate and specific leasing offices and leasing personnel exclusively for the age-restricted units;
- 3) have separate and specific entrances and other appropriate security measures for the age-restricted units;
- 4) provide shared social service programs that encourage intergenerational activities but also provide separate amenities for each age group;
- 5) share the same Development site;
- 6) are developed and financed under a common plan and owned by the same Person for federal tax purposes; and
- 7) meet the requirements of the federal Fair Housing Act.

IV. Requirements

The Development should include the following:

- 1) Written intergenerational program plan and goals (included in LURA);
- 2) Staff that is experienced in working with intergenerational activities, that can effectively facilitate the interactions between the age groups;
- 3) Additional security provided for age-restricted units and buildings (card key access to main building);
- 4) Utilization of community resources (partnerships with nonprofit and human services organizations);
- 5) Quarterly reporting results to TDHCA (types of activities, successes, opportunities).

V. Intergenerational Coordinator

A staff person specifically responsible for ensuring the intergenerational interactions and activities by:

- 1) Creating the program plan;
- 2) Explaining the goals, objectives, values and benefits to the prospective participants;
- 3) Planning and facilitating activities, tailored to the needs and interests of the participants;
- 4) Encouraging participation from both tenants and family members;
- 5) Evaluating programs and assessing the activities and participation; and
- 6) Reporting participation, success and improvement.

VI. Social / Interactive Programs

- 1) Adult and child day-care activities;
- 2) After school activities (reading, creative/art projects, life stories, homework, tutoring, gardening);
- 3) Senior Games (bingo, cards, shuffleboard, exercise classes, wheel of fortune);
- 4) Field trips (library, museums, parades, picnics, zoo);
- 5) Holidays (decorating, baking, Christmas light tours, popcorn tinsel, Thanksgiving dinner, trick or treating, 4th of July barbeque);
- 6) Celebrations (birthday announcements, report cards, graduations, weddings, special events);
- 7) Young adults/youth helping older adults with housekeeping, grocery shopping;
- 8) HeadStart programs, youth recreation activities and camps;
- 9) Any other services or programs approved by TDHCA.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Items

Request for an amendment to a Housing Trust Fund award to Costa Tarragona I.

Required Action

Approve or deny an amendment to the award of \$170,000 in Housing Trust Fund rental development program funds to Costa Tarragona I, application #05257/#05433.

Background

In July 2005, the Department awarded \$170,000 in Housing Trust Fund rental development program funds to Costa Tarragona I, Ltd. for the Villas at Costa Tarragona Apartments (#05257/#05433). The Development involves new construction of 250 low-income family units, located in Corpus Christi, Nueces County, Texas. The Development's primary funding includes private activity mortgage revenue bonds and 4% housing tax credits. The Department's Board approved Housing Tax Credits and staff's recommended terms for Housing Trust Funds on October 5, 2005. The applicant subsequently closed on their bonds and construction financing in November 2005.

The Department received no comments from the applicant prior to the October board meeting regarding staff's recommendation for funding, and the applicant made no comments or requests at the October board meeting where the terms and conditions of the award was made. However, in November 2005 the applicant requested that the terms of the award be revised. The applicant requests that the loan be repaid out of surplus cash flow from the development's operations, instead of being fully repaid out of net operating income. The payment terms of the loan allowed for the deferral of monthly payments until year 6 of the 40 year loan term. The monthly payments starting in year six were to be for a fixed amount of \$404.76 for a period of 420 months, or the remaining 35 years of the loan term.

The applicant has provided the following reasons for their request:

1. The applicant's primary lender requires that all subordinated debt be paid out of surplus cash flow.
2. Requiring debt to be amortized and fully repayable will drop the debt coverage ratio below 1.11.
3. If the debt coverage ratio falls below 1.11, the primary lender will not convert the debt to permanent.

Staff Recommendation

Staff recommends that the Board deny the amendment to the loan terms for Costa Tarragona I, #05257. Staff does not support the applicant's request for the following reasons:

1. The Department's review of financial information provided by the applicant does not support the assumption that the debt coverage ratio will fall below 1.11.
2. The deferral of loan payments until year six allows the applicant to close on, or convert to permanent financing, without falling below a 1.11 debt coverage ratio.

If the Board approves the amendment staff will revise the applicant's Housing Trust Fund Loan commitment in accordance with the Board's determination.



NRP

5309 Transportation Boulevard
Cleveland, Ohio 44125
Phone: 216.475.8900
Fax: 216.475.9300

January 13, 2006

David Danenfelzer
TDHCA
221 East 11th Street
Austin, TX 78701

RECEIVED
JAN 13 2006
MURKIN

RE: HTF Commitment # 1000436 revision

Mr. Danenfelzer,

I am writing to request a change in the Housing Trust Fund Rental Development Loan Commitment # 1000436 that we received from your office. The terms of the current commitment have the funds paid back as hard debt. We would like the commitment to change and reflect repayment of the Housing Trust Funds be through surplus cash flow. I have attached to this letter a copy of the original commitment for your review. We welcome discussion with you and your staff to get this attached commitment revised. If you have any questions or need any additional information please contact me directly.

Best Regards,



Matt Shoemacher
Project Manager
The NRP Group, LLC

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: October 5, 2005 **PROGRAM:** 4% HTC
Housing Trust Fund **FILE NUMBER:** 05433

DEVELOPMENT NAME

Villas at Costa Tarragona Apartments

APPLICANT

Name: Costa Tarragona I, Ltd. **Type:** For-profit w/non-profit general partner
Address: 1201 Leopard Street **City:** Corpus Christi **State:** TX
Zip: 78401 **Contact:** George Noe **Phone:** (361) 880-3220 **Fax:** (361) 880-3839

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	CCHFC Costa Tarragona I, LLC	(%):	0.01	Title:	Managing General Partner
Name:	Costa Tarragona I NRP, Ltd.	(%):	0.01	Title:	Special Limited Partner
Name:	Corpus Christi Housing Finance Corporation	(%):	N/A	Title:	100% owner of MGP & Co-Developer #1
Name:	NRP Holdings LLC	(%):	N/A	Title:	Co-Developer #2
Name:	NRP Costa Tarragona I, LLC (NRPCT)	(%):	N/A	Title:	GP of SLP
Name:	T. Richard Bailey	(%):	N/A	Title:	33% owner of NRPCT & Co-Developer 2, 31% owner of SLP
Name:	Randolph Brown	(%):	N/A	Title:	3% owner of SLP
Name:	J. David Heller	(%):	N/A	Title:	33% owner of NRPCT & Co-Developer 2, 31% owner of SLP
Name:	Daniel B. Markson	(%):	N/A	Title:	1% owner of SLP
Name:	Alan F. Scott	(%):	N/A	Title:	33% owner of NRPCT & Co-Developer 2, 31% owner of SLP
Name:	Andrew Tanner	(%):	N/A	Title:	2% owner of SLP

PROPERTY LOCATION

Location: Southeast corner of intersection of Interstate Highway 37 and State Highway 358 (Padre Island Drive) **QCT** **DDA**
City: Corpus Christi **County:** Nueces **Zip:** 78048

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$900,352	N/A	N/A	N/A
2) \$170,000	0%	Cash flow	40 yrs

Other Requested Terms:
1) Annual ten-year allocation of housing tax credits (revised on 10/5/2005 after the Board agenda was posted to the Texas Register)
2) Housing Trust Fund cash flow loan

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

Proposed Use of Funds: New construction **Property Type:** Multifamily
Special Purpose (s): General population

RECOMMENDATION

- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$900,333 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

- RECOMMEND APPROVAL OF A HOUSING TRUST FUND AWARD NOT TO EXCEED \$170,000, STRUCTURED AS A 40-YEAR TERM LOAN, WITH NO PAYMENTS FOR THE FIRST 5 YEARS THEN FULLY AMORTIZING OVER LAST 35 YEARS AT 0% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a commitment from the City of Corpus Christi specifying the amount and terms of the HOME award;
2. Receipt, review, and acceptance of a noise study report for the site. If the study determines that ambient noise levels exceed HUD guidelines, it is a further condition of this report that the Applicant submit a noise mitigation plan, to include a narrative description of the noise mitigation measures planned and the anticipated costs thereof.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 250 **# Rental Buildings:** 13 **# Non-Res. Buildings:** 1 **# of Floors:** 3 **Age:** 0 yrs **Vacant:** N/A at / /
Net Rentable SF: 259,522 **Av Un SF:** 1,038 **Common Area SF:** 4,685 **Gross Bldg SF:** 264,207

STRUCTURAL MATERIALS

The structures will be wood-framed on concrete slabs on grade. According to the plans provided in the application the exteriors will be comprised of 75% stucco and 25% cement fiber siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting and vinyl. Each unit will include: range and oven, hood and fan, refrigerator, microwave oven, tile tub/shower, washer and dryer connections, ceiling fans, laminated counter tops, individual water heaters, central heating and air conditioning, and high-speed internet access.

ONSITE AMENITIES

A 3,885-square foot community building will include an activity room, management offices, fitness and laundry facilities, a kitchen, restrooms, a computer/business center, a staffed children's activity facility, and a central mailroom. The community building, swimming pool, equipped children's play area, and an 800-SF maintenance building are to be located at the middle of the property. In addition, perimeter fencing with limited access gates is planned for the site.

Uncovered Parking: 490 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Villas at Costa Tarragona Apartments is a 19.7-unit per acre new construction development of

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

250 units of affordable housing located in northwestern Corpus Christi. The development is comprised of 13 evenly distributed, medium and large, garden style, walk-up residential buildings as follows:

- Seven Building Type A with six each one-bedroom/one-bath units and two-bedroom/two-bath units and 12 three-bedroom/two-bath units;
- Four Building Type B with 12 two-bedroom/two-bath units units;
- One Building Type C with 12 each one-bedroom/one-bath units and two-bedroom/two-bath units; and
- One Building Type D with six two-bedroom/two-bath units and four three-bedroom/two-bath units.

Development Plan: The subject is the first phase of a two-phased development, with the planned second phase to occupy a 12.488-acre adjacent parcel to the north and east.

Architectural Review: The building and unit plans are of good design, sufficient size, and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with simple fenestration.

SITE ISSUES

SITE DESCRIPTION

Size: 12.691 acres	552,820 square feet	Flood Zone Designation:	Zone C (areas of minimal flooding, not 100-year floodplain)
Zoning: B-4, General Business District, conforming use			

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is an irregularly-shaped parcel located in the northwestern area of the city, approximately four miles from the central business district. The site is situated on the southeast side of the intersection of Interstate Highway 37 and State Highway 358 (North Padre Island Drive).

Adjacent Land Uses:

- **North:** the vacant 12.488-acre intended phase II parcel immediately adjacent and Interstate Highway 37 and commercial and single-family residential beyond;
- **South:** vacant land immediately adjacent and single-family residential beyond;
- **East:** the phase II parcel immediately adjacent and commercial fronting McBride Lane and single-family residential beyond; and
- **West:** State Highway 358 (North Padre Island Drive) immediately adjacent and commercial and single-family residential beyond.

Site Access: Access to the property is from the south along the State Highway 358/IH-37 frontage road, from which the development is to have a single entry. The adjacent SH 258 and Interstate Highway 37 provide connections to all other major roads serving the Corpus Christi area as well as surrounding communities.

Public Transportation: Public transportation to the area is provided by the city bus service, with the nearest stop approximately 0.7 miles east.

Shopping & Services: The site is within two miles of a grocery/pharmacy and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Special Adverse Site Characteristics:

- The site's location adjacent to two major highways raises the possibility that ambient noise levels may exceed HUD guidelines. Numerous petroleum and gas pipelines also traverse the site. These issues are discussed in the following section.
- Numerous large oil refineries are located north of the site across IH-37.

Site Inspection Findings: TDHCA staff performed a site inspection on June 1, 2005 and found the location to be acceptable for the proposed development.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated September 13, 2004 was prepared by the Murillo Company and contained the following findings and recommendations:

- “Two RCRA-CORR [EPA Resource Conservation and Recovery Act Information System – Correction, Large and Small Quantity Generators] sites were identified within a one-mile radius of the subject property.” (p. 7)
- Two STATE sites [sites from three programs of the Texas Commission on Environmental Quality’s Permitting, Remediation, and Registration Division] were identified within a one-mile radius of the subject property.” (p. 8)
- “Three REG UST/AST [above ground or underground storage tank] sites were identified within a ¼-mile radius of the subject property.” (p. 9)
- “Thirteen LUST [leaking underground storage tank] sites were identified within a ½-mile radius of the subject property.” (p. 10)
- “An investigation of [the above 20 sites] revealed they are either located too far away from, or topographically and hydrologically downgradient or crossgradient from the subject property to be of potential environmental concern.” (p. 13)
- “South of the subject property there is a pipeline right-of-way easement. This easement contains 11 high-pressure natural gas and hazardous liquid pipes. The vegetation on and adjacent to the subject property appeared to be healthy with no signs of distress.” (p. 15)
- “This assessment has revealed no evidence of recognized environmental conditions with the subject property.” (p. 19)

The report did not address the potential for excessive noise generated from the adjacent highways, as required by the TDHCA ESA guidelines. In response to the Underwriter’s query, the environmental analyst responded, “A noise study should be performed for the above project. It should include IH-37, SH 358, Cuddihy Airport, and Corpus Christi International Airport”. Receipt, review, and acceptance of a noise study report for the site is therefore a condition of this report. If the study determines that ambient noise levels exceed HUD guidelines, it is a further condition of this report that the Applicant submit a noise mitigation plan, to include a narrative description of the noise mitigation measures planned and the anticipated costs thereof.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. Additionally, as a condition of receiving local HOME funding at least 20% of the HOME-assisted units must be reserved for households at or below 50% of AMGI. The Applicant has indicated that six of the units (2.4% of the total) will be designated as Low HOME units, to be reserved for households earning 50% or less of AMGI. The remaining 244 units will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$19,740	\$22,560	\$25,380	\$28,200	\$30,480	\$32,700

MARKET HIGHLIGHTS

(NOTE: A market feasibility study dated March 12, 2005 was prepared by Apartment MarketData Research Services, LLC (“Market Analyst”) which designated a 155-square mile area encompassing most of the city

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

of Corpus Christi as well as areas to the southwest as the primary market area (PMA). However, the estimated 2004 PMA population was 237,134, which is over twice the maximum TDHCA population guideline, and as explanation the Market Analyst stated, "This larger population was used due to the concentration of the population within the City of Corpus Christi." Although both the Market Analyst's and Underwriter's inclusive capture rate estimates were acceptable using this PMA, the Underwriter requested that the Market Analyst submit a revised market analysis based on a PMA population of less than 100,000 persons in order to comply with TDHCA guidelines. The following information reflects a revised PMA submitted by the Market Analyst on September 27, 2005.)

Definition of Primary Market Area (PMA): "For this analysis, we defined the primary market area as a 68.32-square mile trade area around the city of Corpus Christi" (para. 3.1.1). This area is equivalent to a circle with a radius of 4.7 miles.

Population: The estimated 2004 population of the PMA was 92,510 and is expected to *decrease* slightly by -1.7% to approximately 90,966 by 2009. Within the primary market area there were estimated to be 30,957 households in 2004, and due to decreasing household size the number of households is expected to increase by 3.1% by to 31,904 by 2009.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 1,914 qualified households in the PMA, based on the current estimate of 30,957 households, the projected annual household growth rate of 0.6%, renter households estimated at 47.7% of the population, income-qualified households estimated at 21.3%, and an annual renter turnover rate of 65.1% (para. 3.6.5). The Market Analyst used an income band of \$18,103 to \$30,480.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	20	1%	5	<1%
Resident Turnover	1,894	99%	1,999	99%
Other Sources:	0	0%	0	0%
TOTAL ANNUAL DEMAND	1,914	100%	2,004	100%

Ref: p. 48

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 19.54% based upon 1,914 units of demand and 374 unstabilized affordable housing units in the PMA (the subject plus 124 units from the recently-approved Navigation Pointe Apartments (#05127) (para. 3.6.5). The Underwriter calculated an inclusive capture rate of 18.7% based upon a slightly higher demand estimate of 2,004 households.

Local Housing Authority Waiting List Information: No information provided.

Market Rent Comparables: The Market Analyst surveyed five comparable apartment properties totaling 1,286 units in the market area. "Costa Tarragona, in comparison to its proposed competition, is well positioned in regards to unit types, sizes, and rental rates. The 'base rent' (street asking rate) for each unit type is significantly lower than comparable other projects. It is thus identified as affordable when compared with the overall market. Additionally, the subject property would be substantially newer than many of the competing projects, and because it would be much more desirable to prospective renters, it would have a much greater perceived value in the eyes of prospective renters who would be comparing it with existing competitors." (para. 6.3.4).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (50%)	\$360	\$333	-\$27	\$660	-\$300
1-Bedroom (60%)	\$448	\$421	-\$27	\$660	-\$212

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

2-Bedroom (50%)	\$430	\$402	-\$28	\$790	-\$360
2-Bedroom (60%)	\$536	\$508	-\$28	\$790	-\$254
3-Bedroom (60%)	\$612	\$585	-\$27	\$1,025	-\$413

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

Primary Market Occupancy Rates: “The current occupancy of the market area is 96.3%. Projects constructed since 1990 report an average occupancy of 97.1%...Affordable family projects report an average occupancy of 100%.” (p. 85)

Absorption Projections: “we estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction [resulting in a 12-month absorption period]” (p. 82).

Known Planned Development: “Two LIHTC projects, Holly Park and River Square, recently began leasing. There are also four market rate projects totaling 826 units currently under construction in the primary trade area.” (p. 11) It should be noted that Holy Park and River Square were in the original PMA but were not within the revised PMA. In addition two rehabilitation developments (LULAC Village and Hampton Port) exist within the original market area but only LULAC village is within the revised PMA. Neither of these rehabilitation developments however, affects the supply of unstabilized housing as both were well occupied when their rehabilitation was begun.

Effect on Existing Housing Stock: “The housing development, upon completion and considering vacancy and absorption rates, is not likely to result in an unreasonable vacancy rate for comparable units within the development’s competitive market area (I.e., standard, well-maintained units within the housing development’s competitive market area that are reserved for occupancy by lower-income tenants, as applicable).” (para. 1.16)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s rent projections are the maximum rents allowed under HTC and HOME program guidelines, and are achievable according to the Market Analyst. The Applicant stated that tenants will pay water and sewer in this project, and rents and expenses were calculated accordingly. The Applicant based their net rents on tenant-paid utility allowances derived from a combination of the Corpus Christi Housing Authority’s utility allowances and estimates from a consultant. IRS Regulation 1.42-10(b)(4)(ii), however, provides that only public housing authority (PHA) allowances or estimates from local utility companies may be used in determining tenant-paid utility allowances. Therefore, the Underwriter has used the most recent PHA utility allowances, which are from \$27-\$29 higher than the Applicant’s allowances and which result in an equivalent reduction in net rents and an \$82.3K reduction in potential gross income. The Applicant indicated that they would be pursuing a lower utility allowance estimate from the local utility provider and this may result in the ultimate achievement of some if not all of this excluded potential gross income. The Applicant’s estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of the differences in tenant-paid utility allowances and net rents the Applicant’s effective gross income estimate is \$76,121 or 5.2% greater than the Underwriter’s estimate.

Expenses: The Applicant’s total expense estimate of \$3,048 per unit is 1.6% higher than the Underwriter’s database-derived estimate of \$3,000 per unit for comparably-sized developments in this area. The Applicant’s budget shows a single line item estimate that deviates significantly when compared to the database averages, general and administrative expenses (\$30.6K higher). The Applicant’s budget reflects a 4% management fee which has been substantiated by a statement from the related proposed property manager that this fee will be acceptable. The Applicant is anticipating a 100% property tax exemption based on the involvement of the Corpus Christi Housing Authority, and a land lease of the property by the Housing Authority back to the partnership. The Underwriter regards receipt of this exemption as likely based on the documentation provided by the Applicant and has completed this analysis assuming a 100% exemption. It

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is anticipated that the development would be infeasible without such an exemption.

Conclusion: Although the Applicant's total operating expense estimate is consistent with the Underwriter's expectations, the Applicant's effective gross income and net operating income (NOI) estimates are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. Due primarily to the difference in income estimates, the Underwriter's estimated debt coverage ratio (DCR) of 1.05 is less than the TDHCA minimum standard of 1.10. Therefore, the maximum debt service for this project should be limited to \$652,254 by a reduction of the loan amount and/or a reduction in the interest rate, and the Underwriter has completed this analysis assuming a likely redemption of a portion of the bond amount resulting in a final anticipated bond amount of \$10,200,000.

ACQUISITION VALUATION INFORMATION					
APPRAISED VALUE					
Land Only: 12.691 acres	\$700,000		Date of Valuation:	8/	10/ 2005
Appraiser: Adame Realty Advisors	City: Corpus Christi	Phone: (361)	880-5888		
APPRAISAL ANALYSIS/CONCLUSIONS					
<p>Although not required by the QAP, the Applicant submitted an appraisal to justify the claimed land value. The appraisal covered the entire 25.179-acre tract encompassing both proposed phases and concluded a value of \$700K (\$1.25/SF) for the subject site and \$435K (\$0.80/SF) for the adjacent phase II site. The appraiser used only the sales comparison approach and noted that, "Comparable sales similar to the subject are virtually non-existent. As a result, we examined sales outside the defined neighborhood [essentially the IH-37 corridor east and west of the site] that we considered to be comparable to the subject property. We should state that the subject is a unique property for the Corpus Christi area" (p. 29). The only adjustment difference noted between the parcels was that the phase I site is "irregular" and the phase II site is "very irregular". This adjustment differential would appear to be overstated for two adjacent vacant parcels with similar access and frontage on major thoroughfares, however, the Applicant informed the Underwriter that portions of the phase II site are within the "blast zone" from a nearby refinery which results in HUD development restrictions and would therefore reduce the value of the site.</p>					
ASSESSED VALUE					
Land: 25.24 acres	\$302,880	Assessment for the Year of:	2004		
Per acre:	\$12,000	Valuation by:	Nueces County Appraisal District		
Prorated value, 12.62 acres:	\$151,440	Tax Rate:	3.138901		
EVIDENCE of SITE or PROPERTY CONTROL					
Type of Site Control:	Purchase and sale contract (12.62 acres)				
Contract Expiration Date:	11/ 20/ 2005	Anticipated Closing Date:	11/ 20/ 2005		
Acquisition Cost:	\$522,241	Other Terms/Conditions:	\$5,000 earnest money, see next section		
Seller:	Paloma Production Company, Inc.	Related to Development Team Member:	No		

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CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant provided a site purchase contract evidencing the arm's length sale option of the +/-12.6-acre subject site for \$522,241 to NRP Properties LLC, an affiliate of Co-Developer #2, or its assignees. The Applicant also provided an assignment agreement dated August 11, 2005 indicating that a +/-12.5-acre parcel adjacent to the east is also being purchased with a simultaneous closing. The purchase price of the second parcel (or the combined price) was not disclosed. The assignment agreement commits to assign the subject site to the Applicant upon formation thereof and bond reservation, and requires that the Applicant pay land costs of \$652,801 plus closing costs. The Applicant also provided an appraisal which assigned a value of \$700K to the subject site and \$435K to the second parcel. The Applicant used the \$652,801 amount as the site acquisition cost in the development cost schedule. In the absence of any documentation of holding costs or other justification of actual costs supporting the increased land cost, the Underwriter has used the contracted purchase price of \$522,241, and will adjust the Applicant's sources of funds to eliminate any potential gap tax credit-funded excess profit on the transfer. This site cost amounts to \$0.95/SF, \$41,382/acre, or \$2,089/unit, approximately three times the tax assessed value.

Sitework Cost: The Applicant's claimed sitework costs of \$6,220 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's costs are \$818K or 7.3% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are overstated. As justification for this differential the Applicant stated, "Overall, the end product that will be built in Costa Tarragona I will rival any market rate housing in the area. Using average quality cost estimates is not the most direct comparison of quality. The Tarragona application numbers were based on actual historical construction costs from other developments that were already approved by TDHCA and are currently in the construction phase." The Applicant submitted as substantiation only a request for payment from the related general contractor on The Villas at Costa Biscaya in San Antonio, #04446, which is approximately 55% completed and therefore does not represent certified historical cost data. At the time of the underwriting of Costa Biscaya (September 2004) the underwriter's direct construction cost estimate was \$41.27/SF and the applicant's estimate was \$41.83/SF; the Underwriter's estimate for the subject is \$41.72/SF (a 1.1% increase) and the Applicant's estimate is \$46.03 (a 10.0% increase). Furthermore, the Biscaya development includes 30 carports and 10% masonry veneer on exterior wall surfaces, which are additive cost elements absent from the subject. The subject will include three-story buildings which will require sprinklers throughout, a cost that was not included in the Costa Biscaya development.

Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by \$419 based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter, is used to calculate eligible basis and estimate the HTC allocation. The Applicant initially used an applicable percentage of 3.41% rather than the 3.53% underwriting rate for applications submitted in August of 2005. The Applicant subsequently revised the requested credit amount to \$900,352. As a result of the Underwriter's re-calculation of eligible costs a revised eligible basis of \$19,619,781 is used to determine a credit allocation of \$900,333. The resulting syndication proceeds are slightly less than the Applicant's request and will be compared to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

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Source: CharterMac **Contact:** James Spound
Tax-Exempt Amount: \$10,680,000 **Interest Rate:** 5.75%
Additional Information: Interest-only payments during 24-month construction period
Amortization: 40 yrs **Term:** 42 yrs **Commitment:** LOI Firm Conditional
Annual Payment: \$682,949 **Lien Priority:** 1st **Date:** 6/ 21/ 2005

INTERIM TO PERMANENT FINANCING

Source: City of Corpus Christi HOME Funds **Contact:** George Noe/ Daniel Gallegos Jr.
Principal Amount: \$400,000 **Interest Rate:** 0% (unconfirmed)
Additional Information: No formal detailed commitment provided
Amortization: unk yrs **Term:** unk yrs **Commitment:** LOI Firm None
Annual Payment: unknown **Lien Priority:** unk **Date:** 10/ 5/ 2005

TAX CREDIT SYNDICATION

Source: Related Capital Company **Contact:** Ryan Sfeddo
Net Proceeds: \$8,251,000 **Net Syndication Rate (per \$1.00 of 10-yr HTC)** 95¢
Commitment: LOI Firm Conditional **Date:** 8/ 17/ 2005
Additional Information: Based on credits of \$868,526

APPLICANT EQUITY

Amount: \$1,922,478 **Source:** Deferred developer fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by the Corpus Christi Housing Finance Corporation and purchased by CharterMac. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the original application. The commitment reflects the ability to maintain the same syndication rate if additional credits are achieved.

City HOME Funds: The Applicant's narrative of financing states that "The partnership has applied for and received \$400,000 in HOME Investment Partnership funds through the City of Corpus Christi. These funds will be loaned to the project at 0% interest for a term and amortization of 40 years. Repayment of this loan will be based on available cash flow from operations". No funding commitment confirming these terms was submitted; the Applicant did provide minutes from a meeting of the Corpus Christi city council meeting which indicate that \$400,000 in city HOME funds has been approved, however, the minutes state that the approval is for the "Costa Tarragona II" development on the "northeast corner" of the vacant land. The Applicant also provided a letter from Daniel Gallegos Jr., the CD Program Manager for the City of Corpus Christi Neighborhood Services Department, indicating that NRP Group had a successful application for FY05 HOME Program grant funds of \$400,000 for Costa Terragona I. No other details of the terms of this award were provided. Therefore, receipt, review, and acceptance of a commitment from the City of Corpus Christi specifying the amount and terms of the HOME award is a condition of this report.

GIC Income: The Applicant included \$100K in anticipated income from investment of the bond proceeds in a guaranteed investment contract (GIC) during the construction phase; the Underwriter has included this amount in deferred developer fee in the recommended financing structure.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,922,478 amount to 79% of the total fees.

Financing Conclusions: Based on the Applicant's adjusted estimate of eligible basis, the HTC allocation should not exceed \$900,333 annually for ten years, resulting in syndication proceeds of approximately

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\$8,551,587. Due to the difference in estimated net operating income, the Underwriter's debt coverage ratio (DCR) of 1.05 is less than the TDHCA minimum standard of 1.10. Therefore, the Underwriter anticipates that permanent debt may be reduced to \$10,200,000 by a mandatory redemption of bonds. To compensate for the anticipated reduction in loan proceeds the Applicant's deferred developer fee will be increased slightly to \$2,071,331, which amounts to approximately 81% of the total fee and which should be repayable in less than 15 years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee as well as related general contractor fees should be available to fund those development cost overruns.

Due to the Underwriter's restricted NOI estimate, it is not anticipated that any debt service on the TDHCA Housing Trust Fund funds is initially feasible. Therefore it is recommended that the requested \$170,000 be awarded as a non-amortizing five-year term loan at 0% interest; at the end of the five-year period the loan should begin amortization over the remaining 35 years of the term.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

- The Corpus Christi Housing Finance Corporation is the bond issuer, Co-Developer #1, and the sole member of the General Partner.
- The Special Limited Partner, Co-Developer #2, the general contractor, and the property manager all have the same ownership and is assigning the purchase contract to the partnership.

These relationships are typical of tax credit transactions and the assignment issue as been addressed in the acquisition cost section of this analysis.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant, General Partner, and Special Limited Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The Corpus Christi Housing Finance Corporation, sole member of the General Partner, submitted an unaudited financial statement as of December 31, 2004 reporting total assets of \$988K and consisting of \$203K in cash, \$235K in deposits and certificates of deposit, and \$551K in real property. Liabilities totaled \$937K, resulting in a net worth of \$51K.
- The Developer, NRP Holdings, LLC, submitted an unaudited financial statement as of December 31, 2004 reporting total assets of \$6.4M and consisting of \$673K in cash, \$5.7M in receivables and prepaids, and \$12K in furniture and fixtures. Liabilities totaled \$6M, resulting in a net worth of \$326K.
- The principals of the Developer and the Special Limited Partner, T. Richard Bailey, J. David Heller, and Alan F. Scott, submitted unaudited financial statements as of December 31, 2004 and are anticipated to be guarantors of the development.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated income and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The Applicant has not provided confirmation of the terms of the City of Corpus Christi HOME award.
- Significant environmental/location risks exist regarding the noise from the adjacent highways, the petroleum and natural gas pipelines in the vicinity, and the nearby oil refineries.
- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

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- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____	Date:	October 5, 2005
	<i>Jim Anderson</i>		
Director of Real Estate Analysis:	_____	Date:	October 5, 2005
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

Villas at Costa Tarragona Apartments, Corpus Christi, 4% HTC #05433

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Trash Only
LH/<TC 60%	3	1	1	787	\$440	\$333	\$999	\$0.42	\$107.00	\$12.00
TC 60%	51	1	1	787	528	\$421	21,471	0.53	107.00	12.00
LH/<TC 60%	3	2	2	1,004	528	\$402	1,206	0.40	126.00	12.00
TC 60%	105	2	2	1,004	634	\$508	53,340	0.51	126.00	12.00
TC 60%	88	3	2	1,234	733	\$585	51,480	0.47	148.00	12.00
TOTAL:	250		AVERAGE:	1,038	\$644	\$514	\$128,496	\$0.50	\$129.64	\$12.00

INCOME Total Net Rentable Sq Ft: 259,522

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$1,541,952	\$1,624,248
45,000	45,000
0	0
\$1,586,952	\$1,669,248
(119,021)	(125,196)
0	0
\$1,467,931	\$1,544,052

Comptroller's Region 10

IREM Region Corpus Christi

Per Unit Per Month

-7.50% of Potential Gross Rent

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.37%	\$256	0.25
Management	5.09%	299	0.29
Payroll & Payroll Tax	16.22%	952	0.92
Repairs & Maintenance	7.75%	455	0.44
Utilities	5.07%	298	0.29
Water, Sewer, & Trash	2.45%	144	0.14
Property Insurance	4.42%	260	0.25
Property Tax 3.138901	0.00%	0	0.00
Reserve for Replacements	3.41%	200	0.19
Other: spt svcs, compl fees	2.32%	136	0.13
TOTAL EXPENSES	51.09%	\$3,000	\$2.89
NET OPERATING INC	48.91%	\$2,872	\$2.77

PER SQ FT	PER UNIT	% OF EGI
\$64,105	\$94,750	\$0.37 \$379 6.14%
74,741	61,908	0.24 248 4.01%
238,040	237,500	0.92 950 15.38%
113,740	125,000	0.48 500 8.10%
74,482	61,625	0.24 247 3.99%
36,000	25,875	0.10 104 1.68%
64,881	75,000	0.29 300 4.86%
0	0	0.00 0 0.00%
50,000	50,000	0.19 200 3.24%
34,000	30,250	0.12 121 1.96%
\$749,988	\$761,908	\$2.94 \$3,048 49.34%
\$717,942	\$782,144	\$3.01 \$3,129 50.66%

DEBT SERVICE

First Lien Mortgage (CharterMac)	46.52%	\$2,732	\$2.63
Local HOME Funds	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	2.38%	\$140	\$0.13

\$682,949	\$682,949	\$2.63 \$2,732 44.23%
0	0	\$0.00 \$0 0.00%
0	0	\$0.00 \$0 0.00%
\$34,994	\$99,195	\$0.38 \$397 6.42%

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

1.05	1.15
1.10	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		2.55%	\$2,089	\$2.01
Off-Sites		0.00%	0	0.00
Sitework		7.58%	6,220	5.99
Direct Construction		54.27%	44,517	42.88
Contingency 3.17%	1.96%	1,608	1.55	
General Req'ts 6.00%	3.71%	3,044	2.93	
Contractor's G & A 2.00%	1.24%	1,015	0.98	
Contractor's Profit 6.00%	3.71%	3,044	2.93	
Indirect Construction	3.27%	2,685	2.59	
Ineligible Costs	5.37%	4,404	4.24	
Developer's G & A 2.00%	1.57%	1,291	1.24	
Developer's Profit 13.00%	10.23%	8,394	8.09	
Interim Financing	2.97%	2,439	2.35	
Reserves	1.55%	1,274	1.23	
TOTAL COST	100.00%	\$82,025	\$79.02	
Recap-Hard Construction Costs	72.48%	\$59,448	\$57.27	

TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
\$522,241	\$652,801	\$2.52 \$2,611 3.03%		
0	0	0.00 0 0.00%		
1,555,000	1,555,000	5.99 6,220 7.22%		
11,129,220	11,946,856	46.03 47,787 55.51%		
402,046	402,046	1.55 1,608 1.87%		
761,053	810,291	3.12 3,241 3.76%		
253,684	270,097	1.04 1,080 1.25%		
761,053	810,291	3.12 3,241 3.76%		
671,164	671,164	2.59 2,685 3.12%		
1,100,896	1,100,896	4.24 4,404 5.11%		
322,860	0	0.00 0 0.00%		
2,098,590	2,544,254	9.80 10,177 11.82%		
609,782	609,782	2.35 2,439 2.83%		
318,549	150,000	0.58 600 0.70%		
\$20,506,139	\$21,523,478	\$82.94 \$86,094 100.00%		
\$14,862,057	\$15,794,581	\$60.86 \$63,178 73.38%		

SOURCES OF FUNDS

First Lien Mortgage (CharterMac)	52.08%	\$42,720	\$41.15
Local HOME Funds	1.95%	\$1,600	\$1.54
TDHCA HTF Funds	0.83%	\$680	\$0.66
HTC Syndication Proceeds	40.24%	\$33,004	\$31.79
Deferred Developer Fees	9.86%	\$8,090	\$7.79
Additional (Excess) Funds Req'd	-4.96%	(\$4,069)	(\$3.92)
TOTAL SOURCES			

RECOMMENDED	
\$10,680,000	\$10,680,000
400,000	400,000
170,000	170,000
8,251,000	8,251,000
2,022,478	2,022,478
(1,017,339)	0
\$20,506,139	\$21,523,478
\$10,200,000	Developer Fee Available
400,000	\$2,544,254
170,000	
8,551,587	% of Dev. Fee Deferred
2,071,331	81%
0	15-Yr Cumulative Cash Flow
\$21,392,918	\$2,475,872

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Villas at Costa Tarragona Apartments, Corpus Christi, 4% HTC #05433

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$48.58	\$12,606,381
Adjustments				
Exterior Wall Finish			\$0.00	\$0
9-Ft. Ceilings	3.00%		1.46	378,191
Roofing			0.00	0
Subfloor			(0.75)	(193,776)
Floor Cover			2.22	576,139
Porches/Balconies	\$20.33	39,184	3.07	796,611
Plumbing	\$680	588	1.54	399,840
Built-In Appliances	\$1,675	250	1.61	418,750
Stairs	\$1,650	96	0.61	158,400
Enclosed Corridors	\$38.66		0.00	0
Heating/Cooling			1.73	448,973
Sprinklers	\$1.70	259,522	1.70	441,187
Community Bldg	\$61.64	3,885	0.92	239,452
Maintenance Building	\$51.78	800	0.16	41,421
SUBTOTAL			62.85	16,311,569
Current Cost Multiplier	1.01		0.63	163,116
Local Multiplier	0.83		(10.68)	(2,772,967)
TOTAL DIRECT CONSTRUCTION COSTS			\$52.80	\$13,701,718
Plans, specs, survy, bld prm	3.90%		(2.06)	(534,367)
Interim Construction Interest	3.38%		(1.78)	(462,433)
Contractor's OH & Profit	11.50%		(6.07)	(1,575,698)
NET DIRECT CONSTRUCTION COSTS			\$42.88	\$11,129,220

PAYMENT COMPUTATION

Primary	\$10,680,000	Amort	480
Int Rate	5.750%	DCR	1.05
Secondary	\$400,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.05
Additional	\$170,000	Amort	
Int Rate		Aggregate DCR	1.05

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$652,254
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$65,688

Primary	\$10,200,000	Amort	480
Int Rate	5.75%	DCR	1.10
Secondary	\$400,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.10
Additional	\$170,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,541,952	\$1,588,211	\$1,635,857	\$1,684,933	\$1,735,481	\$2,011,898	\$2,332,341	\$2,703,822	\$3,633,711
Secondary Income	45,000	46,350	47,741	49,173	50,648	58,715	68,067	78,908	106,045
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,586,952	1,634,561	1,683,597	1,734,105	1,786,128	2,070,612	2,400,407	2,782,730	3,739,756
Vacancy & Collection Loss	(119,021)	(122,592)	(126,270)	(130,058)	(133,960)	(155,296)	(180,031)	(208,705)	(280,482)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,467,931	\$1,511,969	\$1,557,328	\$1,604,047	\$1,652,169	\$1,915,316	\$2,220,377	\$2,574,025	\$3,459,275
EXPENSES at 4.00%									
General & Administrative	\$64,105	\$66,669	\$69,336	\$72,109	\$74,994	\$91,241	\$111,009	\$135,060	\$199,921
Management	74,741	76,983	79,292	81,671	84,121	97,520	113,052	131,058	176,131
Payroll & Payroll Tax	238,040	247,561	257,464	267,762	278,473	338,805	412,208	501,514	742,363
Repairs & Maintenance	113,740	118,290	123,021	127,942	133,060	161,888	196,961	239,633	354,715
Utilities	74,482	77,462	80,560	83,783	87,134	106,012	128,979	156,923	232,285
Water, Sewer & Trash	36,000	37,440	38,938	40,495	42,115	51,239	62,340	75,847	112,271
Insurance	64,881	67,476	70,175	72,982	75,901	92,345	112,352	136,693	202,340
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	50,000	52,000	54,080	56,243	58,493	71,166	86,584	105,342	155,933
Other	34,000	35,360	36,774	38,245	39,775	48,393	58,877	71,633	106,034
TOTAL EXPENSES	\$749,988	\$779,240	\$809,640	\$841,233	\$874,065	\$1,058,607	\$1,282,362	\$1,553,703	\$2,281,993
NET OPERATING INCOME	\$717,942	\$732,728	\$747,688	\$762,815	\$778,104	\$856,709	\$938,015	\$1,020,322	\$1,177,282
DEBT SERVICE									
First Lien Financing	\$652,254	\$652,254	\$652,254	\$652,254	\$652,254	\$652,254	\$652,254	\$652,254	\$652,254
Second Lien	0	0	0	0	4,857	4,857	4,857	4,857	4,857
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$65,688	\$80,474	\$95,433	\$110,560	\$120,992	\$199,598	\$280,903	\$363,211	\$520,170
DEBT COVERAGE RATIO	1.10	1.12	1.15	1.17	1.18	1.30	1.43	1.55	1.79

LIHTC Allocation Calculation - Villas at Costa Tarragona Apartments, Corpus Christi, 4% HTC #05433

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$652,801	\$522,241		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,555,000	\$1,555,000	\$1,555,000	\$1,555,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$11,946,856	\$11,129,220	\$11,946,856	\$11,129,220
(4) Contractor Fees & General Requirements				
Contractor overhead	\$270,097	\$253,684	\$270,037	\$253,684
Contractor profit	\$810,291	\$761,053	\$810,111	\$761,053
General requirements	\$810,291	\$761,053	\$810,111	\$761,053
(5) Contingencies				
	\$402,046	\$402,046	\$402,046	\$402,046
(6) Eligible Indirect Fees				
	\$671,164	\$671,164	\$671,164	\$671,164
(7) Eligible Financing Fees				
	\$609,782	\$609,782	\$609,782	\$609,782
(8) All Ineligible Costs				
	\$1,100,896	\$1,100,896		
(9) Developer Fees				
Developer overhead		\$322,860		\$322,860
Developer fee	\$2,544,254	\$2,098,590	\$2,544,254	\$2,098,590
(10) Development Reserves				
	\$150,000	\$318,549		
TOTAL DEVELOPMENT COSTS	\$21,523,478	\$20,506,139	\$19,619,362	\$18,564,453

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$19,619,362	\$18,564,453
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$25,505,170	\$24,133,790
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$25,505,170	\$24,133,790
Applicable Percentage			3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS			\$900,333	\$851,923

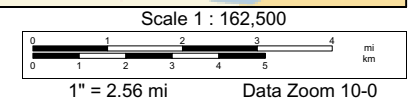
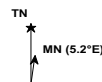
Syndication Proceeds	0.9498	\$8,551,587	\$8,091,779
Total Credits (Eligible Basis Method)		\$900,333	\$851,923
Syndication Proceeds		\$8,551,587	\$8,091,779
Requested Credits		\$900,352	
Syndication Proceeds		\$8,551,772	
Gap of Syndication Proceeds Needed		\$10,923,478	
Credit Amount		\$1,150,051	

VILLAS AT COSTA TARRAGONA



Total: 36.00 mi
Area: 63.99 sq mi

Total: 61.14 mi
Area: 157.01 sq mi



MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Item

Presentation, Discussion and Possible Approval of a waiver of the 65-day Phase Two requirement in the 2005 HOME Investment Partnership Program Rule for Ennis Senior Estates Apartments.

Background

10 TAC §53.58(2)(B) states that open cycle HOME applicants must proceed out of Phase Two of the application process within 65 days of the date it entered Phase Two. The applicant is requesting that this rule be waived to allow the application to move through the process in conjunction with its Private Activity Bond and 4% Housing Tax Credit application.

Summary

Ennis Senior Estates Apartments submitted a HOME Community Housing Development Organization (CHDO) application in August 2005 along with an application for the Private Activity Bond and Housing Tax Credit Programs. The applicant and Department, however, had concerns with another application that had been proposed in Waxahachie, Texas which would draw tenants from the same market area and with the financing participants in the transaction. Due to the time limit of the bond reservation, by the time the noted issues were resolved, the applicant had to withdraw the bond and HTC application with the intention of resubmitting the application once again. The HOME application was not withdrawn at that time. The Department resubmitted the bond application to the Bond Review Board to receive a new 2005 reservation of allocation. It was then determined by Department staff that the applicant did not meet the requirements of a Community Housing Development Organization (“CHDO”) which would make them ineligible to apply for the requested HOME CHDO funds. The application was subsequently terminated.

The applicant appealed the termination and it was determined by the legal division that the applicant did qualify as a CHDO and therefore the Executive Director reinstated the application for HOME funds. The applicant then made significant changes in the application (reduced the number of units, reduced the size of the site and buildings, etc...). However, it was determined that a new 2006 application would not be required because the programs are non-competitive and there is ample bond allocation availability and HOME CHDO fund availability, and it is recommended that the application remain in process under the 2005 application and rules for all programs. The applicant submitted all the required documents and information concerning the changes to the application and has paid additional fees. In order for the application to remain in process it will be necessary for the Board to approve the waiver request.

Recommendation

Staff recommends that the Board waive the 65-day HOME rule to allow the applications for Ennis Senior Estates Apartments to remain jointly in process under the 2005 programs and rules for all requested programs.

SINGLE FAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Action Items

Consider public comment and proposed rules and program guidelines for the 2006 Single Family HOME Investment Partnerships (HOME) Program Funding Cycle.

Required Action

Repeal of 2006 HOME Rules and adoption of a 2006 Revised HOME Rule, Title 10 Texas Administrative Code, Part 1, Chapter 53.

Background and Recommendations

At the November 10, 2005 Board meeting, the Board approved the 2006 HOME Rules, Title 10 Texas Administrative Code, Part 1, Chapter 53. However, the Board expressed a desire to reconsider the HOME Single Family rules regarding the awards process for funding recommendations. At the December Board meeting, when proposed funding methodologies and rule amendments were discussed, the Board outlined their objectives for HOME rule funding methodologies. These objectives included: a greater dispersion of funds across the state, an emphasis on applicants that have never received funding, limitations or restrictions on excessive or inflated costs for project match donations and an emphasis on need within the community. Based on public comment and staff recommendations, the Board adopted a proposed set of rules to be made available for a 30 day public comment period. The proposed rules were published in the Texas Register on December 30, 2005 and public comment was accepted through January 30, 2006. Additionally, two roundtable meetings were held to accept public comment. The meetings were conducted in Austin on January 13, 2006 and in Longview on January 23, 2006. A list of public comment with participant key along with staff's response is provided as an attachment to this document.

The proposed rule amendments posted for public comment included a rule requiring the addition of a contractor affidavit, a proposed change to the maximum contract award, changes to the contract term, the adoption of a bi-ennial funding cycle, scoring criteria and point assignment for a lottery award methodology and additional point assignments for good past program performance or having never been funded. A summary of the lottery methodology and competitive methodology and recommended program rules and guidelines is provided below.

LOTTERY METHODOLOGY

As proposed, each applicant meeting or exceeding a minimum score would receive a lottery number. Funds would be recommended in the order in which lottery numbers were selected up to the limit of funds available per Activity and geographic type in the region. Significant public comment was received supporting the use of a "weighted lottery" to distribute the Single Family HOME funds although a weighted lottery was not actually proposed in the rules. According to public comment, the use of a weighted lottery would provide additional chances to applicants based on criteria such as the amount of match provided, income level targeted and the applicants affordable housing needs score. Public comment suggested that a lottery methodology using a minimum threshold requirement would encourage more applicants across the state to apply and would allow everyone meeting the threshold a random chance for an award.

COMPETITIVE METHODOLOGY

Public comment was also received supporting the continuation of a competitive methodology with suggested changes; including revisions to the affordable housing needs score, project match restrictions, additional points for applicants that have never been funded and a bi-ennial funding competition. Whether a lottery or competitive methodology is selected, staff is recommending the following program rules and guidelines.

Recommendations Regarding Program Rules:

- Staff recommends requiring contractors, consulting firms and Administrators to complete an affidavit to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions.
- Reduce the maximum contract award amount from \$500,000 to \$275,000 for the Owner Occupied Housing Assistance (OCC), Homebuyer Assistance (HBA) and Tenant Based Rental Assistance (TBRA) activities, except as may be otherwise allowed by the Board. Note: to comply with Rider 11 regarding Conversions of Executory Contracts, it is recommended that the award amount of \$500,000 be maintained for the Contract For Deed Conversion set-aside.

For 2005, Single Family funded 32 OCC applicants that requested \$495,000 or more in project funds to rehabilitate or reconstruct 9 units. When including other applicants that did not request the maximum contract amount, 64 applicants were actually funded under the OCC activity for a total of \$22,416,557. Based on the 32 OCC applicants that requested \$495,000 or more, additional projects could be funded with proposed reductions in the contract award amount.

If the maximum contract award amount were reduced to \$440,000 (generally this would reconstruct 8 units) 36 applicants would be funded.

If the maximum contract award amount were reduced to \$385,000 (generally this would reconstruct 7 units) 41 applicants would be funded.

If the maximum contract award amount were reduced to \$330,000 (generally this would reconstruct 6 units) 48 applicants would be funded.

If the maximum contract award amount were reduced to \$275,000 (generally this would reconstruct 5 units) 58 applicants would be funded.

- Reduce the contract term for Owner Occupied Housing Assistance (OCC) from 24 months to 18 months if a \$275,000 contract award maximum is adopted.
- Conduct a bi-ennial or double funding cycle for the 2006–2007 Single Family HOME allocations.
- Evaluate and score applicants on past performance. If unsatisfactory performance exists two years prior to the application deadline date, regardless of set-aside or activity, a score of zero points will result.
- Under Section 53.61 (3)(a)(i) provide a total of 20 points under previous award/past performance for applicants that have never received an Owner Occupied Housing Assistance award. Reduce prior year points by amounts proposed in the rules.
- Under Section 53.61 (3)(a)(ii-iv) add clarifying language to ensure applicants that have satisfactory performance and whose contracts are programmatically closed are not penalized if 100% of the funds were not expended by the application deadline due date.
- Under Section 53.62 (2)(g)(1-3) add language to clarify that within 6 months of contract start date, “contract” environmental clearance must be complete.
- Adoption of a requirement for applicants applying for the OCC and TBRA activities propose targeting at least 5% of the units to persons who meet the definition of Persons With Disabilities and document how the beneficiaries will be identified and how the applicant will work with the disability community in the program design. If unable to document a person with a disability that

meets the HOME eligible guidelines, the administrator may seek a waiver of this requirement from the Department.

Recommendations Regarding Program Guidelines:

- Staff recommends that funds provided under the OCC activity to households at or below 50% of the Area Median Family Income (AMFI) be five year, zero percent interest, deferred forgivable loans. For OCC awards serving above 50% AFMI, loans would be made available at zero percent interest, repayable for a term of 30 years. This requirement would also apply to households served under the Disaster Relief program.
- Staff recommends the amount of assistance under the OCC program continue to be capped at \$55,000 unless approved on a case by case basis by Department staff after sufficient justification.
- Staff recommends the amount of homebuyer assistance continue to be capped at \$10,000 across the State.
- Staff recommends the amount of donated services for project match be capped based on soft costs reimbursed by the Department from Program Year 2004.

Recommended Program Guideline Applies to a Weighted Lottery Methodology Only:

- For a weighted lottery methodology only, staff suggests providing additional chances for an AHN score higher than 4. For an AHN score of 5, one additional chance would be awarded, for an AHN score of 6, two additional chances would be awarded and for an AHN score of 7, three additional chances would be awarded. If an applicant is applying for other single family non-development activities and has never received a HOME award, an additional three chances would be awarded. If an applicant has a population size of 1,500 or less, an additional 3 chances would be awarded. If an applicant has a population size of 1,501 to 3,000, an additional 2 chances would be awarded and finally if an applicant has a population size of 3,001 to 5,000, one additional chance would be awarded. Under this proposal, an applicant may qualify for an additional nine chances for a total of ten in a weighted lottery methodology.

Recommended Program Rule Applies to a Competitive Methodology Only:

- Under Section 53.61 (b)(1), the affordable housing needs score for each applicant would not be multiplied by a factor of three as proposed in the lottery methodology and points would be assigned in a range from 1 – 7 depending upon the number a community received for their 2006 HOME Affordable Housing Need Score (AHNS).

STAFF RECOMMENDATION

Staff is recommending the use of a competitive methodology to award the Single Family HOME funds for 2006-2007. The competitive methodology achieves the Board's and the public's objective of: greater dispersion of funds across the state, an emphasis on applicants that have never received funding, limitations or restrictions on excessive or inflated costs for project match donations and an emphasis on need within a community. Based on these objectives, staff attempted to address them in the proposed rules. To achieve greater dispersion of the funds and to ensure more applicants receive funding, a reduction of the maximum contract award is recommended along with a bi-ennial funding cycle. Secondly, to provide a greater emphasis on applicants that have never been funded applying under the OCC activity, additional points are being awarded. Additional points are also being awarded to those applicants applying for HBA and TBRA that have never received HOME funding. Thirdly, to address project match donations that seem excessive, staff is proposing the use of cost caps based on soft costs previously reimbursed by the Department from Program Year 2004 for match purposes only. To address the fourth issue, staff is proposing to reduce the affordable housing needs score under a competitive

funding cycle from the maximum of 21 points to a range of 1 – 7 points. Staff realized the higher AHN score multiplied by a factor of three prohibited many deserving applicants from being able to successfully compete for funds.

As part of its due diligence, staff has recently met with the Texas Lottery Commission and the Texas Bond Review Board to discuss their lottery equipment, processes and procedures. Due to the 78 set-asides required under the single family HOME Program funding cycle, a lottery funding methodology proves administratively cumbersome and potentially creates a greater opportunity for error. Given the proposed rule and policy guideline changes listed above and the time constraints associated with meeting the Legislative Budget Board (LBB) performance requirements, staff considers the use of a competitive methodology to award the Single Family HOME funds for 2006-2007 to be the most efficient process while continuing to meet the Board's objectives.

Responses to public comment on the proposed changes to the 2006 State HOME Rules.

The Single Family Finance Production Division conducted two public meetings to accept public comment on the proposed changes to the State HOME rules (10 TAC 53) as published December 30, 2005 in the Texas Register. The meetings were held on January 13, 2006 in Austin, and on January 23, 2006 in Longview. The Department also received comments in writing, by e-mail, fax, and mail. The responses include administrative clarifications and corrections made to the HOME Rules by staff, as well as substantive comments on the HOME Rules, and the corresponding Departmental response. Comments and responses are presented in the order the issues appear in 10 TAC 53. After each comment title, numbers are shown in parentheses. These numbers refer to the person or organization that made the comment as reflected in the participant key. Copies of the exact comment letters provided are available on the Department's website.

§53.53 (I) Applicant Requirements – Contractor Affidavit

No comment received.

Staff Response:

Staff recommends no change to the proposed section.

§53.54 Application Limitations

§53.54 (1) – Reducing contract award amount from \$500,000. to \$275,000.

Comment:

Substantial comment expressed opposition to reducing the award amount. Comments stated that the reduction would significantly decrease the number of families served under the HOME Program, and is not reasonable. Currently, \$500,000 can assist 9 households, and \$275,000. would assist 5 households. One comment opposing this proposal stated that the amount of funding is too low for the experienced administrator to maintain their normal level of production. (2, 3, 4, 6, 7, 10, 12, 13, 16, 18, 23,32, 33, 34, 35, 38, 41, 42, 46, 48, 49, 51, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63,64, 65, 66, 67, 68, 69, 70)

Comment addressed the Homebuyer Assistance activity, and states that HBA is not over subscribed, and that the proposed change would drastically reduce the number of homebuyers assisted, especially if an organization's service area covers several counties. Reducing the contract award amount will hinder the HBA program. (44)

Comment in support of the proposed change stated that the communities they work with supported the maximum HOME award of \$275,000. as proposed. Three individuals also voiced their support of the proposed change at the public meetings; they stated that more communities would be funded. (9, 24, 28, 29)

One comment from Jean Langendorf, United Cerebral Palsy of Texas (UCP), inquired if the direct award of \$500,000 to UCP for the Home of Your Own program would also be reduced to \$275,000.

Staff Response:

Staff recommends no changes to proposed section. With regards to comments that fewer households would be assisted, staff agrees that the number of households assisted under a \$275,000 contract may be up to 5 households. However, under this change, more communities will be funded and the total number of households assisted within a region will potentially remain the same. In response to UCP's inquiry, UCP receives a direct award amount, as stated in the 2006 Consolidated Plan. UCP's award amount will not change for this funding cycle.

§53.54 (1)(A) – Reduce Owner Occupied Contract term from 24 mos. to 18 mos.

Comment:

Substantial comment expressed opposition to this section. Comments stated that reducing the contract terms is not a viable option. Currently Administrators are forced to request a 6-month extension to

complete projects, due to the paperwork involved. (2, 4, 5, 6, 7, 12, 14, 16, 18, 32, 33, 34, 35, 36, 41, 42, 47, 50, 51, 52, 53, 54, 56, 57, 58, 59, 62, 63, 65, 68, 69)

One comment requested the contract term be left at 24 months because currently the overall implementation is delayed, and the de-obligation of funds would create a negative political situation at the local and state level. (10)

Comments in support of the change stated the 18-month contract term is reasonable, considering the decrease in award amount. (9, 24)

Staff Response:

Staff recommends no change to the proposed section, considering the recommended decrease in contract award, 18 month contracts is a reasonable contract term to complete a minimum of five units.

§53.54 (1) (B) and (C) - Contract term for Homebuyer Assistance

Contract Terms for HBA and TBRA

No Comment received. Staff recommends no change to the proposed section.

§53.57 (9) – Distribution of Funds – Biennial funding cycle

Comment:

Comments received in support of a biennial funding cycle or a double funding cycle noted that it would expedite the funding process, allow more communities to receive funding, and prevent some cities from being funded two years in a row. (2, 3, 4, 6, 7, 9, 10, 24, 28, 29, 32, 33, 34, 35, 39, 41, 42, 43, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70). No comments received were in opposition for a biennial funding cycle.

Staff Response

Staff concurs with the comments and recommends the following language:

(9) Single Family Non-Development Applications. Applications submitted for single Family non-development activities under a competitive application cycle may be accepted, reviewed, and recommended for an award on an annual or biennial funding cycle.

§53.59 Process for Awards

§53.59(b) – Selection procedures for non-development activities

No comment

§53.59 (b)(2) – Applications not subject to the Regional Allocation Formula

No comment

§53.59 (b)(3) – Applications subject to the Regional Allocation Formula - Minimum Score

No Comment

§53.59(b)(4) – Lottery

Comment:

Substantial comment requested a “weighted Lottery” method, stating that this method would be the best and most reasonable method if it is decided by the Board that funds will be allocated in this manner. Comments received stated that a weighted lottery method will encourage a larger applicant pool, provide a broader chance for distributing funds based on multiple criteria. (1, 2, 3, 4, 5, 6, 7, 10, 11, 13, 14, 15, 28, 29, 32, 33, 35, 36, 37, 38, 42, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71)

One comment from the City of Sulphur Springs, stated that the City has applied for OCC funds 4 out of the past 5 years, and has only been funded once. The City supports the lottery method because it is virtually impossible for the City to receive funding under the competitive method. (8)

One comment from Tres Davis, GrantWorks Consultant stated a weighted lottery has the benefits of broadly distributing the HOME funds and drastically reducing “point chasing” in the award process while at the same time rewarding those applicants with greater need and/or better application designs with more “lottery chances.” Mr. Davis also provided a proposed method for a lottery fund distribution (16).

One comment from the Association of Rural Communities in Texas (ARCIT) suggested a competitive weighted lottery should be considered, using factors such as poverty/need, etc. It was also suggested that this method of funding be thoroughly studied before implementing to insure equality of distribution. (50)

Several comments were received opposing the lottery method of fund distribution. Comments stated that grant consultants will submit a larger number of applications to increase the probability of their cities getting funded, cities with high AHN scores will not have to submit match to reach the 66 point threshold. The competitive method of awarding funds would be fair if the State would correct the methodology it uses for calculating the AHN score and if the rules for match were stricter so that cities could not creatively inflate their match to increase their scores. (9)

Comment from the Texas Association of Community Development Corporations (TACDC) states that a lottery system does not prioritize the most efficient use of public resources and only requires applicants to provide the minimum to meet threshold requirements to enter the lottery. (12,16)

Comment from Michael Hunter opposing a lottery method stated the Lottery system does not reward good work. Competition is the underlying foundation for this country’s entire economic system. (23)

Comment from Judy Langford, Langford Community Management Services stated that a competitive cycle with a realistic Affordable Housing Need (AHN) Score would be preferable to a lottery system. (34, 41, 42, 60)

Comment from Steve Kerbow, Kerbow & Assoc, Consulting, Inc., stated that the Department has not conducted adequate research on the impact of a lottery system, and is opposed to a lottery method. Since “chance” is a large element of any lottery, a lottery does not ensure that critical affordable housing funds will go to the areas of greatest need. (39)

Comment from State Senator Todd Staples, District 3, states that a constituent in his district raised the question of the proposed lottery method for distributing HOME funds. His concern is that a lottery method may not ensure that critical affordable housing funds will go to the areas of greatest need, and since TDHCA has not previously used this method, concerns have been raised that this method has not been fully evaluated to avoid possible conflicts and unintended consequences. Senator Staples requested that the rules be drafted through a longer, more deliberative process in concert with the many stakeholders who benefit from the program.

Staff Response:

Staff appreciates the positive feedback regarding a lottery method for awarding HOME funds. Although a weighted lottery system was not proposed in the rules, many comments received refer to a weighted lottery. Staff has conducted preliminary research of a lottery method as it relates to awarding HOME funds. If a lottery method of awarding HOME funds is adopted by the Board, staff has proposed weighting factors such as the AHN score, whether an applicant has ever been previously funded and the population size of the community served.

Staff has made an administrative correction as follows:

(4) Applicants will be notified of their score in writing no later than seven calendar days after all applications received have been scored. Only Applicants meeting or exceeding a minimum score will receive a lottery number. Funds will be recommended in the order in which lottery numbers are selected up to the limit of funds available per Activity and geography type in the region. Should an Activity not have enough qualified Applicants, the funds will be redirected to the next Activity and geography type in the region that had a higher number of qualified Applicants. If sufficient applications are not received in a

region, any remaining funds will be redirected to the region with the highest number of qualified Applicants. Applicants may also receive a partial recommendation for funding. A minimum award amount ~~may~~ be established to ensure feasibility.

§53.59(5) – Notification of funding recommendations

No comment

§53.61 – Threshold and Selection Criteria for Single Family Non- Development Activities

§53.61(a)(1-4) – Threshold point assignment

No comment

§53.61(b)(1 thru 8) – Scoring criteria point breakdown.

§53.61.61(b)(1) – Affordable Housing Needs Score (AHN)

Comment:

Comments received requested the Department re-evaluate the calculation of the AHN scores. Comments stated that AHN scores in several cities do not accurately reflect the actual need of the community. One comment requested the Department consider poverty, per capita income, local unemployment, and/or other community distress factors in the scoring system. (39)

One comment stated that all geographic areas of the State have need, and the available funding will not allow them to address all of their needs. The State determined AHN score should be re-calculated so that its impact on grant awards is minimized, this would encourage organizations in low scoring needs areas to apply. (23)

Suggestion made to not triple the AHN score (60). One comment requested that the Department eliminate the Urban/Ex-Urban and the AHN score. (8, 9, 34, 24, 41)

Staff Response:

Staff appreciates the concerns regarding the AHN score. The AHN score serves as a measure of the general level of affordable housing need in an area. The AHN component utilized for scoring applications of the HOME Program was approved by the Board on November 10, 2005. If the Board adopts a competitive methodology, staff recommends not multiplying the AHN score by a factor of three. Points will be assigned in a range from 1-7 depending upon the number a community received for their 2006 HOME Affordable Housing Needs Score (AHNS).

§53.61(b)(2) – Income Targeting

No Comments

§53.61(b)(3) – Previous Award and Past Performance

Comments:

Comment from Matt Hull, Texas Association of Community Development Corporations suggested the Department implement a system whereby negative past performance can be forgiven after a certain period of time has elapsed. TACDC suggests that time period be set at seven years. (12,18)

One comment from Tres Davis, GrantWorks Consulting, also suggested a cut-off date be established for unsatisfactory past performance. (16, 34)

Comment from Mary Kay Thomas, Amazing Grants, Inc. suggested including an additional category for 2004 contracts that are 100% committed and 100% drawn. 11 points are proposed for 100% committed and 50% drawn; therefore, additional points should be awarded to any community who has drawn 100% of the 2004 funds. (24).

One comment from the City of Emory suggests the Department limit the number of points awarded to applicants that have not been funded for at least three years. Awarding additional points for applicants

that have never been funded disadvantages applicants that have not been funded for a three-year period. Requests to limit the number of points to never funded applicants, so that applicants who were funded more than three years ago have the ability to compete. (59, 32)

Staff Response:

Staff appreciates the concerns, and concurs that a cut-off date be established so that an applicant will not continue to be penalized for unsatisfactory past performance which may have occurred years earlier. Staff recommends the following language:

(3) Previous Award and Past Performance. Applicants will receive points for having received an award and performed in accordance with their contracts and Department rules. If unsatisfactory performance exists regardless of set aside or activity, a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven if 2 years from the application deadline date has elapsed. In cases where entities have been funded for multiple years, the most recent award will be reviewed for performance.

Regarding the comment of limiting the points for applicants which have never been funded, the intent of awarding additional points to those applicants is to encourage new entities to apply. Staff recommends not changing the point assignment for this section.

§53.61(b)(3)(B)(iv)

Comment:

Comment on HBA contracts not 75% committed and 50% drawn receive 11 points. Will a delay in an entity receiving a contract from TDHCA be considered? (44)

Staff Response:

Applicants will receive 11 points if they were awarded a 2004 HOME contract, and that contract is 75% committed and 50% drawn based on the number of units contractually obligated, by the application deadline date. The 2004 HBA contracts expire in November of 2006, the commitment and expenditure rate is reasonable for a 2004 contract. However, if necessary, consideration may be given for contract delays attributed to TDHCA. Staff recommends no change to this section.

§53.61(b)(3)(A)(i thru v)

Staff has made administrative corrections as follows:

(A) Applicants applying for Owner Occupied Housing Assistance:

- (i) Applicant has never received a Owner Occupied Housing Assistance HOME award, 20 points or;
- (ii) Applicant has received an award prior to 2002 and is 100% committed , drawn, and programmatically closed, based on the number of units contractually obligated, from contract start date by application deadline date, 17 points; or
- (iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn, based on the number of units contractually obligated from contract start date by application deadline date, 14 points; or
- (iv) Applicant received a HOME award in 2004 and funds are 100% committed and 50% drawn based on the number of units contractually obligated from contract start date by application deadline date, 11 points; or
- (v) Applicant received a HOME award in 2005 and an a contract Environmental clearance completed from contract start date by application deadline date, 8 points

§53.61 (b)(3)(B)(i thru v) Applicants applying for all other Single Family non-development activities:

- (i) Applicant has never received a HOME Award, 20 points; or
- (ii) Applicant has received an award prior to 2002 and is 100% committed, drawn and programmatically closed based on the number of units contractually obligated, from contract start date by application deadline date, 17 points; or
- (iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on the number of units contractually obligated from contract start date by application deadline date, 14 points; or
- (iv) Applicant received a HOME award in 2004 and funds are 75% committed and 50% drawn based on the number of units contractually obligated from contract start date, by application deadline date, 11 points; or
- (v) Applicant received a HOME award in 2005 and a contract Environmental Clearance initiated completed by application deadline date, 8 points.

§53.61(b)(4) – Match

Comments:

Comments received suggested requiring each applicant to provide a minimum of 12.5% match. (9, 16, 39)

Remove match as a scoring criteria so that smaller communities do not have a disadvantage in the system. (39)

One comment supported the additional match points for population and views it as a better opportunity for smaller communities. (24)

One comment suggested the match burden should also be on Multi-Family because the biggest match burden is on the smallest communities. (26, 50)

Staff Response:

Match is a federal requirement under the HOME final Rule at 24 CFR 92.218. HUD match requirement is twenty-five percent. However, Texas met HUD requirements for a fiscal distressed State; therefore, the HUD match requirement has been reduced to 12.5%. The match scoring criteria has been modified to allow small communities the opportunity to provide match and still be competitive; by awarding additional points based on population size. Staff recommends match remain in the scoring criteria.

§53.61(b)(5) – Local Contractor Letters of Interest

No comment

§53.61(b)(8) – Serving Persons with Disabilities

Comments:

Comment from Jean Langendorf, United Cerebral Palsy of Texas (UCP) states that TDHCA has encouraged the development of some housing that meets the needs of people with disabilities; however, additional efforts are needed. The 2006 Consolidated Plan states that a minimum of 5% of the annual HOME Program funds will be allocated to serve persons with disabilities. In order to target services in all regions and activities to serve the housing needs of people with disabilities, a recommendation to the following proposed rule is made:

~~(8) (c) Serving Persons with Disabilities. To be eligible for these points, the Applicants must propose targeting 400% at least 15% of the units to persons who meet the definition of Persons with Disabilities and have a document how the beneficiaries will be identified and how the applicant will working with the disability community, 2 points. (20, 45)~~

Staff Response:

Staff appreciates the compliments related to the Department's efforts to serve persons with disabilities. In order to be in compliance with §2306.111(c) of the Texas Government Code and the Consolidated Plan, Staff recommends that applicants must target 5% of the total units contractually obligated to persons who meet the definition of persons with disabilities and document how the beneficiaries will be identified and how the applicant will work with the disability community. Staff also proposes this rule change be specific to the Owner Occupied Housing Assistance (OCC) and Tenant Based Rental Assistance (TBRA) Programs. OCC applications are generally funded in every uniform state service region, thereby assuring the availability of the program statewide. Historically the TBRA Program has served a population of persons with disabilities. A direct HOME award of \$500,000 is made by the Department to the Home of Your Own Program on an annual basis for Homebuyer Assistance and/or Homebuyer Assistance with Rehabilitation.

§53.62(a) thru (f) – Program Administration

No comment

§53.62(g) – Substantial progress in contract performance

Comment:

Comment was received requesting that the environmental clearance requirement be clarified. (17)

Staff Response:

Staff has made an administrative change to clarify the environmental clearance requirement:

(g) Department may terminate a contract in whole or in part. If Applicant has not achieved substantial progress in performance of a contract within six (6) months of the effective date of the contract, the contract will terminate. The Department will track substantial progress during the initial six (6) month period and throughout the contract term. Substantial progress in contract performance must satisfactorily be completed during the term of the contract as follows:

(1) Owner Occupied Housing Assistance:

(A) 6 months, Contract Environmental Clearance must be complete;

(B) 12 months, 50% of funds must be committed, 25% of funds drawn, and 25% of eligible match supplied provided;

(C) 18 months, 100% of funds must be committed, 50% of funds drawn, and 50% of eligible match supplied provided;

(D) 24 months, 100% of funds must be committed, 100% of funds drawn, and 100% of eligible match supplied provided, based on the number of units contractually obligated.

(2) Homebuyer Assistance Activities:

(A) 6 months, Contract Environmental Clearance must be ~~initiated~~ complete;

(B) 12 months, 50% of funds must be committed, 25% of funds drawn, and 25% of eligible match supplied provided;

(C) 18 months, 75% of funds must be committed, 50% of funds drawn, and 50% of eligible match supplied provided;

(D) 24 months, 100% of funds must be committed, 100% of funds drawn, and 100% of eligible match supplied provided, based on the number of units contractually obligated.

(3) Tenant Based Rental Assistance:

(A) 6 months, Contract Environmental Clearance must be ~~initiated~~ completed;

- (B) 12 months, 50% of funds must be committed, 25% of funds drawn, and 50% of eligible match ~~supplied~~-provided;
- (C) 18 months, 75% of funds must be committed, 50% of funds drawn, and 50% of eligible match ~~supplied~~ provided;
- (D) 24 months, 100% of funds must be committed, 75% of funds drawn, and 75% of eligible match ~~supplied~~ provided;
- (E) 30 months, 100% of funds must be committed, 100% of funds drawn, and 100% of eligible match ~~supplied~~ provided, based on the number of units contractually obligated.

§53.63 Community Housing Development Organization (CHDO) Certification.

Comment:

The Department will not certify an organization as a CHDO unless the organization applies for and receives HOME funds. As of January 1, 2004, §11.182 of the Tax Code is no longer tied to CHDO certification, and the abuse of the property tax exemption has stopped in Texas. Other public and private funding sources are prioritizing housing and community development funding for CHDO's. CHDOs working in rural Texas may not apply for HOME funds through TDHCA except every 5 years. While their CHDO certification may expire after the period of the contract, the organization remains unchanged, and would still qualify as a CHDO if it were applying for HOME funds. TACDC recommends that TDHCA expand the CHDO certification to a case by case basis whereby organizations that have been certified as CHDOs in the past, that otherwise still could be certified as a CHDO, and are applying for funds or programmatic support from another public or private source where CHDO certification enhances the application, could be certified as a CHDO. (12)

Staff Response:

While the Department is aware of the positive effects that recent changes to the Texas tax code have had on previous abuses of the CHDO Certification process, we are unable to consider any significant changes to our current certification process.

The Department is sympathetic to the needs of qualified nonprofit CHDOs to seek funding through public and private sources. Qualified applicants from both rural and urban communities may apply for HOME CHDO funding on an annual basis from TDHCA. However, a qualified nonprofit entity is only certified as a CHDO when it applies for HOME CHDO funds and completes a qualified CHDO activity. TDHCA has no authority, from The U.S. Department of Housing and Urban Development (HUD) to certify qualified entities as CHDOs for any other purpose. While it is common for nonprofits to maintain the organizational characteristics that qualify them as CHDOs, TDHCA does not certify or re-certify organizations unless they utilize CHDO funding. HUDs directives (CPD Notice 97-11, HOMEfires - Vol. 4 No. 1, April 2002) are clear on these matters.

§53 – General

Regarding §53.53(k)

Comments:

Substantial comments were received in writing regarding §53.53(k) which reads:

“An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the applicant’s cash reserve obligation or made promises in connection therewith.”

Comments reflect opposition to this section, stating that it diminishes match resources that may be provided by contracted construction contractors and/or consultants.

(1,2,3,4,5,6,7,11,13,14,15,32,33,36,37,38,42,46,47,49,58,64,66,69,70,71)

Staff response:

§53.53(k) was a proposed amendment to the 2006 State HOME Rules, and intended to clarify the federal match and conflict of interest requirements of the HOME Program Final Rule at 24 CFR Part 92. The 2006 State HOME Rules were approved by the Board on November 10, 2005. A HOME application roundtable discussion was conducted on November 30, 2005, to notify and discuss the proposed significant changes to the HOME rules and Program Guidelines. Staff recommends no change to the section.

Regarding an Additional Set Aside

Comments from the Texas Association of Community Development Corporations and Michael Hunter, reiterated a suggestion discussed at the January 13, 2006 Roundtable, of a separate set aside specifically for entities that have never been funded for HOME Owner Occupied funds. TACDC supports this suggestion to more widely distribute funds statewide and to build applicant capacity competing within the set aside. TACDC suggest the maximum award should be \$275,000. (12,23)

Staff Response:

Staff appreciates the positive feedback. Staff feels that this proposal is significant enough to warrant further public comment and research to evaluate effects of the suggestion. Historically, grant consultants complete and administer many of the applications submitted; therefore, applicant capacity is not a significant issue.

Regarding Future Funding Issues

One comment from Michael Hunter stated that since the beginning of the HOME Program, PJ's have worried about the continuation of HOME funding and rightly so. However, attempting to recover federal funds from low-income recipients is not the best way to assure future funding streams. Mr Hunter suggests that a solution is for the State to find an alternative funding source to eventually replace the federal HOME funding. He mentions that other States have began establishing local funding sources such as, a fee on new construction to fund affordable housing, an increase on recording fees, and creating a State based affordable housing fund.

Staff Response

Staff appreciates the positive feed back. While the allocation of HOME funds to the State from HUD has decreased slightly, the Department is examining new avenues to recapture HOME funds. Deferred forgivable and repayable loans are ways to accomplish this goal. We realize other States have made strides to address the shortfall in funding affordable housing. Any major program reconstruction such as increased recording fees or creating a State based affordable housing fund would require legislative approval.

Program Guidelines and Policy Changes:

1. \$55,000. cap on Owner Occupied Housing Assistance reconstruction projects.

Comments were received concerning the maximum allowable amount of \$55,000. to be expended per unit. Comments stated that \$55,000. is not a sufficient amount to reconstruct a unit, due to the rising building expenses and increasing costs. Comments suggest increasing the amount to \$60,000. per unit and adjusted annually, based on the Consumer Price Index.

(2, 3,4,6,7,10,13,16,32,33,35,38,39,42,46,48,49,52,53,55,56,57,59,62,64,65,66,67,68,69,70,)

Staff Response:

The \$55,000 per unit cap on reconstruction projects under the Owner Occupied Housing Assistance Activity is not cited in 10 TAC 53, but rather a program enforced guideline. The Department currently reviews requests to exceed the \$55,000 per unit limit on a case by case basis. Staff recommends the cap remain the same until such time that the Department researches and prepares a comprehensive construction cost analysis that will be equitable statewide.

2. Deferred Forgivable Loans and Repayable Loans for Owner Occupied Housing Assistance projects.

Comments were received relative to the Department's proposal of requiring a deferred forgivable loan or a repayable loan for Owner Occupied Housing Assistance projects. The majority of the comments received are in opposition of this program policy change. Reasons for the opposition are summarized below:

A) Most beneficiaries of this program are elderly, and/or disabled, on a fixed income, have owned their homes for many years as their only asset, and will be reluctant to apply for assistance knowing that a lien will be placed on their home, or that they will have to pay on a loan for another 30 years. Assistance should remain in the form of a grant.

(1, 6, 10, 14, 41, 42, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 60, 62, 63, 65, 66, 67, 68, 69, 70, 71)

B) Recommended that the assistance should be in the form of a grant for households under 50% AMFI, and for the Disaster Relief program. (3)

C) The forgivable or repayable loan program should be delayed until 2007 or later.

(11, 13, 15, 23, 37, 38, 61, 67)

D) This initiative should be thoroughly evaluated and discussed before any action is taken, recommend that households assisted with AMFI of 50% or less, be in the form of a grant. (32, 33, 42, 51)

E) Excessive Administrative time and cost burden, which may not be feasible to the Department. (34, 41)

F) There is a major concern that the lower income families will be disenfranchised in the new design. (23)

Staff Response:

In an effort to recapture HOME funds for future program use, Staff recommends that for households assisted through the HOME Owner Occupied Housing Assistance Program, assistance be in the form of a five-year deferred forgivable loan for households whose income is at or below 50% of the Area Median Family Income (AMFI), as defined by HUD. Assistance will be in the form of a 30-year, zero percent interest, repayable loan for households whose income is 51-80% of the Area Median Family Income (AMFI) as defined by HUD. The Department will provide sample loan documents and service the loans, if adopted.

3) Homebuyer Assistance – Maximum amount of Assistance

Comment:

Comment from Southeast Texas Housing Finance Corporation requested that since the maximum amount of assistance TDHCA is proposing is \$10,000., which they support, the maximum amount for an HBA contract should remain at \$500,000.00., in order to continue administering a successful Homebuyer program for their service area. (44)

Staff Response:

Staff is recommending that the maximum amount of homebuyer assistance for eligible first time homebuyers be \$10,000. per household, which is the maximum amount of assistance allowed by HUD. In an effort to serve more communities, staff is suggesting the maximum contract amount be reduced to \$275,000 for this activity.

4) Caps for Soft Costs as they relate to match.

Comment:

Substantial comments were received opposing caps for soft costs. Comments stated restricting and capping funds on soft, hard and match costs does not take into consideration that the state of Texas is very big and diverse. Soft costs have already been reduced, yet expenses continue to rise. In addition, hard costs remain stagnant for over a decade, and construction costs have multiplied. Each project should be assessed on a case by case basis, rather than restricting funds statewide. (1, 5, 11, 13, 14, 15, 32, 33, 36, 37, 38, 46, 47, 48, 55, 58,)

Capping match is problematic since “normal charges” vary greatly by company and/or professional services provided. (2,42)

There is a need to review the caps on soft, hard and match costs. The Agency should acknowledge that even if contract funding amounts are reduced, the cost of delivery does not substantively change. (10,52,53,56,57,62,63,65,68,69,71,)

Soft Costs as it relates to Homebuyer Assistance: Costs for soft cost items vary tremendously from one part of the state to another. Suggest allowing 10% of the award amount for soft costs and not worry about how much each individual item costs. (23).

One comment supports the cap on soft costs as it relates to match. The value of these costs should be assigned by the state – the higher the better. (24)

Staff Response:

Staff recommends setting a maximum dollar limit on donated services for soft costs only as they relate to match. The caps will be based on a statewide average for each individual cost derived from Program year 2004. These amounts will be adjusted yearly based on reimbursement costs from the prior program year. The caps, as they relate to match, will be utilized in the administration of a contract, and during the application evaluation process. The Department is in the process of finalizing the amounts and, will be included in the 2006 single Family HOME Application Guidelines, and Procedures Manual.

5) §53.58(c) Clarification for Application Deficiencies

No comment

Staff Response:

Administrative deficiencies are currently defined as the absence of information or a document which requires clarification or correction of information which was submitted at the time of the Application. Staff will prepare a list of eligible deficiency items. Items will be included in the 2006 application guideline.

Participant Key

1. Jerry C. Agan, Presidio County Judge
2. Fernando P. Gomez, Mayor, City of Gregory
3. Robert T. Pickle, Mayor, City of Eustace
4. T. Bynum Hatley, Mayor, City of Hallsville
5. Phil Patchett, City Manager, City of Trinity
6. Amy Fischer, City Secretary, City of Miles
7. Margie Crawford, City Secretary, City of Elkhart
8. Marc Maxwell, City Manager, City of Sulphur Springs
9. Charles Lucas, Lucas Consulting
10. Gwen Wetsel, City Secretary, City of Merkel
11. Carolyn Bilski, Austin County Judge
12. Matt Hull, Policy Analyst, Texas Association of Community Development Corporations
13. George E. Grubb, Jeff Davis County Judge
14. Pete DeLa Garza, Kleberg County Judge
15. Billie Jo Tennill, City Secretary, City of Odem
16. Tres Davis, GrantWorks Consultants
17. Bruce Spitzengel, GrantWorks Consultants
18. Mark Leonard, City of Huntsville
19. Mierenda White-Harris, Kebrow & Associates-round table verbal comments
20. Jean Langendorf, United Cerebral Palsy of Texas
21. Mark Taylor, Gary Traylor & Associates round table verbal comments
22. J. Welch, City of DeLeon round table verbal comments
23. Michael Hunter, Hunter & Hunter
24. Mary Kay Thomas, Amazing Grants, Inc.
25. Buddy Erwin, City Clerk, City of Linden round table verbal comments
26. Clay Richards, City Administrator, City of West Tawakoni round table verbal comments
27. Marty Mascar, Housing Services, Inc. Consultant round table verbal comments
28. Raymond Van, Raymond K. Van & Assoc. Consultant round table verbal comments
29. Jim Van, Raymond K. Van & Assoc. Consultant round table verbal comments
30. Justin Epker, GrantWorks, Inc. Consultants round table verbal comments
31. Mike Murray, GrantWorks, Inc. Consultants round table verbal comments
32. David C. Davis, Haskell County Judge
33. John Brady, Mayor, City of Barry
34. Judy Langford, Langford Community Management Services
35. Kevin Bowden, City Manager, City of Rusk
36. Phil Patchett, City Manager, City of Trinity
37. Gilbert Hess, Mayor, City of Josephine
38. Robbin Lamkin, Mayor, City of Farmersville
39. Steve Kerbow, Kerbow and Associates consulting, Inc.
40. Sylvester Cantu, City of Midland
41. Robert J. Wood, City Manager, City of Flatonia
42. Seale Brand, Mayor, City of Orange Grove
43. Denise Dority, Resource Management & Consulting Co.
44. Ron Williams, Southeast Texas Housing Finance Corporation
45. Amber McCarthy, Chair, Disability Policy Consortium
46. Mike Land, City Manager, City of Gainesville
47. Pat James, Mayor, City of Celeste
48. Robert E. Lindsey III, Mills County Judge
49. Michael Crain, Mayor, City of Amherst
50. Association of Rural Communities in Texas (ARCIT)
51. Richard Knapik, Mayor, City of Bay City
52. Sam A Listi, City Manager, City of Belton
53. Val Beard, Brewster County Judge
54. Juana Garza, Grants Administrator, Brooks County
55. Ralph E. Salinas, Mayor, City of Carrizo Springs

56. Raul L. Reyes, Mayor, City of el Cenizo
57. Debby D. Marshall, Executive Director, Corrigan Housing Authority
58. Dora V. Rodriguez, Interim City Manager, City of Devine
59. Clyde C. Smith, Director of City Planning, City of Emory
60. Paul R. Ward, Mayor, City of Florence
61. Vicki Emfinger, City Secretary, City of Goldsmith
62. Danny Davis, City Manager, City of Littlefield
63. Harold Slemmons, Mayor, City of Lone Oak
64. Richard Bryant, Mayor, City of Mart
65. David Mills, City Manager, City of Monahans
66. Craig Graham, Mayor, City of New Deal
67. David W. Parker, City of San Saba
68. Bill Ezell, Mayor, City of Seadrift
69. Russell Bartlett, Mayor, City of Tuscola
70. John W. Murrile, Wharton County Judge
71. Belinda Terrell, City of Whiteface
72. The Honorable Todd Staples, State Senator, District 3

2006 HOME Investment Partnership Program (HOME) Rule
Title 10, Part 1, Chapter 53 Texas Administrative Code

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§53.50.Purpose.

This Chapter clarifies the use and administration of all funds provided to the Texas Department of Housing and Community Affairs (Department) by the United States Department of Housing and Urban Development (HUD) pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 United States Code §§12701-12839) and HUD regulations at 24 Code of Federal Regulations (CFR) Part 92. The State’s HOME Program is designed to:

- (1) focus on the areas with the greatest housing need described in the State Consolidated Plan;
- (2) provide funds for home ownership and rental housing through acquisition, new construction, rehabilitation, reconstruction, tenant-based rental assistance, and pre-development loans;
- (3) promote partnerships among all levels of government and the private sector, including non-profit and for-profit organizations; and
- (4) provide low, very low, and extremely low income Texans with affordable, decent, safe and sanitary housing.

§53.51. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which HOME funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of housing.

(2) Administrative Deficiencies--The absence of information or a document from the application as required in this rule.

(3) Applicant--An eligible entity which is preparing to submit or has submitted an application for HOME funds and is designated in the application to assume contractual liability and legal responsibility as the Recipient executing the written agreement with the Department.

(4) Board--The governing board of the Texas Department of Housing and Community Affairs.

(5) CFR--Code of Federal Regulations.

(6) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) Has the physical and economic characteristics of a Colonia, as determined by the Texas Water Development Board.

(7) Community Housing Development Organization (CHDO)--A private nonprofit organization that satisfies the requirements of 24 CFR 92.2 and is certified as such by the Department.

(8) Community Housing Development Organization Pre-Development Loan--A form of assistance in which funds are made available as loans to cover those costs outlined in 24 CFR 92.301.

(9) Competitive Application Cycle--A defined period during which applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be reviewed in accordance with the rules for application review published in the NOFA, and application guidelines.

(10) Consolidated Plan--The State Consolidated Plan prepared in accordance with 24 CFR Part 91, which describes the needs, resources, priorities and proposed activities to be undertaken with respect to certain HUD programs and is subject to approval annually by HUD.

(11) Demonstration Fund--A reserve fund for use alone or in combination and coordination with other programs administered by the Department. This Fund will be available for out of cycle applications, innovative programs brought to the Department for consideration and emergency programs. Additionally, this fund may be used with other programs administered by the Department as outlined in the Consolidated Plan, as approved by the Board.

(12) Department--The Texas Department of Housing and Community Affairs.

(13) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of multi-unit or single family residential housing that meet the affordability requirements.

(14) Expenditure--Approved expense evidenced by documentation submitted by the Recipient to the Department for purposes of drawing funds from HUD's Integrated Disbursement and

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Information System (IDIS) for work completed, inspected and certified as complete, and as otherwise required by the Department.

(15) Family--Includes but is not limited to the following types of families as defined in 24 CFR 5.403:

(A) A family with or without children;

(B) An elderly family;

(C) A near elderly family;

(D) A disabled family;

(E) A displaced family;

(F) The remaining member of a tenant family; or

(G) A single person who is not an elderly or displaced person or a person with disabilities or the remaining member of a tenant family.

(16) Homebuyer Assistance--Down payment, closing costs, and gap financing assistance provided to eligible homebuyers. Minor rehabilitation may be combined with Homebuyer Assistance.

(17) HOME--The HOME Investment Partnerships Program at 42 United States Code §§12701-12839 and the regulations promulgated thereafter at 24 CFR Part 92.

(18) Household--One or more persons occupying a housing unit.

(19) HUD--The United States Department of Housing and Urban Development, or its successor.

(20) IDIS--Integrated Disbursement and Information System established by HUD.

(21) Income Eligible Families:

(A) Low-Income Families--Families whose annual incomes do not exceed 80% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

(B) Very Low-Income Families--Families whose annual incomes do not exceed 50% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.

(C) Extremely Low Income Families--Families whose annual incomes do not exceed 30% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

(22) Intergenerational Housing--Housing that includes specific units that are restricted to the age requirements of a Qualified Elderly Development and specific units that are not age restricted in the same Development that:

(A) have separate and specific buildings exclusively for the age restricted units;

(B) have separate and specific leasing offices and leasing personnel exclusively for the age restricted units;

(C) have separate and specific entrances, and other appropriate security measures for the age restricted units;

(D) provide shared social service programs that encourage intergenerational activities but also provide separate amenities for each age group;

(E) share the same Development site;

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(F) are developed and financed under a common plan and owned by the same Person for federal tax purposes; and

(G) meet the requirements of the federal Fair Housing Act

(23) Match--Eligible forms of non-federal contributions to a program or project in the forms specified in 24 CFR 92.220.

(24) Neighborhood--As defined by HUD, a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government; except that if the unit of general local government has a population under 25,000, the neighborhood may, but need not, encompass the entire area of a unit of general local government.

(25) New construction--Any Development not meeting the definition of Rehabilitation or Reconstruction.

(26) NOFA--Notice of Funding Availability, published in the Texas Register.

(27) Nonprofit organization--A public or private organization that:

(A) is organized under state or local laws;

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, or Section 501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization non-profit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and

(D) A private nonprofit organization's pending application for 501(c) (3) or (c) (4) status cannot be used to comply with the tax status requirement.

(28) Open Application Cycle--A defined period during which applications may be submitted according to a published NOFA and which will be reviewed on a first come-first served basis until all funds available are committed, or until the NOFA is closed. Applications will be reviewed in accordance with the rules for application review published in the NOFA, and/or application guidelines.

(29) Owner-Occupied Housing Assistance--A form of assistance for the purpose of rehabilitating or reconstructing existing owner-occupied housing.

(30) Participating Jurisdiction (PJ)--Any state or unit of general local government, including consortia as specified in 24 CFR 92.101, designated by HUD in accordance with 24 CFR 92.105.

(31) Predevelopment Costs--Reimbursable costs related to a specific eligible housing project including:

(A) Predevelopment housing project costs that the Department determines to be customary and reasonable, including but not limited to consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, site control, and title clearance;

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(B) Pre-construction housing project costs that the Department determines to be customary and reasonable, including but not limited to, the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees;

(C) Predevelopment costs do not include general operational or administrative costs.

(32) Program--Funds provided in the form of a contract to an eligible Applicant for the purpose of administering more than one Project or assisting more than one household.

(33) Program Income--Gross income received by the Department or program administrators directly generated from the use of HOME funds or matching contributions as further described in 24 CFR 92.2.

(34) Project--A site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or sites on which the building or buildings are located, that are under common ownership, management, and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking under 24 CFR 92.2.

(35) Recipient--A successful applicant that has been awarded funds by the Department to administer a HOME program, including a State Recipient, Subrecipient, for-profit entity, nonprofit entity, or CHDO.

(36) Reconstruction--The rebuilding of a structure on the same lot where housing is standing at the time of Development Application. HOME funds may be used to build a new foundation or repair an existing foundation. During reconstruction, the number of rooms per unit may change, but the number of units may not.

(37) Rehabilitation--Includes the alteration, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction.

(38) Rental Housing Development--A project for the acquisition, new construction, reconstruction or rehabilitation of multi-family or single family rental housing, or conversion of commercial property to rental housing.

(39) Rural Development--A Development located within an area which:

(A) is situated outside the boundaries of a primary metropolitan statistical area (PMSA) or a metropolitan statistical area (MSA);

(B) within the boundaries of a primary metropolitan statistical area (PMSA) or a metropolitan statistical area (MSA), if the statistical area has a population of 20,000 or less and does not share a boundary with an urban area; or

(C) in an area that is eligible for new construction or rehabilitation funding by the Texas-United States Department of Agriculture-Rural Housing Service (TX-USDA-RHS).

(40) Single Family Housing Development--A form of assistance to make funds available to HOME eligible Applicants including non-profit organizations, CHDOs, units of general local government, for-profit housing organizations, sole proprietors and public housing agencies for the purpose of constructing single family affordable housing units for homeownership.

(41) Special Needs--Those individuals or categories of individuals determined by the Department to have unmet housing needs consistent with 42 USC §12701 et seq. and as provided in the Consolidated Plan.

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(42) State Recipient--A unit of general local government designated by the Department to receive HOME funds.

(43) Subrecipient--A public agency or nonprofit organization selected by the Department to administer all or a portion of the Department's HOME program. A public agency or nonprofit that receives HOME funds solely as a developer or owner of housing is not a Subrecipient. The Department's selection of a Subrecipient is not subject to the procurement procedures and requirements.

(44) Tenant-Based Rental Assistance (TBRA)--A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant-based rental assistance also includes security deposits and utility deposits for rental of dwelling units.

(45) Unit of General Local Government--A city, town, county, or other general purpose political subdivision of the State; a consortium of such subdivisions recognized by HUD in accordance with 24 CFR 92.101 and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction. An urban county is considered a unit of general local government under the HOME Program.

§53.52.Allocation of Funds

(a) The Department shall administer all federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12704 et seq.) in accordance with HUD's final HOME rule, 24 CFR Part 92 and Chapter 2306, Texas Government Code. Consistent with the federal HOME rule and the Department annual Consolidated Plan. The HOME program shall:

(1) adopt a goal to apply an aggregate minimum of 25 percent of the division's total housing funds toward housing assistance for individuals and families of extremely low and very low income, pursuant to §2306.111(a) of the Texas Government Code;

(2) expend at least 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Cranston-Gonzalez National Affordable Housing Act directly from the United States Department of Housing and Urban Development. All funds not set aside under this subsection shall be used for the benefit of persons with disabilities who live in areas other than non-participating areas, pursuant to §2306.111(c) of the Texas Government Code; and

(3) Allocate funds to all urban/exurban areas and rural areas of each uniform state service region consistent with the Department's Regional Allocation Plan, unless funds are reserved for contract-for-deed conversions or for set-asides mandated by state or federal law, or each contract-for-deed allocation or set-aside allocation equals not more than 10 percent of the total allocation of funds for the program year, pursuant to §2306.111(d) of the Texas Government Code.

(b) The Department shall release an annual allocation plan based on the funding allocation outlined in the Department's Consolidated Plan, and consistent with the Chapter 2306 of the Texas Government Code, after a full accounting of available funds has been determined.

§53.53.Applicant Requirements.

(a) Eligible Applicant. The following organizations or entities are eligible to apply for HOME eligible activities:

(1) nonprofit organizations;

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- (2) CHDOs;
- (3) units of general local government;
- (4) for-profit entities and sole proprietors; and
- (5) public housing agencies.

(b) Ineligible Applicant: The following violations will cause an Applicant, and any applications they have submitted, to be ineligible:

- (1) previously funded Recipient(s) whose HOME funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to the current funding cycle;
- (2) applicants who have not satisfied all eligibility requirements described in subsection (f) of this section and the NOFA, and application guidelines to which they are responding, and for which Administrative Deficiencies were unresolved (relating to Applicant Requirements);
- (3) Applicants that have failed to make payment on any loans or fee commitments made with the Department;
- (4) applicants that have been otherwise barred by HUD and/or the Department;
- (5) applicant or developer, or their staff, that violate the state's revolving door policy; or
- (6) applicants that may be ineligible in accordance with those requirements at §50.5 of this title, excluding those requirements at §§50.5(a)(5) - (8), (10) and (11) of this Title.

(c) Communication with Department Employees. Communication with Department staff by Applicants that submit a Pre-Application or Application must follow the following requirements. During the period beginning on the date a Development Pre-Application or Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person that is active in the construction, rehabilitation, ownership or Control of the proposed Development including a General Partner or contractor and a Principal or Affiliate of a General Partner or contractor, or individual employed as a lobbyist by the Applicant or a Related Party, may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet, so long as that communication satisfies the conditions established under paragraphs (1) - (3) of this subsection. §50.5(b)(7) of this title applies to all communication with Board members. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.

- (1) the communication must be restricted to technical or administrative matters directly affecting the Application;
- (2) the communication must occur or be received on the premises of the Department during established business hours; and
- (3) a record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication (§2306.1113).

(d) Noncompliance. Each application will be reviewed for its compliance history by the Department, consistent with Chapter 60 of this title. Applications found to be in Material

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Noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(e) Rental Housing Development Site and Development Restrictions. Restrictions include all those items referred to in 24 CFR Part 92 of the HUD HOME program rules, and any additional items included in the NOFA for rental housing developments.

(f) Limitations on the Size of Developments. Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units.

(g) Eligibility requirements. An Applicant must satisfy each of the following requirements in order to be eligible to apply for HOME funding and as more fully described in the NOFA and application guidelines, when applicable:

(1) provide evidence of its ability to carry out the Program in the areas of financing, acquiring, rehabilitating, developing or managing affordable housing developments;

(2) demonstrate fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements;

(3) submit any past due audit to the department in a satisfactory format on or before the application deadline, in accordance with §1.3(b) of this Title;

(4) demonstrate reasonable HOME Program expenditure and project performance on contract(s), as determined through program monitoring; and

(5) demonstrate satisfactory performance otherwise required by the Department and set out in the application guidelines.

(h) If indicated by the Department, Recipients must comply with all requirements to utilize the Department's website to provide necessary data to the Department.

(i) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in §1.37 of this title.

(j) Public Notification. Applicants for Rental Development activities will be required to provide written notification to each of the following persons or entities 14 days prior to the submission of any application package. Failure to provide written notifications 14 days prior to the submission of an application package at a minimum will cause an application to lose its "received by date" under open application cycles, or be terminated under competitive application cycles. Applicants must provide notifications to:

(1) the executive officer and elected members of the governing board of the community where the development will be located. This includes municipal governing boards, city councils, and County governing boards;

(2) all neighborhood organizations whose defined boundaries include the location of the Development;

(3) executive officer and Board President of the school district that covers the location of the Development;

(4) residents of occupied housing units that may be rehabilitated, reconstructed or demolished; and

(5) the State Representative and State Senator whose district covers the location of the Development.

(6) The notification letter must include, but not be limited to, the address of the development site, the number of units to be built or rehabilitated, the proposed rent and income levels to be served, and all other details required of the NOFA and Application Manual.

(k) An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the applicant's cash reserve obligation or made promises in connection therewith.

(l) All contractors, consulting firms, and Administrators must sign an affidavit to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions.

§53.54.Application Limitations.

An eligible Applicant may apply for several eligible activities provided that the total amount requested does not exceed the funding limits established in this section. The Department reserves the right to reduce the amount requested in an application based on program or project feasibility, underwriting analysis, or availability of funds:

(1) Award amount for Owner-Occupied Housing Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance shall not exceed ~~\$500,000~~ \$275,000 per Activity, per NOFA, except as may be otherwise allowed by the Board.

(A) The contract term for Owner Occupied Housing Assistance shall not exceed 18 months, except as may be otherwise allowed by the Board.

B. The contract term for Homebuyer Assistance and Contract for Deed shall not exceed 24 months, except as may be otherwise allowed by the Board.

C. The contract term for Tenant Based Rental Assistance shall not exceed 30 months, except as may be otherwise allowed by the Board.

(2) Award amount for Development activities shall not exceed \$3 million, except as may be recommended by staff and otherwise approved by the Board. The Department reserves the right to set maximum loan to value limitations and minimum match requirements on all Development activities.

(3) Award amount for CHDO Operating Expenses shall not exceed in any fiscal year 50% of the CHDO's total annual operating expenses in that fiscal year, or \$50,000, whichever is greater. The Department reserves the right to limit an Applicant to receiving no more than one award of CHDO operating funds during the same fiscal year and to further limit the award of CHDO Operating Expenses.

(4) Per unit subsidy for all HOME-assisted housing may not exceed the per-unit dollar limits established by HUD under §221(d)(3) of the National Housing Act which are applicable to the area in which the housing is located, and published by the Department.

(5) Award amount for Disaster Relief shall not exceed \$500,000 per State declared disaster, or as may be otherwise allowed by the Board. Only one application per affected unit of general local government may be submitted for each designated disaster. Public housing authorities (PHAs) and Nonprofit organizations may only act as an Applicant, in lieu of the unit of local government,

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if they are so designated by the affected unit of general local government. Award amount for designated Applicants may not exceed \$500,000 per State declared disaster, or as may be otherwise allowed by the Board.

(6) Award amount for CHDO Predevelopment Loans may not exceed \$50,000 per application. Applicants may submit only one application per NOFA to cover eligible costs, as defined under §53.54(f) of this title.

§53.55. Program Activities.

All eligible applicants that satisfy the requirements of §53.52 may apply for the following Program Activities:

(1) Owner-Occupied Housing Assistance: Assisted homeowners must be income eligible and must occupy the property as their principal residence. Housing assisted with HOME funds must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is reconstructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a).

(2) Homebuyer Assistance: HOME funds utilized for Homebuyer Assistance are subject to the Department's recapture provisions as approved by HUD in the Consolidated Plan and as outlined in the application guidelines. The eligible uses for Homebuyer Assistance are down-payment assistance, closing cost assistance, gap financing, and in some instances, rehabilitation. The total assistance provided per eligible homebuyer may not exceed the limits as determined or allowed by the Board or the HOME Final Rule.

(3) Rental Housing Development: Eligible Activities include acquisition, new construction, and rehabilitation. Refinancing or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible. Owners of rental units assisted with HOME funds must comply with income and rent restrictions pursuant to 24 CFR 92.252 and keep the units affordable for a period of time, depending upon the amount of HOME assistance provided. Housing assisted with HOME funds must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is newly constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a).

(4) Tenant-Based Rental Assistance: Provides rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant Based Rental Assistance also includes security and utility deposits for rental of dwelling units. Recipients must comply with 24 CFR 92.209 and 92.216.

(5) Single Family Housing Development: Newly constructed housing must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is newly constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a). If eligible, an Applicant that applies for Single Family Housing Development may also apply for Homebuyer Assistance.

(6) CHDO Pre-Development Loans: The Department may set-aside up to 10% of the annual CHDO 15% Set-Aside for pre-development loans in accordance with 24 CFR 92.300(c). Applicants for pre-development loans will be required to have a summary description of a proposed Development and be able to show the necessary development experience to apply, as outlined in the NOFA and application guidelines. Predevelopment loan funds may only be used for activities such as project-specific technical assistance, site control loans, and project-specific seed

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money. Pre-development loans must be repaid from construction loan proceeds or other project income. In accordance with 24 CFR 92.301, the Board may elect to waive pre-development loan repayment, in whole or in part, if there are impediments to a development that the Department determines are reasonably beyond the control of the CHDO.

(7) Set-Asides: other activities deemed eligible under set-asides defined by the Department and outlined in the Consolidated Plan.

§53.56.Prohibited Activities.

In accordance with 24 CFR 92.214, HOME funds may not be used to:

- (1) Provide project reserve accounts, except as provided in §92.206(d)(5), or operating subsidies;
- (2) Provide tenant-based rental assistance for the special purposes of the existing Section 8 program, in accordance with Section 212(d) of the Act;
- (3) Provide non-federal matching contributions required under any other Federal program;
- (4) Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
- (5) Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
- (6) Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under 24 CFR §92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see 24 CFR §92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under 24 CFR §92.250;
- (7) Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project;
- (8) Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds; or
- (9) Pay for any cost that is not eligible under 24 CFR §§92.206 through 92.209.

§53.57.Distribution of Funds.

In accordance with 24 CFR §92.201(b)(1), the Department makes every effort to distribute HOME funds throughout the state according to the Department's assessment of the geographic distribution of housing needs, as identified in the Consolidated Plan. Funds shall also be allocated in accordance with §2306.111(d) and (g), Texas Government Code. The Department receives HOME funds for areas of the state which have not received Participating Jurisdiction (PJ) status from HUD. Section 2306.111(c) of the Texas Government Code requires the Department to award at least 95% of HOME Program funds to entities in nonparticipating jurisdictions. All funds not set aside under this section shall be used for the benefit of persons with disabilities who live in areas other than nonparticipating areas.

(1) CHDO Set-Aside. In accordance with 24 CFR §92.300, not less than 15% of the HOME allocation will be set aside by the Department for CHDO eligible activities. CHDO set-aside projects are

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owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. If an insufficient number of qualified applications are received by the deadline, the Department reserves the right to hold additional competitions in order to meet federal set-aside requirements.

(2) Special Needs: In accordance with the Consolidated Plan, funds will be available to eligible Applicants, as defined in §53.52(a) of this title (relating to Applicant Requirements), with a documented history of working with special needs populations and with relevant housing related experience. Applicants may submit applications for eligible activities, as outlined in the Consolidated Plan. If an insufficient number of qualified applications are received, the Department reserves the right to transfer funds remaining in accordance with paragraph (6) of this subsection regarding Redistribution.

(3) Other Set-Asides. In accordance with the Consolidated Plan, funds will be available to eligible Applicants, as defined in §53.52(a) of this title (relating to Applicant Requirements), for those eligible activities outlined under Set-Asides.

(4) Administrative Funds. In accordance with 24 CFR §92.207 up to 10% of the Department's HOME allocation plus 10% of any program income received may be used for eligible and reasonable planning and administrative costs. Administrative and planning costs may be incurred by the Department, State Recipient, Subrecipient, nonprofit entity, or CHDO.

(5) CHDO Operating Expenses. In accordance with 24 CFR §92.208 up to 5% of the Department's HOME allocation may be used for the operating expenses of CHDOs. The Department may award CHDO Operating Expenses in conjunction with the award of CHDO Funds, or through a separate application cycle not tied to a specific Activity.

(6) Redistribution. In an effort to commit HOME funds in a timely manner, the Department may reallocate funds set-aside in accordance with the Consolidated Plan, at its own discretion, to other regions or activities if:

(A) the Department fails to receive a sufficient number of applications from a particular region or Activity;

(B) no applications are submitted for a region; or

(C) applications for a region or Activity do not meet eligibility requirements or minimum threshold scores (when applicable), or are financially infeasible as applicable.

(7) Marginal Applications. When the remainder of the allocation within a region is insufficient to completely fund the next ranked application in the region or Activity, it is within the discretion of the Department to:

(A) fund the next ranked application for the partial amount, reducing the scope of the application proportionally;

(B) make necessary adjustments to fully fund the application; or

(C) transfer the remaining funds to other regions or activities.

(8) HOME Demonstration Fund. The Department, with Board approval, may reserve HOME funds to combine and coordinate with other programs administered by the Department as outlined in the Consolidated Plan, or for housing activities the Department is permitted to fund under applicable law.

(9) Single Family Non-Development Applications. Applications submitted for Single Family non-development Activities under a Competitive Application Cycle may be accepted, reviewed, and recommended for an award, on an annual or biennial funding cycle.

§53.58.Application Process.

(a) An Applicant must submit a completed application to be considered for funding, along with an application fee determined by the Department and outlined in the NOFA, and application guidelines. Applications containing false information and applications not received by the deadline will be disqualified. Disqualified Applicants are notified in writing. All applications must be received by the Department by 5:00 p.m. on the date identified in the NOFA, and application guidelines, regardless of method of delivery.

(b) Applications received by the Department in response to an Open Application Cycle NOFA will be handled in the following manner:

(1) The Department will accept applications on an ongoing basis, until such date when the Department makes notice to the public that the Open Application Cycle has been closed. All applications must be received during business hours (8:00 a.m. to 5:00 p.m.) on any business day. The Department may limit the eligibility of applications in the NOFA, and application guidelines.

(2) Each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review.

(A) Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

(B) Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

(C) Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report

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identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

(D) Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

(E) Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

(F) The Department may decline to fund any application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any application.

(c) Administrative Deficiencies. If an application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the application, the Department staff may request clarification or correction of such Administrative Deficiencies including both threshold and/or scoring documentation. The Department staff may request clarification or correction in a deficiency notice in the form of a facsimile and a telephone call to the Applicant advising that such a request has been transmitted. Administrative Deficiencies given to Applications submitted under an Open Application Cycle NOFA will be handled in the manner described under Part B of this Section. Applications submitted under a Competitive Application Cycle NOFA will be treated in the following manner. If Administrative Deficiencies are not cured to the satisfaction of the Department within five business days of the deficiency notice date, then five points shall be deducted from the application score for each additional day the deficiency remains unresolved.

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If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. An Applicant may not change or supplement an application in any manner after the filing deadline, except in response to a direct request from the Department.

(d) Alternative Dispute Resolution Policy. In accordance with §2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, and Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

§53.59.Process for Awards.

(a) The Department will publish a NOFA in the Texas Register and on the Department's website. The NOFA may be published as either an Open or Competitive Application Cycle. The NOFA will establish and define the terms and conditions for the submission of applications, and may set a deadline for receiving applications under a Competitive Application Cycle. The NOFA will also indicate the approximate amount of available funds.

(b) Selection Procedures for non-development Activities such as, Owner Occupied Housing Assistance, Homebuyer Assistance, ~~and~~ Tenant-Based Rental Assistance, and Contract for Deed.

(1) Applications must comply with all applicable HOME requirements or regulations established in 24 CFR Part 92 and in these rules. Applications that do not comply with such requirements are disqualified. Disqualified Applicants are notified in writing.

(2) Applications for funds not subject to the Regional Allocation Formula may be awarded on a first come, first-serve basis. Applications may also receive a partial recommendation for funding. are ranked from highest scores to lowest in their respective regions or Activity according to HOME Program scores. All funds not subject to the Regional Allocation Formula may be awarded on a first come, first serve basis.

(3) Applications subject to the Regional Allocation Formula must meet or exceed a minimum score determined by Department's staff for the respective activities to be considered for funding.

(4) Applicants will be notified of their score in writing no later than seven calendar days after all applications received have been scored. Only Applicants meeting or exceeding a minimum score will receive a lottery number. Funds will be recommended in the order in which lottery numbers are selected, up to the limit of funds available per Activity and geography type in the region. Should an Activity not have enough qualified Applicants, the funds will be redirected to the next Activity and geography type in the region that had a higher number of qualified Applicants. If sufficient applications are not received in a region, any remaining funds will be redirected to the region with the highest number of qualified Applicants. Applicants may also receive a partial

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~~recommendation for funding. A minimum award amount may be established to ensure feasibility. [In event of a tie between two or more Applicants, the Department reserves the right to determine which application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed project identified in the application. Tied Applicants may also receive a recommendation for partial funding. A minimum award amount may be established to ensure feasibility.~~

~~(5) Applicants will be notified of their score in writing no later than seven calendar days after all applications received have been scored. Subsequently, recommendations for funding the recommendation regarding their application will be made available on the Department's website at least seven calendar days prior to the Board meeting at which the awards may be approved.~~

(6) Applications receiving a favorable staff recommendation are then presented to the Board for approval, pending the availability of HOME funds for each Activity.

(7) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.

(c) Selection Procedures for Development activities, such as, Single Family Housing Development and Rental Housing Development.

(1) Applications must comply with all applicable HOME requirements or regulations established in 24 CFR Part 92, and in these rules. Applications that do not comply with HOME requirements are disqualified. Disqualified Applicants are notified in writing.

(2) Housing Developments activities will undergo a review in accordance with §53.58 of this title governing open and competitive application cycles, as appropriate, and as prescribed in the NOFA, and application guidelines.

(3) A site visit will be conducted as part of the HOME Program Development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.

(4) In event of a tie between two or more Applicants, the Department reserves the right to determine which application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed project identified in the application. Tied Applicants may also receive a partial recommendation for funding.

(5) Each Development application will be notified of its score in writing no later than seven calendar days after all applications received have been scored. Subsequently, the recommendation regarding their application will be made available on the Department's web site at least seven calendar days prior to the Board meeting at which the awards may be approved.

(6) Applications receiving a favorable staff recommendation are then presented to the Board for approval, pending the availability of HOME funds for such Activity.

(7) Even after Board approval for the award of HOME Development Activity funds may be conditional upon a completed loan closing and any other conditions deemed necessary by the Department.

(8) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.

§53.60.General Selection Criteria.

At a minimum, the following criteria are utilized in evaluating the applications for HOME funds. The applicable criteria are further delineated in the application guidelines and NOFA, which are part of the application package.

(1) Needs Assessment--Whether the proposed project meets the demographic, economic, and special need characteristics of the population residing in the target area and the need that the HOME program is designed to address, using qualitative and quantitative information, market studies, if appropriate, and other source documentation as delineated in the application guidelines, which are part of the application.

(2) Program Design--Whether the proposed project meets the needs identified in the needs assessment, whether the design is complete and whether the project fits within the community setting. Information required includes, but is not limited to: community involvement; support services and resources; scope of program; income and population targeting; marketing, fair housing and relocation plans, as applicable.

(3) Capability of Applicant--Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers), in program management, property management, acquisition, rehabilitation, construction, real estate finance counseling and training or other activities relevant to the proposed program, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.

(4) Financial Feasibility. Applications for funding will be reviewed for financial feasibility based on the Department's underwriting standards for development activities and as outlined in the NOFA and application guidelines. The review will be based on the supporting financial data provided by Applicants and third party reports submitted with the application.

§53.61 Threshold and Selection Criteria for Single Family non-development Activities

(a) Applications must meet the minimum threshold score in order to be considered eligible to receive a funding recommendation:

(1) Owner Occupied Housing Assistance, 66 Points.

(2) Homebuyer Assistance, 56 points.

(3) Tenant Based Rental Assistance, 58 points

(4) Contract for Deed, 55 points.

(b) The following selection criteria point breakdown will be utilized when scoring applications:

(1) Affordable Housing Needs Score. Points range from 1 to 7, as published by the Department. The Affordable Housing Needs Score determined for the service area proposed in the application will be multiplied by a factor of 3, for a maximum of 21 points.

(2) Income Targeting: Points will be awarded based on the percentage of total units targeted to specific income levels. Counties whose median income is at or below the statewide median income will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the statewide median income targeting households at or below 30% AMFI.(A) For Owner Occupied Housing Assistance and Tenant Based Rental Assistance:

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- (i) 0% to 19.99% of units at 60% AMFI, 0 points
- (ii) 20% to 39.99% of units at 60% AMFI, 2 points
- (iii) 40% to 59.99% of units at 60% AMFI, 4 points
- (iv) 60% to 79.99% of units at 60% AMFI, 6 points
- (v) 80% to 99.99% of units at 60% AMFI, 8 points
- (vi) 100% of units at 60% AMFI, 10 points
- (vii) 0% to 19.99% of units at 30% AMFI, an additional 0 points
- (viii) 20% to 39.99% of units at 30% AMFI, an additional 2 points
- (ix) 40% to 59.99% of units at 30% AMFI, an additional 4 points
- (x) 60% to 79.99% of units at 30% AMFI, an additional 6 points;
- (xi) 80% to 99.99% of units at 30% AMFI, an additional 8 points;
- (xii) 100% of units at 30% AMFI, and additional 10 points.

(B) For Homebuyer Assistance and Contract for Deed:

- (i) 0% to 19.99% of units at 80% AMFI, 5 points;
- (ii) 20% to 39.99% of units at 80% AMFI, 4 points;
- (iii) 40% to 59.99% of units at 80% AMFI, 3 points;
- (iv) 60% to 79.99% of units at 80% AMFI, 2 points;
- (v) 80% to 100% of units at 80% AMFI, 1 point;
- (vi) 0% to 9.99% of units at 60% AMFI, an additional 2 points;
- (vii) 10% to 19.99% of units at 60% AMFI, an additional 4 points;
- (viii) 20% to 29.99% of units at 60% AMFI, an additional 6 points;
- (ix) 30% to 39.99% of units at 60% AMFI, an additional 8 points;
- (x) 40% to 49.99% of units at 60% AMFI, an additional 10 points;
- (xi) 50% to 59.99% of units at 60% AMFI, an additional 11 points;
- (xii) 60% to 69.99% of units at 60% AMFI, an additional 12 points;
- (xiii) 70% to 79.99% of units at 60% AMFI, an additional 13 points;
- (xiv) 80% to 89.99% of units at 60% AMFI, an additional 14 points;
- (xv) 90% to 100% of units at 60% AMFI, an additional 15 points.

(3) Previous Award and Past Performance: Applicants will receive points for having received an award and performed in accordance with their contracts and Department rules. If unsatisfactory performance exists on any prior award regardless of set aside or activity, a score of zero points will result. In cases where entities have been funded for multiple years, the most recent award will be reviewed for performance. Unsatisfactory past performance on any contract will be forgiven if 2 years from the application deadline date has elapsed.

(A) Applicants applying for Owner Occupied Housing Assistance:

- (i) Applicant has never received a HOME Owner Occupied Housing Assistance award, 20 points;
or

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- (ii) Applicant has received a HOME award prior to 2002 and funds are 100% committed, drawn and programmatically closed based on the number of units contractually obligated, by application deadline date, 17 points; or
- (iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on the number of units contractually obligated, by application deadline date, 14 points; or
- (iv) Applicant received a HOME award in 2004, and funds are 100% committed and 50% drawn by application deadline date, 11 points; or
- (v) Applicant received a HOME award during 2005 and a Contract Environmental Clearance completed by application deadline date, 8 points.

(B) Applicants applying for all other Single Family non-development Activities:

- (i) Applicant has never received a HOME award, 20 points; or
- (ii) Applicant has received a HOME award prior to 2002 and is 100% committed, drawn and programmatically closed based on the number of units contractually obligated, by application deadline date, 17 points; or
- (iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on number of units contractually obligated, by application deadline date, 14 points; or
- (iv) Applicant received a HOME award in 2004 and funds are 75% committed and 50% drawn by application deadline date, 11 points; or
- (v) Applicant received a HOME award during 2005 and a Contract Environmental Clearance completed by application deadline date, 8 points

(4) Match. Points will be awarded based on the dollar amount of eligible match as a percentage up to 25% of the requested project funds and the population size to be assisted.

(A) Percentage of Match per Project Request.

- (i) 0% to 12.49% of project request, 0 points;
- (ii) 12.5% to 15.5% of project request, 6 points;
- (iii) 15.51 to 18.5% of project request, 7 points;
- (iv) 18.51% to 21.5% of project request, 8 points;
- (v) 21.51% to 24.99% of project request, 9 points;
- (vi) 25% or greater of project request, 10 points.

(B) Applicants will only receive additional points for population size if providing 12.5% or greater in match.

- (i) Population size of 20,001 and above, 0 points;
- (ii) Population size of 10,001 to 20,000, 2 points;
- (iii) Population size of 5,001 to 10,000, 4 points;
- (iv) Population size of 3,001 to 5,000, 6 points;
- (v) Population size of 1,501 to 3,000, 8 points;
- (vi) Population size of 1 to 1,500, 10 points.

(5) Specific to Activity.

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(A) Owner Occupied Housing Assistance and Contract for Deed. Local Contractor Letters of Interest. Points will be awarded based on a review of the letters (up to five letters) submitted from potential local contractors who indicate a willingness or availability to participate in an invitation for bid under the applicant's proposed application. To be considered for scoring, the letters must be on the contractor's letterhead, including: the contractor's full name; address, city, state, and zip code; signed and dated within three months of the application deadline. Maximum of 10 points.

(i) The contractor must be headquartered within the Uniform State Service Region proposed in the application, 2 points per letter for a maximum of 10 points.

(ii) If the contractors that submit letters are not headquartered within the Uniform State Service Region proposed in the application, the applicant must submit a notarized certification for each potential contractor outside of the Uniform State Service Region, 1 point per letter for a maximum of 5 points.

(B) Homebuyer Assistance. Description of Lender Products. Points will be awarded based on a review of the commitment letters (up to three letters) submitted from lenders interested in participating in the Applicant's proposed application. To be considered for scoring, the letters must be on the lender's letterhead, including: name of lender; address, city, state, and zip code; and state the willingness and ability to make affordable loan products available for first-time homebuyers. Letters must be signed and dated within three months of application deadline. 2 points per letter for a maximum of 6 points.

(C) Homebuyer Assistance and Contract for Deed. Level of Homebuyer Counseling. Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Maximum of 4 points.

(i) Copy of curriculum, 2 points;

(ii) Copy of written agreement with service provider, 1 point;

(iii) Post purchase counseling to be provided, 1 point.

(D) Tenant Based Rental Assistance. Self Sufficiency Plan. Points will be awarded based on a review of the documentation submitted describing the Self Sufficiency Plan proposed for potential tenants. Maximum of 10 points.

(i) Description of the services to be provided, 4 points;

(ii) Training schedule, 4 points;

(iii) Copy of written agreement with service provider, 2 point.

(6) Citizen Forms. Points will be awarded based on the number of completed citizen forms as a percentage of the total units proposed. Maximum of 5 points.

(A) 0% to 9.99% of forms complete, 0 points;

(B) 10% to 29.99% of forms complete, 1 point;

(C) 30% to 49.99% of forms complete, 2 points;

(D) 50% to 69.99% of forms complete, 3 points;

(E) 70% to 89.99% of forms complete, 4 points;

(F) 90% to 100% of forms complete, 5 points.

(7) Financial Oversight. Submission of 2004 or 2005 "Independent Auditor's Report", 2 points.

~~(8) Serving Persons with Disabilities. To be eligible for these points, the Applicant must propose targeting 100% of the units to persons who meet the definition of Persons with Disabilities and have a documented history of working with the disability community, 2 points.~~

§53.62. Program Administration.

(a) Agreement. Upon approval by the Board, Applicants receiving HOME funds shall enter into, execute, and deliver to the Department all written agreements between the Department and Recipient, including land use restriction agreements and compliance agreements as required by the Department.

(b) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any HOME written agreement provided that:

(1) in the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; and

(2) in the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award.

(3) Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

(c) Deobligation.

(1) The Department reserves the right to deobligate funds in the following situations:

(A) Recipient has any unresolved compliance issues on existing or prior contracts with the Department;

(B) Recipient fails to set-up programs/projects or expend funds in a timely manner;

(C) Recipient defaults on any agreement by and between Recipient and the Department;

(D) Recipient misrepresents any facts to the Department during the HOME application process, award of contracts, or administration of any HOME contract;

(E) Recipient's inability to provide adequate financial support to administer the HOME contract or withdrawal of significant financial support;

(F) Recipient is not in compliance with 24 CFR Part 92, or these rules;

(G) Recipient declines funds; or

(H) Recipient fails to expend all funds awarded.

(2) The Department, with approval of the Board, may elect to reassign funds following the Deobligation Policy, adopted by the Board on January 17, 2002, in the order prioritized as follows:

(A) Successful appeals (as allowable under program rules and regulations);

(B) Disaster Relief (disaster declarations or documented extenuating circumstances such as imminent threat to health and safety);

(C) Special Needs;

(D) Colonias; or

(E) Other projects/uses as determined by the Executive Director and/or Board including the next year's funding cycle for each respective program.

(d) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for good cause, as determined by the Board.

(e) Additional Funds. In the event the Department receives additional funds from HUD, the Department, with Board approval, may elect to distribute funds to other Recipients.

(f) Accounting Requirements. Within 60 days following the conclusion of a contract issued by the Department the recipient shall provide a full accounting of funds expended under the terms of the contract. Failure of a recipient to provide full accounting of funds expended under the terms of a contract shall be sufficient reason to terminate the contract and for the Department to deny any future contract to the recipient.

§53.63. Community Housing Development Organization (CHDO) Certification.

(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A private nonprofit organization that has submitted a request for certification as a Community Housing Development Organization (CHDO) to the Department. An Applicant for the CHDO set aside must be a CHDO certified by the Department or as otherwise certified or designated as described in subsection (d) of this section.

(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Secretary of State.

(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.

(4) Community--For urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area, but not the whole state.

(5) Low income--An annual income that does not exceed eighty percent (80%) of the median income for the area, with adjustments for family size, as defined by the U.S. Department of Housing and Urban Development (HUD).

(6) Memorandum of Understanding (MOU)--A written statement detailing the understanding between parties.

(7) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

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(b) Application Procedures for Certification of CHDO. An Applicant requesting certification as a CHDO must submit an application for CHDO certification in a form prescribed by the Department. The CHDO application must be submitted with an application for HOME funding under the CHDO set-aside, and be recertified on an annual basis. The application must include documentation evidencing the requirements of this subsection.

(1) Applicant must have the following required legal status at the time of application to apply for certification as a CHDO:

(A) Organized as a private nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by:

(i) Charter; or

(ii) Articles of Incorporation.

(B) The Applicant must be registered with the Secretary of State to do business in the State of Texas.

(C) No part of the private nonprofit organization's net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

(i) Charter; or

(ii) Articles of Incorporation.

(D) The Applicant must have the following tax status:

(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, or Section 501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a CHDO; or

(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and

(iii) A private nonprofit organization's pending application for 501(c)(3) or (c)(4) status cannot be used to comply with the tax status requirement under this subparagraph.

(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's:

(i) Articles of Incorporation,

(ii) Charter;

(iii) Resolutions; or

(iv) Bylaws.

(F) The Applicant must have a clearly defined service area. The Applicant may include as its service area an entire community as defined in subsection (a)(4) of this section, but not the whole state. Private nonprofit organizations serving special populations must also define the geographic boundaries of its service areas. This subparagraph does not require a private nonprofit organization to represent only a single neighborhood.

(2) An Applicant must have the following capacity and experience:

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(A) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems" as evidenced by:

(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department;

(ii) certification from a Certified Public Accountant; or

(iii) HUD approved audit summary.

(B) Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

(i) resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds; or

(ii) contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

(C) Has a history of serving the community within which housing to be assisted with HOME funds is to be located as evidenced by:

(i) statement that documents at least one year of experience in serving the community; or

(ii) for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community; and

(iii) The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

(3) An Applicant must have the following organizational structure:

(A) The Applicant must maintain at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations in the Applicant's service area. Low-income neighborhoods are defined as neighborhoods where 51 percent or more of the residents are low-income. Residents of low-income neighborhoods do not have to be low income individuals themselves. If a low-income individual does not live in a low-income neighborhood as herein defined, the low-income individual must certify that he qualifies as a low-income individual. This certification is in addition to the affidavit required in clause (ii) of this subparagraph. For the purpose of this subparagraph, elected representatives of low-income neighborhood organizations include block groups, town watch organizations, civic associations, neighborhood church groups, Neighbor Works organizations and any organization composed primarily of residents of a low-income neighborhood as herein defined whose primary purpose is to serve the interest of the neighborhood residents. Compliance with this subparagraph shall be evidenced by:

(i) written provision or statement in the organizations By-laws, Charter or Articles of Incorporation;

(ii) affidavit in a form prescribed by the Department signed by the organization's Executive Director and notarized; and

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(iii) current roster of all Board of Directors, including names and mailing addresses. The required one-third low-income residents or elected representatives must be marked on list as such.

(B) The Applicant must provide a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects. The formal process should include a system for community involvement in parts of the private nonprofit organization's service areas where housing will be developed, but which are not represented on its boards. Input from the low-income community is not met solely by having low-income representation on the board. The formal process must be in writing and approved or adopted by the private nonprofit organization, as evidenced by:

(i) organization's By-laws;

(ii) Resolution; or

(iii) written statement of operating procedures approved by the governing body. Statement must be original letterhead, signed by the Executive Director and evidence date of board approval.

(C) A local or state government and/or public agency cannot qualify as a CHDO, but may sponsor the creation of a CHDO. A private nonprofit organization may be chartered by a State or local government, but the following restrictions apply:

(i) The state or local government may not appoint more than one-third of the membership of the organization's governing body;

(ii) The board members appointed by the state or local government may not, in turn, appoint the remaining two-thirds of the board members;

(iii) No more than one-third of the governing board members may be public officials. Public officials include elected officials, appointed public officials, employees of the participating jurisdiction, or employees of the sponsoring state or local government, and individuals appointed by a public official. Elected officials include, but are not limited to, state legislators or any other statewide elected officials. Appointed public officials include, but are not limited to, members of any regulatory and/or advisory boards or commissions that are appointed by a State official;

(iv) Public officials who themselves are low-income residents or representatives do not count toward the one-third minimum requirement of community representatives in subparagraph (A) of this paragraph; and

(v) Compliance with clauses (i)-(iv) of this subparagraph shall be evidenced by:

(I) organization's By-laws;

(II) Charter; or

(III) Articles of Incorporation.

(D) If the Applicant is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the Applicant's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the Applicant's:

(i) By-laws;

(ii) Charter; or

(iii) Articles of Incorporation.

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(E) An Applicant may be sponsored or created by a for-profit entity provided the for-profit entity's primary purpose does not include the development or management of housing, as evidenced in the for-profit organization's By-laws. If an Applicant is associated or has a relationship with a for-profit entity or entities, the Applicant must prove it is not controlled, nor receives directions from individuals, or entities seeking profit as evidenced by:

- (i) organization's By-laws; or
- (ii) Memorandum of Understanding (MOU).

(4) Religious or Faith-based Organizations may sponsor a CHDO if the CHDO meets all the requirements of this section. While the governing board of a CHDO sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a CHDO is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the HOME program may not use HOME funds to support any inherently religious activities: such as worship, religious instruction, or proselytizing;

(C) HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based CHDO uses as its principal place of worship are always ineligible for HOME-funded improvements;

(D) Compliance with clauses (A)-(C) of this subparagraph may be evidenced by:

- (i) The Organizations By-laws;
- (ii) Charter; or
- (iii) Articles of Incorporation.

(c) An application for Community Housing Development Organization (CHDO) Certification will only be accepted if submitted with an application to the Department for HOME funds. If all requirements under this section are met, the Applicant will be certified as a CHDO upon the award of HOME funds by the Department. A new application for CHDO certification must be submitted to the Department with each new application for HOME funds under the CHDO set aside.

(d) If an Applicant submits an application for CHDO certification for a service area that is located in a local Participating Jurisdiction, the Applicant must submit evidence of the local taxing jurisdiction or local Participating Jurisdiction certification or designation of the Applicant as a CHDO.

(e) In the case of an Applicant applying for HOME funds (See 5% Disability requirement at §53.52(a)(2) of this Title) from the Department to be used in a Participating Jurisdiction, where neither the Participating Jurisdiction nor the local taxing entity certifies CHDOs outside of the local HOME application process, the Certification process described in this section applies.

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2006 HOME Single Family Application Score Sheet for

- Owner Occupied Housing Assistance**
- Homebuyer Assistance**
- Tenant Based Rental Assistance**
- Contract for Deed Conversion**

NOTE: If the Applicant did not pass eligibility requirements, the application should not be scored.

Scorer's Name: _____	Score: _____
Application Number: _____	Minus Any Deficiency: _____
Applicant Name: _____	Final Score: _____
Region Number: _____	Maximum Score = 98/102 (CFD)
Dollars Requested: _____	
Units Proposed: _____	Did Applicant meet threshold score of
_____	OCC – 66 _____ TBRA – 58 _____
_____	HBA – 56 _____ CFD - 55 _____
	<input type="checkbox"/> Yes <input type="checkbox"/> No

Please display any calculations and scoring points to two decimal places.

Scoring Factors		Score
AHN Score Determine AHN score. Refer to Tab 1, Section 2 of the Uniform Application* for a listing of cities and counties served. Note: If applicant is targeting a city, then the AHN score for that city will be used. If proposing to serve multiple cities or counties, then an average will be taken.		MAX 21 points
OCC, HBA, &TBRA Applications must serve either:		
<input type="checkbox"/> All Rural Areas		
<input type="checkbox"/> All Urban/Exurban Areas		
List City(ies) Served	AHN Score (x3)	
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
List County(ies) Served	AHN Score (x3)	
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
Enter scorer's determined AHN score in right column → → → → → → → → → →		

*Tabs and references are subject to change.

Income Targeting (for OCC and TBRA only):

Points will be awarded based on the percentage of total units targeted to specific income levels according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the Applicant's income targeted units. Calculate the percentage of total units targeted at or below 60% AMFI and **circle** the associated points. If the Applicant is targeting households at 30% AMFI and below, calculate the percentage targeted and add the associated points for targeting households at or below 60% AMFI. No points will be awarded for targeting households between 61-80% AMFI. **Counties whose median income is at or below the statewide median income will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the statewide median income targeting households at or below 30% AMFI. Applicants serving multiple counties including both Rider 4 Eligible Counties and ineligible Rider 4 Counties will be scored on a prorata basis.**

Is the Applicant requesting to serve Rider 4 Eligible Counties Yes No

If yes, list counties: _____

Calculations:	Percentage of total units	60%	30% (or 50% for Rider 4 Eligible Counties)
Units at 61-80%: _____	100%	10 points	+10 points
Units at 51-60%: _____	80% - 99.99%	8 points	+8 points
Units at 31-50%: _____	60% - 79.99%	6 points	+6 points
Units at 0-30%: _____	40% - 59.99%	4 points	+4 points
Total Units: _____	20% - 39.99%	2 points	+2 points
	0% - 19.99%	0 points	0 points

MAX 20 points

Enter total points in right column →

Income Targeting (for HBA and CFD only):

Points will be awarded based on the percentage of total units targeted to specific income levels according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the Applicant's income targeted units. Calculate the percentage of total units targeted at applicable AMFI and **circle** the associated points.

Calculations:	Percentage of total units	80%	60%
Units at 80%: _____	90% - 100%	1 point	+15 points
	80% - 89.99%		+14 points
Units at 60%: _____	70% - 79.99%	2 points	+13 points
	60% - 69.99%		+12 points
Total Units: _____	50% - 59.99%	3 points	+11 points
	40% - 49.99%		+10 points
	30% -- 39.99%	4 points	+8 points
	20% - 29.99%		+6 points
	10% - 19.99%	5 points	+4 points
	0% - 9.99%		+2 points

MAX 20 points

Enter total points in right column →

*Tabs and references are subject to change.

Citizen Forms:

Points will be awarded based on the number of completed citizen forms as a percentage of the total units proposed according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the total number of units proposed and **Tab 4*** for the completed forms. Calculate the percentage of completed citizen forms and **circle** the associated points.

A citizen form is considered complete when the following blanks are filled with the requested data: type of assistance requested, signature, and date. For OCC a picture of the house must be included to be deemed complete.

Calculations:

	Number of complete forms/ total proposed units	Points awarded
Total Forms: _____	90% - 100%	5 points
	70% - 89.99%	4 points
Total Units: _____	50% - 69.99%	3 points
	30% - 49.99%	2 points
Percentage: _____	10% - 29.99%	1 point
	0% - 9.99%	0 points

MAX 5 points

Enter total points in right column → → → → → → → → → → → → → → → → → → →

Financial Oversight:

Points will be awarded based on the submission of documents under **Tab 8***. The points should be awarded based solely on the submission of the document as described, not a qualitative review of the documentation.

Description of item	Points awarded
Is the 2004 or 2005 "Independent Auditor's Report" submitted under Tab 8*? <input type="checkbox"/> Yes <input type="checkbox"/> No	2 points

MAX 2 points

Enter total points in right column → → → → → → → → → → → → → → → → → → →

*Tabs and references are subject to change.

Previous HOME Award/Past Performance:

Points will be awarded based on the chart below. If unsatisfactory performance exists on ANY prior award (regardless of set aside or Activity), a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven if 2 years from the application deadline date has elapsed. **As of the application deadline, pending set-ups and/or draws will not be counted.** In cases where entities have been funded in multiple years, the most recent award will be reviewed for performance..

HOME Award Status	Points awarded
Applicant has: <input type="checkbox"/> never received a OCC HOME award, (OCC apps ONLY) <input type="checkbox"/> never received a HOME award (HBA, TBRA, CFD ONLY)	20 Points
Applicant received HOME award prior to 2002 AND funds are 100% committed and drawn, and programmatically closed, based on the # of units contractually obligated by Application deadline date.	17 points
Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on the # of units contractually obligated by Application deadline date	14 points
Applicant received a HOME award in 2004: <input type="checkbox"/> OCC - funds are 100% committed AND 50% drawn by Application deadline date <input type="checkbox"/> HBA, TBRA, CFD - funds are 75% committed AND 50% drawn by Application deadline date	11 points
Applicant received HOME award during 2005 AND Contract Environmental Clearance Completed by application deadline date	8 points

Enter total points in right column →

MAX 20
points

Match:

Points will be awarded based on the dollar amount of eligible match as a percentage (up to 25%) of the requested project funds and the population size to be assisted. Please refer to the Applicant's program budget under **Tab 6*** for match information and verification of firm commitments. Calculate the percentage of eligible match to project funds and **circle** the associated points. Points will only be considered and awarded for match amounts that are both **eligible and verified**. Please refer to the AHN tables to calculate population size.

Calculations and Explanations are required:

Proposed Match: _____

Dollars Requested: _____

Percentage: _____

Percentage of project funds requested	Points awarded
25.00%	10 points
21.51% - 24.99%	9 points
18.51% - 21.50%	8 points
15.51% - 18.50%	7 points
12.50% - 15.50%	6 points
0.00% - 12.49%	0 points

Applicant will only receive points for population size if supplying 12.50% or more in match.

Population Size	Points awarded
1 to 1,500	10 points
1,501 to 3,000	8 points
3,001 to 5,000	6 points
5,001 to 10,000	4 points
10,001 to 20,000	2 points
20,001 and above	0 points

MAX 20
points

Enter total points in right column →

*Tabs and references are subject to change.

Please list match as outlined in Program Budget (Tab 6*):

Match Code	Donor of Match	Amount of Match	Use of Match	Documentation of Match
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
Enter scorer's determined score in right column → → → → → → → → → → → → → → → →				

<p>Local Contractors Letters of Interest (for OCC and CFD only):</p> <p>Points will be awarded based on a review of the letters (up to five letters) submitted from potential local contractors who indicate a willingness or availability to participate in an invitation for bid under the applicant's proposed application. Please refer to Tab 9* for the letters. To be considered for scoring, the letters must be on the contractor's letterhead, including: the contractor's full name; address, city, state, and zip code; signed and dated within three months prior to the deadline. The contractor must be headquartered within the Uniform State Service Region area proposed in the application. If the contractors that submit letters are not headquartered within the Uniform State Service Region area proposed in the application, the applicant must submit a notarized certification for each potential contractor outside of the regional service area. Circle the associated points for each item below and total.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 70%;">Type of letter</th> <th style="width: 30%;">Points awarded</th> </tr> </thead> <tbody> <tr> <td>Letters of Interest within regional service area:</td> <td></td> </tr> <tr> <td>Enter number of valid letters _____ @ 2 points =</td> <td></td> </tr> <tr> <td>Letters of Interest not within regional service area <i>with</i> notarized statement:</td> <td></td> </tr> <tr> <td>Enter number of valid letters _____ @ 1 point =</td> <td></td> </tr> </tbody> </table>	Type of letter	Points awarded	Letters of Interest within regional service area:		Enter number of valid letters _____ @ 2 points =		Letters of Interest not within regional service area <i>with</i> notarized statement:		Enter number of valid letters _____ @ 1 point =		MAX 10 points
Type of letter	Points awarded										
Letters of Interest within regional service area:											
Enter number of valid letters _____ @ 2 points =											
Letters of Interest not within regional service area <i>with</i> notarized statement:											
Enter number of valid letters _____ @ 1 point =											
Enter total points in right column → → → → → → → → → → → → → → → →											

Description of Lender Products (for HBA only):
 Points will be awarded based on a review of the commitment letters (up to three letters) submitted from lenders interested in participating in the Applicant's proposed application. Please refer to **Tab 10*** for the commitment letters. To be considered for scoring, the letters must be on the lender's letterhead, including: name of lender; address, city, state, and zip code; and state the willingness and ability to make affordable loan products available for first time homebuyers. Letters must be dated within three months of application deadline. **Circle** the associated points for each item below and total.

Description of item	Points awarded
Lender letter submitted Name of lender:_____	2 points
Lender letter submitted Name of lender:_____	2 points
Lender letter submitted Name of lender:_____	2 points

MAX 6 points

Enter total points in right column → → → → → → → → → → → → → → → → → →

Level of Homebuyer Counseling (for HBA and CFD only):
 Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Please refer to **Tab 9*** for the description of the proposed homebuyer counseling. **Circle** the associated points for each item included in the description below and total.

Description of homebuyer counseling includes:	Points awarded
<ul style="list-style-type: none"> • A copy of the curriculum. 	+ 2 points
<ul style="list-style-type: none"> • A copy of the proposed written agreement with service provider, stating counseling will be performed by a certified provider with homebuyers attending a minimum of 8 hours of training. If Applicant is provider, the Applicant must state counseling will be performed by a certified provider with homebuyers attending a minimum of 8 hours of training. 	+ 1 point
<ul style="list-style-type: none"> • Post purchase counseling will be provided. 	+ 1 point

MAX 4 points

Enter total points in right column → → → → → → → → → → → → → → → → → →

*Tabs and references are subject to change.

Self Sufficiency Plan (for TBRA only):
 Points will be awarded based on a review of the documentation submitted describing the Self Sufficiency Plan proposed for potential tenants. Please refer to **Tab 9*** for the description of the plan. **Circle** the associated points for each item included in the description below and total. Every item should be addressed to receive maximum points.

Description of self sufficiency plan includes:	Points awarded
<ul style="list-style-type: none"> • A description of the services and training to be provided. 	4 points
<ul style="list-style-type: none"> • A training schedule 	4 points
<ul style="list-style-type: none"> • A copy of the proposed written agreement with the service provider. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Applicant is service provider. 	2 point

MAX 10 points

Enter total points in right column →

Total Points in right-hand column and enter “Final Score” on front page.

*Tabs and references are subject to change.

2006 HOME Investment Partnership Program (HOME) Rule
Title 10, Part 1, Chapter 53 Texas Administrative Code

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§53.50.Purpose.

This Chapter clarifies the use and administration of all funds provided to the Texas Department of Housing and Community Affairs (Department) by the United States Department of Housing and Urban Development (HUD) pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 United States Code §§12701-12839) and HUD regulations at 24 Code of Federal Regulations (CFR) Part 92. The State's HOME Program is designed to:

- (1) focus on the areas with the greatest housing need described in the State Consolidated Plan;
- (2) provide funds for home ownership and rental housing through acquisition, new construction, rehabilitation, reconstruction, tenant-based rental assistance, and pre-development loans;
- (3) promote partnerships among all levels of government and the private sector, including non-profit and for-profit organizations; and
- (4) provide low, very low, and extremely low income Texans with affordable, decent, safe and sanitary housing.

§53.51.Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which HOME funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of housing.

(2) Administrative Deficiencies--The absence of information or a document from the application as required in this rule.

(3) Applicant--An eligible entity which is preparing to submit or has submitted an application for HOME funds and is designated in the application to assume contractual liability and legal responsibility as the Recipient executing the written agreement with the Department.

(4) Board--The governing board of the Texas Department of Housing and Community Affairs.

(5) CFR--Code of Federal Regulations.

(6) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) Has the physical and economic characteristics of a Colonia, as determined by the Texas Water Development Board.

(7) Community Housing Development Organization (CHDO)--A private nonprofit organization that satisfies the requirements of 24 CFR 92.2 and is certified as such by the Department.

(8) Community Housing Development Organization Pre-Development Loan--A form of assistance in which funds are made available as loans to cover those costs outlined in 24 CFR 92.301.

(9) Competitive Application Cycle--A defined period during which applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be reviewed in accordance with the rules for application review published in the NOFA, and application guidelines.

(10) Consolidated Plan--The State Consolidated Plan prepared in accordance with 24 CFR Part 91, which describes the needs, resources, priorities and proposed activities to be undertaken with respect to certain HUD programs and is subject to approval annually by HUD.

(11) Demonstration Fund--A reserve fund for use alone or in combination and coordination with other programs administered by the Department. This Fund will be available for out of cycle applications, innovative programs brought to the Department for consideration and emergency programs. Additionally, this fund may be used with other programs administered by the Department as outlined in the Consolidated Plan, as approved by the Board.

(12) Department--The Texas Department of Housing and Community Affairs.

(13) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of multi-unit or single family residential housing that meet the affordability requirements.

(14) Expenditure--Approved expense evidenced by documentation submitted by the Recipient to the Department for purposes of drawing funds from HUD's Integrated Disbursement and

Information System (IDIS) for work completed, inspected and certified as complete, and as otherwise required by the Department.

(15) Family--Includes but is not limited to the following types of families as defined in 24 CFR 5.403:

(A) A family with or without children;

(B) An elderly family;

(C) A near elderly family;

(D) A disabled family;

(E) A displaced family;

(F) The remaining member of a tenant family; or

(G) A single person who is not an elderly or displaced person or a person with disabilities or the remaining member of a tenant family.

(16) Homebuyer Assistance--Down payment, closing costs, and gap financing assistance provided to eligible homebuyers. Minor rehabilitation may be combined with Homebuyer Assistance.

(17) HOME--The HOME Investment Partnerships Program at 42 United States Code §§12701-12839 and the regulations promulgated thereafter at 24 CFR Part 92.

(18) Household--One or more persons occupying a housing unit.

(19) HUD--The United States Department of Housing and Urban Development, or its successor.

(20) IDIS--Integrated Disbursement and Information System established by HUD.

(21) Income Eligible Families:

(A) Low-Income Families--Families whose annual incomes do not exceed 80% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

(B) Very Low-Income Families--Families whose annual incomes do not exceed 50% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.

(C) Extremely Low Income Families--Families whose annual incomes do not exceed 30% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

(22) Intergenerational Housing--Housing that includes specific units that are restricted to the age requirements of a Qualified Elderly Development and specific units that are not age restricted in the same Development that:

(A) have separate and specific buildings exclusively for the age restricted units;

(B) have separate and specific leasing offices and leasing personnel exclusively for the age restricted units;

(C) have separate and specific entrances, and other appropriate security measures for the age restricted units;

(D) provide shared social service programs that encourage intergenerational activities but also provide separate amenities for each age group;

(E) share the same Development site;

(F) are developed and financed under a common plan and owned by the same Person for federal tax purposes; and

(G) meet the requirements of the federal Fair Housing Act

(23) Match--Eligible forms of non-federal contributions to a program or project in the forms specified in 24 CFR 92.220.

(24) Neighborhood--As defined by HUD, a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government; except that if the unit of general local government has a population under 25,000, the neighborhood may, but need not, encompass the entire area of a unit of general local government.

(25) New construction--Any Development not meeting the definition of Rehabilitation or Reconstruction.

(26) NOFA--Notice of Funding Availability, published in the Texas Register.

(27) Nonprofit organization--A public or private organization that:

(A) is organized under state or local laws;

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, or Section 501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization non-profit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and

(D) A private nonprofit organization's pending application for 501(c) (3) or (c) (4) status cannot be used to comply with the tax status requirement.

(28) Open Application Cycle--A defined period during which applications may be submitted according to a published NOFA and which will be reviewed on a first come-first served basis until all funds available are committed, or until the NOFA is closed. Applications will be reviewed in accordance with the rules for application review published in the NOFA, and/or application guidelines.

(29) Owner-Occupied Housing Assistance--A form of assistance for the purpose of rehabilitating or reconstructing existing owner-occupied housing.

(30) Participating Jurisdiction (PJ)--Any state or unit of general local government, including consortia as specified in 24 CFR 92.101, designated by HUD in accordance with 24 CFR 92.105.

(31) Predevelopment Costs--Reimbursable costs related to a specific eligible housing project including:

(A) Predevelopment housing project costs that the Department determines to be customary and reasonable, including but not limited to consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, site control, and title clearance;

(B) Pre-construction housing project costs that the Department determines to be customary and reasonable, including but not limited to, the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees;

(C) Predevelopment costs do not include general operational or administrative costs.

(32) Program--Funds provided in the form of a contract to an eligible Applicant for the purpose of administering more than one Project or assisting more than one household.

(33) Program Income--Gross income received by the Department or program administrators directly generated from the use of HOME funds or matching contributions as further described in 24 CFR 92.2.

(34) Project--A site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or sites on which the building or buildings are located, that are under common ownership, management, and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking under 24 CFR 92.2.

(35) Recipient--A successful applicant that has been awarded funds by the Department to administer a HOME program, including a State Recipient, Subrecipient, for-profit entity, nonprofit entity, or CHDO.

(36) Reconstruction--The rebuilding of a structure on the same lot where housing is standing at the time of Development Application. HOME funds may be used to build a new foundation or repair an existing foundation. During reconstruction, the number of rooms per unit may change, but the number of units may not.

(37) Rehabilitation--Includes the alteration, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction.

(38) Rental Housing Development--A project for the acquisition, new construction, reconstruction or rehabilitation of multi-family or single family rental housing, or conversion of commercial property to rental housing.

(39) Rural Development--A Development located within an area which:

(A) is situated outside the boundaries of a primary metropolitan statistical area (PMSA) or a metropolitan statistical area (MSA);

(B) within the boundaries of a primary metropolitan statistical area (PMSA) or a metropolitan statistical area (MSA), if the statistical area has a population of 20,000 or less and does not share a boundary with an urban area; or

(C) in an area that is eligible for new construction or rehabilitation funding by the Texas-United States Department of Agriculture-Rural Housing Service (TX-USDA-RHS).

(40) Single Family Housing Development--A form of assistance to make funds available to HOME eligible Applicants including non-profit organizations, CHDOs, units of general local government, for-profit housing organizations, sole proprietors and public housing agencies for the purpose of constructing single family affordable housing units for homeownership.

(41) Special Needs--Those individuals or categories of individuals determined by the Department to have unmet housing needs consistent with 42 USC §12701 et seq. and as provided in the Consolidated Plan.

(42) State Recipient--A unit of general local government designated by the Department to receive HOME funds.

(43) Subrecipient--A public agency or nonprofit organization selected by the Department to administer all or a portion of the Department's HOME program. A public agency or nonprofit that receives HOME funds solely as a developer or owner of housing is not a Subrecipient. The Department's selection of a Subrecipient is not subject to the procurement procedures and requirements.

(44) Tenant-Based Rental Assistance (TBRA)--A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant-based rental assistance also includes security deposits and utility deposits for rental of dwelling units.

(45) Unit of General Local Government--A city, town, county, or other general purpose political subdivision of the State; a consortium of such subdivisions recognized by HUD in accordance with 24 CFR 92.101 and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction. An urban county is considered a unit of general local government under the HOME Program.

§53.52.Allocation of Funds

(a) The Department shall administer all federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12704 et seq.) in accordance with HUD's final HOME rule, 24 CFR Part 92 and Chapter 2306, Texas Government Code. Consistent with the federal HOME rule and the Department annual Consolidated Plan. The HOME program shall:

(1) adopt a goal to apply an aggregate minimum of 25 percent of the division's total housing funds toward housing assistance for individuals and families of extremely low and very low income, pursuant to §2306.111(a) of the Texas Government Code;

(2) expend at least 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Cranston-Gonzalez National Affordable Housing Act directly from the United States Department of Housing and Urban Development. All funds not set aside under this subsection shall be used for the benefit of persons with disabilities who live in areas other than non-participating areas, pursuant to §2306.111(c) of the Texas Government Code; and

(3) Allocate funds to all urban/exurban areas and rural areas of each uniform state service region consistent with the Department's Regional Allocation Plan, unless funds are reserved for contract-for-deed conversions or for set-asides mandated by state or federal law, or each contract-for-deed allocation or set-aside allocation equals not more than 10 percent of the total allocation of funds for the program year, pursuant to §2306.111(d) of the Texas Government Code.

(b) The Department shall release an annual allocation plan based on the funding allocation outlined in the Department's Consolidated Plan, and consistent with the Chapter 2306 of the Texas Government Code, after a full accounting of available funds has been determined.

§53.53.Applicant Requirements.

(a) Eligible Applicant. The following organizations or entities are eligible to apply for HOME eligible activities:

(1) nonprofit organizations;

- (2) CHDOs;
- (3) units of general local government;
- (4) for-profit entities and sole proprietors; and
- (5) public housing agencies.

(b) Ineligible Applicant: The following violations will cause an Applicant, and any applications they have submitted, to be ineligible:

- (1) previously funded Recipient(s) whose HOME funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to the current funding cycle;
- (2) applicants who have not satisfied all eligibility requirements described in subsection (f) of this section and the NOFA, and application guidelines to which they are responding, and for which Administrative Deficiencies were unresolved (relating to Applicant Requirements);
- (3) Applicants that have failed to make payment on any loans or fee commitments made with the Department;
- (4) applicants that have been otherwise barred by HUD and/or the Department;
- (5) applicant or developer, or their staff, that violate the state's revolving door policy; or
- (6) applicants that may be ineligible in accordance with those requirements at §50.5 of this title, excluding those requirements at §§50.5(a)(5) - (8), (10) and (11) of this Title.

(c) Communication with Department Employees. Communication with Department staff by Applicants that submit a Pre-Application or Application must follow the following requirements. During the period beginning on the date a Development Pre-Application or Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person that is active in the construction, rehabilitation, ownership or Control of the proposed Development including a General Partner or contractor and a Principal or Affiliate of a General Partner or contractor, or individual employed as a lobbyist by the Applicant or a Related Party, may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet, so long as that communication satisfies the conditions established under paragraphs (1) - (3) of this subsection. §50.5(b)(7) of this title applies to all communication with Board members. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.

- (1) the communication must be restricted to technical or administrative matters directly affecting the Application;
- (2) the communication must occur or be received on the premises of the Department during established business hours; and
- (3) a record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication (§2306.1113).

(d) Noncompliance. Each application will be reviewed for its compliance history by the Department, consistent with Chapter 60 of this title. Applications found to be in Material

Noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(e) Rental Housing Development Site and Development Restrictions. Restrictions include all those items referred to in 24 CFR Part 92 of the HUD HOME program rules, and any additional items included in the NOFA for rental housing developments.

(f) Limitations on the Size of Developments. Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units.

(g) Eligibility requirements. An Applicant must satisfy each of the following requirements in order to be eligible to apply for HOME funding and as more fully described in the NOFA and application guidelines, when applicable:

(1) provide evidence of its ability to carry out the Program in the areas of financing, acquiring, rehabilitating, developing or managing affordable housing developments;

(2) demonstrate fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements;

(3) submit any past due audit to the department in a satisfactory format on or before the application deadline, in accordance with §1.3(b) of this Title;

(4) demonstrate reasonable HOME Program expenditure and project performance on contract(s), as determined through program monitoring; and

(5) demonstrate satisfactory performance otherwise required by the Department and set out in the application guidelines.

(h) If indicated by the Department, Recipients must comply with all requirements to utilize the Department's website to provide necessary data to the Department.

(i) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in §1.37 of this title.

(j) Public Notification. Applicants for Rental Development activities will be required to provide written notification to each of the following persons or entities 14 days prior to the submission of any application package. Failure to provide written notifications 14 days prior to the submission of an application package at a minimum will cause an application to lose its "received by date" under open application cycles, or be terminated under competitive application cycles. Applicants must provide notifications to:

(1) the executive officer and elected members of the governing board of the community where the development will be located. This includes municipal governing boards, city councils, and County governing boards;

(2) all neighborhood organizations whose defined boundaries include the location of the Development;

(3) executive officer and Board President of the school district that covers the location of the Development;

(4) residents of occupied housing units that may be rehabilitated, reconstructed or demolished; and

(5) the State Representative and State Senator whose district covers the location of the Development.

(6) The notification letter must include, but not be limited to, the address of the development site, the number of units to be built or rehabilitated, the proposed rent and income levels to be served, and all other details required of the NOFA and Application Manual.

(k) An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the applicant's cash reserve obligation or made promises in connection therewith.

(l) All contractors, consulting firms, and Administrators must sign an affidavit to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions.

§53.54. Application Limitations.

An eligible Applicant may apply for several eligible activities provided that the total amount requested does not exceed the funding limits established in this section. The Department reserves the right to reduce the amount requested in an application based on program or project feasibility, underwriting analysis, or availability of funds:

(1) Award amount for Owner-Occupied Housing Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance shall not exceed ~~\$500,000~~ \$275,000 per Activity, per NOFA, except as may be otherwise allowed by the Board.

(A) The contract term for Owner Occupied Housing Assistance shall not exceed 18 months, except as may be otherwise allowed by the Board.

B. The contract term for Homebuyer Assistance and Contract for Deed shall not exceed 24 months, except as may be otherwise allowed by the Board.

C. The contract term for Tenant Based Rental Assistance shall not exceed 30 months, except as may be otherwise allowed by the Board.

(2) Award amount for Development activities shall not exceed \$3 million, except as may be recommended by staff and otherwise approved by the Board. The Department reserves the right to set maximum loan to value limitations and minimum match requirements on all Development activities.

(3) Award amount for CHDO Operating Expenses shall not exceed in any fiscal year 50% of the CHDO's total annual operating expenses in that fiscal year, or \$50,000, whichever is greater. The Department reserves the right to limit an Applicant to receiving no more than one award of CHDO operating funds during the same fiscal year and to further limit the award of CHDO Operating Expenses.

(4) Per unit subsidy for all HOME-assisted housing may not exceed the per-unit dollar limits established by HUD under §221(d)(3) of the National Housing Act which are applicable to the area in which the housing is located, and published by the Department.

(5) Award amount for Disaster Relief shall not exceed \$500,000 per State declared disaster, or as may be otherwise allowed by the Board. Only one application per affected unit of general local government may be submitted for each designated disaster. Public housing authorities (PHAs) and Nonprofit organizations may only act as an Applicant, in lieu of the unit of local government,

if they are so designated by the affected unit of general local government. Award amount for designated Applicants may not exceed \$500,000 per State declared disaster, or as may be otherwise allowed by the Board.

(6) Award amount for CHDO Predevelopment Loans may not exceed \$50,000 per application. Applicants may submit only one application per NOFA to cover eligible costs, as defined under §53.54(f) of this title.

§53.55. Program Activities.

All eligible applicants that satisfy the requirements of §53.52 may apply for the following Program Activities:

(1) Owner-Occupied Housing Assistance: Assisted homeowners must be income eligible and must occupy the property as their principal residence. Housing assisted with HOME funds must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is reconstructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a).

(2) Homebuyer Assistance: HOME funds utilized for Homebuyer Assistance are subject to the Department's recapture provisions as approved by HUD in the Consolidated Plan and as outlined in the application guidelines. The eligible uses for Homebuyer Assistance are down-payment assistance, closing cost assistance, gap financing, and in some instances, rehabilitation. The total assistance provided per eligible homebuyer may not exceed the limits as determined or allowed by the Board or the HOME Final Rule.

(3) Rental Housing Development: Eligible Activities include acquisition, new construction, and rehabilitation. Refinancing or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible. Owners of rental units assisted with HOME funds must comply with income and rent restrictions pursuant to 24 CFR 92.252 and keep the units affordable for a period of time, depending upon the amount of HOME assistance provided. Housing assisted with HOME funds must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is newly constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a).

(4) Tenant-Based Rental Assistance: Provides rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant Based Rental Assistance also includes security and utility deposits for rental of dwelling units. Recipients must comply with 24 CFR 92.209 and 92.216.

(5) Single Family Housing Development: Newly constructed housing must meet all applicable codes and standards, as specified in the application guide. In addition, housing that is newly constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in accordance with 24 CFR 92.251(a). If eligible, an Applicant that applies for Single Family Housing Development may also apply for Homebuyer Assistance.

(6) CHDO Pre-Development Loans: The Department may set-aside up to 10% of the annual CHDO 15% Set-Aside for pre-development loans in accordance with 24 CFR 92.300(c). Applicants for pre-development loans will be required to have a summary description of a proposed Development and be able to show the necessary development experience to apply, as outlined in the NOFA and application guidelines. Predevelopment loan funds may only be used for activities such as project-specific technical assistance, site control loans, and project-specific seed

money. Pre-development loans must be repaid from construction loan proceeds or other project income. In accordance with 24 CFR 92.301, the Board may elect to waive pre-development loan repayment, in whole or in part, if there are impediments to a development that the Department determines are reasonably beyond the control of the CHDO.

(7) Set-Asides: other activities deemed eligible under set-asides defined by the Department and outlined in the Consolidated Plan.

§53.56.Prohibited Activities.

In accordance with 24 CFR 92.214, HOME funds may not be used to:

- (1) Provide project reserve accounts, except as provided in §92.206(d)(5), or operating subsidies;
- (2) Provide tenant-based rental assistance for the special purposes of the existing Section 8 program, in accordance with Section 212(d) of the Act;
- (3) Provide non-federal matching contributions required under any other Federal program;
- (4) Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
- (5) Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
- (6) Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under 24 CFR §92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see 24 CFR §92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under 24 CFR §92.250;
- (7) Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project;
- (8) Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds; or
- (9) Pay for any cost that is not eligible under 24 CFR §§92.206 through 92.209.

§53.57.Distribution of Funds.

In accordance with 24 CFR §92.201(b)(1), the Department makes every effort to distribute HOME funds throughout the state according to the Department's assessment of the geographic distribution of housing needs, as identified in the Consolidated Plan. Funds shall also be allocated in accordance with §2306.111(d) and (g), Texas Government Code. The Department receives HOME funds for areas of the state which have not received Participating Jurisdiction (PJ) status from HUD. Section 2306.111(c) of the Texas Government Code requires the Department to award at least 95% of HOME Program funds to entities in nonparticipating jurisdictions. All funds not set aside under this section shall be used for the benefit of persons with disabilities who live in areas other than nonparticipating areas.

(1) CHDO Set-Aside. In accordance with 24 CFR §92.300, not less than 15% of the HOME allocation will be set aside by the Department for CHDO eligible activities. CHDO set-aside projects are

owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. If an insufficient number of qualified applications are received by the deadline, the Department reserves the right to hold additional competitions in order to meet federal set-aside requirements.

(2) Special Needs: In accordance with the Consolidated Plan, funds will be available to eligible Applicants, as defined in §53.52(a) of this title (relating to Applicant Requirements), with a documented history of working with special needs populations and with relevant housing related experience. Applicants may submit applications for eligible activities, as outlined in the Consolidated Plan. If an insufficient number of qualified applications are received, the Department reserves the right to transfer funds remaining in accordance with paragraph (6) of this subsection regarding Redistribution.

(3) Other Set-Asides. In accordance with the Consolidated Plan, funds will be available to eligible Applicants, as defined in §53.52(a) of this title (relating to Applicant Requirements), for those eligible activities outlined under Set-Asides.

(4) Administrative Funds. In accordance with 24 CFR §92.207 up to 10% of the Department's HOME allocation plus 10% of any program income received may be used for eligible and reasonable planning and administrative costs. Administrative and planning costs may be incurred by the Department, State Recipient, Subrecipient, nonprofit entity, or CHDO.

(5) CHDO Operating Expenses. In accordance with 24 CFR §92.208 up to 5% of the Department's HOME allocation may be used for the operating expenses of CHDOs. The Department may award CHDO Operating Expenses in conjunction with the award of CHDO Funds, or through a separate application cycle not tied to a specific Activity.

(6) Redistribution. In an effort to commit HOME funds in a timely manner, the Department may reallocate funds set-aside in accordance with the Consolidated Plan, at its own discretion, to other regions or activities if:

(A) the Department fails to receive a sufficient number of applications from a particular region or Activity;

(B) no applications are submitted for a region; or

(C) applications for a region or Activity do not meet eligibility requirements or minimum threshold scores (when applicable), or are financially infeasible as applicable.

(7) Marginal Applications. When the remainder of the allocation within a region is insufficient to completely fund the next ranked application in the region or Activity, it is within the discretion of the Department to:

(A) fund the next ranked application for the partial amount, reducing the scope of the application proportionally;

(B) make necessary adjustments to fully fund the application; or

(C) transfer the remaining funds to other regions or activities.

(8) HOME Demonstration Fund. The Department, with Board approval, may reserve HOME funds to combine and coordinate with other programs administered by the Department as outlined in the Consolidated Plan, or for housing activities the Department is permitted to fund under applicable law.

(9) Single Family Non-Development Applications. Applications submitted for Single Family non-development Activities under a Competitive Application Cycle may be accepted, reviewed, and recommended for an award, on an annual or biennial funding cycle.

§53.58.Application Process.

(a) An Applicant must submit a completed application to be considered for funding, along with an application fee determined by the Department and outlined in the NOFA, and application guidelines. Applications containing false information and applications not received by the deadline will be disqualified. Disqualified Applicants are notified in writing. All applications must be received by the Department by 5:00 p.m. on the date identified in the NOFA, and application guidelines, regardless of method of delivery.

(b) Applications received by the Department in response to an Open Application Cycle NOFA will be handled in the following manner:

(1) The Department will accept applications on an ongoing basis, until such date when the Department makes notice to the public that the Open Application Cycle has been closed. All applications must be received during business hours (8:00 a.m. to 5:00 p.m.) on any business day. The Department may limit the eligibility of applications in the NOFA, and application guidelines.

(2) Each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review.

(A) Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

(B) Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

(C) Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report

identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

(D) Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

(E) Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

(F) The Department may decline to fund any application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any application.

(c) Administrative Deficiencies. If an application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the application, the Department staff may request clarification or correction of such Administrative Deficiencies including both threshold and/or scoring documentation. The Department staff may request clarification or correction in a deficiency notice in the form of a facsimile and a telephone call to the Applicant advising that such a request has been transmitted. Administrative Deficiencies given to Applications submitted under an Open Application Cycle NOFA will be handled in the manner described under Part B of this Section. Applications submitted under a Competitive Application Cycle NOFA will be treated in the following manner. If Administrative Deficiencies are not cured to the satisfaction of the Department within five business days of the deficiency notice date, then five points shall be deducted from the application score for each additional day the deficiency remains unresolved.

If deficiencies are not clarified or corrected within seven business days from the deficiency notice date, then the application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. An Applicant may not change or supplement an application in any manner after the filing deadline, except in response to a direct request from the Department.

(d) Alternative Dispute Resolution Policy. In accordance with §2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, and Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

§53.59.Process for Awards.

(a) The Department will publish a NOFA in the Texas Register and on the Department's website. The NOFA may be published as either an Open or Competitive Application Cycle. The NOFA will establish and define the terms and conditions for the submission of applications, and may set a deadline for receiving applications under a Competitive Application Cycle. The NOFA will also indicate the approximate amount of available funds.

(b) Selection Procedures for non-development Activities such as, Owner Occupied Housing Assistance, Homebuyer Assistance, ~~and~~ Tenant-Based Rental Assistance, and Contract for Deed.

(1) Applications must comply with all applicable HOME requirements or regulations established in 24 CFR Part 92 and in these rules. Applications that do not comply with such requirements are disqualified. Disqualified Applicants are notified in writing.

(2) Applications are ranked from highest scores to lowest in their respective regions or Activity according to HOME Program scores. All funds not subject to the Regional Allocation Formula may be awarded on a first-come, first-serve basis. Applicants may also receive a partial recommendation for funding.

(3) Applications subject to the Regional Allocation Formula must meet or exceed a minimum score determined by Department's staff for the respective activities to be considered for funding.

(4) In event of a tie between two or more Applicants, the Department reserves the right to determine which application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed project identified in the application. Tied Applicants may also receive a recommendation for partial funding. A minimum award amount may be established to ensure feasibility.

(5) Applicants will be notified of their score in writing no later than seven calendar days after all applications received have been scored. Subsequently, ~~the~~ recommendations for funding regarding their application will be made available on the Department's website at least seven calendar days prior to the Board meeting at which the awards may be approved.

(6) Applications receiving a favorable staff recommendation are then presented to the Board for approval, pending the availability of HOME funds for each Activity.

(7) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.

(c) Selection Procedures for Development activities, such as, Single Family Housing Development and Rental Housing Development.

(1) Applications must comply with all applicable HOME requirements or regulations established in 24 CFR Part 92, and in these rules. Applications that do not comply with HOME requirements are disqualified. Disqualified Applicants are notified in writing.

(2) Housing Developments activities will undergo a review in accordance with §53.58 of this title governing open and competitive application cycles, as appropriate, and as prescribed in the NOFA, and application guidelines.

(3) A site visit will be conducted as part of the HOME Program Development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.

(4) In event of a tie between two or more Applicants, the Department reserves the right to determine which application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed project identified in the application. Tied Applicants may also receive a partial recommendation for funding.

(5) Each Development application will be notified of its score in writing no later than seven calendar days after all applications received have been scored. Subsequently, the recommendation regarding their application will be made available on the Department's web site at least seven calendar days prior to the Board meeting at which the awards may be approved.

(6) Applications receiving a favorable staff recommendation are then presented to the Board for approval, pending the availability of HOME funds for such Activity.

(7) Even after Board approval for the award of HOME Development Activity funds may be conditional upon a completed loan closing and any other conditions deemed necessary by the Department.

(8) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.

§53.60.General Selection Criteria.

At a minimum, the following criteria are utilized in evaluating the applications for HOME funds. The applicable criteria are further delineated in the application guidelines and NOFA, which are part of the application package.

(1) Needs Assessment--Whether the proposed project meets the demographic, economic, and special need characteristics of the population residing in the target area and the need that the HOME program is designed to address, using qualitative and quantitative information, market studies, if appropriate, and other source documentation as delineated in the application guidelines, which are part of the application.

(2) Program Design--Whether the proposed project meets the needs identified in the needs assessment, whether the design is complete and whether the project fits within the community setting. Information required includes, but is not limited to: community involvement; support

services and resources; scope of program; income and population targeting; marketing, fair housing and relocation plans, as applicable.

(3) Capability of Applicant--Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers), in program management, property management, acquisition, rehabilitation, construction, real estate finance counseling and training or other activities relevant to the proposed program, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.

(4) Financial Feasibility. Applications for funding will be reviewed for financial feasibility based on the Department's underwriting standards for development activities and as outlined in the NOFA and application guidelines . The review will be based on the supporting financial data provided by Applicants and third party reports submitted with the application.

§53.61 Threshold and Selection Criteria for Single Family non-development Activities

(a) Applications must meet the minimum threshold score in order to be considered eligible to receive a funding recommendation:

(1) Owner Occupied Housing Assistance, 66 Points.

(2) Homebuyer Assistance, 56 points.

(3) Tenant Based Rental Assistance, 56 points

(4) Contract for Deed, 55 points.

(b) The following selection criteria point breakdown will be utilized when scoring applications:

(1) Affordable Housing Needs Score. Points range from 1 to 7, as published by the Department.

(2) Income Targeting: Points will be awarded based on the percentage of total units targeted to specific income levels. Counties whose median income is at or below the statewide median income will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the statewide median income targeting households at or below 30% AMFI.

(A) For Owner Occupied Housing Assistance and Tenant Based Rental Assistance:

(i) 0% to 19.99% of units at 60% AMFI, 0 points

(ii) 20% to 39.99% of units at 60% AMFI, 2 points

(iii) 40% to 59.99% of units at 60% AMFI, 4 points

(iv) 60% to 79.99% of units at 60% AMFI, 6 points

(v) 80% to 99.99% of units at 60% AMFI, 8 points

(vi) 100% of units at 60% AMFI, 10 points

(vii) 0% to 19.99% of units at 30% AMFI, an additional 0 points

(viii) 20% to 39.99% of units at 30% AMFI, an additional 2 points

(ix) 40% to 59.99% of units at 30% AMFI, an additional 4 points

(x) 60% to 79.99% of units at 30% AMFI, an additional 6 points:

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(xi) 80% to 99.99% of units at 30% AMFI, an additional 8 points;

(xii) 100% of units at 30% AMFI, and additional 10 points.

(B) For Homebuyer Assistance and Contract for Deed:

(i) 0% to 19.99% of units at 80% AMFI, 5 points;

(ii) 20% to 39.99% of units at 80% AMFI, 4 points;

(iii) 40% to 59.99% of units at 80% AMFI, 3 points;

(iv) 60% to 79.99% of units at 80% AMFI, 2 points;

(v) 80% to 100% of units at 80% AMFI, 1 point;

(vi) 0% to 9.99% of units at 60% AMFI, an additional 2 points;

(vii) 10% to 19.99% of units at 60% AMFI, an additional 4 points;

(viii) 20% to 29.99% of units at 60% AMFI, an additional 6 points;

(ix) 30% to 39.99% of units at 60% AMFI, an additional 8 points;

(x) 40% to 49.99% of units at 60% AMFI, an additional 10 points;

(xi) 50% to 59.99% of units at 60% AMFI, an additional 11 points;

(xii) 60% to 69.99% of units at 60% AMFI, an additional 12 points;

(xiii) 70% to 79.99% of units at 60% AMFI, an additional 13 points;

(xiv) 80% to 89.99% of units at 60% AMFI, an additional 14 points;

(xv) 90% to 100% of units at 60% AMFI, an additional 15 points.

(3) Previous Award and Past Performance: Applicants will receive points for having received an award and performed in accordance with their contracts and Department rules. If unsatisfactory performance exists on any prior award regardless of set aside or activity, a score of zero points will result. In cases where entities have been funded for multiple years, the most recent award will be reviewed for performance. Unsatisfactory past performance on any contract will be forgiven if 2 years from the application deadline date has elapsed.

(A) Applicants applying for Owner Occupied Housing Assistance:

(i) Applicant has never received a HOME Owner Occupied Housing Assistance award, 20 points; or

(ii) Applicant has received a HOME award prior to 2002 and funds are 100% committed, drawn and programmatically closed based on the number of units contractually obligated, by application deadline date, 17 points; or

(iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on the number of units contractually obligated, by application deadline date, 14 points; or

(iv) Applicant received a HOME award in 2004, and funds are 100% committed and 50% drawn by application deadline date, 11 points; or

(v) Applicant received a HOME award during 2005 and a Contract Environmental Clearance completed by application deadline date, 8 points.

(B) Applicants applying for all other Single Family non-development Activities:

(i) Applicant has never received a HOME award, 20 points; or

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(ii) Applicant has received a HOME award prior to 2002 and is 100% committed, drawn and programmatically closed based on the number of units contractually obligated, by application deadline date, 17 points; or

(iii) Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on number of units contractually obligated, by application deadline date, 14 points; or

(iv) Applicant received a HOME award in 2004 and funds are 75% committed and 50% drawn by application deadline date, 11 points; or

(v) Applicant received a HOME award during 2005 and a Contract Environmental Clearance completed by application deadline date, 8 points

(4) Match. Points will be awarded based on the dollar amount of eligible match as a percentage up to 25% of the requested project funds and the population size to be assisted.

(A) Percentage of Match per Project Request.

(i) 0% to 12.49% of project request, 0 points;

(ii) 12.5% to 15.5% of project request, 6 points;

(iii) 15.51 to 18.5% of project request, 7 points;

(iv) 18.51% to 21.5% of project request, 8 points;

(v) 21.51% to 24.99% of project request, 9 points;

(vi) 25% or greater of project request, 10 points.

(B) Applicants will only receive additional points for population size if providing 12.5% or greater in match.

(i) Population size of 20,001 and above, 0 points;

(ii) Population size of 10,001 to 20,000, 2 points;

(iii) Population size of 5,001 to 10,000, 4 points;

(iv) Population size of 3,001 to 5,000, 6 points;

(v) Population size of 1,501 to 3,000, 8 points;

(vi) Population size of 1 to 1,500, 10 points.

(5) Specific to Activity.

(A) Owner Occupied Housing Assistance and Contract for Deed. Local Contractor Letters of Interest. Points will be awarded based on a review of the letters (up to five letters) submitted from potential local contractors who indicate a willingness or availability to participate in an invitation for bid under the applicant's proposed application. To be considered for scoring, the letters must be on the contractor's letterhead, including: the contractor's full name; address, city, state, and zip code; signed and dated within three months of the application deadline. Maximum of 10 points.

(i) The contractor must be headquartered within the Uniform State Service Region proposed in the application, 2 points per letter for a maximum of 10 points.

(ii) If the contractors that submit letters are not headquartered within the Uniform State Service Region proposed in the application, the applicant must submit a notarized certification for each potential contractor outside of the Uniform State Service Region, 1 point per letter for a maximum of 5 points.

(B) Homebuyer Assistance. Description of Lender Products. Points will be awarded based on a review of the commitment letters (up to three letters) submitted from lenders interested in participating in the Applicant's proposed application. To be considered for scoring, the letters must be on the lender's letterhead, including: name of lender; address, city, state, and zip code; and state the willingness and ability to make affordable loan products available for first-time homebuyers. Letters must be signed and dated within three months of application deadline. 2 points per letter for a maximum of 6 points.

(C) Homebuyer Assistance and Contract for Deed. Level of Homebuyer Counseling. Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Maximum of 4 points.

(i) Copy of curriculum, 2 points;

(ii) Copy of written agreement with service provider, 1 point;

(iii) Post purchase counseling to be provided, 1 point.

(D) Tenant Based Rental Assistance. Self Sufficiency Plan. Points will be awarded based on a review of the documentation submitted describing the Self Sufficiency Plan proposed for potential tenants. Maximum of 10 points.

(i) Description of the services to be provided, 4 points;

(ii) Training schedule, 4 points;

(iii) Copy of written agreement with service provider, 2 point.

(6) Citizen Forms. Points will be awarded based on the number of completed citizen forms as a percentage of the total units proposed. Maximum of 5 points.

(A) 0% to 9.99% of forms complete, 0 points;

(B) 10% to 29.99% of forms complete, 1 point;

(C) 30% to 49.99% of forms complete, 2 points;

(D) 50% to 69.99% of forms complete, 3 points;

(E) 70% to 89.99% of forms complete, 4 points;

(F) 90% to 100% of forms complete, 5 points.

(7) Financial Oversight. Submission of 2004 or 2005 "Independent Auditor's Report", 2 points.

~~(8) Serving Persons with Disabilities. To be eligible for these points, the Applicant must propose targeting 100% of the units to persons who meet the definition of Persons with Disabilities and have a documented history of working with the disability community, 2 points.~~

§53.6~~2~~4. Program Administration.

(a) Agreement. Upon approval by the Board, Applicants receiving HOME funds shall enter into, execute, and deliver to the Department all written agreements between the Department and Recipient, including land use restriction agreements and compliance agreements as required by the Department.

(b) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any HOME written agreement provided that:

(1) in the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; and

(2) in the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award.

(3) Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

(c) Deobligation.

(1) The Department reserves the right to deobligate funds in the following situations:

(A) Recipient has any unresolved compliance issues on existing or prior contracts with the Department;

(B) Recipient fails to set-up programs/projects or expend funds in a timely manner;

(C) Recipient defaults on any agreement by and between Recipient and the Department;

(D) Recipient misrepresents any facts to the Department during the HOME application process, award of contracts, or administration of any HOME contract;

(E) Recipient's inability to provide adequate financial support to administer the HOME contract or withdrawal of significant financial support;

(F) Recipient is not in compliance with 24 CFR Part 92, or these rules;

(G) Recipient declines funds; or

(H) Recipient fails to expend all funds awarded.

(2) The Department, with approval of the Board, may elect to reassign funds following the Deobligation Policy, adopted by the Board on January 17, 2002, in the order prioritized as follows:

(A) Successful appeals (as allowable under program rules and regulations);

(B) Disaster Relief (disaster declarations or documented extenuating circumstances such as imminent threat to health and safety);

(C) Special Needs;

(D) Colonias; or

(E) Other projects/uses as determined by the Executive Director and/or Board including the next year's funding cycle for each respective program.

(d) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for good cause, as determined by the Board.

(e) Additional Funds. In the event the Department receives additional funds from HUD, the Department, with Board approval, may elect to distribute funds to other Recipients.

(f) Accounting Requirements. Within 60 days following the conclusion of a contract issued by the Department the recipient shall provide a full accounting of funds expended under the terms of the contract. Failure of a recipient to provide full accounting of funds expended under the terms

of a contract shall be sufficient reason to terminate the contract and for the Department to deny any future contract to the recipient.

§53.6~~32~~. Community Housing Development Organization (CHDO) Certification.

(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A private nonprofit organization that has submitted a request for certification as a Community Housing Development Organization (CHDO) to the Department. An Applicant for the CHDO set aside must be a CHDO certified by the Department or as otherwise certified or designated as described in subsection (d) of this section.

(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Secretary of State.

(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.

(4) Community--For urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area, but not the whole state.

(5) Low income--An annual income that does not exceed eighty percent (80%) of the median income for the area, with adjustments for family size, as defined by the U.S. Department of Housing and Urban Development (HUD).

(6) Memorandum of Understanding (MOU)--A written statement detailing the understanding between parties.

(7) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(b) Application Procedures for Certification of CHDO. An Applicant requesting certification as a CHDO must submit an application for CHDO certification in a form prescribed by the Department. The CHDO application must be submitted with an application for HOME funding under the CHDO set-aside, and be recertified on an annual basis. The application must include documentation evidencing the requirements of this subsection.

(1) Applicant must have the following required legal status at the time of application to apply for certification as a CHDO:

(A) Organized as a private nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by:

(i) Charter; or

(ii) Articles of Incorporation.

(B) The Applicant must be registered with the Secretary of State to do business in the State of Texas.

(C) No part of the private nonprofit organization's net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

(i) Charter; or

(ii) Articles of Incorporation.

(D) The Applicant must have the following tax status:

(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, or Section 501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a CHDO; or

(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and

(iii) A private nonprofit organization's pending application for 501(c)(3) or (c)(4) status cannot be used to comply with the tax status requirement under this subparagraph.

(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's:

(i) Articles of Incorporation,

(ii) Charter;

(iii) Resolutions; or

(iv) Bylaws.

(F) The Applicant must have a clearly defined service area. The Applicant may include as its service area an entire community as defined in subsection (a)(4) of this section, but not the whole state. Private nonprofit organizations serving special populations must also define the geographic boundaries of its service areas. This subparagraph does not require a private nonprofit organization to represent only a single neighborhood.

(2) An Applicant must have the following capacity and experience:

(A) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems" as evidenced by:

(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department;

(ii) certification from a Certified Public Accountant; or

(iii) HUD approved audit summary.

(B) Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

(i) resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds; or

(ii) contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

(C) Has a history of serving the community within which housing to be assisted with HOME funds is to be located as evidenced by:

(i) statement that documents at least one year of experience in serving the community; or

(ii) for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community; and

(iii) The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.

(3) An Applicant must have the following organizational structure:

(A) The Applicant must maintain at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations in the Applicant's service area. Low-income neighborhoods are defined as neighborhoods where 51 percent or more of the residents are low-income. Residents of low-income neighborhoods do not have to be low income individuals themselves. If a low-income individual does not live in a low-income neighborhood as herein defined, the low-income individual must certify that he qualifies as a low-income individual. This certification is in addition to the affidavit required in clause (ii) of this subparagraph. For the purpose of this subparagraph, elected representatives of low-income neighborhood organizations include block groups, town watch organizations, civic associations, neighborhood church groups, Neighbor Works organizations and any organization composed primarily of residents of a low-income neighborhood as herein defined whose primary purpose is to serve the interest of the neighborhood residents. Compliance with this subparagraph shall be evidenced by:

(i) written provision or statement in the organizations By-laws, Charter or Articles of Incorporation;

(ii) affidavit in a form prescribed by the Department signed by the organization's Executive Director and notarized; and

(iii) current roster of all Board of Directors, including names and mailing addresses. The required one-third low-income residents or elected representatives must be marked on list as such.

(B) The Applicant must provide a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects. The formal process should include a system for community involvement in parts of the private nonprofit organization's service areas where housing will be developed, but which are not represented on its boards. Input from the low-income community is not met solely by having low-income representation on the board. The formal process must be in writing and approved or adopted by the private nonprofit organization, as evidenced by:

(i) organization's By-laws;

(ii) Resolution; or

(iii) written statement of operating procedures approved by the governing body. Statement must be original letterhead, signed by the Executive Director and evidence date of board approval.

(C) A local or state government and/or public agency cannot qualify as a CHDO, but may sponsor the creation of a CHDO. A private nonprofit organization may be chartered by a State or local government, but the following restrictions apply:

(i) The state or local government may not appoint more than one-third of the membership of the organization's governing body;

(ii) The board members appointed by the state or local government may not, in turn, appoint the remaining two-thirds of the board members;

(iii) No more than one-third of the governing board members may be public officials. Public officials include elected officials, appointed public officials, employees of the participating jurisdiction, or employees of the sponsoring state or local government, and individuals appointed by a public official. Elected officials include, but are not limited to, state legislators or any other statewide elected officials. Appointed public officials include, but are not limited to, members of any regulatory and/or advisory boards or commissions that are appointed by a State official;

(iv) Public officials who themselves are low-income residents or representatives do not count toward the one-third minimum requirement of community representatives in subparagraph (A) of this paragraph; and

(v) Compliance with clauses (i)-(iv) of this subparagraph shall be evidenced by:

(I) organization's By-laws;

(II) Charter; or

(III) Articles of Incorporation.

(D) If the Applicant is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the Applicant's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the Applicant's:

(i) By-laws;

(ii) Charter; or

(iii) Articles of Incorporation.

(E) An Applicant may be sponsored or created by a for-profit entity provided the for-profit entity's primary purpose does not include the development or management of housing, as evidenced in the for-profit organization's By-laws. If an Applicant is associated or has a relationship with a for-profit entity or entities, the Applicant must prove it is not controlled, nor receives directions from individuals, or entities seeking profit as evidenced by:

(i) organization's By-laws; or

(ii) Memorandum of Understanding (MOU).

(4) Religious or Faith-based Organizations may sponsor a CHDO if the CHDO meets all the requirements of this section. While the governing board of a CHDO sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a CHDO is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the HOME program may not use HOME funds to support any inherently religious activities: such as worship, religious instruction, or proselytizing;

(C) HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based CHDO uses as its principal place of worship are always ineligible for HOME-funded improvements;

(D) Compliance with clauses (A)-(C) of this subparagraph may be evidenced by:

(i) The Organizations By-laws;

(ii) Charter; or

(iii) Articles of Incorporation.

(c) An application for Community Housing Development Organization (CHDO) Certification will only be accepted if submitted with an application to the Department for HOME funds. If all requirements under this section are met, the Applicant will be certified as a CHDO upon the award of HOME funds by the Department. A new application for CHDO certification must be submitted to the Department with each new application for HOME funds under the CHDO set aside.

(d) If an Applicant submits an application for CHDO certification for a service area that is located in a local Participating Jurisdiction, the Applicant must submit evidence of the local taxing jurisdiction or local Participating Jurisdiction certification or designation of the Applicant as a CHDO.

(e) In the case of an Applicant applying for HOME funds (See 5% Disability requirement at §53.52(a)(2) of this Title) from the Department to be used in a Participating Jurisdiction, where neither the Participating Jurisdiction nor the local taxing entity certifies CHDOs outside of the local HOME application process, the Certification process described in this section applies.

Income Targeting (for OCC and TBRA only):

Points will be awarded based on the percentage of total units targeted to specific income levels according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the Applicant's income targeted units. Calculate the percentage of total units targeted at or below 60% AMFI and **circle** the associated points. If the Applicant is targeting households at 30% AMFI and below, calculate the percentage targeted and add the associated points for targeting households at or below 60% AMFI. No points will be awarded for targeting households between 61-80% AMFI. **Counties whose median income is at or below the statewide median income will receive the same number of points for income targeting when serving households at or below 50% AMFI as those counties exceeding the statewide median income targeting households at or below 30% AMFI. Applicants serving multiple counties including both Rider 4 Eligible Counties and ineligible Rider 4 Counties will be scored on a prorata basis.**

Is the Applicant requesting to serve Rider 4 Eligible Counties Yes No
 If yes, list counties: _____

Calculations:	Percentage of total units	60%	30% (or 50% for Rider 4 Eligible Counties)
Units at 61-80%: _____	100%	10 points	+10 points
Units at 51-60%: _____	80% - 99.99%	8 points	+8 points
Units at 31-50%: _____	60% - 79.99%	6 points	+6 points
Units at 0-30%: _____	40% - 59.99%	4 points	+4 points
Total Units: _____	20% - 39.99%	2 points	+2 points
	0% - 19.99%	0 points	0 points

MAX 20 points

Enter total points in right column →

Income Targeting (for HBA and CFD only):

Points will be awarded based on the percentage of total units targeted to specific income levels according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the Applicant's income targeted units. Calculate the percentage of total units targeted at applicable AMFI and **circle** the associated points.

Calculations:	Percentage of total units	80%	60%
Units at 80%: _____	90% - 100%	1 point	+15 points
	80% - 89.99%		+14 points
Units at 60%: _____	70% - 79.99%	2 points	+13 points
	60% - 69.99%		+12 points
Total Units: _____	50% - 59.99%	3 points	+11 points
	40% - 49.99%		+10 points
	30% -- 39.99%	4 points	+8 points
	20% - 29.99%		+6 points
	10% - 19.99%	5 points	+4 points
	0% - 9.99%		+2 points

MAX 20 points

Enter total points in right column →

*Tabs and references are subject to change.

Citizen Forms: (All Activities)

Points will be awarded based on the number of completed citizen forms as a percentage of the total units proposed according to the chart below. Please refer to **Tab 1, Section 4 of the Uniform Application*** for the total number of units proposed and **Tab 4*** for the completed forms. Calculate the percentage of completed citizen forms and **circle** the associated points.

A citizen form is considered complete when the following blanks are filled with the requested data: type of assistance requested, signature, and date. For OCC a picture of the house must be included to be deemed complete.

Calculations:

Total Forms: _____

Total Units: _____

Percentage: _____

Number of complete forms/ total proposed units	Points awarded
90% - 100%	5 points
70% - 89.99%	4 points
50% - 69.99%	3 points
30% - 49.99%	2 points
10% - 29.99%	1 point
0% - 9.99%	0 points

MAX 5 points

Enter total points in right column → → → → → → → → → → → → → → → → → →

Financial Oversight: (All Activities)

Points will be awarded based on the submission of documents under **Tab 8***. The points should be awarded based solely on the submission of the document as described, not a qualitative review of the documentation.

Description of item	Points awarded
Is the 2004 or 2005 "Independent Auditor's Report" submitted under Tab 8*? <input type="checkbox"/> Yes <input type="checkbox"/> No	2 points

MAX 2 points

Enter total points in right column → → → → → → → → → → → → → → → → → →

*Tabs and references are subject to change.

Previous HOME Award/Past Performance:

Points will be awarded based on the chart below. If unsatisfactory performance exists on ANY prior award (regardless of set aside or Activity), a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven if 2 years from the application deadline date has elapsed. **As of the application deadline, pending set-ups and/or draws will not be counted.** In cases where entities have been funded in multiple years, the most recent award will be reviewed for performance.

HOME Award Status	Points awarded
Applicant has : <input type="checkbox"/> never received a OCC HOME award, (OCC apps ONLY) <input type="checkbox"/> never received a HOME award (HBA, TBRA, CFD ONLY)	20 points
Applicant received HOME award prior to 2002 AND funds are 100% committed and drawn, and programmatically closed, based on the # of units contractually obligated by Application deadline date.	17 points
Applicant received a HOME award in 2002-2003 and funds are 100% committed and drawn based on the # of units contractually obligated by Application deadline date	14 points
Applicant received HOME award in 2004: <input type="checkbox"/> OCC - funds are 100% committed AND 50% drawn by Application deadline date <input type="checkbox"/> HBA, TBRA, CFD - funds are 75% committed AND 50% drawn by Application deadline date.	11 points
Applicant received HOME award during 2005 AND Contract Environmental Clearance completed by Application deadline date	8 points

MAX 20 points

Enter total points in right column →

Match:

Points will be awarded based on the dollar amount of eligible match as a percentage (up to 25%) of the requested project funds and the population size to be assisted. Please refer to the Applicant's program budget under **Tab 6*** for match information and verification of firm commitments. Calculate the percentage of eligible match to project funds and **circle** the associated points. Points will only be considered and awarded for match amounts that are both **eligible and verified**. Please refer to the AHN tables to calculate population size.

Calculations and Explanations are required:

Proposed Match: _____

Dollars Requested: _____

Percentage: _____

Percentage of project funds requested	Points awarded
25.00%	10 points
21.51% - 24.99%	9 points
18.51% - 21.50%	8 points
15.51% - 18.50%	7 points
12.50% - 15.50%	6 points
0.00% - 12.49%	0 points

Applicant will only receive points for population size if supplying 12.50% or more in match.

Population Size	Points awarded
1 to 1,500	10 points
1,501 to 3,000	8 points
3,001 to 5,000	6 points
5,001 to 10,000	4 points
10,001 to 20,000	2 points
20,001 and above	0 points

MAX 20 points

Enter total points in right column →

*Tabs and references are subject to change.

Please list match as outlined in Program Budget (Tab 6*):

Match Code	Donor of Match	Amount of Match	Use of Match	Documentation of Match
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other
<input type="checkbox"/> CASH <input type="checkbox"/> LBRV <input type="checkbox"/> LAND <input type="checkbox"/> LBRP <input type="checkbox"/> INFR <input type="checkbox"/> SWEQ <input type="checkbox"/> SUPP <input type="checkbox"/> RNVL <input type="checkbox"/> SPCM <input type="checkbox"/> WAIV <input type="checkbox"/> COUN				<input type="checkbox"/> Resolution <input type="checkbox"/> Donor Letter <input type="checkbox"/> Other

*Tabs and references are subject to change.

Local Contractors Letters of Interest (for OCC and CFD only):

Points will be awarded based on a review of the letters (**up to five letters**) submitted from potential local contractors who indicate a willingness or availability to participate in an invitation for bid under the applicant’s proposed application. Please refer to **Tab 9*** for the letters. To be considered for scoring, the letters must be on the contractor’s letterhead, including: the contractor’s full name; address, city, state, and zip code; signed and dated within three months prior to the deadline. The contractor must be headquartered within the regional service area proposed in the application. If the contractors that submit letters are not headquartered within the regional service area proposed in the application, the applicant must submit a notarized certification for each potential contractor outside of the regional service area. **Circle** the associated points for each item below and total.

Type of letter	Points awarded
Letters of Interest within regional service area:	
Enter number of valid letters _____ @ 2 points =	
Letters of Interest not within regional service area <i>with</i> notarized statement:	
Enter number of valid letters _____ @ 1 point =	

MAX 10 points

Enter total points in right column → → → → → → → → → → → → → → → →

Description of Lender Products (for HBA only):

Points will be awarded based on a review of the commitment letters (up to three letters) submitted from lenders interested in participating in the Applicant’s proposed application. Please refer to **Tab 10*** for the commitment letters. To be considered for scoring, the letters must be on the lender’s letterhead, including: name of lender; address, city, state, and zip code; and state the willingness and ability to make affordable loan products available for first time homebuyers. Letters must be dated within three months of application deadline. **Circle** the associated points for each item below and total.

Description of item	Points awarded
Lender letter submitted Name of lender:_____	2 points
Lender letter submitted Name of lender:_____	2 points
Lender letter submitted Name of lender:_____	2 points

MAX 6 points

Enter total points in right column → → → → → → → → → → → → → → → →

*Tabs and references are subject to change.

Level of Homebuyer Counseling (for HBA and CFD only):

Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Please refer to **Tab 9*** for the description of the proposed homebuyer counseling. **Circle** the associated points for each item included in the description below and total.

Description of homebuyer counseling includes:	Points awarded
<ul style="list-style-type: none"> • A copy of the curriculum. 	+ 2 points
<ul style="list-style-type: none"> • A copy of the proposed written agreement with service provider, stating counseling will be performed by a certified provider with homebuyers attending a minimum of 8 hours of training. If Applicant is provider, the Applicant must state counseling will be performed by a certified provider with homebuyers attending a minimum of 8 hours of training. 	+ 1 point
<ul style="list-style-type: none"> • Post purchase counseling will be provided. 	+ 1 point

MAX 4 points

Enter total points in right column →

Self Sufficiency Plan (for TBRA only):

Points will be awarded based on a review of the documentation submitted describing the Self Sufficiency Plan proposed for potential tenants. Please refer to **Tab 9*** for the description of the plan. **Circle** the associated points for each item included in the description below and total. Every item should be addressed to receive maximum points.

Description of self sufficiency plan includes:	Points awarded
<ul style="list-style-type: none"> • A description of the services and training to be provided. 	4 points
<ul style="list-style-type: none"> • A training schedule 	4 points
<ul style="list-style-type: none"> • A copy of the proposed written agreement with the service provider. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Applicant is service provider. 	2 point

MAX 10 points

Enter total points in right column →

Total Points in right-hand column and enter “Final Score” on front page.

*Tabs and references are subject to change.

COMPETITIVE METHOD

2006 HOME Single Family Application Score Sheet for

- Owner Occupied Housing Assistance**
- Homebuyer Assistance**
- Tenant Based Rental Assistance**
- Contract for Deed Conversion**

NOTE: If the Applicant did not pass eligibility requirements, the application should not be scored.

Scorer's Name: _____	Score: _____
Application Number: _____	Minus Any Deficiency: _____
Applicant Name: _____	Final Score: _____
Region Number: _____	Maximum Score = 84/88 (CFD)
Dollars Requested: _____	
Units Proposed: _____	Did Applicant meet threshold score of:
	OCC = 66 _____ TBRA = 56 _____
	HBA = 56 _____ CFD = 55 _____
	<input type="checkbox"/> YES <input type="checkbox"/> NO

Please display any calculations and scoring points to two decimal places.

Scoring Factors	Score
<p>AHN Score Determine AHN score. Refer to Tab 1, Section 2 of the Uniform Application* for a listing of cities and counties served. Note: If applicant is targeting a city, then the AHN score for that city will be used. If proposing to serve multiple cities or counties, then an average will be taken.</p> <p>OCC, HBA, & TBRA Applications must serve either:</p> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> All Rural Areas <input type="checkbox"/> All Urban/Exurban Areas </div>	MAX 7 points
List City(ies) Served	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
List County(ies) Served	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
Enter scorer's determined AHN score in right column → → → → → → → → → → → →	

*Tabs and references are subject to change.

FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST

February 15, 2006

Report Item

1st Quarter Investment Report

Required Action

Presentation of the Department's 1st Quarter Investment Report

Background

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and market value at the beginning and end of the quarter.
- Overall, the portfolio decreased by \$20.6 million for a total of \$1.37 billion. There was 1 new Multi-Family issued during the 1st quarter for a total of \$16.1M. The Single Family Bond indenture paid \$26.2M in principal and \$14.1M in interest. The remaining difference is accounted by construction draws made by multi-family projects currently under construction.

The portfolio consists of:

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Back Securities (MBS)	57%	55%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	25%	32%
Repurchase Agreements	10%	6%
Other	8%	7%

The portfolio activity for the quarter:

- \$57.3 million of MBS purchases during the quarter represent portfolio activity for new loans originated.

- The maturities in MBS this quarter were \$24.1 million which represents loan payoffs. The table below shows a strong trend in new loans and decreasing amounts of loan payoffs.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
	FY 05	FY 05	FY 05	FY 05	FY 06	Total
Purchases	53,380,440	75,194,624	51,851,991	56,567,014	57,279,673	345,875,437
Sales		18,184,596				
Maturities	40,684,610	37,626,990	23,188,479	21,744,647	24,134,919	184,333,429

- The market value decreased \$17.7M decreasing the difference between fair value and par value but market value is less. The national average for a 30-year fixed mortgage as reported by HSH was 6.44% for the end of November up from 6.00% at the end of August. The spread between the market rate and our below-market rates is increasing.
- This change in market value is to be expected. It is reflective of the overall change in the bond market as a whole.
- Since we typically hold our investments to maturity, this is referred to as an unrealized loss.
- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.
- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The attached page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA report). This report shows parity by indentures with assets greater than liabilities in a range from 102% to 120%. This is considered strong by rating agencies. The interest comparison shows interest income greater than interest expense by indenture and indicates a current positive cash flow (with a small exception in the 1994 SF CHMRB).

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2005

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds	Single Family CHMRB 1994 Funds	Multi-Family Program Funds	Combined Totals
PARITY COMPARISON:						
PARITY ASSETS						
Cash	\$ 138,000	\$ 12,687	\$ 19,179	\$ 1	\$ (315,270)	\$ (145,403)
Investments	\$ 211,237,294	\$ 47,924,570	\$ 4,043,662	\$ 3,623,490	\$ 219,404,635	\$ 486,233,651
Mortgage Backed Securities	\$ 395,242,630	\$ 351,034,498	\$ 17,990,898	\$ -	\$ -	\$ 764,268,026
Loans Receivable	\$ 51,946,788	\$ 1,618,756	\$ -	\$ -	\$ 1,023,671,912	\$ 1,077,237,456
Accrued Interest Receivable	\$ 3,012,272	\$ 2,629,617	\$ 112,080	\$ 27,905	\$ 11,090,825	\$ 16,872,784
TOTAL PARITY ASSETS	\$ 661,576,984	\$ 403,220,128	\$ 22,165,819	\$ 3,651,396	\$ 1,253,852,102	\$ 2,344,466,514
PARITY LIABILITIES						
Bonds Payable	\$ 620,535,000	\$ 386,765,000	\$ 20,600,000	\$ 3,500,000	\$ 1,026,740,757	\$ 2,058,140,757
Accrued Interest Payable	\$ 7,531,660	\$ 8,695,966	\$ 136,292	\$ 18,229	\$ 11,996,707	\$ 28,378,859
TOTAL PARITY LIABILITIES	\$ 628,066,660	\$ 395,460,966	\$ 20,736,292	\$ 3,518,229	\$ 1,038,737,464	\$ 2,086,519,616
PARITY DIFFERENCE	\$ 33,510,324	\$ 7,759,162	\$ 1,429,527	\$ 133,167	\$ 215,114,638	\$ 257,946,899
PARITY	105.34%	101.96%	106.89%	103.79%	120.71%	112.36%
INTEREST COMPARISON (Through the Third Fiscal Month) :						
INTEREST INCOME						
Loans	\$ 211,024.00	\$ 26,285.00	\$ -	\$ -	\$ 4,841,293.00	\$ 5,078,602.00
Investments	\$ 2,358,952.00	\$ 1,838,792.00	\$ 123,776.00	\$ 17,564.00	\$ 3,642.00	\$ 4,345,242.00
Real Estate Owned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INTEREST INCOME	\$ 2,569,976.00	\$ 1,865,077.00	\$ 123,776.00	\$ 17,564.00	\$ 4,844,935.00	\$ 9,423,844.00
INTEREST EXPENSE						
Interest on Bonds	\$ 2,522,203.00	\$ 1,734,477.00	\$ 116,570.00	\$ 18,230.00	\$ 4,841,293.00	\$ 9,232,773.00
TOTAL INTEREST EXPENSE	\$ 2,522,203.00	\$ 1,734,477.00	\$ 116,570.00	\$ 18,230.00	\$ 4,841,293.00	\$ 9,232,773.00
NET INTEREST	\$ 47,773.00	\$ 130,600.00	\$ 7,206.00	\$ (666.00)	\$ 3,642.00	\$ 191,071.00
INTEREST RATIO	101.89%	107.53%	106.18%	96.35%	100.08%	102.07%

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION**

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING NOVEMBER 30, 2005**


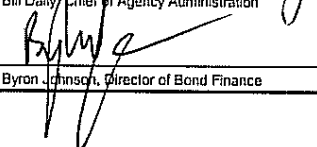
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending November 30, 2005

(b) (4) Summary statement of each pooled fund group:

INDENTURE	FAIR VALUE (MARKET) @ 08/31/05	CARRYING VALUE @ 08/31/05	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/05	FAIR VALUE (MARKET) @ 11/30/05	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT REC'BL 11/30/05	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS					
Single Family	649,013,243.21	646,763,862.62	139,236,392.86	(164,392,136.96)	(8,620,829.10)	0.00	612,987,489.62	605,202,821.27	(10,034,048.74)	2,815,380.00	0.00
RMRB	405,220,413.70	398,026,858.24	28,474,084.35	(9,151,489.27)	(13,449,937.80)	0.00	403,901,535.52	403,646,735.29	(7,444,355.78)	2,605,054.00	0.00
CHMRB	23,019,366.32	21,900,022.63	1,027,301.31	(0.06)	(888,097.70)	0.00	22,039,226.18	22,972,432.38	(186,139.49)	112,080.00	0.00
Multi Family	223,431,751.60	223,431,751.69	40,072,769.44	(41,135,951.12)	(1,176,254.35)	0.00	221,192,315.66	221,192,315.66	-	2,936.00	0.00
SF CHMRB 1993	754,952.34	754,952.34	7,220.63	0.00	0.00	0.00	762,172.97	762,172.97	-	86.00	0.00
SF CHMRB 1994/1995	3,624,533.27	3,624,533.27	729.83	(1,773.24)	0.00	0.00	3,623,469.66	3,623,469.66	-	27,605.00	0.00
Commercial Paper	75,214,916.38	75,214,916.38		(114,573.41)	0.00	0.00	75,100,342.97	75,100,342.97	-	614,908.00	0.00
General Fund	11,392,214.75	11,392,214.75	517,227.51	(534,143.26)	0.00	0.00	11,375,299.00	11,375,299.00	-	1,267.00	0.00
Housing Trust Fund	6,573,785.87	6,573,785.87	10,872,177.61	(502,528.04)	0.00	0.00	16,943,435.44	16,943,435.44	-	687.00	0.00
Administration	139,298.68	139,298.68	1,307.51	0.00	0.00	0.00	140,606.19	140,606.19	-	16.00	0.00
Compliance	1,270,177.40	1,270,177.40	405,663.02	(154,238.72)	0.00	0.00	1,521,901.70	1,521,901.70	-	170.00	0.00
Housing Initiatives	5,363,926.51	5,363,926.54	4,907.86	(1,091,210.91)	0.00	0.00	4,277,623.49	4,277,623.49	-	477.00	0.00
TOTAL	1,405,018,582.24	1,394,458,300.61	220,620,081.93	(217,076,024.99)	(24,134,918.95)	0.00	1,373,865,438.60	1,366,761,176.22	(17,664,544.01)	6,180,668.00	0.00

* No relationship can be drawn between the "ACCRUED INT REC'BL @ 11/30/05" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc.). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$ 230,416,052 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

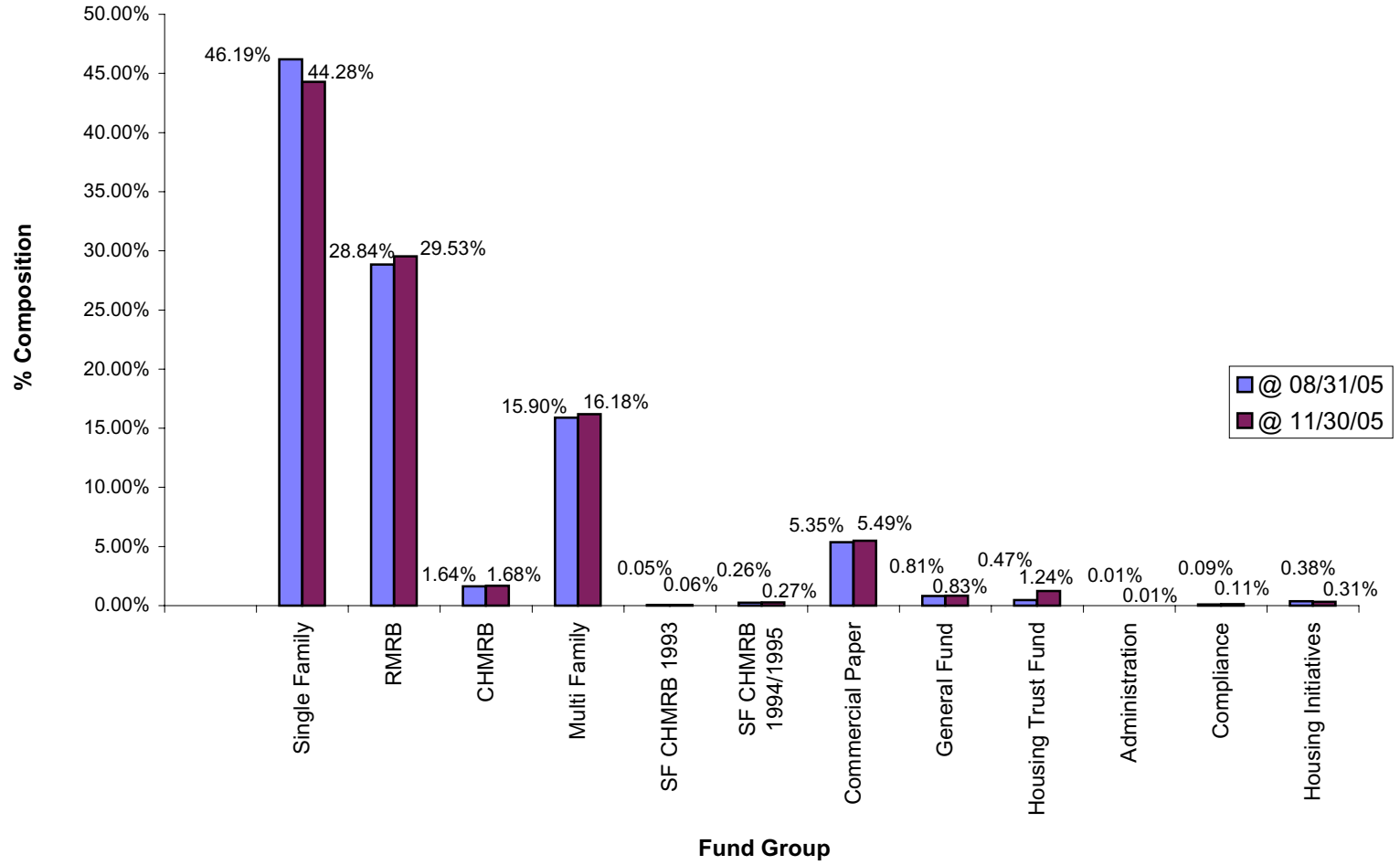
 Bill Dally, Chief of Agency Administration	Date 1/30/06
 Byron Johnson, Director of Bond Finance	Date 1/24/06

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING NOVEMBER 30, 2005**

Supplemental Information:

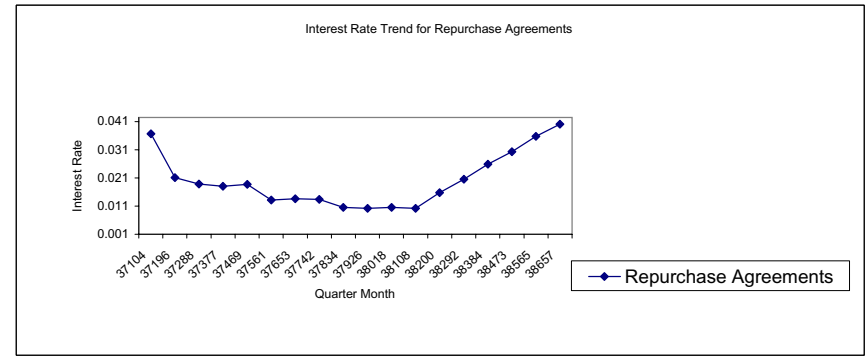
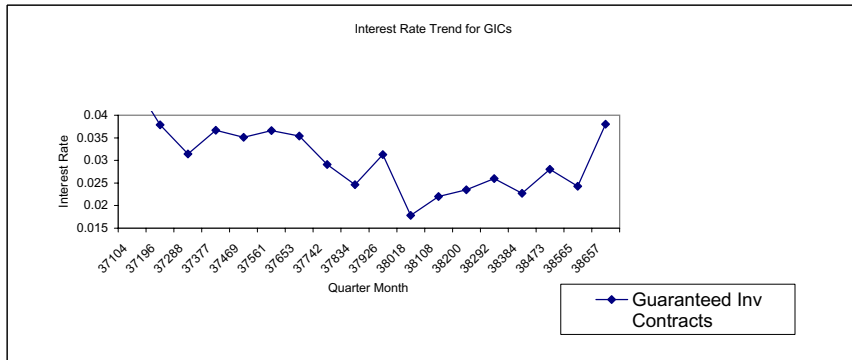
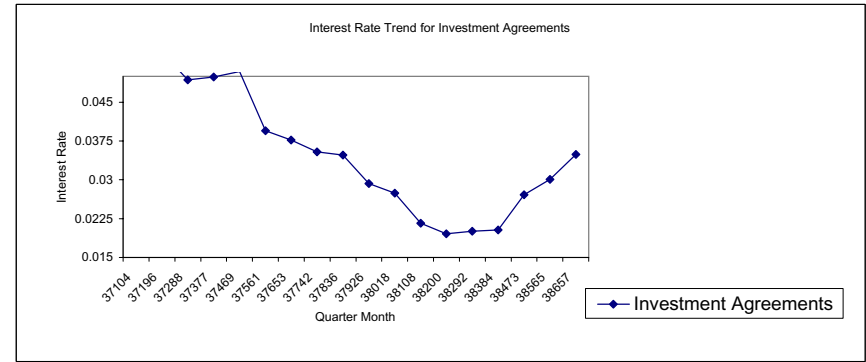
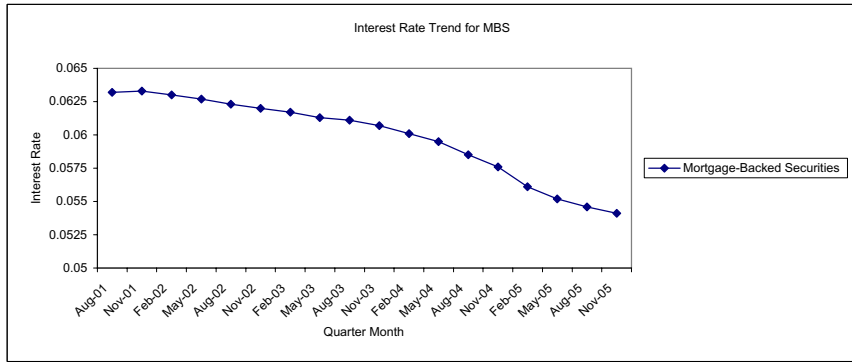
- 1) Bar Graph - Comparison of Market by Fund Group between Quarters
- 2) Analysis of Portfolio Interest Rate Trends and Maturities
- 3) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
- 4) Supplemental Public Funds Investment Act Report by Investment Type
- 5) Detail of Investments including maturity dates by Fund Group

Market Valuation Comparison By Fund Group

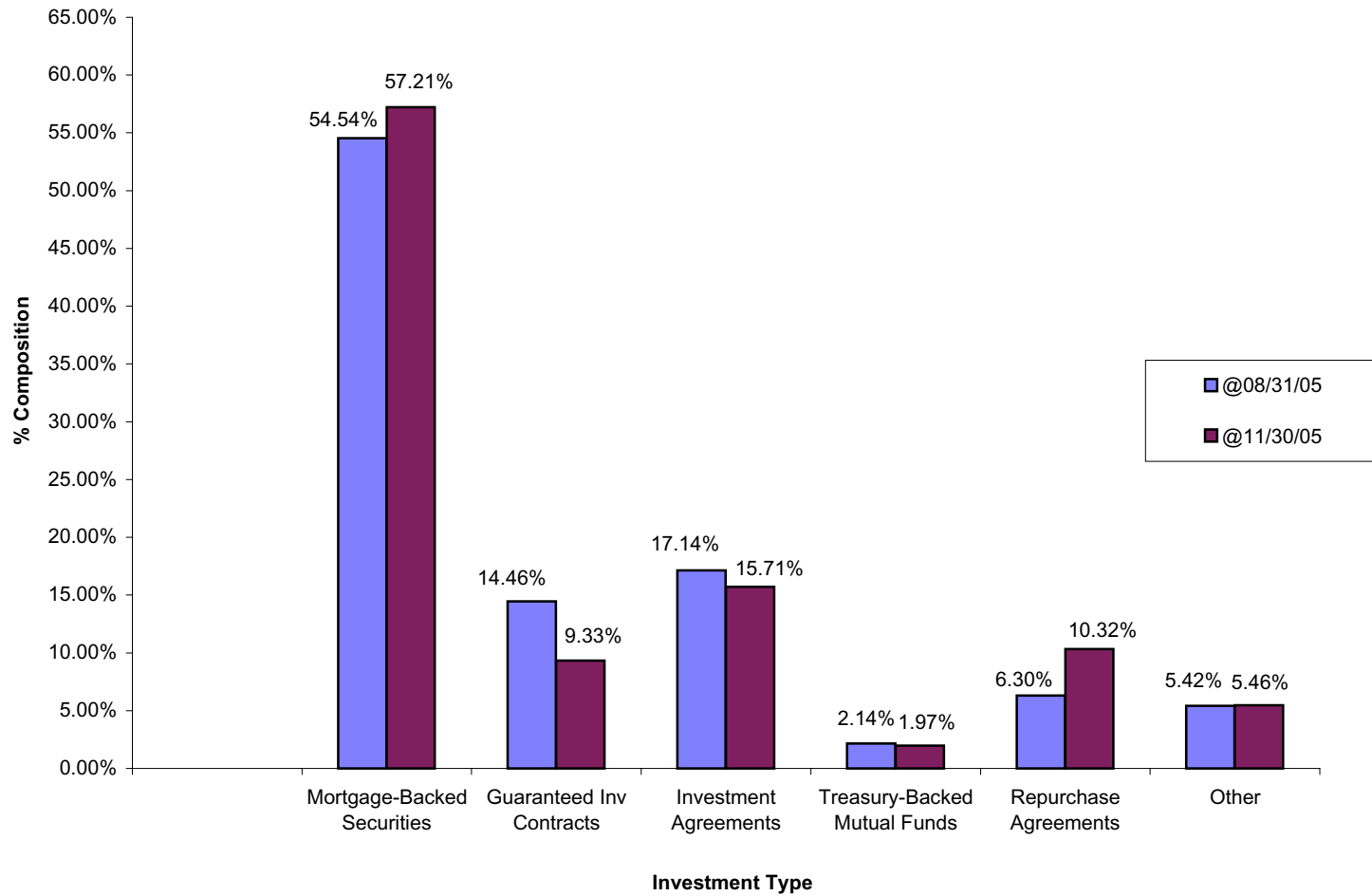


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
Quarter November 30, 2005

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity	
	HI	LOW		Beg Carrying Value @ 08/31/05	Beg Market Value @ 08/31/05	End Carrying Value @ 11/30/05	End Market Value @ 11/30/05	Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	8.75%	3.13%	57.21%	5.44%	5.46%	5.38%	5.41%	314	29	314	2	314	28	313	19
Commercial Paper	3.95%	3.95%	0.72%	3.43%	3.43%	3.95%	3.95%	0	9	0	9	0	9	0	9
Guaranteed Inv Contracts	6.51%	1.49%	9.33%	2.43%	2.43%	3.80%	3.80%	45	3	45	3	120	2	120	2
Investment Agreements	6.75%	1.20%	15.71%	3.01%	3.01%	3.49%	3.49%	27	17	27	17	38	14	38	14
Money Markets	3.55%	3.06%	2.57%	2.75%	2.75%	3.23%	3.23%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	3.55%	3.06%	1.97%	2.79%	2.79%	3.28%	3.28%	0	1	0	1	0	1	0	1
Repurchase Agreements	4.01%	4.01%	10.32%	3.58%	3.58%	4.01%	4.01%	0	1	0	1	0	1	0	1
Treasury Bills	5.81%	5.81%	0.01%	5.81%	5.81%	5.81%	5.81%	0	15	0	15	0	15	0	15
Treasury Bonds/Notes	13.88%	2.07%	2.16%	3.83%	4.00%	3.83%	3.96%	22	29	24	3	19	22	20	21



Market Valuation Comparison by Investment Type

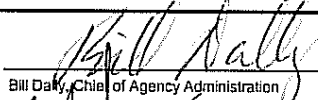
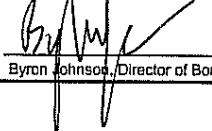


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule
Quarter Ending November 30, 2005

(b) (4) Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 08/31/05	CARRYING VALUE @ 08/31/05	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/05	FAIR VALUE (MARKET) @ 11/30/05	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Mortgage-Backed Securities	766,354,847.37	756,288,079.86	57,279,673.41	0.00	(24,134,918.95)	0.00	789,432,834.32	781,939,595.38	(17,560,006.45)	0.00
Guaranteed Inv Contracts	203,191,170.47	203,191,170.47	26,600,952.36	(102,252,441.67)	0.00	0.00	127,539,681.16	127,539,681.16	-	0.00
Investment Agreements	240,780,112.77	240,780,112.77	31,148,433.32	(57,248,171.68)	0.00	0.00	214,680,374.41	214,680,374.41	-	0.00
Treasury-Backed Mutual Funds	30,123,615.61	30,123,615.61	5,278,710.62	(8,539,628.75)	0.00	0.00	26,862,697.38	26,862,697.38	-	0.00
Repurchase Agreements	88,447,144.12	88,447,144.12	95,036,380.62	(42,392,261.33)	0.00	0.00	141,081,263.71	141,081,263.71	-	0.00
Money Markets	35,025,070.62	35,025,070.62	5,203,266.76	(5,052,969.99)	0.00	0.00	35,175,367.39	35,175,367.39	-	0.00
Treasury Bills	100,713.37	100,713.37	0.00	(21,986.57)	0.00	0.00	78,726.60	78,726.60	-	0.00
Treasury Bonds/Notes	29,623,954.91	29,130,440.79	72,664.64	0.00	0.00	0.00	29,203,105.43	29,592,081.99	(104,537.56)	0.00
Commercial Paper	11,361,953.00	11,361,853.00		(1,570,565.00)			9,791,388.00	9,791,388.00	-	0.00
TOTAL	1,406,018,582.24	1,394,458,300.61	220,620,081.93	(217,078,024.99)	(24,134,918.95)	0.00	1,373,865,438.60	1,366,761,176.22	(17,664,544.01)	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

 Bill Daly, Chief of Agency Administration	Date 1/30/06
 Byron Johnson, Director of Bond Finance	Date 1/24/06

Detail of Investments including maturity dates by Fund Group

**Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	216,589.94	216,589.94		(197,721.88)			18,868.06	18,868.06	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	1,206,722.11	1,206,722.11		(1,194,944.03)			11,778.08	11,778.08	-	0.00
T-Bond	1980 Single Family Surplus Rev	13.88	08/05/82	05/15/11	550,622.76	1,263,818.26	132.46				550,755.22	581,858.55	(682,092.17)	0.00
GICs	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	17,425.90	17,425.90	358,441.83				375,867.73	375,867.73	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	5.97	5.97	0.00				5.97	5.97	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	6,310.82	6,310.82	338.72				6,649.54	6,649.54	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	42,936.92	42,936.92	410.73				43,347.65	43,347.65	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	4.01	11/30/05	12/01/05	532,404.20	532,404.20		(35,651.38)			496,752.82	496,752.82	-	0.00
	1980 Single Family Surplus Rev Total				2,573,018.62	3,286,214.12	359,323.74	(1,428,317.29)	0.00	0.00	1,504,025.07	1,535,128.40	(682,092.17)	0.00
Repo Agmt	1982 A Single Family	4.01	11/30/05	12/01/05	3,547.46	3,547.46		(3,547.06)			0.40	0.40	-	0.00
GICs	1982 A Single Family	6.08	11/14/96	09/30/29	41,752.21	41,752.21	3,788.83				45,541.04	45,541.04	-	0.00
	1982 A Single Family Total				45,299.67	45,299.67	3,788.83	(3,547.06)	0.00	0.00	45,541.44	45,541.44	0.00	0.00
Repo Agmt	1983 A&B Single Family	4.01	11/30/05	12/01/05	1,047,076.50	1,047,076.50		(1,046,731.40)			345.10	345.10	-	0.00
GICs	1983 A&B Single Family	6.08	11/14/96	09/30/29	150,816.65	150,816.65	363,198.28				514,014.93	514,014.93	-	0.00
T-Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	715.65	951.55	0.12				715.77	921.07	(30.60)	0.00
	1983 A&B Single Family Total				1,198,608.80	1,198,844.70	363,198.40	(1,046,731.40)	0.00	0.00	515,075.80	515,281.10	(30.60)	0.00
Repo Agmt	1984 A&B Single Family	4.01	11/30/05	12/01/05	5,774.45	5,774.45		(5,770.58)			3.87	3.87	-	0.00
T-Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	407.43	541.86	0.07				407.50	524.50	(17.43)	0.00
GICs	1984 A&B Single Family	6.08	11/14/96	09/30/29			182,179.92				182,179.92	182,179.92	-	0.00
	1984 A&B Single Family Total				6,181.88	6,316.31	182,179.99	(5,770.58)	0.00	0.00	182,591.29	182,708.29	(17.43)	0.00
Repo Agmt	1985 A Single Family	4.01	11/30/05	12/01/05	8,676.08	8,676.08		(8,674.46)			1.62	1.62	-	0.00
GICs	1985 A Single Family	6.08	11/14/96	09/30/29			0.40				0.40	0.40	-	0.00
	1985 A Single Family Total				8,676.08	8,676.08	0.40	(8,674.46)	0.00	0.00	2.02	2.02	0.00	0.00
Repo Agmt	1985 B&C Single Family	4.01	11/30/05	12/01/05	1,387.10	1,387.10		(1,385.45)			1.65	1.65	-	0.00
GICs	1985 B&C Single Family	6.08	11/14/96	09/30/29			29,815.27				29,815.27	29,815.27	-	0.00
	1985 B&C Single Family Total				1,387.10	1,387.10	29,815.27	(1,385.45)	0.00	0.00	29,816.92	29,816.92	0.00	0.00
Repo Agmt	1987 B Single Family	4.01	11/30/05	12/01/05	46,824.30	46,824.30		(46,822.51)			1.79	1.79	-	0.00
GICs	1987 B Single Family	6.08	11/14/96	09/30/29	742,626.42	742,626.42	204,256.19				946,882.61	946,882.61	-	0.00
T-Bond	1987 B Single Family	13.88	08/05/82	05/15/11	496,959.51	314,961.92	0.00				496,959.51	522,276.57	207,314.65	0.00
	1987 B Single Family Total				1,286,410.23	1,104,412.64	204,256.19	(46,822.51)	0.00	0.00	1,443,843.91	1,469,160.97	207,314.65	0.00
Repo Agmt	1995 A&B Single Family	4.01	11/30/05	12/01/05	4,092,845.50	4,092,845.50		(2,880,776.99)			1,212,068.51	1,212,068.51	-	0.00
GICs	1995 A&B Single Family	6.08	11/14/96	09/30/29	987,299.28	987,299.28		(397,368.48)			589,930.80	589,930.80	-	0.00
GICs	1995 A&B Single Family	6.08	11/14/96	09/30/29			78.53				78.53	78.53	-	0.00
Repo Agmt	1995 A&B Single Family				2,624.83	2,624.83		(2,624.83)					-	0.00
FNMA	1995 A&B Single Family	6.15	05/30/96	04/01/26	313,529.57	326,936.34		(2,167.35)			311,362.22	321,491.43	(3,277.56)	0.00
FNMA	1995 A&B Single Family	6.15	06/27/96	05/01/26	211,722.19	220,319.57		(1,736.56)			209,985.63	216,375.55	(2,207.46)	0.00
FNMA	1995 A&B Single Family	6.15	07/15/96	06/01/26	304,438.60	317,925.65		(4,008.84)			300,429.76	310,695.89	(3,220.92)	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	231,350.46	241,800.87		(1,339.04)			230,011.42	238,043.15	(2,418.68)	0.00
FNMA	1995 A&B Single Family	6.15	08/15/96	07/01/26	265,164.15	276,993.56		(3,129.22)			261,971.93	270,974.49	(2,826.85)	0.00
FNMA	1995 A&B Single Family	6.15	08/29/96	08/01/26	274,018.35	282,867.03		(2,229.91)			271,788.44	277,802.39	(2,834.73)	0.00
FNMA	1995 A&B Single Family	6.15	09/17/96	08/01/26	236,583.66	243,791.08		(3,318.23)			233,265.43	238,004.83	(2,468.02)	0.00
FNMA	1995 A&B Single Family	6.15	10/30/96	10/01/26	540,851.24	557,163.54		(5,484.51)			535,366.73	546,082.89	(5,596.14)	0.00
FNMA	1995 A&B Single Family	6.15	12/23/96	11/01/26	378,062.60	389,713.47		(4,704.91)			373,357.69	381,073.83	(3,934.73)	0.00
FNMA	1995 A&B Single Family	6.15	03/27/97	01/01/27	258,108.92	265,790.03		(2,350.92)			255,758.00	260,775.77	(2,663.34)	0.00
FNMA	1995 A&B Single Family	6.15	07/15/97	03/01/27	43,761.87	45,098.00		(2,143.95)			41,617.92	42,466.28	(487.77)	0.00
FNMA	1995 A&B Single Family	6.15	09/29/97	07/01/27	260,421.75	269,379.94		(1,424.94)			258,996.81	265,336.75	(2,618.25)	0.00
GNMA	1995 A&B Single Family	6.15	07/30/96	07/20/26	1,639,427.84	1,706,331.03		(72,651.93)			1,566,775.91	1,621,761.85	(11,917.25)	0.00
GNMA	1995 A&B Single Family	6.15	03/28/96	03/20/26	565,270.08	588,516.18		(4,238.59)			561,031.49	580,896.62	(3,380.97)	0.00
GNMA	1995 A&B Single Family	6.15	08/15/96	07/20/26	1,317,023.21	1,370,650.70		(12,801.01)			1,304,222.20	1,349,876.90	(7,972.79)	0.00
GNMA	1995 A&B Single Family	6.15	04/29/96	04/20/26	691,846.35	720,064.30		(5,740.65)			686,105.70	710,169.26	(4,154.39)	0.00
GNMA	1995 A&B Single Family	6.15	05/15/96	05/20/26	1,297,085.70	1,349,963.12		(115,399.75)			1,181,685.95	1,223,107.19	(11,456.18)	0.00
GNMA	1995 A&B Single Family	6.15	05/30/96	05/20/26	806,773.34	839,950.72		(5,698.57)			801,074.77	829,439.18	(4,812.97)	0.00
GNMA	1995 A&B Single Family	6.15	06/17/96	06/20/26	2,085,345.49	2,170,641.69		(116,532.48)			1,968,813.01	2,038,092.11	(16,017.10)	0.00
GNMA	1995 A&B Single Family	6.15	06/27/96	06/20/26	576,422.20	599,809.83		(48,417.60)			528,004.60	546,411.47	(4,980.76)	0.00
GNMA	1995 A&B Single Family	6.15	07/15/96	06/20/26	1,773,622.19	1,845,219.06		(28,340.91)			1,745,281.28	1,805,765.95	(11,112.20)	0.00

GNMA	1995 A&B Single Family	6.15	08/29/96	08/20/26	1,113,368.89	1,151,333.90	(9,919.42)	1,103,449.47	1,134,811.88	(6,602.60)	0.00			
GNMA	1995 A&B Single Family	6.15	09/17/96	09/20/26	554,654.31	572,946.20	(4,183.15)	550,471.16	565,503.42	(3,259.63)	0.00			
GNMA	1995 A&B Single Family	6.15	09/26/96	09/20/26	478,658.45	494,747.81	(42,708.58)	435,949.87	448,129.88	(3,909.35)	0.00			
GNMA	1995 A&B Single Family	6.15	10/30/96	10/20/26	1,490,594.34	1,539,944.41	(80,571.10)	1,410,023.24	1,448,708.68	(10,664.63)	0.00			
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	842,849.56	871,811.56	(62,791.64)	780,057.92	802,432.70	(6,587.22)	0.00			
GNMA	1995 A&B Single Family	6.15	12/23/96	12/20/26	628,489.15	648,985.13	(75,998.15)	552,491.00	567,376.55	(5,610.43)	0.00			
GNMA	1995 A&B Single Family	6.15	01/16/97	12/20/26	1,072,468.32	1,107,475.51	(45,610.14)	1,026,858.18	1,054,555.24	(7,310.13)	0.00			
GNMA	1995 A&B Single Family	6.15	01/30/97	01/20/27	810,610.44	838,432.30	(63,752.23)	746,858.21	768,638.46	(6,041.61)	0.00			
GNMA	1995 A&B Single Family	6.15	02/13/97	02/20/27	712,147.10	736,541.54	(66,114.84)	646,032.26	664,828.89	(5,597.81)	0.00			
GNMA	1995 A&B Single Family	6.15	02/27/97	02/20/27	289,577.61	299,018.24	(1,683.80)	287,893.81	295,796.59	(1,537.85)	0.00			
GNMA	1995 A&B Single Family	6.15	03/27/97	03/20/27	636,537.06	656,564.05	(4,080.97)	632,456.09	649,100.48	(3,382.60)	0.00			
GNMA	1995 A&B Single Family	6.15	04/29/97	04/20/27	300,938.40	310,083.92	(68,399.69)	232,538.71	238,410.32	(3,273.91)	0.00			
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	319,913.14	329,635.30	(2,589.83)	317,323.31	325,335.73	(1,709.74)	0.00			
GNMA	1995 A&B Single Family	6.15	06/26/97	06/20/27	298,389.01	307,651.26	(2,209.91)	296,179.10	303,849.44	(1,591.91)	0.00			
GNMA	1995 A&B Single Family	6.15	08/18/97	07/20/27	433,834.12	451,382.87	(12,331.94)	421,502.18	436,364.43	(2,686.50)	0.00			
GNMA	1995 A&B Single Family	6.15	09/29/97	08/20/27	766,561.95	790,493.37	(101,807.57)	664,754.38	682,087.87	(6,597.93)	0.00			
GNMA	1995 A&B Single Family	6.15	02/26/98	02/20/28	195,218.70	201,045.95	(970.47)	194,248.23	199,118.00	(5,974.48)	0.00			
GNMA	1995 A&B Single Family	6.15	03/26/98	01/20/28	351,342.66	361,830.26	(3,588.23)	347,754.43	356,472.66	(1,769.37)	0.00			
GNMA	1995 A&B Single Family	6.15	04/29/98	04/20/28	283,109.03	291,559.79	(1,490.22)	281,618.81	288,678.96	(1,390.61)	0.00			
GNMA	1995 A&B Single Family	6.15	06/25/98	05/20/28	538,182.05	554,246.81	(75,330.11)	462,851.94	474,455.67	(4,461.03)	0.00			
GNMA	1995 A&B Single Family	6.15	07/16/98	06/20/28	207,448.13	213,640.43	(2,043.55)	205,404.58	210,554.04	(1,042.84)	0.00			
GNMA	1995 A&B Single Family	6.15	09/10/98	07/20/28	448,208.31	461,587.38	(2,707.53)	445,500.78	456,669.54	(2,210.31)	0.00			
GNMA	1995 A&B Single Family	6.15	11/19/98	10/20/28	766,262.35	789,135.28	(4,079.39)	762,182.96	781,290.88	(3,765.01)	0.00			
1995 A&B Single Family Total					32,692,962.45	33,691,788.59	78.53	(3,280,770.30)	(1,178,885.33)	0.00	28,233,385.35	29,029,891.93	(202,319.56)	0.00
Repo Agmt	1996 A-C Single Family	4.01	11/30/05	12/01/05	1,843,589.86	1,843,589.86	(1,842,148.84)	1,441.02	1,441.02	-	0.00			
Inv Agmt	1996 A-C Single Family	6.13	11/15/96	09/01/28			806,249.82	806,249.82	806,249.82	-	0.00			
GNMA	1996 A-C Single Family	6.45	04/29/97	04/20/27	376,391.18	391,025.22	(1,941.44)	374,449.74	387,132.31	(1,951.47)	0.00			
GNMA	1996 A-C Single Family	6.45	05/29/97	05/20/27	132,857.83	138,023.35	(714.09)	132,143.74	136,619.47	(689.79)	0.00			
GNMA	1996 A-C Single Family	6.45	07/15/97	05/20/27	359,686.16	373,670.82	(2,801.54)	356,884.62	368,972.36	(1,896.92)	0.00			
GNMA	1996 A-C Single Family	6.45	08/28/97	08/20/27	306,511.44	318,428.59	(1,542.32)	304,969.12	315,298.41	(1,587.86)	0.00			
GNMA	1996 A-C Single Family	6.45	10/15/97	08/20/27	145,580.59	151,240.75	(818.98)	144,761.61	149,664.67	(757.10)	0.00			
GNMA	1996 A-C Single Family	6.45	11/25/97	10/20/27	374,413.86	388,971.05	(1,843.52)	372,570.34	385,189.28	(1,938.25)	0.00			
GNMA	1996 A-C Single Family	6.45	02/12/98	12/20/27	317,196.58	329,529.23	(1,612.69)	315,583.89	326,272.76	(1,643.78)	0.00			
GNMA	1996 A-C Single Family	6.45	04/16/98	02/20/28	542,364.96	563,202.89	(3,062.80)	539,302.16	557,460.73	(2,679.36)	0.00			
GNMA	1996 A-C Single Family	6.45	08/13/98	06/20/28	263,254.26	273,368.50	(1,656.11)	261,598.15	270,406.17	(1,306.22)	0.00			
GNMA	1996 A-C Single Family	6.45	12/15/98	09/20/28	357,474.98	371,209.14	(1,747.72)	355,727.26	367,704.57	(1,756.85)	0.00			
GNMA	1996 A-C Single Family	6.45	01/28/99	11/20/28	39,972.80	41,508.55	(174.32)	39,798.48	41,138.49	(195.74)	0.00			
GNMA	1996 A-C Single Family	5.45	03/18/99	02/20/29	479,195.70	487,461.83	(2,746.92)	476,448.78	473,247.05	(11,467.86)	0.00			
GNMA	1996 A-C Single Family	5.45	06/24/99	05/20/29	521,760.77	530,761.14	(43,307.83)	478,452.94	475,237.73	(12,215.58)	0.00			
GNMA	1996 A-C Single Family	5.45	07/29/99	06/20/29	719,599.84	732,012.93	(54,587.61)	665,012.23	660,543.34	(16,881.98)	0.00			
GNMA	1996 A-C Single Family	5.45	10/14/99	08/20/29	365,606.19	371,912.87	(68,804.41)	296,801.78	294,807.24	(8,301.22)	0.00			
GNMA	1996 A-C Single Family	5.45	08/26/99	07/20/29	450,647.75	458,421.41	(41,523.31)	409,124.44	406,375.11	(10,522.99)	0.00			
GNMA	1996 A-C Single Family	5.45	12/01/99	10/20/29	163,010.52	165,822.48	(1,078.78)	161,931.74	160,843.58	(3,900.12)	0.00			
GNMA	1996 A-C Single Family	5.45	01/27/00	12/20/29	1,133,186.24	1,152,733.70	(83,528.48)	1,049,657.76	1,042,604.06	(26,601.16)	0.00			
FNMA	1996 A-C Single Family	5.45	01/28/00	07/01/29	193,677.85	196,513.30	(1,661.39)	192,016.46	190,336.32	(4,515.59)	0.00			
T-Bond	1996 A-C Single Family	13.88	08/05/82	05/15/11	440,976.49	279,481.43	0.00	440,976.49	463,441.55	183,960.12	0.00			
Repo Agmt	1996 A-C Single Family	4.01	11/30/05	12/01/05	136,207.20	136,207.20	(136,207.11)	0.09	0.09	-	0.00			
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	430,622.74	430,622.74	194,002.64	624,625.38	624,625.38	-	0.00			
GNMA	1996 A-C Single Family	5.45	03/18/99	02/20/29	98,691.61	100,394.03	(565.73)	98,125.88	97,466.45	(2,361.85)	0.00			
GNMA	1996 A-C Single Family	5.45	06/24/99	05/20/29	107,457.97	109,311.64	(8,919.36)	98,538.61	97,876.45	(2,515.83)	0.00			
GNMA	1996 A-C Single Family	5.45	07/29/99	06/20/29	148,203.43	150,759.95	(11,242.46)	136,960.97	136,040.61	(3,476.88)	0.00			
GNMA	1996 A-C Single Family	5.45	10/14/99	08/20/29	75,297.50	76,596.42	(14,170.45)	61,127.05	60,716.31	(1,709.66)	0.00			
GNMA	1996 A-C Single Family	5.45	08/26/99	07/20/29	92,812.02	94,413.07	(8,551.83)	84,260.19	83,694.00	(2,167.24)	0.00			
GNMA	1996 A-C Single Family	5.45	12/01/99	10/20/29	33,572.47	34,151.57	(222.18)	33,350.29	33,126.15	(803.24)	0.00			
GNMA	1996 A-C Single Family	5.45	01/27/00	12/20/29	233,382.62	237,408.48	(17,202.90)	216,179.72	214,727.00	(5,478.58)	0.00			
GNMA	1996 A-C Single Family	6.15	11/12/02	11/20/32	13,262.76	13,771.53	(30.86)	13,231.90	13,651.15	(89.52)	0.00			
GNMA	1996 A-C Single Family	5.40	11/12/02	10/20/32	18,913.42	19,375.82	(53.15)	18,860.27	18,853.94	(468.73)	0.00			
GNMA	1996 A-C Single Family	6.15	01/10/03	09/20/32	13,579.01	14,099.59	(35.97)	13,543.04	13,972.43	(91.19)	0.00			
GNMA	1996 A-C Single Family	5.40	09/26/02	09/20/32	12,000.46	12,293.83	(33.07)	11,967.39	11,962.87	(297.89)	0.00			
GNMA	1996 A-C Single Family	6.15	10/10/02	09/20/32	16,714.61	17,355.85	(41.99)	16,672.62	17,200.39	(113.47)	0.00			
GNMA	1996 A-C Single Family	5.40	10/10/02	09/20/32	8,215.47	8,416.32	(22.85)	8,192.62	8,189.62	(203.85)	0.00			
GNMA	1996 A-C Single Family	6.15	10/21/02	10/20/32	11,148.05	11,576.09	(27.30)	11,120.75	11,473.28	(75.51)	0.00			
GNMA	1996 A-C Single Family	6.15	10/29/02	10/20/32	6,546.66	6,797.83	(20.38)	6,526.28	6,733.00	(44.45)	0.00			
GNMA	1996 A-C Single Family	5.40	10/29/02	09/20/32	2,917.22	2,988.54	(12.18)	2,905.04	2,904.03	(72.33)	0.00			
GNMA	1996 A-C Single Family	6.15	11/05/02	10/20/32	3,152.16	3,273.14	(7.24)	3,144.92	3,244.59	(21.31)	0.00			
GNMA	1996 A-C Single Family	5.40	11/05/02	09/20/32	7,130.25	7,304.54	(23.96)	7,106.29	7,103.82	(176.76)	0.00			
GNMA	1996 A-C Single Family	6.15	11/19/02	11/20/32	4,151.49	4,310.79	(9.50)	4,141.99	4,273.28	(28.01)	0.00			
GNMA	1996 A-C Single Family	5.40	11/19/02	11/20/32	5,089.37	5,213.80	(13.96)	5,075.41	5,073.75	(126.09)	0.00			
GNMA	1996 A-C Single Family	6.15	11/26/02	11/20/32	21,613.67	22,442.84	(61.88)	21,551.79	22,234.94	(146.02)	0.00			

GNMA	1996 A-C Single Family	5.40	11/26/02	11/20/32	13,805.06	14,142.55	(38.97)	13,766.09	13,761.66	(341.92)	0.00
GNMA	1996 A-C Single Family	6.15	11/26/02	11/20/32	5,216.27	5,416.39	(13.31)	5,202.96	5,367.89	(35.19)	0.00
GNMA	1996 A-C Single Family	5.40	11/26/02	11/20/32	7,437.28	7,619.11	(21.11)	7,416.17	7,413.79	(184.21)	0.00
GNMA	1996 A-C Single Family	6.15	12/12/02	12/20/32	3,214.03	3,337.30	(7.40)	3,206.63	3,308.33	(21.57)	0.00
GNMA	1996 A-C Single Family	5.40	12/12/02	12/20/32	5,547.23	5,682.87	(15.70)	5,531.53	5,529.86	(137.31)	0.00
GNMA	1996 A-C Single Family	6.15	12/30/02	12/20/32	9,122.23	9,472.18	(3,012.54)	6,109.69	6,303.53	(156.11)	0.00
GNMA	1996 A-C Single Family	5.40	12/30/02	12/20/32	10,500.47	10,757.16	(29.09)	10,471.38	10,468.31	(259.76)	0.00
GNMA	1996 A-C Single Family	6.15	12/30/02	12/20/32	8,918.78	9,260.95	(25.24)	8,893.54	9,175.74	(59.97)	0.00
GNMA	1996 A-C Single Family	5.40	12/30/02	12/20/32	5,187.05	5,313.86	(14.29)	5,172.76	5,171.25	(128.32)	0.00
GNMA	1996 A-C Single Family	6.15	01/07/03	12/20/32	5,903.45	6,129.93	(14.37)	5,889.08	6,075.97	(39.59)	0.00
GNMA	1996 A-C Single Family	6.15	01/23/03	01/20/33	24,928.01	25,881.11	(63.52)	24,864.49	25,646.28	(171.31)	0.00
GNMA	1996 A-C Single Family	5.40	01/23/03	01/20/33	9,112.47	9,332.75	(25.47)	9,087.00	9,081.98	(225.30)	0.00
GNMA	1996 A-C Single Family	6.15	01/23/03	01/20/33	5,558.68	5,771.19	(13.07)	5,545.61	5,719.97	(38.15)	0.00
GNMA	1996 A-C Single Family	5.40	01/23/03	01/20/33	5,244.98	5,371.78	(14.47)	5,230.51	5,227.65	(129.66)	0.00
GNMA	1996 A-C Single Family	6.15	01/30/03	01/20/33	18,264.70	18,962.98	(51.57)	18,213.13	18,785.84	(125.57)	0.00
GNMA	1996 A-C Single Family	5.40	01/30/03	01/20/33	21,990.80	22,522.46	(87.36)	21,903.44	21,891.46	(543.64)	0.00
GNMA	1996 A-C Single Family	6.15	02/12/03	02/20/33	21,698.11	22,527.69	(82.71)	21,615.40	22,295.41	(149.57)	0.00
GNMA	1996 A-C Single Family	6.15	02/20/03	02/20/33	8,786.48	9,122.44	(21.00)	8,765.48	9,041.29	(60.15)	0.00
GNMA	1996 A-C Single Family	5.40	03/03/03	03/20/33	6,003.61	6,148.76	(16.50)	5,987.11	5,984.03	(148.23)	0.00
GNMA	1996 A-C Single Family	6.15	02/27/03	02/20/33	25,632.28	26,612.29	(3,395.87)	22,236.41	22,936.24	(280.18)	0.00
GNMA	1996 A-C Single Family	5.40	02/27/03	01/20/33	5,450.30	5,582.07	(15.14)	5,435.16	5,432.30	(134.63)	0.00
GNMA	1996 A-C Single Family	6.15	03/12/03	02/20/33	21,310.36	22,125.13	(55.69)	21,254.67	21,923.86	(145.58)	0.00
GNMA	1996 A-C Single Family	6.15	03/24/03	03/20/33	8,044.38	8,351.99	(23.57)	8,020.81	8,273.47	(54.95)	0.00
GNMA	1996 A-C Single Family	5.40	03/24/03	02/20/33	5,617.02	5,752.80	(24.27)	5,592.75	5,589.96	(138.57)	0.00
GNMA	1996 A-C Single Family	6.15	04/02/03	04/20/33	10,211.43	10,601.86	(31.15)	10,180.28	10,501.05	(69.66)	0.00
GNMA	1996 A-C Single Family	6.15	04/02/03	03/20/33	8,155.27	8,467.07	(19.05)	8,136.22	8,392.53	(55.49)	0.00
GNMA	1996 A-C Single Family	6.15	04/10/03	03/20/33	16,245.17	16,866.26	(61.41)	16,183.76	16,693.72	(111.13)	0.00
GNMA	1996 A-C Single Family	6.15	04/10/03	03/20/33	3,607.92	3,745.79	(8.47)	3,599.45	3,712.86	(24.46)	0.00
GNMA	1996 A-C Single Family	5.40	04/10/03	01/20/33	4,641.52	4,753.78	(13.05)	4,628.47	4,626.23	(114.50)	0.00
GNMA	1996 A-C Single Family	6.15	04/17/03	04/20/33	8,342.38	8,661.35	(19.58)	8,322.80	8,585.14	(56.63)	0.00
GNMA	1996 A-C Single Family	6.15	04/24/03	04/20/33	8,637.10	8,967.29	(24.87)	8,612.23	8,883.74	(58.68)	0.00
GNMA	1996 A-C Single Family	6.15	04/29/03	03/20/33	4,483.76	4,655.21	(10.91)	4,472.85	4,613.88	(30.42)	0.00
GNMA	1996 A-C Single Family	6.15	05/08/03	04/20/33	2,624.18	2,724.52	(6.66)	2,617.52	2,700.06	(17.80)	0.00
GNMA	1996 A-C Single Family	6.15	05/08/03	04/20/33	4,289.70	4,453.74	(10.44)	4,279.26	4,414.23	(29.07)	0.00
GNMA	1996 A-C Single Family	6.15	05/15/03	04/20/33	9,129.19	9,478.28	(23.34)	9,105.85	9,393.12	(61.82)	0.00
GNMA	1996 A-C Single Family	6.15	05/22/03	05/20/33	3,259.39	3,384.06	(7.63)	3,251.76	3,354.37	(22.06)	0.00
GNMA	1996 A-C Single Family	6.15	06/10/03	06/20/33	3,233.31	3,356.98	(7.74)	3,225.57	3,327.42	(21.82)	0.00
GNMA	1996 A-C Single Family	6.15	06/19/03	05/20/33	4,171.24	4,330.71	(9.82)	4,161.42	4,292.82	(28.07)	0.00
GNMA	1996 A-C Single Family	6.15	07/17/03	07/20/33	2,644.65	2,745.74	(6.68)	2,637.97	2,721.36	(17.70)	0.00
GNMA	1996 A-C Single Family	6.15	07/17/03	07/20/33	4,818.85	5,003.09	(21.75)	4,797.10	4,948.71	(32.63)	0.00
GNMA	1996 A-C Single Family	6.15	07/24/03	07/20/33	4,456.88	4,627.23	(11.16)	4,445.72	4,586.24	(29.83)	0.00
GNMA	1996 A-C Single Family	6.15	07/30/03	07/30/33	2,467.25	2,561.66	(5.73)	2,461.52	2,539.33	(16.60)	0.00
GNMA	1996 A-C Single Family	6.15	09/04/03	08/20/33	2,817.91	2,925.57	(6.72)	2,811.19	2,900.15	(18.70)	0.00
GNMA	1996 A-C Single Family	6.15	09/29/03	09/20/33	11,717.65	12,165.62	(3,282.76)	8,434.89	8,702.03	(180.83)	0.00
GNMA	1996 A-C Single Family	6.15	10/09/03	08/20/33	7,795.62	8,093.67	(18.69)	7,776.93	8,023.29	(51.69)	0.00
GNMA	1996 A-C Single Family	6.15	01/15/04	12/20/33	3,337.73	3,465.36	(8.08)	3,329.65	3,435.44	(21.84)	0.00
GNMA	1996 A-C Single Family	6.15	02/26/04	02/20/34	2,449.05	2,544.64	(6.05)	2,443.00	2,522.84	(15.75)	0.00
GNMA	1996 A-C Single Family	6.15	03/11/04	03/20/34	5,289.11	5,495.51	(12.74)	5,276.37	5,448.92	(33.85)	0.00
GNMA	1996 A-C Single Family	5.40	07/08/04	06/20/34	24,068.36	24,644.91	(76.24)	23,992.12	23,972.65	(596.02)	0.00
GNMA	1996 A-C Single Family	6.15	04/08/04	04/20/34	2,035.61	2,115.02	(5.78)	2,029.83	2,096.25	(12.99)	0.00
GNMA	1996 A-C Single Family	5.40	06/17/04	06/20/34	43,088.13	44,120.23	(126.34)	42,961.79	42,926.16	(1,067.73)	0.00
GNMA	1996 A-C Single Family	5.40	09/02/04	09/20/34	37,710.56	38,613.88	(110.59)	37,599.97	37,571.41	(931.88)	0.00
GNMA	1996 A-C Single Family	5.40	09/09/04	09/20/34	53,464.60	54,644.84	(158.14)	53,306.46	53,167.26	(1,319.44)	0.00
GNMA	1996 A-C Single Family	5.40	09/16/04	09/20/34	48,375.26	49,534.00	(139.49)	48,235.77	48,199.67	(1,194.84)	0.00
GNMA	1996 A-C Single Family	5.40	07/15/04	07/20/34	18,224.35	18,660.90	(59.90)	18,164.45	18,149.84	(451.16)	0.00
GNMA	1996 A-C Single Family	5.40	07/22/04	07/20/34	18,461.48	18,903.70	(74.61)	18,386.87	18,372.21	(456.88)	0.00
GNMA	1996 A-C Single Family	5.40	07/29/04	07/20/34	24,663.77	25,254.53	(70.93)	24,592.84	24,573.33	(610.27)	0.00
GNMA	1996 A-C Single Family	5.40	08/05/04	08/20/34	19,752.12	20,225.26	(78.52)	19,673.60	19,658.16	(488.58)	0.00
GNMA	1996 A-C Single Family	5.40	08/12/04	08/20/34	40,312.82	41,278.47	(116.45)	40,196.37	40,165.05	(996.97)	0.00
GNMA	1996 A-C Single Family	5.40	08/20/04	08/20/34	10,676.77	10,932.52	(54.98)	10,621.79	10,613.57	(263.97)	0.00
GNMA	1996 A-C Single Family	5.40	08/26/04	08/20/34	6,888.98	7,054.01	(20.03)	6,868.95	6,863.69	(170.29)	0.00
GNMA	1996 A-C Single Family	5.40	12/02/04	12/20/34	21,199.80	21,707.61	(77.61)	21,122.19	21,107.85	(522.15)	0.00
GNMA	1996 A-C Single Family	5.40	10/14/04	10/20/34	48,101.41	49,163.26	(198.73)	47,902.68	47,779.08	(1,185.45)	0.00
GNMA	1996 A-C Single Family	4.49	10/14/04	09/20/34	7,983.91	7,858.93	(28.01)	7,955.90	7,581.99	(248.93)	0.00
GNMA	1996 A-C Single Family	5.40	10/21/04	10/20/34	88,705.43	90,830.24	(3,469.30)	85,236.13	85,175.04	(2,185.90)	0.00
GNMA	1996 A-C Single Family	4.49	10/21/04	10/20/34	16,576.92	16,317.41	(59.11)	16,517.81	15,741.59	(516.71)	0.00
GNMA	1996 A-C Single Family	5.40	10/28/04	10/20/34	19,749.88	20,185.86	(65.66)	19,684.22	19,633.67	(486.53)	0.00
GNMA	1996 A-C Single Family	4.49	10/29/04	10/20/34	29,872.96	29,323.33	(111.02)	29,761.94	28,283.66	(928.65)	0.00
GNMA	1996 A-C Single Family	4.49	11/04/04	10/20/34	130,318.00	127,920.24	(487.46)	129,830.54	123,382.52	(4,050.26)	0.00
GNMA	1996 A-C Single Family	5.40	11/04/04	11/20/34	23,345.79	23,905.01	(73.42)	23,272.37	23,256.00	(575.59)	0.00

GNMA	1996 A-C Single Family	4.49	11/10/04	11/20/34	27,968.03	27,453.43		(115.10)	27,852.93	26,469.78	(868.55)	0.00		
GNMA	1996 A-C Single Family	5.40	11/10/04	11/20/34	7,495.05	7,674.58		(23.42)	7,471.63	7,466.41	(184.75)	0.00		
GNMA	1996 A-C Single Family	4.49	11/18/04	11/20/34	50,232.42	49,308.18		(10,016.34)	40,216.08	38,219.24	(1,072.60)	0.00		
GNMA	1996 A-C Single Family	5.40	12/23/04	12/20/34	14,058.56	14,395.32		(51.86)	14,006.70	13,997.46	(346.00)	0.00		
GNMA	1996 A-C Single Family	5.40	09/08/05	08/20/35			3,033.93		3,033.93	3,032.34	(1.59)	0.00		
FNMA	1996 A-C Single Family	5.40	08/14/03	09/01/32	5,841.75	5,912.39		(19.90)	5,821.85	5,751.87	(140.62)	0.00		
FNMA	1996 A-C Single Family	6.15	08/14/03	12/01/31	3,319.42	3,427.67		(21.77)	3,297.65	3,369.06	(36.84)	0.00		
FNMA	1996 A-C Single Family	5.45	03/01/04	02/01/34	7,199.76	7,302.48		(14.11)	7,185.65	7,103.31	(185.06)	0.00		
FNMA	1996 A-C Single Family	6.15	04/15/04	02/01/34	5,250.48	5,411.29		(14.20)	5,236.28	5,346.28	(50.81)	0.00		
FNMA	1996 A-C Single Family	5.40	10/28/04	10/01/34	15,521.84	15,698.98		(70.93)	15,450.91	15,245.21	(382.84)	0.00		
FNMA	1996 A-C Single Family	4.49	11/04/04	10/01/34	15,746.87	15,355.46		(57.63)	15,689.24	14,746.25	(551.58)	0.00		
1996 A-C Single Family Total					12,315,169.39	12,388,381.32	1,003,286.39	(1,978,355.95)	(403,207.75)	0.00	10,936,892.08	11,034,872.98	24,768.97	0.00
Repo Agmt	1996 D&E Single Family	4.01	11/30/05	12/01/05	337,407.76	337,407.76	69,322.46			406,730.22	406,730.22	-	0.00	
Repo Agmt	1996 D&E Single Family	4.01	11/30/05	12/01/05	5,007,853.82	5,007,853.82		(4,988,228.94)		19,624.88	19,624.88	-	0.00	
GICs	1996 D&E Single Family	6.08	11/14/96	09/30/29			2,403,676.03			2,403,676.03	2,403,676.03	-	0.00	
T-Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	936,404.54	1,244,775.39	156.50			936,561.04	1,204,896.62	(40,035.27)	0.00	
FNMA	1996 D&E Single Family	6.25	04/15/97	03/01/27	477,136.47	492,361.91		(3,270.23)		473,866.24	484,286.57	(4,805.11)	0.00	
FNMA	1996 D&E Single Family	6.25	05/29/97	05/01/27	462,299.21	477,051.19		(4,329.57)		457,969.64	468,040.41	(4,681.21)	0.00	
FNMA	1996 D&E Single Family	6.25	06/26/97	05/01/27	322,006.18	332,281.38		(2,076.29)		319,929.89	326,965.13	(3,239.96)	0.00	
FNMA	1996 D&E Single Family	6.25	08/18/97	06/01/27	219,282.02	227,371.34		(2,341.41)		216,940.61	222,787.17	(2,242.76)	0.00	
FNMA	1996 D&E Single Family	6.25	09/29/97	08/01/27	316,739.13	328,423.62		(5,927.80)		310,811.33	319,187.68	(3,308.14)	0.00	
FNMA	1996 D&E Single Family	6.25	01/29/98	11/01/27	394,587.05	409,143.36		(4,401.43)		390,185.62	400,701.12	(4,040.81)	0.00	
GNMA	1996 D&E Single Family	6.25	03/18/97	02/20/27	2,787,371.83	2,879,940.46		(72,286.32)		2,715,085.51	2,791,433.72	(16,220.42)	0.00	
GNMA	1996 D&E Single Family	6.25	04/15/97	04/20/27	1,284,183.28	1,326,831.00		(109,441.75)		1,174,741.53	1,207,775.27	(9,613.98)	0.00	
GNMA	1996 D&E Single Family	6.25	04/29/97	04/20/27	1,167,833.44	1,206,617.13		(220,233.27)		947,600.17	974,246.63	(12,137.23)	0.00	
GNMA	1996 D&E Single Family	6.25	05/15/97	05/20/27	1,324,657.96	1,368,649.81		(72,265.29)		1,252,392.67	1,287,609.91	(8,774.61)	0.00	
GNMA	1996 D&E Single Family	6.25	06/17/97	06/20/27	2,051,067.19	2,119,183.10		(13,529.78)		2,037,537.43	2,094,832.94	(10,820.40)	0.00	
GNMA	1996 D&E Single Family	6.25	06/26/97	06/20/27	534,176.48	551,916.54		(3,471.79)		530,704.69	545,628.17	(2,816.58)	0.00	
GNMA	1996 D&E Single Family	6.25	07/15/97	06/20/27	613,330.41	633,699.13		(4,873.30)		608,457.11	625,566.94	(3,258.89)	0.00	
GNMA	1996 D&E Single Family	6.25	07/30/97	07/20/27	965,185.97	997,239.80		(272,724.16)		692,461.81	711,933.84	(12,581.80)	0.00	
GNMA	1996 D&E Single Family	6.25	08/18/97	07/20/27	1,597,703.57	1,650,763.35		(40,314.64)		1,557,388.93	1,601,182.75	(9,265.96)	0.00	
GNMA	1996 D&E Single Family	6.25	08/28/97	08/20/27	2,001,500.20	2,067,969.98		(181,682.06)		1,819,818.14	1,870,991.38	(15,296.54)	0.00	
GNMA	1996 D&E Single Family	6.25	09/18/97	09/20/27	633,023.95	654,046.66		(64,926.78)		568,097.17	584,072.05	(5,047.83)	0.00	
GNMA	1996 D&E Single Family	6.25	09/29/97	09/20/27	693,569.72	716,603.18		(71,658.19)		621,911.53	639,399.69	(5,545.30)	0.00	
GNMA	1996 D&E Single Family	6.25	10/15/97	09/20/27	621,505.27	642,145.50		(4,364.23)		617,141.04	634,495.09	(3,268.18)	0.00	
GNMA	1996 D&E Single Family	6.25	10/30/97	10/20/27	567,366.79	586,209.04		(4,153.31)		563,213.48	579,051.03	(3,004.70)	0.00	
GNMA	1996 D&E Single Family	6.25	11/17/97	10/20/27	667,574.02	689,744.17		(121,297.57)		546,276.45	561,637.75	(6,808.85)	0.00	
GNMA	1996 D&E Single Family	6.25	11/25/97	11/20/27	595,058.45	614,820.31		(3,960.12)		591,098.33	607,719.98	(3,140.21)	0.00	
GNMA	1996 D&E Single Family	6.25	12/17/97	11/20/27	818,927.23	846,123.80		(5,604.44)		813,322.79	836,193.42	(4,325.94)	0.00	
GNMA	1996 D&E Single Family	6.25	01/29/98	01/20/28	1,307,998.31	1,350,769.85		(63,918.39)		1,244,079.92	1,278,827.07	(8,024.39)	0.00	
GNMA	1996 D&E Single Family	6.25	04/29/98	04/20/28	910,229.33	939,993.85		(6,742.14)		903,487.19	928,721.61	(4,530.10)	0.00	
GNMA	1996 D&E Single Family	6.25	07/06/98	05/20/28	265,961.94	274,658.69		(1,306.54)		264,655.40	272,047.03	(1,305.12)	0.00	
GNMA	1996 D&E Single Family	6.25	08/27/98	07/20/28	436,287.31	450,553.92		(3,730.26)		432,557.05	444,638.38	(2,185.28)	0.00	
GNMA	1996 D&E Single Family	6.25	09/24/98	08/20/28	272,148.63	281,047.85		(1,283.54)		270,865.09	278,430.32	(1,333.99)	0.00	
GNMA	1996 D&E Single Family	6.25	10/01/98	08/20/28	166,049.46	171,479.26		(1,039.63)		165,009.83	169,618.54	(8,221.09)	0.00	
GNMA	1996 D&E Single Family	6.25	10/29/98	09/20/28	239,439.04	247,268.70		(1,181.09)		238,257.95	244,912.51	(1,175.10)	0.00	
GNMA	1996 D&E Single Family	6.25	12/29/98	10/20/28	1,308,086.91	1,350,861.38		(74,467.87)		1,233,619.04	1,268,074.05	(8,319.46)	0.00	
GNMA	1996 D&E Single Family	6.25	10/20/99	07/20/29	225,639.35	232,866.59		(1,155.00)		224,484.35	230,621.76	(1,089.83)	0.00	
GNMA	1996 D&E Single Family	6.25	11/23/99	10/20/29	47,661.29	49,187.88		(200.43)		47,460.86	48,758.44	(229.01)	0.00	
GNMA	1996 D&E Single Family	6.25	01/27/00	12/20/29	396,415.75	409,112.98		(2,662.81)		393,752.94	404,518.18	(1,931.99)	0.00	
FNMA	1996 D&E Single Family	6.25	01/28/00	09/01/29	263,246.96	272,921.29		(1,668.26)		261,578.70	268,562.85	(2,690.18)	0.00	
T-Bond	1996 D&E Single Family	13.88	08/05/82	05/15/11	562,094.30	356,224.44	0.00			562,094.30	590,729.58	234,505.14	0.00	
Repo Agmt	1996 D&E Single Family	4.01	11/30/05	12/01/05	67.53	67.53	1.21			68.74	68.74	-	0.00	
GICs	1996 D&E Single Family	6.08	04/06/98	09/30/29	218,646.84	218,646.84	342.88			218,989.72	218,989.72	-	0.00	
FNMA	1996 D&E Single Family	5.45	01/28/00	07/01/29	39,888.47	40,472.42		(342.17)		39,546.30	39,200.26	(929.99)	0.00	
GNMA	1996 D&E Single Family	5.40	08/29/02	08/20/32	11,235.61	11,393.75		(33.77)		11,201.84	11,086.50	(273.48)	0.00	
GNMA	1996 D&E Single Family	6.15	09/12/02	08/20/32	3,192.01	3,318.04		(4.23)		3,187.78	3,288.67	(25.14)	0.00	
GNMA	1996 D&E Single Family	6.15	09/19/02	09/20/32	7,604.54	7,903.83		(10.31)		7,594.23	7,834.50	(59.02)	0.00	
GNMA	1996 D&E Single Family	5.40	09/19/02	09/20/32	17,574.27	18,039.59		(19.68)		17,554.59	17,547.89	(472.02)	0.00	
GNMA	1996 D&E Single Family	4.49	12/09/04	12/20/34	100,020.04	98,179.74		(366.15)		99,653.89	94,707.65	(3,105.94)	0.00	
GNMA	1996 D&E Single Family	4.49	12/16/04	12/20/34	93,149.78	91,435.87		(346.36)		92,803.42	88,197.74	(2,891.77)	0.00	
GNMA	1996 D&E Single Family	4.49	11/23/04	11/20/34	103,254.62	101,354.82		(365.17)		102,889.45	97,781.13	(3,208.52)	0.00	
GNMA	1996 D&E Single Family	4.49	12/02/04	12/20/34	167,339.52	164,260.58		(611.51)		166,728.01	158,451.65	(5,197.42)	0.00	
GNMA	1996 D&E Single Family	4.49	12/23/04	12/20/34	98,401.31	96,590.78		(344.60)		98,056.71	93,190.88	(3,055.30)	0.00	
GNMA	1996 D&E Single Family	4.49	12/29/04	12/20/34	113,747.85	111,654.93		(413.69)		113,334.16	107,710.74	(3,530.50)	0.00	
GNMA	1996 D&E Single Family	4.49	01/06/05	01/20/35	203,694.07	199,938.01		(645.54)		202,948.53	192,863.82	(6,328.65)	0.00	
GNMA	1996 D&E Single Family	5.40	01/06/05	01/20/35	22,639.67	23,178.07		(66.01)		22,573.66	22,556.77	(555.29)	0.00	
GNMA	1996 D&E Single Family	4.49	01/13/05	01/20/35	111,919.22	109,855.46		(445.13)		111,474.09	105,935.48	(3,474.85)	0.00	
GNMA	1996 D&E Single Family	5.40	01/13/05	01/20/35	9,644.97	9,874.30		(28.01)		9,616.96	9,609.80	(236.49)	0.00	

GNMA	1996 D&E Single Family	4.49	01/19/05	01/20/35	135,276.64	132,782.16	(26.87)	134,750.19	128,055.73	(4,199.98)	0.00
GNMA	1996 D&E Single Family	5.40	01/19/05	01/20/35	13,327.71	13,644.67	(317.96)	13,288.95	13,279.17	(9.78)	0.00
GNMA	1996 D&E Single Family	4.49	01/27/05	01/20/35	154,146.06	151,303.62	(2,842.44)	153,431.69	145,810.15	(7,779.10)	0.00
GNMA	1996 D&E Single Family	4.49	02/03/05	02/20/35	231,743.76	227,470.45	(4,273.31)	230,881.06	219,413.67	(7,194.08)	0.00
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35	74,480.53	73,107.12	(1,373.41)	74,213.07	70,527.54	(2,312.12)	0.00
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35	162,388.94	159,394.52	(2,994.42)	161,808.38	153,772.77	(5,041.19)	0.00
GNMA	1996 D&E Single Family	5.40	02/17/05	11/20/34	9,821.18	10,056.43	(235.25)	9,791.71	9,785.72	(5.99)	0.00
GNMA	1996 D&E Single Family	4.49	02/17/05	02/20/35	107,464.98	105,483.35	(1,981.63)	107,075.74	101,758.85	(3,335.26)	0.00
GNMA	1996 D&E Single Family	4.49	02/24/05	02/20/35	99,416.58	97,583.36	(1,833.22)	99,011.00	94,095.13	(3,082.65)	0.00
GNMA	1996 D&E Single Family	4.49	03/03/05	03/20/35	96,128.15	94,355.56	(1,772.59)	95,703.03	90,951.95	(2,978.49)	0.00
GNMA	1996 D&E Single Family	4.49	03/11/05	03/20/35	39,906.06	39,170.20	(735.86)	39,765.89	37,792.02	(1,238.01)	0.00
GNMA	1996 D&E Single Family	5.40	03/17/05	02/20/35	6,436.83	6,589.90	(153.07)	6,417.59	6,413.19	(4.40)	0.00
GNMA	1996 D&E Single Family	4.49	03/17/05	03/20/35	60,885.97	59,763.25	(1,122.72)	60,662.01	57,651.22	(1,888.07)	0.00
GNMA	1996 D&E Single Family	4.49	03/24/05	03/20/35	60,198.33	59,088.29	(1,110.04)	59,982.87	57,006.19	(1,866.64)	0.00
GNMA	1996 D&E Single Family	4.49	04/07/05	04/20/35	93,248.85	91,529.36	(1,719.49)	92,919.82	88,309.66	(2,890.67)	0.00
GNMA	1996 D&E Single Family	4.49	04/14/05	04/20/35	59,292.57	58,363.89	(928.68)	59,084.33	56,314.31	(1,841.34)	0.00
GNMA	1996 D&E Single Family	5.40	04/21/05	04/20/35	11,702.31	11,958.54	(256.23)	11,667.17	11,637.75	(28.65)	0.00
GNMA	1996 D&E Single Family	4.49	04/21/05	04/20/35	83,971.72	82,423.30	(1,548.42)	83,573.11	79,427.74	(2,596.95)	0.00
GNMA	1996 D&E Single Family	4.49	04/28/05	04/20/35	74,713.22	73,335.53	(1,377.69)	74,448.36	70,756.03	(2,314.64)	0.00
GNMA	1996 D&E Single Family	5.40	04/28/05	04/20/35	6,720.92	6,880.78	(159.86)	6,700.87	6,696.53	(4.20)	0.00
GNMA	1996 D&E Single Family	4.49	05/05/05	05/20/35	138,616.56	136,060.49	(2,556.07)	138,083.02	131,235.44	(4,291.51)	0.00
GNMA	1996 D&E Single Family	5.40	05/05/05	04/20/35	11,795.08	12,053.31	(258.23)	11,729.21	11,729.70	(0.49)	0.00
GNMA	1996 D&E Single Family	5.40	07/07/05	07/20/35	6,044.43	6,188.18	(143.75)	6,012.10	6,008.57	(3.53)	0.00
GNMA	1996 D&E Single Family	5.40	05/26/05	05/20/35	8,162.01	8,356.12	(194.11)	8,137.55	8,132.49	(5.06)	0.00
GNMA	1996 D&E Single Family	4.49	05/26/05	05/20/35	36,115.29	35,449.34	(665.95)	35,986.54	34,202.62	(1,119.97)	0.00
GNMA	1996 D&E Single Family	5.40	06/09/05	05/20/35	8,626.98	8,832.14	(205.16)	8,600.29	8,595.04	(5.25)	0.00
GNMA	1996 D&E Single Family	5.40	08/11/05	07/20/35	3,256.44	3,333.88	(77.44)	3,246.75	3,244.95	(1.80)	0.00
FNMA	1996 D&E Single Family	4.49	12/23/04	12/01/34	16,643.47	16,229.76	(413.71)	16,511.68	15,519.58	(578.39)	0.00
FNMA	1996 D&E Single Family	4.49	01/19/05	01/01/35	22,031.31	21,483.66	(547.65)	21,941.63	20,623.51	(770.47)	0.00
FNMA	1996 D&E Single Family	4.49	01/27/05	01/01/35	22,483.37	21,911.35	(572.02)	22,391.85	21,006.48	(813.35)	0.00
FNMA	1996 D&E Single Family	4.49	03/14/05	12/01/34	17,782.99	17,341.15	(441.84)	17,717.73	16,653.74	(622.15)	0.00
FNMA	1996 D&E Single Family	5.40	03/24/05	02/01/35	12,247.90	12,387.78	(139.88)	12,203.02	12,041.33	(301.57)	0.00
FNMA	1996 D&E Single Family	4.49	04/07/05	02/01/35	15,420.19	15,027.87	(392.32)	15,364.03	14,413.90	(557.81)	0.00
FNMA	1996 D&E Single Family	5.40	07/14/05	04/01/35	5,725.95	5,791.26	(65.31)	5,708.35	5,628.82	(79.53)	0.00
	1996 D&E Single Family Total				37,027,254.12	37,977,014.54	(949,760.42)	33,052,509.57	33,916,640.14	(85,629.85)	0.00
Repo Agmt	1997 A-C Single Family	4.01	11/30/05	12/01/05	27.42	27.42	0.00	27.42	27.42	-	0.00
Repo Agmt	1997 A-C Single Family	4.01	11/30/05	12/01/05	4,640,009.64	4,640,009.64	(0.00)	100,659.80	100,659.80	-	0.00
GICs	1997 A-C Single Family	6.14	09/17/97	08/31/29	323,345.39	323,345.39	0.00	2,855,576.28	2,855,576.28	-	0.00
FNMA	1997 A-C Single Family	6.25	02/20/98	01/01/28	312,324.27	322,290.60	(9,966.33)	308,562.42	315,347.77	(3,180.98)	0.00
FNMA	1997 A-C Single Family	6.25	03/27/98	03/01/28	332,295.23	342,852.28	(10,557.05)	330,190.77	337,372.45	(3,375.37)	0.00
FNMA	1997 A-C Single Family	6.25	06/29/98	05/01/28	265,347.56	273,777.66	(8,430.10)	224,706.06	229,593.43	(3,542.73)	0.00
GNMA	1997 A-C Single Family	6.25	02/20/98	01/20/28	2,217,366.00	2,289,873.85	(72,507.85)	2,017,478.57	2,073,826.73	(16,159.69)	0.00
FNMA	1997 A-C Single Family	6.25	11/30/98	09/01/28	390,790.01	403,205.43	(12,415.42)	353,237.52	360,920.46	(4,732.48)	0.00
GNMA	1997 A-C Single Family	6.25	03/27/98	03/20/28	3,836,852.18	3,962,317.27	(125,465.09)	3,510,118.46	3,608,156.10	(27,427.45)	0.00
GNMA	1997 A-C Single Family	6.25	05/19/98	05/20/28	2,703,141.19	2,791,533.88	(88,392.69)	2,509,101.22	2,579,180.40	(18,313.51)	0.00
GNMA	1997 A-C Single Family	5.45	07/28/00	06/20/30	1,375,062.51	1,398,397.31	(23,334.80)	1,325,769.64	1,316,979.77	(32,124.67)	0.00
GNMA	1997 A-C Single Family	6.25	08/14/98	07/20/28	1,621,869.66	1,674,904.79	(53,035.13)	1,456,996.46	1,497,690.37	(12,341.22)	0.00
GNMA	1997 A-C Single Family	6.25	06/29/98	06/20/28	719,136.96	742,652.76	(23,515.80)	671,493.92	690,248.77	(4,760.95)	0.00
GNMA	1997 A-C Single Family	6.25	09/18/98	09/20/28	981,759.44	1,013,862.96	(32,103.52)	917,587.77	943,215.98	(6,475.31)	0.00
FNMA	1997 A-C Single Family	6.25	03/31/99	11/01/28	148,193.21	152,901.27	(4,708.06)	145,002.07	148,155.81	(1,554.32)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	11/20/28	935,832.33	966,434.06	(30,601.73)	868,720.14	892,983.51	(6,338.36)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	627,983.63	648,518.67	(20,535.04)	624,528.36	641,971.42	(3,091.98)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	209,357.75	216,203.79	(6,846.04)	208,360.46	214,180.01	(1,026.49)	0.00
FNMA	1997 A-C Single Family	6.25	05/27/99	11/01/28	161,679.37	166,838.54	(5,159.17)	156,145.08	159,578.70	(1,725.55)	0.00
GNMA	1997 A-C Single Family	6.25	02/16/99	02/20/29	1,376,728.34	1,420,824.96	(44,096.62)	1,368,151.59	1,405,556.86	(6,691.35)	0.00
GNMA	1997 A-C Single Family	6.25	03/31/99	02/20/29	71,002.55	73,276.79	(2,274.24)	70,611.15	72,541.68	(343.71)	0.00
GNMA	1997 A-C Single Family	6.25	05/27/99	05/20/29	431,101.99	444,910.18	(13,808.19)	362,722.39	372,639.21	(3,891.37)	0.00
GNMA	1997 A-C Single Family	5.45	07/30/99	07/20/29	1,024,527.52	1,042,200.61	(17,673.09)	1,018,615.41	1,011,770.31	(24,518.19)	0.00
GNMA	1997 A-C Single Family	5.45	08/26/99	08/20/29	849,729.50	864,387.31	(14,657.81)	845,278.34	839,598.05	(20,338.10)	0.00
FNMA	1997 A-C Single Family	5.45	09/20/99	08/01/29	180,422.00	182,160.09	(1,738.09)	108,720.43	107,228.31	(3,230.21)	0.00
GNMA	1997 A-C Single Family	5.45	09/20/99	09/20/29	463,364.44	471,357.50	(7,993.06)	460,963.21	457,865.57	(11,090.70)	0.00
FNMA	1997 A-C Single Family	5.45	12/20/99	12/01/29	457,572.60	461,979.04	(4,406.44)	454,813.76	448,569.19	(10,651.01)	0.00
FNMA	1997 A-C Single Family	5.45	01/19/00	12/01/29	317,818.42	320,878.99	(3,060.57)	315,142.92	310,815.99	(7,387.50)	0.00
GNMA	1997 A-C Single Family	5.45	10/28/99	10/20/29	1,639,148.71	1,667,423.98	(28,275.27)	1,629,651.61	1,618,700.30	(39,226.58)	0.00
GNMA	1997 A-C Single Family	5.45	11/18/99	11/20/29	240,660.07	244,811.46	(4,151.39)	192,251.34	190,959.41	(5,443.32)	0.00
GNMA	1997 A-C Single Family	5.45	12/30/99	12/20/29	3,377,142.91	3,435,398.61	(58,255.70)	3,068,966.50	3,048,343.02	(78,879.18)	0.00
GNMA	1997 A-C Single Family	5.45	01/28/00	01/20/30	921,630.80	937,270.88	(15,640.08)	843,995.82	838,400.14	(21,235.76)	0.00
GNMA	1997 A-C Single Family	5.45	02/22/00	01/20/30	329,290.35	334,878.38	(5,588.03)	327,543.75	325,372.11	(7,759.67)	0.00
GNMA	1997 A-C Single Family	5.45	03/27/00	02/20/30	579,803.80	589,643.09	(9,839.29)	574,802.57	570,991.66	(13,650.20)	0.00

FNMA	1997 A-C Single Family	5.45	04/27/00	03/01/30	317,729.35	320,773.18		(2,181.07)	315,548.28	311,222.10	(7,370.01)	0.00		
GNMA	1997 A-C Single Family	5.45	04/27/00	04/20/30	728,169.53	740,526.57		(84,366.72)	643,802.81	639,534.40	(16,625.45)	0.00		
GNMA	1997 A-C Single Family	5.45	05/30/00	04/20/30	148,194.71	150,709.61		(698.90)	147,495.81	146,517.94	(3,492.77)	0.00		
GNMA	1997 A-C Single Family	5.45	06/21/00	05/20/30	754,375.35	767,177.04		(3,921.73)	750,453.62	745,478.06	(17,777.25)	0.00		
GNMA	1997 A-C Single Family	5.45	09/18/00	09/20/30	1,448,454.94	1,473,035.22		(186,180.51)	1,262,274.43	1,253,905.55	(32,949.16)	0.00		
FNMA	1997 A-C Single Family	5.45	07/24/00	06/01/30	302,894.99	305,796.71		(1,957.09)	300,937.90	296,812.02	(7,027.60)	0.00		
	1997 A-C Single Family Total				37,762,136.62	38,579,367.77	2,532,230.89	(4,539,349.84)	(2,108,011.61)	0.00	33,647,006.06	33,978,487.06	(485,750.15)	0.00
Repo Agmt	1997 D-F Single Family	4.01	11/30/05	12/01/05	16,617.18	16,617.18	158.99		16,776.17	16,776.17	-	0.00		
Repo Agmt	1997 D-F Single Family	4.01	11/30/05	12/01/05	4,566,787.47	4,566,787.47		(4,541,568.04)	25,219.43	25,219.43	-	0.00		
GICs	1997 D-F Single Family	5.91	12/04/97	03/01/30	1,766,574.36	1,766,574.36	563,822.25		2,330,396.61	2,330,396.61	-	0.00		
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	413,501.64	426,639.28		(4,230.41)	409,271.23	418,173.57	(4,235.30)	0.00		
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	235,809.72	243,301.37		(1,220.39)	234,589.33	239,691.63	(2,389.35)	0.00		
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	944,041.59	974,911.80		(9,547.26)	934,494.33	960,594.80	(4,769.74)	0.00		
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,703,661.22	1,732,572.35		(116,541.39)	1,587,119.83	1,576,597.22	(39,433.74)	0.00		
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	330,820.74	341,638.58		(1,792.56)	329,028.18	338,217.93	(1,628.09)	0.00		
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	291,911.06	296,864.79		(1,349.14)	290,561.92	288,635.49	(6,880.16)	0.00		
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	840,616.79	868,104.97		(174,702.20)	665,914.59	684,513.60	(8,889.17)	0.00		
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	1,403,820.70	1,449,725.70		(7,886.20)	1,395,934.50	1,434,923.01	(6,916.49)	0.00		
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	161,375.18	166,502.07		(791.70)	160,583.48	164,076.17	(1,634.20)	0.00		
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	1,080,253.14	1,115,577.36		(116,631.03)	963,622.11	990,536.03	(8,410.30)	0.00		
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	639,085.27	659,983.36		(55,385.60)	583,699.67	600,002.40	(4,595.36)	0.00		
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	131,388.79	135,685.20		(802.61)	130,586.18	134,233.44	(649.15)	0.00		
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	220,276.12	227,177.37		(1,337.96)	218,938.16	223,625.63	(2,123.78)	0.00		
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	2,177,157.17	2,246,891.54		(288,894.36)	1,888,262.81	1,939,887.94	(18,109.24)	0.00		
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	840,444.94	867,364.41		(4,355.87)	836,089.07	858,947.78	(4,060.76)	0.00		
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	655,925.92	676,935.23		(5,242.03)	650,683.89	668,473.59	(3,219.61)	0.00		
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	1,031,475.19	1,049,268.13		(65,356.21)	966,118.98	959,626.64	(24,285.28)	0.00		
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	1,202,824.26	1,223,572.92		(6,872.79)	1,195,951.47	1,187,914.62	(28,785.51)	0.00		
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	821,669.24	835,843.01		(123,005.50)	698,663.74	693,968.70	(18,868.81)	0.00		
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	659,012.44	670,380.41		(72,363.48)	586,648.96	582,706.68	(15,310.25)	0.00		
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	476,230.05	480,816.14		(5,929.13)	470,300.92	463,843.69	(11,043.32)	0.00		
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,370,680.66	1,394,324.93		(55,664.26)	1,315,016.40	1,306,179.51	(32,481.16)	0.00		
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,549,709.17	1,576,441.68		(8,699.54)	1,541,009.63	1,530,654.07	(37,088.07)	0.00		
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,908,445.70	1,941,366.42		(116,593.36)	1,791,852.34	1,779,811.13	(44,961.93)	0.00		
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,874,018.38	1,905,820.47		(83,827.48)	1,790,190.90	1,778,321.95	(43,671.04)	0.00		
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	983,946.25	1,000,643.82		(130,981.91)	852,964.34	847,309.19	(22,352.72)	0.00		
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	540,557.77	549,731.03		(3,469.58)	537,088.19	533,527.28	(12,734.17)	0.00		
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	191,074.55	192,914.59		(905.20)	190,169.35	187,558.32	(4,451.07)	0.00		
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	648,848.00	659,858.95		(3,294.51)	645,553.49	641,273.47	(15,290.97)	0.00		
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	728,615.35	740,979.96		(83,491.01)	645,124.34	640,847.17	(16,641.78)	0.00		
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,267,655.20	1,289,167.31		(5,909.53)	1,261,745.67	1,253,380.30	(29,877.48)	0.00		
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	287,371.67	290,124.66		(1,467.44)	285,904.23	281,984.46	(6,872.76)	0.00		
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	262,904.46	267,365.98		(60,166.79)	202,737.67	201,393.54	(5,805.65)	0.00		
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	342,073.88	347,878.88		(1,832.05)	340,241.83	337,986.03	(8,060.80)	0.00		
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	582,126.90	587,703.65		(3,695.47)	578,431.43	570,501.11	(13,507.07)	0.00		
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	118,325.42	120,333.37		(587.43)	117,737.99	116,957.36	(2,788.58)	0.00		
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	328,295.53	331,440.58		(1,785.77)	326,509.76	322,033.29	(7,621.52)	0.00		
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	359,120.83	362,561.22		(2,528.35)	356,592.48	351,703.61	(8,329.26)	0.00		
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	122,614.80	123,795.57		(589.46)	122,025.34	120,349.92	(2,856.19)	0.00		
Repo Agmt	1997 D-F Single Family	4.01	11/30/05	12/01/05	141,351.26	141,351.26		(6,685.91)	134,665.35	134,665.35	-	0.00		
GICs	1997 D-F Single Family				15,185.88	15,185.88		(15,185.88)			-	0.00		
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	83,592.46	82,054.13		(318.83)	83,273.63	79,164.89	(2,570.41)	0.00		
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	47,814.74	46,933.62		(177.02)	47,637.72	45,286.06	(1,470.54)	0.00		
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	71,572.17	70,454.41		(290.81)	71,281.36	67,959.44	(2,204.16)	0.00		
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	65,642.73	64,616.35		(313.80)	65,328.93	62,283.67	(2,018.88)	0.00		
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	79,175.43	77,717.36		(295.55)	78,879.88	74,986.86	(2,434.95)	0.00		
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	71,154.46	70,041.68		(272.18)	70,882.28	67,577.30	(2,192.20)	0.00		
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	149,628.34	146,873.32		(580.64)	149,047.70	141,692.33	(4,600.35)	0.00		
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	73,288.06	71,938.40		(279.66)	73,008.40	69,405.22	(2,253.52)	0.00		
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35			12,844.24		12,844.24	12,245.06	(599.18)	0.00		
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	40,732.06	40,094.59		(155.34)	40,576.72	38,684.32	(1,254.93)	0.00		
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	24,074.09	23,630.49		(93.06)	23,981.03	22,797.26	(740.17)	0.00		
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	14,094.56	13,873.81		(51.78)	14,042.78	13,387.67	(434.36)	0.00		
GNMA	1997 D-F Single Family	5.40	10/20/05	09/20/35			2,205.69		2,205.69	2,204.86	(0.83)	0.00		
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	30,967.67	30,180.00		(147.44)	30,820.23	28,918.12	(1,114.44)	0.00		
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35			6,567.66		6,567.66	6,162.18	(405.48)	0.00		
	1997 D-F Single Family Total				36,985,938.61	37,617,133.37	585,598.83	(4,563,439.83)	(1,632,703.07)	0.00	31,375,394.54	31,450,775.07	(555,814.23)	0.00
Repo Agmt	2002A Single Family (JR Lien)	4.01	11/30/05	12/01/05	98,118.30	98,118.30		(19,706.59)	78,411.71	78,411.71	-	0.00		

Repo Agmt	2002A Single Family (JR Lien)	4.01	11/30/05	12/01/05	9,059.20	9,059.20	0.00		9,059.20	9,059.20	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	4.01	11/30/05	12/01/05	939,058.57	939,058.57		(189,936.60)	749,121.97	749,121.97	-	0.00		
T-Bond	2002A Single Family (JR Lien)	13.88	03/27/02	05/15/11	300,000.00	320,939.95	0.00		300,000.00	312,797.95	(8,142.00)	0.00		
Repo Agmt	2002A Single Family (JR Lien)	4.01	11/30/05	12/01/05	53,329.22	53,329.22	9,322.01		62,651.23	62,651.23	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	4.01	11/30/05	12/01/05	68,266.51	68,266.51	0.00		68,266.51	68,266.51	-	0.00		
2002A Single Family (JR Lien) Total					1,467,831.80	1,488,771.75	9,322.01	(209,643.19)	0.00	0.00	1,267,510.62	1,280,308.57	(8,142.00)	0.00
Repo Agmt	2004 A/B Single Family	4.01	11/30/05	12/01/05	852,274.49	852,274.49		(327,081.75)	525,192.74	525,192.74	-	0.00		
Repo Agmt	2004 A/B Single Family	4.01	11/30/05	12/01/05	3,034,202.31	3,034,202.31		(3,004,725.44)	29,476.87	29,476.87	-	0.00		
GICs	2004 A/B Single Family	3.96	04/25/05	03/01/36			1,617,173.00		1,617,173.00	1,617,173.00	-	0.00		
Repo Agmt	2004 A/B Single Family	4.01	11/30/05	12/01/05	581,261.87	581,261.87		(581,194.80)	67.07	67.07	-	0.00		
GICs	2004 A/B Single Family	1.49	04/28/04	09/01/06	166,379.11	166,379.11	0.00		166,379.11	166,379.11	-	0.00		
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,502,129.47	1,474,491.20		(5,533.77)	1,496,595.70	1,422,113.75	(46,843.68)	0.00		
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,135,387.17	1,114,496.73		(4,884.60)	1,130,502.57	1,074,242.34	(35,369.79)	0.00		
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	960,296.11	942,627.26		(3,444.32)	956,851.79	909,225.17	(29,957.77)	0.00		
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	1,548,516.31	1,520,024.55		(6,208.30)	1,542,308.01	1,465,626.51	(48,189.74)	0.00		
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	2,150,908.91	2,111,333.50		(91,719.07)	2,059,189.84	1,956,823.49	(62,790.94)	0.00		
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	3,050,641.78	2,994,511.81		(11,815.82)	3,038,825.96	2,887,774.56	(94,921.43)	0.00		
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	970,673.41	952,813.64		(4,008.67)	966,664.74	918,621.09	(30,183.88)	0.00		
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,649,419.37	1,619,071.05		(6,157.25)	1,643,262.12	1,561,599.13	(51,314.67)	0.00		
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,655,607.50	2,606,745.93		(10,032.27)	2,645,575.23	2,514,121.96	(82,591.70)	0.00		
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,388,930.58	2,344,975.73		(8,628.87)	2,380,301.71	2,261,858.12	(74,488.74)	0.00		
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	2,131,335.32	2,092,120.04		(7,739.43)	2,123,595.89	2,017,938.15	(66,442.46)	0.00		
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,653,489.85	2,604,667.24		(10,134.32)	2,643,355.53	2,511,852.81	(82,680.11)	0.00		
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	3,589,420.33	3,523,377.17		(14,128.88)	3,575,291.45	3,397,450.42	(111,797.87)	0.00		
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	4,026,360.99	3,952,278.37		(15,657.08)	4,010,703.91	3,811,227.79	(125,393.50)	0.00		
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,863,878.63	3,792,785.60		(14,631.39)	3,849,247.24	3,657,823.49	(120,330.72)	0.00		
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	275,364.36	278,506.60		(885.73)	274,478.63	270,273.90	(7,346.97)	0.00		
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,873,624.14	1,839,150.60		(7,058.39)	1,866,565.75	1,773,751.85	(58,340.36)	0.00		
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	86,361.84	87,347.34		(269.44)	86,092.40	84,774.07	(2,303.83)	0.00		
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,093,436.84	1,073,318.27		(3,853.91)	1,089,582.93	1,035,496.01	(33,968.35)	0.00		
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	299,556.43	302,218.48		(1,313.79)	298,242.64	292,956.24	(7,948.45)	0.00		
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	379,212.61	372,235.33		(2,774.87)	376,437.74	357,753.54	(11,706.92)	0.00		
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	216,033.28	218,498.49		(696.62)	215,336.66	212,059.12	(5,742.75)	0.00		
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	342,783.36	345,829.58		(1,084.33)	341,699.03	335,645.06	(9,100.19)	0.00		
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	1,045,939.43	1,026,694.76		(4,562.42)	1,041,377.01	989,695.02	(32,437.32)	0.00		
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,615,902.91	1,586,171.28		(5,631.31)	1,610,271.60	1,530,269.74	(50,270.23)	0.00		
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	1,015,633.71	1,024,659.28		(3,412.84)	1,012,220.87	994,230.90	(20,155.54)	0.00		
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	1,324,368.38	1,336,137.56		(4,946.92)	1,319,421.46	1,295,979.52	(35,211.12)	0.00		
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,464,631.34	1,437,683.03		(5,170.47)	1,459,460.87	1,386,960.04	(45,552.52)	0.00		
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	481,411.37	485,689.50		(1,573.17)	479,838.20	471,315.86	(12,800.47)	0.00		
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	774,066.54	759,824.18		(2,762.83)	771,303.71	732,992.54	(24,068.81)	0.00		
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,858,507.29	1,824,311.87		(6,762.81)	1,851,744.48	1,759,779.46	(57,769.60)	0.00		
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,175,799.50	1,154,165.49		(4,797.20)	1,171,002.30	1,112,851.27	(36,517.02)	0.00		
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	534,539.67	539,289.94		(1,748.18)	532,791.49	523,334.46	(14,207.30)	0.00		
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	971,741.80	953,862.33		(3,414.26)	968,327.54	920,247.70	(30,200.37)	0.00		
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	406,328.54	410,965.27		(1,277.26)	405,051.28	398,880.54	(10,807.47)	0.00		
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,910,193.06	1,875,046.68		(7,861.07)	1,902,331.99	1,807,883.79	(59,301.82)	0.00		
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	412,300.37	415,964.33		(1,370.70)	410,929.67	403,651.57	(10,942.06)	0.00		
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	517,324.38	507,805.92		(1,811.70)	515,512.68	489,931.52	(16,062.70)	0.00		
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	557,433.01	562,386.71		(1,812.69)	555,620.32	545,782.33	(14,791.69)	0.00		
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	382,237.37	376,254.37		(1,332.15)	380,905.22	363,028.37	(11,893.85)	0.00		
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	747,029.85	733,254.78		(2,945.56)	744,084.29	707,110.00	(23,199.22)	0.00		
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	893,299.27	876,827.01		(3,110.50)	890,188.77	845,959.49	(37,757.02)	0.00		
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	642,380.43	630,535.08		(2,246.13)	640,134.30	608,332.12	(19,956.83)	0.00		
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	504,210.20	494,912.67		(1,784.12)	502,426.08	477,469.18	(15,659.37)	0.00		
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	2,057,193.06	2,019,258.87		(7,280.73)	2,049,912.33	1,948,097.29	(63,880.85)	0.00		
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,444,553.56	1,421,927.95		(5,395.90)	1,439,157.66	1,371,610.20	(44,921.85)	0.00		
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,970,947.59	1,988,522.42		(6,939.53)	1,964,008.06	1,927,960.31	(53,622.58)	0.00		
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	567,254.78	556,794.71		(2,075.69)	565,179.09	537,114.83	(17,604.19)	0.00		
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	600,087.15	605,438.10		(1,971.63)	598,115.52	587,140.58	(16,325.89)	0.00		
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	377,817.08	370,850.21		(1,345.94)	376,471.14	357,779.44	(11,724.83)	0.00		
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	423,794.34	427,573.28		(1,358.05)	422,436.29	414,690.35	(11,524.88)	0.00		
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	379,738.74	373,791.00		(1,685.28)	378,053.46	360,315.91	(11,789.81)	0.00		
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	281,007.36	284,225.36		(893.97)	280,113.39	275,680.16	(7,651.23)	0.00		
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	594,403.28	583,442.62		(2,675.94)	591,727.34	562,358.43	(18,408.25)	0.00		
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	432,652.40	436,510.34		(1,427.17)	431,225.23	423,326.26	(11,756.91)	0.00		
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	111,448.07	109,702.48		(966.66)	110,481.41	105,299.86	(3,435.96)	0.00		
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	188,762.06	190,923.71		(923.69)	187,838.37	184,868.90	(5,131.12)	0.00		
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	254,107.78	257,017.74		(808.23)	253,299.55	249,296.98	(6,912.53)	0.00		

GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	809,098.22	794,178.61	(3,104.83)	805,993.39	766,004.61	(25,069.17)	0.00			
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	539,333.17	544,142.38	(2,095.31)	537,237.86	527,410.31	(14,636.76)	0.00			
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	331,202.88	325,095.58	(1,172.37)	330,030.51	313,660.41	(10,262.80)	0.00			
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	395,665.13	400,196.15	(1,275.13)	394,390.00	388,165.40	(10,755.62)	0.00			
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	200,233.06	202,526.06	(651.34)	199,581.72	196,432.95	(5,441.77)	0.00			
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	1,082,955.99	1,062,986.51	(4,100.16)	1,078,855.83	1,025,355.07	(33,531.28)	0.00			
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	224,420.28	226,990.27	(725.97)	223,694.31	220,166.44	(6,097.86)	0.00			
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	663,081.92	652,696.25	(2,409.06)	660,672.86	629,714.77	(20,572.42)	0.00			
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	131,614.03	133,122.67	(427.30)	131,186.73	129,120.41	(3,574.96)	0.00			
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	338,911.51	342,792.61	(1,112.41)	337,799.10	332,488.49	(9,191.71)	0.00			
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	344,903.08	339,500.96	(1,234.15)	343,668.93	327,581.68	(10,685.13)	0.00			
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	131,070.41	132,571.38	(417.77)	130,652.64	128,593.82	(3,559.79)	0.00			
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	288,044.21	283,532.65	(934.70)	287,109.51	273,659.61	(8,938.34)	0.00			
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	267,352.85	270,414.48	(857.37)	266,495.48	262,297.64	(7,259.47)	0.00			
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	239,137.53	235,391.99	(842.52)	238,295.01	227,133.24	(7,416.23)	0.00			
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	228,243.54	224,034.77	(913.29)	227,330.25	216,063.65	(7,057.83)	0.00			
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	310,132.01	313,683.53	(1,145.08)	308,986.93	304,123.45	(8,415.00)	0.00			
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	272,101.35	267,839.50	(959.05)	271,142.30	258,446.91	(8,433.54)	0.00			
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35				159,417.11	151,963.35	(7,453.76)	0.00			
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35				739,798.78	726,361.18	(13,437.60)	0.00			
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35				199,373.66	196,252.94	(3,120.72)	0.00			
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	358,708.06	353,089.72	(1,281.98)	357,426.08	340,699.33	(11,108.41)	0.00			
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	110,658.08	111,925.30	(546.99)	110,111.09	108,381.43	(2,996.88)	0.00			
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	3,860,779.88	3,789,587.92	(16,993.38)	3,843,786.50	3,653,448.71	(119,145.83)	0.00			
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	199,100.66	201,380.69	(644.05)	198,456.61	195,341.56	(5,395.08)	0.00			
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	290,179.89	285,634.89	(1,037.46)	289,142.43	275,616.21	(8,981.22)	0.00			
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	1,009,273.09	998,113.89	(23,802.76)	985,470.33	967,540.10	(6,771.03)	0.00			
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	452,605.65	444,259.69	(1,993.04)	450,612.61	428,313.99	(13,952.66)	0.00			
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	212,489.92	210,668.43	(5,570.50)	206,919.42	203,676.27	(1,421.66)	0.00			
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	218,479.85	220,981.80	(779.77)	217,700.08	214,287.96	(5,914.07)	0.00			
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35				662,320.11	651,973.46	(10,346.65)	0.00			
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35				219,992.42	209,715.68	(10,276.74)	0.00			
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35				152,776.87	150,386.42	(2,390.45)	0.00			
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35				172,914.73	170,209.20	(2,705.53)	0.00			
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35				210,202.80	200,378.32	(9,824.48)	0.00			
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35				556,764.08	553,519.54	(3,244.54)	0.00			
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35				239,778.81	238,382.96	(1,395.85)	0.00			
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35				247,461.62	238,251.77	(9,209.85)	0.00			
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35				1,092,590.40	1,086,236.63	(6,353.77)	0.00			
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35				280,997.62	279,364.95	(1,632.67)	0.00			
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35				230,096.13	221,535.06	(8,561.07)	0.00			
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35				1,507,145.73	1,498,398.00	(8,747.73)	0.00			
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	471,967.58	460,235.38	(2,408.79)	469,558.79	441,318.09	(16,508.50)	0.00			
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	369,266.41	360,087.16	(3,270.10)	365,996.31	343,985.56	(12,831.50)	0.00			
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	346,255.19	337,647.95	(1,495.88)	344,759.31	324,027.69	(12,124.38)	0.00			
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	248,135.38	241,967.21	(911.05)	247,224.33	232,358.55	(8,697.61)	0.00			
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	299,822.46	292,369.44	(1,100.48)	298,721.98	280,766.37	(10,502.59)	0.00			
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	256,368.54	256,193.37	(852.48)	255,516.06	247,532.21	(7,808.68)	0.00			
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	377,837.11	368,444.80	(1,503.28)	376,333.83	353,714.89	(13,226.63)	0.00			
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	280,217.88	280,026.43	(931.06)	279,286.82	270,563.22	(8,532.15)	0.00			
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	271,891.83	264,974.66	(1,051.05)	270,840.78	254,085.77	(9,837.84)	0.00			
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	461,657.36	461,341.94	(1,560.21)	460,097.15	445,741.55	(14,040.18)	0.00			
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	251,919.74	251,512.21	(1,706.92)	250,212.82	241,902.95	(7,902.34)	0.00			
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	354,948.53	345,918.33	(1,286.31)	353,662.22	331,793.62	(12,838.40)	0.00			
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	287,018.10	279,716.11	(1,152.05)	285,866.05	268,195.54	(10,368.52)	0.00			
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	299,023.99	298,540.27	(1,097.74)	297,926.25	288,043.34	(9,399.19)	0.00			
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	164,906.18	160,710.83	(600.93)	164,305.25	154,151.06	(5,958.84)	0.00			
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	76,003.59	75,880.64	(247.56)	75,756.03	73,243.54	(2,389.54)	0.00			
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35				364,455.28	352,378.55	(12,076.73)	0.00			
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35				403,174.43	378,272.00	(24,902.43)	0.00			
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35				330,547.09	319,597.81	(10,949.28)	0.00			
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35				323,517.08	314,304.50	(9,212.58)	0.00			
Repo Agmt	2004 A/B Single Family	4.01	11/30/05	12/01/05		0.02	79,148,214.15		79,148,214.17		0.00			
GICs	2004 A/B Single Family				86,353,556.91	86,353,556.91	(86,353,556.91)				0.00			
	2004 A/B Single Family Total				177,077,105.09	175,892,425.46	88,858,711.90	(90,266,558.90)	(436,947.45)	0.00	175,232,310.64	171,291,367.14	(2,756,263.87)	0.00
Repo Agmt	2004 CDEF Single Family	4.01	11/30/05	12/01/05	106,948.58	106,948.58	1,022.91		107,971.49	107,971.49	-	-	0.00	
Repo Agmt	2004 CDEF Single Family	4.01	11/30/05	12/01/05	399,283.93	399,283.93	114,015.09		513,299.02	513,299.02	-	-	0.00	
Repo Agmt	2004 CDEF Single Family	4.01	11/30/05	12/01/05	2,908,297.27	2,908,297.27		(2,804,209.16)	104,088.11	104,088.11	-	-	0.00	
Repo Agmt	2004 CDEF Single Family	4.01	11/30/05	12/01/05	34,892.30	34,892.30	333.74		35,226.04	35,226.04	-	-	0.00	

GICs	2004 CDEF Single Family	3.80	12/16/04	03/01/36	403,153.79	403,153.79	774,511.64		1,177,665.43	1,177,665.43	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	27,499.41	27,040.11		(149.63)	27,349.78	26,046.04	(844.44)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	17,873.45	17,574.93		(77.88)	17,795.57	16,947.06	(549.99)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35			41,512.45		41,512.45	39,531.82	(1,980.63)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35			27,752.77		27,752.77	26,428.75	(1,324.02)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35			153,797.92		153,797.92	146,463.83	(7,334.09)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35			48,852.64		48,852.64	46,522.28	(2,330.36)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35			36,584.40		36,584.40	34,839.21	(1,745.19)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35			8,662.39		8,662.39	8,368.61	(293.78)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35			46,884.94		46,884.94	45,301.31	(1,583.63)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35			30,842.15		30,842.15	29,715.37	(1,126.78)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35			23,923.42		23,923.42	23,049.55	(873.87)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35			26,822.11		26,822.11	25,916.67	(905.44)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35			5,795.54		5,795.54	5,439.11	(356.43)	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35			5,584.39		5,584.39	5,267.33	(317.06)	0.00
Inv Agmt	2004 CDEF Single Family	3.80	10/28/04	03/01/36	1,562,432.42	1,562,432.42	0.00		1,562,432.42	1,562,432.42	-	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	171,654.01	179,180.13		(1,637.54)	170,016.47	175,720.88	(1,821.71)	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	287,514.07	304,907.08		(3,576.51)	283,937.56	299,300.56	(2,030.01)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	434,196.99	461,217.10		(3,391.07)	430,805.92	454,867.59	(2,958.44)	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	276,038.39	292,270.23		(90,353.31)	185,685.08	194,704.06	(7,212.86)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	71,712.08	76,257.46		(443.72)	71,268.36	75,331.31	(482.43)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	100,898.24	107,647.85		(2,164.69)	98,733.55	104,317.17	(1,165.99)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	2,149,492.11	2,233,044.95		(22,719.14)	2,126,772.97	2,195,635.81	(14,690.00)	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	1,574,783.18	1,667,379.18		(15,377.57)	1,559,405.61	1,645,511.25	(6,490.36)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	1,074,630.98	1,139,748.64		(10,865.32)	1,063,765.66	1,124,425.01	(4,458.31)	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	403,742.46	429,303.32		(5,385.65)	398,356.81	420,782.98	(3,134.69)	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	352,336.16	366,401.16		(2,682.18)	349,653.98	361,339.69	(2,379.29)	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	597,000.08	633,815.09		(4,089.33)	592,910.75	627,353.47	(2,372.29)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	133,725.02	141,519.13		(839.94)	132,885.08	140,174.33	(504.86)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	88,601.90	94,211.27		(1,120.79)	87,481.11	92,406.03	(684.45)	0.00
GNMA	2004 CDEF Single Family	6.97	06/01/95	05/20/25	38,373.43	40,720.02		(356.98)	38,016.45	40,210.66	(152.38)	0.00
GNMA	2004 CDEF Single Family	6.90	08/15/95	02/20/25	52,289.91	55,393.51		(539.80)	51,750.11	54,643.95	(209.76)	0.00
GNMA	2004 CDEF Single Family	7.06	06/29/95	04/20/25	41,847.58	44,477.63		(278.79)	41,568.79	43,886.15	(312.69)	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	145,508.19	154,635.12		(831.49)	144,676.70	152,723.70	(1,079.93)	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	34,596.74	36,733.99		(191.84)	34,404.90	36,286.24	(255.91)	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	189,225.88	201,298.12		(1,067.35)	188,158.53	198,824.67	(1,406.10)	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	2,670,004.54	2,625,409.93		(22,518.45)	2,647,486.09	2,521,124.54	(81,766.94)	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	6,792,711.59	6,679,259.22		(26,702.26)	6,766,009.33	6,443,075.27	(209,481.69)	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	2,459,188.34	2,418,114.79		(10,546.68)	2,448,641.66	2,331,770.72	(75,797.39)	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	423,859.43	417,959.27		(1,587.46)	422,271.97	403,270.80	(13,101.01)	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,655,538.77	2,611,185.77		(10,171.79)	2,645,366.98	2,519,106.58	(81,907.40)	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	1,203,307.79	1,183,210.05		(5,154.81)	1,198,152.98	1,140,966.48	(37,088.76)	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	1,105,660.16	1,090,269.28		(4,390.10)	1,101,270.06	1,051,715.68	(34,163.50)	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,843,539.49	1,812,748.56		(7,264.85)	1,836,274.64	1,748,631.31	(56,852.40)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	1,268,868.82	1,247,676.09		(4,791.77)	1,264,077.05	1,203,744.07	(39,140.25)	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	231,166.48	227,948.62		(856.07)	230,310.41	219,947.02	(7,145.53)	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	316,488.27	312,082.72		(1,318.53)	315,169.74	300,987.89	(9,776.30)	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	2,259,373.26	2,227,922.60		(8,438.00)	2,250,935.26	2,149,648.87	(69,835.73)	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	1,090,438.00	1,072,225.43		(4,041.88)	1,086,396.12	1,034,543.65	(33,639.90)	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,110,835.88	1,092,282.63		(4,335.41)	1,106,500.47	1,053,688.43	(34,258.79)	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35			433,706.91		433,706.91	414,191.19	(19,515.72)	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35			336,893.18		336,893.18	321,733.83	(15,159.35)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35			420,060.64		420,060.64	400,011.61	(20,049.03)	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	545,828.29	536,711.83		(1,997.98)	543,830.31	517,873.90	(16,839.95)	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	1,162,348.77	1,146,168.79		(6,026.03)	1,156,322.74	1,104,291.15	(35,851.61)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	510,652.18	503,543.86		(2,434.78)	508,217.40	485,348.91	(15,760.17)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,844,486.06	3,780,275.17		(18,981.41)	3,825,504.65	3,642,917.58	(118,376.18)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	1,161,398.54	1,142,000.77		(5,026.05)	1,156,372.49	1,101,180.12	(35,794.60)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	329,471.00	323,968.15		(1,195.28)	328,275.72	312,607.49	(11,668.23)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	607,815.80	597,664.02		(2,207.79)	605,608.01	576,703.02	(18,753.21)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35			1,099,260.45		1,099,260.45	1,046,793.99	(52,466.46)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35			348,654.81		348,654.81	332,013.91	(16,640.90)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35			406,010.91		406,010.91	387,741.44	(18,269.47)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35			415,458.99		415,458.99	396,764.38	(18,694.61)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35			1,119,580.46		1,119,580.46	1,069,202.17	(50,378.29)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35			1,067,258.74		1,067,258.74	1,016,319.67	(50,939.07)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35			1,212,672.03		1,212,672.03	1,154,792.55	(57,879.48)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35			765,153.37		765,153.37	728,633.45	(36,519.92)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35			1,121,772.54		1,121,772.54	1,068,231.59	(53,540.95)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35			682,700.61		682,700.61	650,116.07	(32,584.54)	0.00

FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	191,987.19	187,149.89		(927.17)	191,060.02	179,308.38	(6,914.34)	0.00		
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	275,179.06	268,245.66		(1,325.55)	273,853.51	257,009.46	(9,910.65)	0.00		
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	89,044.80	86,937.26		(452.86)	88,591.94	83,424.22	(3,060.18)	0.00		
Inv Agmt	2004 CDEF Single Family	1.49	10/28/04	09/01/06	36,896,774.00	36,896,774.00		(9,548,592.00)	27,348,182.00	27,348,182.00	-	0.00		
Repo Agmt	2004 CDEF Single Family	4.01	11/30/05	12/01/05	3,391,226.34	3,391,226.34		(434,423.18)	2,956,803.16	2,956,803.16	-	0.00		
	2004 CDEF Single Family Total				88,115,741.40	87,998,745.01	10,776,082.14	(12,787,224.34)	(320,833.48)	0.00	85,783,765.72	84,093,381.51	(1,573,387.82)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	76,991.06	75,582.83		(309.36)	76,681.70	72,909.87	(2,363.60)	0.00		
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	71,703.51	70,391.11		(291.83)	71,411.68	67,898.26	(2,201.02)	0.00		
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	6,145.47	6,050.14		(24.06)	6,121.41	5,836.93	(189.15)	0.00		
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,759.24	12,561.82		(50.61)	12,708.63	12,118.54	(392.67)	0.00		
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	22,994.18	22,574.31		(94.57)	22,899.61	21,773.93	(705.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	100,309.15	98,478.28		(414.42)	99,894.73	94,984.96	(3,078.90)	0.00		
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	21,527.49	21,134.78		(96.95)	21,430.54	20,377.52	(660.31)	0.00		
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	38,664.36	37,959.46		(7,797.49)	30,866.87	29,422.75	(739.22)	0.00		
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	79,479.05	78,027.12		(310.64)	79,168.41	75,275.95	(2,440.53)	0.00		
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	128,810.13	126,454.57		(517.51)	128,292.62	121,982.62	(3,954.44)	0.00		
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	75,745.50	74,359.57		(291.28)	75,454.22	71,742.18	(2,326.11)	0.00		
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	87,557.39	85,956.57		(348.18)	87,209.21	82,920.17	(2,688.22)	0.00		
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	156,797.46	153,920.53		(625.95)	156,171.51	148,474.53	(4,820.05)	0.00		
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	86,151.58	84,571.26		(370.99)	85,780.59	81,553.50	(2,646.77)	0.00		
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,424.53	7,601.64		(23.91)	7,400.62	7,398.02	(179.71)	0.00		
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	104,131.18	102,221.18		(438.88)	103,692.30	98,582.59	(3,199.71)	0.00		
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	10,259.48	10,504.22		(33.04)	10,226.44	10,222.85	(248.33)	0.00		
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	118,654.94	116,479.77		(588.25)	118,066.69	112,250.67	(3,640.85)	0.00		
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	178,390.17	175,116.14		(719.04)	177,671.13	168,913.70	(5,483.40)	0.00		
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	57,333.45	56,280.87		(223.08)	57,110.37	54,295.01	(1,762.78)	0.00		
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	125,002.89	122,708.49		(484.35)	124,518.54	118,380.64	(3,843.50)	0.00		
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	82,723.74	81,205.44		(323.94)	82,399.80	78,338.16	(2,543.34)	0.00		
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	76,527.65	75,123.69		(334.57)	76,193.08	72,438.31	(2,350.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	73,998.21	72,638.80		(348.66)	73,649.55	70,018.56	(2,271.58)	0.00		
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	30,719.47	30,154.83		(116.31)	30,603.16	29,093.85	(944.67)	0.00		
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	46,869.49	46,008.22		(185.06)	46,684.43	44,382.29	(1,440.87)	0.00		
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	46,339.88	45,488.60		(177.99)	46,161.89	43,885.71	(1,424.90)	0.00		
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	71,782.68	70,463.08		(271.19)	71,511.49	67,984.42	(2,207.47)	0.00		
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	45,643.63	44,930.93		(171.40)	45,472.23	43,353.08	(1,406.45)	0.00		
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	64,641.59	63,452.87		(322.87)	64,318.72	61,146.76	(1,983.24)	0.00		
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	57,513.98	56,456.72		(217.13)	57,296.85	54,470.91	(1,768.68)	0.00		
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	106,708.80	104,744.98		(434.94)	106,273.86	101,030.45	(3,279.59)	0.00		
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	64,352.92	63,168.66		(245.45)	64,107.47	60,944.40	(1,978.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	223,288.54	219,174.60		(845.51)	222,433.53	211,453.97	(6,865.62)	0.00		
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	36,809.77	36,131.44		(136.28)	36,673.49	34,863.08	(1,132.08)	0.00		
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	55,099.21	54,238.71		(223.88)	54,875.33	52,317.98	(1,696.85)	0.00		
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	27,801.32	27,290.36		(104.80)	27,696.52	26,330.59	(854.97)	0.00		
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	50,534.49	49,744.33		(241.57)	50,292.92	47,948.54	(1,554.22)	0.00		
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	60,952.52	59,830.03		(227.53)	60,724.99	57,727.99	(1,874.51)	0.00		
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	54,777.65	53,920.98		(209.54)	54,568.11	52,023.79	(1,687.65)	0.00		
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	115,190.07	113,069.13		(447.01)	114,743.06	109,080.60	(3,541.52)	0.00		
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	56,420.18	55,381.15		(215.30)	56,204.88	53,431.01	(1,734.84)	0.00		
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35					9,888.02	9,426.76	(461.26)	0.00		
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35					17,042.91	16,201.63	(841.28)	0.00		
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35					22,335.65	21,232.67	(1,102.98)	0.00		
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	31,357.21	30,866.46		(119.59)	31,237.62	29,780.78	(966.09)	0.00		
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	18,533.23	18,191.72		(71.64)	18,461.59	17,550.27	(569.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	10,850.58	10,680.63		(39.86)	10,810.72	10,306.38	(334.39)	0.00		
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	29,865.29	29,397.52		(113.37)	29,751.92	28,364.00	(920.15)	0.00		
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	83,003.88	81,473.31		(376.90)	82,626.98	78,547.73	(2,548.68)	0.00		
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	147,445.24	144,726.39		(759.36)	146,685.88	139,444.92	(4,522.11)	0.00		
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35					12,096.98	11,532.73	(564.25)	0.00		
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35					15,406.98	14,646.17	(760.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35					101,840.77	96,810.96	(5,029.81)	0.00		
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35					25,082.90	24,149.05	(933.85)	0.00		
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	12,121.96	11,821.27		(46.66)	12,075.30	11,352.28	(422.33)	0.00		
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	12,811.81	12,494.33		(103.85)	12,707.96	11,947.61	(442.87)	0.00		
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	16,959.85	16,539.01		(71.70)	16,888.15	15,876.83	(590.48)	0.00		
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	17,307.85	16,868.27		(73.11)	17,234.74	16,171.66	(623.50)	0.00		
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	13,689.83	13,349.93		(52.22)	13,637.61	12,820.73	(476.98)	0.00		
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,870.81	11,569.09		(44.67)	11,826.14	11,096.42	(428.00)	0.00		
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	23,840.19	23,233.81		(113.50)	23,726.69	22,262.36	(857.95)	0.00		
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35					18,296.91	17,167.43	(1,129.48)	0.00		

FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35			5,056.05		5,056.05	4,743.90	(312.15)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35			10,394.57		10,394.57	9,799.43	(595.14)	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	276,103.01	276,103.01		(240,525.67)	35,577.34	35,577.34	-	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	10,467.24	10,741.90		(38.41)	10,428.83	10,448.88	(254.61)	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	18,712.32	19,230.55		(64.61)	18,647.71	18,710.09	(455.85)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	16,406.75	16,830.52		(55.41)	16,351.34	16,376.14	(398.97)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	23,299.83	23,817.88		(79.00)	23,220.83	23,173.85	(565.03)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	21,082.69	21,590.23		(69.78)	21,012.91	21,008.64	(511.81)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,902.82	8,133.67		(29.98)	7,872.84	7,910.92	(192.77)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	8,028.55	8,239.50		(36.44)	7,992.11	8,007.84	(195.22)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	10,726.44	11,007.62		(35.97)	10,690.47	10,710.71	(260.94)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,596.57	8,815.52		(38.31)	8,558.26	8,568.34	(208.87)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	17,531.45	17,991.92		(58.80)	17,472.65	17,506.62	(426.50)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,647.36	4,765.13		(26.17)	4,621.19	4,626.11	(112.85)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,999.16	3,074.61		(10.07)	2,989.09	2,991.65	(72.89)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	20,963.26	21,428.64		(95.25)	20,868.01	20,825.32	(508.07)	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	3,631.33	3,631.33	6,565.90		10,197.23	10,197.23	-	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	549,081.48	549,081.48		(4,689.50)	544,391.98	544,391.98	-	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	4,478,802.35	4,478,802.35		(4,453,445.28)	25,357.07	25,357.07	-	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	693,955.35	693,955.35		(688,707.01)	5,248.34	5,248.34	-	0.00
GICs	2002 A-D SF MRB	5.01	06/26/02	03/01/34			1,944,690.78		1,944,690.78	1,944,690.78	-	0.00
GICs	2002 A-D SF MRB	4.51	06/26/02	03/01/34			178,563.29		178,563.29	178,563.29	-	0.00
Repo Agmt	2002 A-D SF MRB				101,952.07	101,952.07		(101,952.07)			-	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	48,493.72	48,493.72		(241.31)	48,252.41	48,252.41	-	0.00
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	68.79	68.79	0.00		68.79	68.79	-	0.00
GICs	2002 A-D SF MRB				17.82	17.82		(17.82)			-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	224,025.02	229,502.07		(621.82)	223,403.20	223,313.29	(5,566.96)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	264,200.06	274,335.86		(614.57)	263,585.49	271,937.89	(1,783.40)	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	376,764.65	385,975.92		(1,058.63)	375,706.02	375,579.81	(9,337.48)	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	64,313.14	66,780.44		(152.91)	64,160.23	66,189.44	(438.09)	0.00
GNMA	2002 A-D SF MRB	6.15	09/19/02	09/20/32	153,199.05	159,076.38		(353.56)	152,845.49	157,680.99	(1,041.83)	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	354,408.81	363,073.51		(1,096.45)	353,312.36	353,177.28	(8,799.78)	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	273,295.35	283,780.07		(700.08)	272,595.27	281,220.69	(1,859.30)	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	241,526.48	247,431.42		(665.11)	240,861.37	240,770.51	(5,995.80)	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	332,963.43	345,737.24		(836.35)	332,127.08	342,640.32	(2,260.57)	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	163,656.14	167,657.23		(455.24)	163,200.90	163,141.30	(4,060.69)	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	222,076.40	230,596.13		(543.28)	221,533.12	228,548.12	(1,504.73)	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	130,413.09	135,416.25		(406.10)	130,006.99	134,124.71	(885.44)	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	58,113.48	59,533.21		(243.54)	57,869.94	57,849.65	(1,440.02)	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	62,793.65	65,202.61		(144.36)	62,649.29	64,633.87	(424.38)	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	142,037.41	145,509.99		(476.94)	141,560.47	141,511.65	(3,521.40)	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	82,700.36	85,873.07		(189.49)	82,510.87	85,125.87	(557.71)	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	101,382.80	103,861.44		(278.05)	101,104.75	101,071.59	(2,511.80)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	430,554.82	447,072.64		(1,232.79)	429,322.03	442,931.11	(2,908.74)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	275,003.33	281,726.71		(775.79)	274,227.54	274,139.30	(6,811.62)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	103,910.82	107,897.24		(265.27)	103,645.55	106,931.00	(700.97)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	148,154.36	151,776.53		(420.47)	147,733.89	147,686.37	(3,669.69)	0.00
GNMA	2002 A-D SF MRB	6.15	12/12/02	12/20/32	64,024.37	66,480.63		(146.71)	63,877.66	65,903.54	(430.38)	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	110,504.00	113,205.64		(312.51)	110,191.49	110,157.69	(2,735.44)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	181,719.13	188,690.61		(60,011.40)	121,707.73	125,569.55	(3,109.66)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	209,174.11	214,288.08		(579.20)	208,594.91	208,534.09	(5,174.79)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	177,666.65	184,482.65		(502.81)	177,163.84	182,785.31	(1,194.53)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	103,328.51	105,854.72		(284.59)	103,043.92	103,013.87	(2,556.26)	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	117,599.63	122,111.26		(286.47)	117,313.16	121,036.28	(788.51)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	496,579.12	515,564.70		(1,265.26)	495,313.86	510,886.72	(3,412.72)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	181,524.65	185,913.13		(507.11)	181,017.54	180,917.65	(4,488.37)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	110,731.32	114,964.91		(259.96)	110,471.36	113,944.62	(760.33)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	104,482.62	107,008.54		(287.71)	104,194.91	104,137.38	(2,583.45)	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	363,841.47	377,752.13		(1,027.02)	362,814.45	374,223.36	(2,501.75)	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	438,068.05	448,658.70		(1,740.51)	436,327.54	436,088.97	(10,829.22)	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	432,237.34	448,762.95		(1,647.58)	430,589.76	444,135.74	(2,979.63)	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	175,031.49	181,723.52		(418.88)	174,612.61	180,107.04	(1,197.60)	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	119,595.07	122,486.36		(328.62)	119,266.45	119,204.97	(2,952.77)	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	510,608.18	530,130.15		(67,647.37)	442,960.81	456,901.50	(5,581.28)	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	108,572.85	111,197.69		(302.04)	108,270.81	108,214.13	(2,681.52)	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	424,513.31	440,743.62		(1,109.03)	423,404.28	436,734.35	(2,900.24)	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	160,249.02	166,375.77		(469.67)	159,779.35	164,811.69	(1,094.41)	0.00
GNMA	2002 A-D SF MRB	5.40	03/24/03	02/20/33	111,893.54	114,598.65		(482.94)	111,410.60	111,354.85	(2,760.86)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	203,417.26	211,194.45		(620.36)	202,796.90	209,186.22	(1,387.87)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	162,456.99	168,668.19		(379.50)	162,077.49	167,183.40	(1,105.29)	0.00

GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	323,611.81	335,984.41	(1,223.05)	322,388.76	332,547.28	(2,214.08)	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	71,870.25	74,618.06	(167.59)	71,702.66	73,962.05	(488.42)	0.00
GNMA	2002 A-D SF MRB	5.40	04/10/03	01/20/33	92,462.34	94,697.69	(2,603.38)	92,201.96	92,156.83	(2,280.48)	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	166,184.63	172,538.31	(389.95)	165,794.68	171,020.27	(1,128.09)	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	172,054.89	178,633.04	(494.69)	171,560.20	176,968.58	(1,169.77)	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	89,319.10	92,733.98	(217.46)	89,101.64	91,910.63	(605.89)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	52,275.07	54,273.71	(133.00)	52,142.07	53,786.45	(354.26)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	85,453.55	88,720.67	(208.18)	85,245.37	87,933.67	(578.82)	0.00
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	181,859.26	188,812.21	(465.12)	181,394.14	187,115.73	(1,231.36)	0.00
GNMA	2002 A-D SF MRB	6.15	05/22/03	05/20/33	64,929.76	67,412.19	(152.80)	64,776.96	66,820.70	(438.69)	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	64,410.19	66,872.77	(154.80)	64,255.39	66,283.83	(434.14)	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	83,093.02	86,269.90	(195.39)	82,897.63	85,515.01	(559.50)	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	52,682.27	54,696.44	(132.22)	52,550.05	54,210.78	(353.44)	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	95,993.94	99,664.04	(433.09)	95,560.85	98,580.84	(650.11)	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	88,782.43	92,176.84	(221.53)	88,560.90	91,360.24	(595.07)	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	49,150.41	51,029.54	(115.82)	49,034.59	50,584.74	(328.98)	0.00
GNMA	2002 A-D SF MRB	6.15	09/04/03	08/20/33	56,132.74	58,278.87	(132.48)	56,000.26	57,772.48	(373.91)	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	233,420.92	242,345.27	(65,393.81)	168,027.11	173,348.79	(3,602.67)	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	155,292.72	161,229.99	(372.23)	154,920.49	159,827.85	(1,029.91)	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	66,489.72	69,031.81	(161.25)	66,328.47	68,435.68	(434.88)	0.00
GNMA	2002 A-D SF MRB	6.15	02/26/04	02/20/34	48,786.45	50,690.60	(121.04)	48,665.41	50,256.19	(313.37)	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	105,361.05	109,473.36	(252.96)	105,108.09	108,545.29	(675.11)	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	251,288.83	257,308.11	(796.05)	250,492.78	250,289.26	(6,222.80)	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	40,549.58	42,132.28	(114.38)	40,435.20	41,758.33	(259.57)	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	449,866.55	460,642.46	(1,318.81)	448,547.74	448,175.59	(11,148.06)	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	393,721.69	403,152.74	(1,154.57)	392,567.12	392,268.74	(9,729.43)	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	558,203.44	570,525.91	(1,650.99)	556,552.45	555,099.07	(13,775.85)	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	505,067.43	517,165.58	(1,456.38)	503,611.05	503,234.36	(12,474.84)	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	190,273.54	194,831.27	(625.43)	189,648.11	189,495.57	(4,710.27)	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	192,749.29	197,366.35	(778.76)	191,970.53	191,817.28	(4,770.31)	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	257,504.74	263,672.90	(740.50)	256,764.24	256,560.79	(6,371.61)	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	206,224.44	211,164.25	(819.79)	205,404.65	205,243.34	(5,101.12)	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	420,894.29	430,972.67	(1,219.35)	419,674.94	419,347.92	(10,405.40)	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	111,472.12	114,142.28	(574.11)	110,898.01	110,812.27	(2,755.90)	0.00
GNMA	2002 A-D SF MRB	5.40	08/26/04	08/20/34	71,925.36	73,648.24	(209.21)	71,716.15	71,661.15	(1,777.88)	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	422,310.48	432,426.32	(1,546.14)	420,764.34	420,478.92	(10,401.26)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,410,600.31	1,384,646.12	(5,163.90)	1,405,436.41	1,335,678.63	(43,803.59)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	1,313,707.52	1,289,536.11	(4,884.39)	1,308,823.13	1,243,868.21	(40,783.51)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	502,208.36	513,294.71	(2,074.83)	500,133.53	498,843.08	(12,376.80)	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	112,598.44	110,835.97	(394.93)	112,203.51	106,930.17	(3,510.87)	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,767,056.62	1,809,383.88	(69,110.05)	1,697,946.57	1,696,729.60	(43,544.23)	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	233,786.74	230,127.36	(833.48)	232,953.26	222,006.51	(7,287.37)	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	393,427.53	402,112.53	(1,307.85)	392,119.68	391,112.67	(9,629.01)	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	421,303.76	413,552.03	(1,565.64)	419,738.12	398,889.44	(13,096.95)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,837,897.63	1,804,081.45	(6,874.73)	1,831,022.90	1,740,085.27	(57,121.45)	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	465,059.94	476,199.76	(1,462.66)	463,597.28	463,271.09	(11,466.01)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	394,437.91	387,180.46	(1,623.18)	392,814.73	373,307.86	(12,249.42)	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	149,304.97	152,881.38	(466.36)	148,838.61	148,734.65	(3,680.37)	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	708,436.57	695,401.77	(141,262.32)	567,174.25	539,012.65	(15,126.80)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,456,218.24	1,429,424.70	(5,150.38)	1,451,067.86	1,379,024.32	(45,250.00)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	2,360,018.46	2,316,595.55	(8,623.97)	2,351,394.49	2,234,671.27	(73,300.31)	0.00
GNMA	2002 A-D SF MRB	5.40	12/23/04	12/20/34	280,053.65	286,761.93	(1,032.95)	279,020.70	278,836.48	(6,892.50)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,387,770.79	1,362,236.65	(4,859.75)	1,382,911.04	1,314,287.22	(43,089.68)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	1,604,205.34	1,574,688.94	(5,834.07)	1,598,371.27	1,519,063.41	(49,791.46)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	2,872,733.29	2,819,760.68	(10,514.48)	2,862,218.81	2,719,992.21	(89,253.99)	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	450,993.28	461,718.75	(1,314.73)	449,678.55	449,342.17	(11,061.85)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,578,416.44	1,549,310.76	(6,277.77)	1,572,138.67	1,494,026.54	(49,006.45)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	136,024.14	139,259.05	(394.73)	135,629.41	135,528.78	(3,335.54)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,907,829.99	1,872,650.01	(7,424.57)	1,900,405.42	1,805,992.37	(59,233.07)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	187,962.93	192,433.03	(546.46)	187,416.47	187,278.36	(4,608.21)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	2,173,948.73	2,133,861.38	(10,075.03)	2,163,873.70	2,056,385.95	(67,400.40)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	3,268,322.54	3,208,055.38	(12,166.57)	3,256,155.97	3,094,429.22	(101,459.59)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,050,411.72	1,031,042.36	(3,772.07)	1,046,639.65	994,662.19	(32,608.10)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,290,199.69	2,247,968.89	(8,187.63)	2,282,012.06	2,168,684.39	(71,096.87)	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	195,642.77	200,329.14	(586.89)	195,055.88	194,936.36	(4,805.89)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	1,515,597.38	1,487,650.09	(5,489.42)	1,510,107.96	1,435,122.76	(47,037.91)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,402,089.31	1,376,235.08	(5,479.82)	1,396,369.49	1,327,040.06	(43,475.20)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,355,711.96	1,330,712.94	(5,995.36)	1,349,716.60	1,282,711.26	(42,006.32)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	562,802.07	552,424.13	(1,976.85)	560,825.22	532,987.38	(17,459.90)	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	128,224.50	131,273.94	(382.84)	127,841.66	127,753.90	(3,137.20)	0.00

GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	858,685.59	842,851.59	(3,158.39)	855,527.20	813,065.24	(26,627.96)	0.00			
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	848,987.51	833,332.35	(3,038.48)	845,949.03	803,968.14	(26,325.73)	0.00			
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	1,315,104.70	1,290,854.45	(4,640.47)	1,310,464.23	1,245,446.51	(40,767.47)	0.00			
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	836,213.48	823,116.10	(2,936.89)	833,276.59	794,210.51	(25,968.70)	0.00			
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	233,116.43	238,220.15	(700.46)	232,415.97	231,829.79	(5,689.90)	0.00			
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,184,267.94	1,162,430.29	(5,621.52)	1,178,646.42	1,120,183.44	(36,625.33)	0.00			
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	1,053,693.81	1,034,263.91	(3,735.35)	1,049,958.46	997,884.69	(32,643.87)	0.00			
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	133,884.67	137,068.66	(400.01)	133,484.66	133,398.14	(3,270.51)	0.00			
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,954,933.41	1,918,884.86	(7,524.63)	1,947,408.78	1,850,836.24	(60,523.99)	0.00			
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	234,963.82	240,107.99	(714.23)	234,249.59	233,661.62	(5,732.14)	0.00			
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	1,178,963.58	1,157,223.73	(4,239.15)	1,174,724.43	1,116,476.26	(36,508.32)	0.00			
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	4,090,618.47	4,015,188.33	(14,975.77)	4,075,642.70	3,873,749.47	(126,463.09)	0.00			
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	120,408.00	123,271.53	(644.09)	119,763.91	119,693.78	(2,933.66)	0.00			
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	674,347.91	661,913.08	(2,388.05)	671,959.86	638,677.17	(20,847.86)	0.00			
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	1,009,441.53	993,630.95	(3,891.81)	1,005,549.72	958,443.83	(31,295.31)	0.00			
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	162,591.40	166,458.12	(486.99)	162,104.41	162,003.42	(3,967.71)	0.00			
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	509,340.28	499,948.16	(1,812.68)	507,527.60	482,365.50	(15,769.98)	0.00			
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	925,796.16	911,295.68	(4,232.50)	921,563.66	878,397.48	(28,665.70)	0.00			
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	171,853.65	175,940.65	(531.53)	171,322.12	171,217.47	(4,191.65)	0.00			
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,116,652.31	1,096,061.48	(3,953.49)	1,112,698.82	1,057,552.88	(34,555.11)	0.00			
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	1,003,528.06	987,810.09	(3,650.77)	999,877.29	953,054.45	(31,104.87)	0.00			
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	2,110,293.33	2,071,379.96	(7,807.69)	2,102,485.64	1,998,311.57	(65,260.70)	0.00			
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	1,033,619.64	1,014,559.91	(3,763.15)	1,029,856.49	978,834.04	(31,962.72)	0.00			
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35			181,164.83	181,164.83	172,694.22	(8,470.61)	0.00			
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35			60,437.66	60,437.66	60,405.67	(31.99)	0.00			
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35			312,256.73	312,256.73	296,807.19	(15,449.54)	0.00			
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35			409,217.92	409,217.92	388,973.79	(20,244.13)	0.00			
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	574,458.51	565,460.93	(2,101.79)	572,356.72	545,571.70	(17,787.44)	0.00			
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	339,525.71	333,264.93	(1,261.70)	338,264.01	321,513.76	(10,489.47)	0.00			
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	198,778.08	195,664.68	(702.25)	198,075.83	188,808.61	(6,153.82)	0.00			
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	64,869.79	66,412.52	(193.06)	64,676.73	64,640.88	(1,578.58)	0.00			
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	547,119.67	538,550.29	(2,002.06)	545,117.61	519,616.74	(16,931.49)	0.00			
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,520,597.00	1,492,557.51	(6,695.17)	1,513,901.83	1,438,962.12	(46,900.22)	0.00			
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,701,136.05	2,651,327.67	(13,552.95)	2,687,583.10	2,554,573.35	(83,201.37)	0.00			
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35			221,633.87	221,633.87	211,274.91	(10,358.96)	0.00			
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35			282,270.98	282,270.98	268,311.83	(13,959.15)	0.00			
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35			1,865,782.11	1,865,782.11	1,773,536.80	(92,245.31)	0.00			
GNMA	2002 A-D SF MRB	5.40	10/20/05	09/20/35			43,943.46	43,943.46	43,921.85	(21.61)	0.00			
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35			464,065.69	464,065.69	442,400.70	(21,664.99)	0.00			
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	77,811.04	80,393.59	(222.06)	77,588.98	79,368.87	(802.66)	0.00			
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	116,370.39	117,777.71	(396.41)	115,973.98	114,580.15	(2,801.15)	0.00			
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	66,124.39	68,280.97	(433.20)	65,691.19	67,113.30	(734.47)	0.00			
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	49,059.90	50,688.20	(140.01)	48,919.89	50,042.11	(506.08)	0.00			
FNMA	2002 A-D SF MRB	5.45	03/25/04	02/01/34	84,174.92	84,900.52	(257.34)	83,917.58	82,584.97	(2,058.21)	0.00			
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	104,593.60	107,795.76	(283.39)	104,310.21	106,500.64	(1,011.73)	0.00			
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	309,202.25	312,731.55	(1,412.13)	307,790.12	303,692.21	(7,627.21)	0.00			
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	222,081.31	216,560.78	(812.92)	221,268.39	207,969.00	(7,778.86)	0.00			
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	234,725.92	228,891.06	(1,858.63)	232,867.29	218,875.34	(8,157.09)	0.00			
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	310,711.46	302,987.77	(1,264.75)	309,446.71	290,856.98	(10,866.04)	0.00			
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	317,086.61	309,019.66	(1,290.69)	315,795.92	296,258.06	(11,470.91)	0.00			
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	250,799.65	244,565.25	(923.45)	249,876.20	234,870.54	(8,771.26)	0.00			
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	243,985.78	246,770.69	(895.44)	243,090.34	239,869.28	(6,005.97)	0.00			
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	217,473.51	211,940.81	(792.01)	216,681.50	203,281.83	(7,866.97)	0.00			
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	436,745.08	425,633.92	(2,045.83)	434,699.25	407,837.36	(15,750.73)	0.00			
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	114,063.93	115,364.73	(350.33)	113,713.60	112,128.84	(2,885.56)	0.00			
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35			335,208.33	335,208.33	314,500.09	(20,708.24)	0.00			
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35			92,627.02	92,627.02	86,906.35	(5,720.67)	0.00			
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35			191,335.12	191,335.12	179,521.46	(11,813.66)	0.00			
GICs	2002 A-D SF MRB	2.23	09/24/04	03/01/34	4,484,466.74	4,484,466.74	(4,472,942.31)	11,524.43	11,524.43	-	0.00			
Repo Agmt	2002 A-D SF MRB	4.01	11/30/05	12/01/05	1,199,350.65	1,199,350.65	11,470.54	1,210,821.19	1,210,821.19	-	0.00			
2002 A-D SF MRB Total					100,935,256.86	100,369,343.45	6,838,675.97	(9,962,520.97)	(727,127.14)	0.00	97,084,284.72	93,810,054.05	(2,708,317.26)	0.00
Repo Agmt	2004A Single Family (Jr Lien)	4.01	11/30/05	12/01/05	1,962.17	1,962.17	(698.83)	1,263.34	1,263.34	-	0.00			
Repo Agmt	2004A Single Family (Jr Lien)	4.01	11/30/05	12/01/05	124,205.19	124,205.19	0.00	124,205.19	124,205.19	-	0.00			
Repo Agmt	2004A Single Family (Jr Lien)	4.01	11/30/05	12/01/05			3,593,457.71	3,593,457.71	3,593,457.71	-	0.00			
GICs	2004A Single Family (Jr Lien)				3,847,685.40	3,847,685.40	(3,847,685.40)			-	0.00			
2004A Single Family (Jr Lien) Total					3,973,852.76	3,973,852.76	3,593,457.71	(3,848,384.23)	0.00	0.00	3,718,926.24	3,718,926.24	0.00	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	4.01	11/30/05	12/01/05	12,798.70	12,798.70	(2,162.44)	10,636.26	10,636.26	-	0.00			
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	433,596.58	433,596.58	(379,023.71)	54,572.87	54,572.87	-	0.00			

Repo Agmt	1991 A S/F (1980 A Refunding)	4.01	11/30/05	12/01/05	546,000.66	546,000.66		(545,984.82)	15.84	15.84	-	0.00		
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29			153,637.20		153,637.20	153,637.20	-	0.00		
Repo Agmt	1991 A S/F (1980 A Refunding)				12,251.25	12,251.25		(12,251.25)			-	0.00		
GICs	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	529,738.47	529,738.47	12,270.35		542,008.82	542,008.82	-	0.00		
Repo Agmt	1991 A S/F (1980 A Refunding)	4.01	11/30/05	12/01/05	0.08	0.08	0.00		0.08	0.08	-	0.00		
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	10.07	10.07	0.00		10.07	10.07	-	0.00		
1991 A S/F (1980 A Refunding) Total					1,534,395.81	1,534,395.81	165,907.55	(939,422.22)	0.00	0.00	760,881.14	760,881.14	0.00	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05			0.02		0.02	0.02	-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)				8,382.57	8,382.57		(8,382.57)			-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	1.02	1.02	25.29		26.31	26.31	-	0.00		
GICs	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	24,194.16	24,194.16		(13,474.00)	10,720.16	10,720.16	-	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	15,462.61	16,123.83		(106.90)	15,355.71	15,855.30	(161.63)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	10,441.68	10,865.71		(85.33)	10,356.35	10,671.20	(109.18)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	15,014.30	15,679.44		(196.07)	14,818.23	15,322.88	(160.49)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	11,409.74	11,925.12		(66.03)	11,343.71	11,739.80	(119.29)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	13,077.32	13,660.76		(157.44)	12,919.88	13,363.91	(139.41)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	13,514.05	13,950.42		(109.98)	13,404.07	13,700.64	(139.80)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	11,667.80	12,023.27		(163.65)	11,504.15	11,737.91	(121.71)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	26,673.92	27,478.10		(270.48)	26,403.44	26,931.63	(275.99)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	18,644.60	19,219.87		(232.03)	18,412.57	18,793.78	(194.06)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	12,729.42	13,108.22		(115.94)	12,613.48	12,860.93	(131.35)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	2,158.32	2,224.14		(105.73)	2,052.59	2,094.35	(24.06)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	12,843.35	13,285.34		(70.28)	12,773.07	13,085.93	(129.13)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	80,853.23	84,152.75		(3,583.04)	77,270.19	79,981.97	(587.74)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	27,877.34	29,024.59		(209.04)	27,668.30	28,648.80	(166.75)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	64,952.88	67,597.67		(631.32)	64,321.56	66,573.15	(393.20)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	34,119.50	35,512.09		(283.13)	33,836.37	35,024.09	(204.87)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	63,969.51	66,577.43		(5,691.27)	58,278.24	60,321.16	(565.00)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	39,788.44	41,424.64		(281.04)	39,507.40	40,906.23	(237.37)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	102,844.89	107,051.58		(5,747.15)	97,097.74	100,514.51	(789.92)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	28,427.88	29,581.38		(2,387.86)	26,040.02	26,947.89	(245.63)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	87,471.37	91,002.41		(1,397.70)	86,073.67	89,056.67	(548.04)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	54,909.12	56,781.42		(489.20)	54,419.92	55,966.59	(325.63)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	27,354.43	28,256.53		(206.30)	27,148.13	27,889.47	(160.76)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	23,606.40	24,399.95		(2,106.30)	21,500.10	22,100.85	(192.80)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	72,025.46	74,405.28		(3,893.19)	68,132.27	69,997.05	(515.04)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	41,567.52	42,995.95		(3,096.76)	38,470.76	39,574.33	(324.86)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	30,995.81	32,006.61		(3,748.06)	27,247.75	27,981.84	(276.71)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	52,892.02	54,618.41		(2,249.40)	50,642.62	52,008.49	(360.52)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	39,977.65	41,349.76		(3,144.13)	36,833.52	37,907.67	(297.96)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	35,121.63	36,324.71		(3,260.64)	31,860.99	32,787.99	(276.08)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	14,281.45	14,746.96		(83.04)	14,198.41	14,588.08	(75.84)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	31,392.68	32,380.39		(201.28)	31,191.40	32,012.30	(166.81)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	14,841.69	15,292.70		(3,373.32)	11,468.37	11,757.91	(161.47)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	15,777.52	16,256.93		(127.72)	15,649.80	16,044.89	(84.32)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	14,715.90	15,172.73		(108.99)	14,606.91	14,985.23	(78.51)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	21,395.80	22,261.28		(608.19)	20,787.61	21,520.60	(132.49)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	37,807.41	38,983.79		(5,021.21)	32,786.20	33,637.68	(324.90)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	9,627.80	9,915.17		(47.86)	9,579.94	9,820.09	(47.22)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	17,327.49	17,844.72		(176.97)	17,150.52	17,580.50	(87.25)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	13,962.38	14,379.13		(73.49)	13,888.89	14,237.05	(68.59)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	26,542.03	27,334.31		(3,715.13)	22,826.90	23,399.18	(220.00)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	10,230.88	10,536.31		(100.78)	10,130.10	10,384.09	(51.44)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	22,104.71	22,764.54		(133.52)	21,971.19	22,522.00	(109.02)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	37,790.47	38,918.53		(201.19)	37,589.28	38,531.66	(185.68)	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	18,794.59	18,794.59	179.81		18,974.40	18,974.40	-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	175,351.66	175,351.66		(175,340.42)	11.24	11.24	-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	7.60	7.60	0.00		7.60	7.60	-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	10,313.34	10,313.34	98.59		10,411.93	10,411.93	-	0.00		
Repo Agmt	1994 A&B SF (1983 Refunding)	4.01	11/30/05	12/01/05	1,845,015.21	1,845,015.21		(1,643,900.12)	201,115.09	201,115.09	-	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	5,142.99	5,307.08		(61.95)	5,081.04	5,192.76	(52.37)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	5,471.78	5,645.67		(34.66)	5,437.12	5,555.43	(55.58)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	4,369.45	4,508.23		(669.24)	3,700.21	3,780.66	(58.33)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	36,512.82	37,706.81		(3,291.50)	33,221.32	34,149.21	(266.10)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	6,434.98	6,639.49		(618.37)	5,816.61	5,943.19	(77.93)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	63,180.53	65,246.54		(5,380.24)	57,800.29	59,414.65	(451.65)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	44,511.99	45,967.52		(3,195.22)	41,316.77	42,470.75	(301.55)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	22,642.88	23,027.11		(811.69)	21,831.19	21,686.43	(528.99)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	26,706.94	27,580.26		(2,714.93)	23,992.01	24,662.11	(203.22)	0.00		

GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	11,841.83	12,229.09	(784.53)	11,057.30	11,366.16	(78.40)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	16,166.44	16,695.04	(1,056.70)	15,109.74	15,531.71	(106.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	2,440.24	2,517.79	(52.55)	2,387.69	2,439.64	(25.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	15,410.14	15,914.04	(1,105.12)	14,305.02	14,704.55	(104.37)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	10,340.85	10,679.00	(56.90)	10,283.95	10,571.19	(50.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	3,447.45	3,560.18	(16.41)	3,431.04	3,526.85	(16.92)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	2,662.34	2,747.29	(91.14)	2,571.20	2,627.75	(28.40)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	22,670.26	23,396.39	(141.23)	22,529.03	23,144.97	(110.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	1,169.19	1,206.63	(6.45)	1,162.74	1,194.53	(5.65)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	7,098.85	7,326.23	(1,126.00)	5,972.85	6,136.16	(64.07)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	16,870.68	17,161.70	(97.36)	16,773.32	16,660.61	(403.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	13,992.34	14,233.68	(73.30)	13,919.04	13,825.48	(334.90)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	2,971.06	2,999.33	(1,180.59)	1,790.47	1,765.55	(53.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	7,630.13	7,761.75	(39.54)	7,590.59	7,539.58	(182.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	7,534.79	7,607.31	(45.43)	7,489.36	7,386.50	(175.38)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	5,233.43	5,283.84	(44.06)	5,189.37	5,118.14	(121.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	26,991.54	27,457.12	(156.39)	26,835.15	26,654.80	(645.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	3,962.87	4,031.26	(797.13)	3,165.74	3,144.49	(89.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	55,610.75	56,569.99	(5,074.68)	50,536.07	50,196.42	(1,298.89)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	15,176.25	15,433.84	(1,278.40)	13,897.85	13,805.76	(349.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,422.35	5,514.37	(28.76)	5,393.59	5,357.83	(127.78)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	9,547.53	9,709.53	(82.35)	9,465.18	9,402.40	(224.78)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	5,231.95	5,282.11	(35.92)	5,196.03	5,124.83	(121.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	11,990.62	12,194.10	(1,389.25)	10,601.37	10,531.08	(273.77)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	2,440.32	2,481.70	(11.52)	2,428.80	2,412.68	(57.50)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	12,422.14	12,632.94	(64.58)	12,357.56	12,275.63	(292.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	23,851.39	24,256.16	(3,065.79)	20,785.60	20,647.80	(542.57)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	4,987.76	5,035.49	(32.22)	4,955.54	4,887.54	(115.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	140,021.92	142,437.29	(808.00)	139,213.92	138,278.38	(3,350.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	116,132.25	118,135.59	(608.34)	115,523.91	114,747.65	(2,779.60)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	24,658.33	24,895.54	(9,799.34)	14,858.99	14,654.73	(441.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	63,327.92	64,420.31	(328.17)	62,999.75	62,576.37	(1,515.77)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	62,536.34	63,138.56	(377.05)	62,159.29	61,305.84	(1,455.67)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	43,436.20	43,854.45	(365.67)	43,070.53	42,479.14	(1,009.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	224,022.03	227,886.41	(1,297.97)	222,724.06	221,227.35	(5,361.09)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	32,890.95	33,458.32	(6,616.01)	26,274.94	26,098.37	(743.94)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	461,553.30	469,515.04	(42,118.39)	419,434.91	416,616.26	(10,780.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	125,959.01	128,096.57	(10,610.35)	115,348.66	114,583.93	(2,902.29)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	45,004.03	45,767.74	(238.71)	44,765.32	44,468.52	(1,060.51)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	21,604.38	21,838.91	(185.24)	21,419.14	21,148.10	(505.57)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	138,687.69	141,080.07	(8,787.52)	129,900.17	129,027.26	(3,265.29)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	161,706.53	164,516.34	(924.08)	160,782.45	159,721.88	(3,870.38)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	110,478.09	112,383.85	(16,538.79)	93,939.30	93,308.04	(2,537.02)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	88,607.98	90,136.46	(9,729.68)	78,878.30	78,348.23	(2,058.55)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	64,031.85	64,648.46	(797.20)	63,234.65	62,366.42	(1,484.84)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	184,295.82	187,474.92	(7,484.37)	176,811.45	175,623.27	(4,367.28)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	208,367.19	211,961.55	(1,169.70)	207,197.49	205,805.14	(4,986.71)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	256,601.37	261,027.76	(15,676.64)	240,924.73	239,305.73	(6,045.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	251,972.45	256,248.41	(11,271.08)	240,701.37	239,105.50	(5,871.83)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	132,297.18	134,542.26	(17,611.26)	114,685.92	113,925.54	(3,005.46)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	63,169.59	64,241.33	(405.45)	62,764.14	62,347.76	(1,488.12)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	25,691.05	25,938.46	(121.71)	25,569.34	25,218.28	(598.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	187,929.43	191,118.60	(6,736.84)	181,192.59	179,991.29	(4,390.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	57,637.25	58,747.46	(498.28)	57,138.97	56,889.18	(1,360.00)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	43,424.00	43,839.99	(298.09)	43,125.91	42,534.65	(1,007.25)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	99,518.74	101,207.58	(11,530.37)	87,988.37	87,405.00	(2,272.21)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	20,253.75	20,597.44	(95.51)	20,158.24	20,024.57	(477.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	103,100.31	104,849.89	(535.98)	102,564.33	101,884.30	(2,429.61)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	197,959.97	201,319.34	(25,445.24)	172,514.73	171,370.95	(4,503.15)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	41,396.57	41,793.16	(267.48)	41,129.09	40,565.22	(960.46)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	229,066.91	232,954.21	(15,669.66)	213,397.25	211,982.46	(5,300.09)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	39,249.07	39,915.16	(181.40)	39,067.67	38,808.68	(925.08)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	9,511.49	9,673.14	(61.04)	9,450.45	9,388.01	(224.09)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	87,241.30	88,721.79	(442.97)	86,798.33	86,222.87	(2,055.95)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	97,966.46	99,628.97	(11,225.84)	86,740.62	86,165.55	(2,237.58)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	170,443.44	173,335.88	(794.57)	169,648.87	168,524.11	(4,017.20)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	38,638.74	39,008.91	(197.31)	38,441.43	37,914.42	(897.18)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	35,349.01	35,948.88	(8,089.77)	27,259.24	27,078.51	(780.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	45,993.84	46,774.29	(246.33)	45,747.51	45,444.14	(1,083.82)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	78,270.30	79,020.10	(496.87)	77,773.43	76,707.12	(1,816.11)	0.00

GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	15,909.50	16,179.51		(78.98)	15,830.52	15,725.58	(374.95)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	44,141.18	44,564.07		(240.11)	43,901.07	43,299.20	(1,024.76)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	48,285.84	48,748.42		(339.95)	47,945.89	47,288.55	(1,119.92)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	16,486.24	16,645.02		(79.26)	16,406.98	16,181.73	(384.03)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	290,044.89	284,701.03		(1,110.63)	288,934.26	274,672.16	(8,918.24)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35			22,140.88		22,140.88	21,045.42	(1,095.46)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35			29,016.01		29,016.01	27,580.59	(1,435.42)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	38,794.08	38,186.46		(147.26)	38,646.82	36,843.96	(1,195.24)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	107,819.48	105,831.31		(489.59)	107,329.89	102,031.08	(3,310.64)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	191,526.81	187,995.09		(986.37)	190,540.44	181,134.63	(5,874.09)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35			15,715.17		15,715.17	14,980.67	(734.50)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35			20,014.70		20,014.70	19,024.92	(989.78)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35			132,295.18		132,295.18	59,451.60	(72,843.58)	0.00		
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35			32,581.94		32,581.94	31,368.88	(1,213.06)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35			23,768.27		23,768.27	22,299.94	(1,468.33)	0.00		
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35			13,502.23		13,502.23	12,729.15	(773.08)	0.00		
1994 A&B SF (1983 Refunding) Total					9,365,352.45	9,493,951.93	289,338.09	(1,841,097.11)	(342,926.60)	0.00	7,470,666.83	7,370,317.62	(228,948.69)	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	4.01	11/30/05	12/01/05	836,202.90	836,202.90		(571,154.18)	265,048.72	265,048.72	-	0.00		
Repo Agmt	1995 C SF (1985 A&B Refunding)				150.35	150.35		(150.35)						
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29			110,669.59		110,669.59	110,669.59	-	0.00		
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29			4.40		4.40	4.40	-	0.00		
1995 C SF (1985 A&B Refunding) Total					836,353.25	836,353.25	110,673.99	(571,304.53)	0.00	0.00	375,722.71	375,722.71	0.00	0.00
Repo Agmt	2005A Single Family	4.01	11/30/05	12/01/05	768.15	768.15	7,701.98		8,470.13	8,470.13	-	0.00		
Repo Agmt	2005A Single Family	4.01	11/30/05	12/01/05	1,172,281.61	1,172,281.61		(1,170,625.56)	1,656.05	1,656.05	-	0.00		
GICs	2005A Single Family	3.37	09/22/05	09/01/36			125,381.97		125,381.97	125,381.97	-	0.00		
Repo Agmt	2005A Single Family	4.01	11/30/05	12/01/05	926.37	926.37	8.86		935.23	935.23	-	0.00		
Inv Agmt	2005A Single Family	3.50	05/13/05	09/01/06	750,454.62	750,454.62	0.00		750,454.62	750,454.62	-	0.00		
GNMA	2005A Single Family	4.49	08/11/05	07/20/35	1,246,919.27	1,226,093.14		(6,560.05)	1,240,359.22	1,181,018.48	(38,514.61)	0.00		
GNMA	2005A Single Family	4.49	08/30/05	08/20/35	810,445.07	796,908.95		(3,411.93)	807,033.14	768,438.95	(25,058.07)	0.00		
GNMA	2005A Single Family	4.49	10/27/05	10/20/35			1,882,422.37		1,882,422.37	1,792,511.18	(89,911.19)	0.00		
GNMA	2005A Single Family	4.49	10/27/05	10/20/35			1,258,481.20		1,258,481.20	1,198,371.67	(60,109.53)	0.00		
GNMA	2005A Single Family	4.49	09/29/05	09/20/35			6,974,504.50		6,974,504.50	6,641,182.51	(333,321.99)	0.00		
GNMA	2005A Single Family	4.49	10/06/05	09/20/35			2,215,342.44		2,215,342.44	2,109,482.85	(105,859.59)	0.00		
GNMA	2005A Single Family	4.49	10/20/05	10/20/35			1,658,982.08		1,658,982.08	1,579,732.01	(79,250.07)	0.00		
GNMA	2005A Single Family	4.49	11/03/05	11/20/35			392,730.21		392,730.21	379,462.18	(13,268.03)	0.00		
GNMA	2005A Single Family	4.49	11/10/05	11/20/35			2,125,927.68		2,125,927.68	2,054,119.87	(71,807.81)	0.00		
GNMA	2005A Single Family	4.49	11/17/05	11/20/35			1,398,491.22		1,398,491.22	1,347,399.08	(51,092.14)	0.00		
GNMA	2005A Single Family	4.49	11/22/05	11/20/35			1,084,771.57		1,084,771.57	1,045,147.21	(39,624.36)	0.00		
GNMA	2005A Single Family	4.49	11/29/05	11/20/35			1,216,208.44		1,216,208.44	1,175,152.42	(41,056.02)	0.00		
FNMA	2005A Single Family	4.49	10/20/05	10/01/35			262,796.61		262,796.61	246,627.93	(16,168.68)	0.00		
FNMA	2005A Single Family	4.49	11/10/05	11/01/35			253,215.83		253,215.83	238,839.19	(14,376.64)	0.00		
Inv Agmt	2005A Single Family	3.35	05/13/05	09/01/06	97,510,575.31	97,510,575.31		(20,841,402.87)	76,669,172.44	76,669,172.44	-	0.00		
Repo Agmt	2005A Single Family				62,559.43	62,559.43		(62,559.43)			-	0.00		
2005A Single Family Total					101,554,929.83	101,520,567.58	20,856,966.96	(22,074,587.86)	(9,971.98)	0.00	100,327,336.95	99,313,555.97	(979,418.73)	0.00
Total Single Family Investment Summary					646,763,862.82	649,013,243.21	139,236,392.86	(164,392,136.96)	(8,620,629.10)	0.00	612,987,489.62	605,202,821.27	(10,034,048.74)	0.00

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds Investment Summary
For Period Ending November 30, 2005

Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	4.01	11/30/05	12/01/05	37,410.07	37,410.07	8,915.69				46,325.76	46,325.76	-	0.00
Repo Agmt	1989 A&B RMRB	4.01	11/30/05	12/01/05	894,798.66	894,798.66	0.00				894,798.66	894,798.66	-	0.00
Repo Agmt	1989 A&B RMRB	4.01	11/30/05	12/01/05	20,100.86	20,100.86	192.32				20,293.18	20,293.18	-	0.00
	1989 A&B RMRB Total				<u>952,309.59</u>	<u>952,309.59</u>	<u>9,108.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>961,417.60</u>	<u>961,417.60</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1998 A/B RMRB	4.01	11/30/05	12/01/05	49,157.74	49,157.74		(196.63)			48,961.11	48,961.11	-	0.00
GICs	1998 A/B RMRB	5.04	12/03/98	01/01/31	3,124,391.87	3,124,391.87	3,891,816.24				7,016,208.11	7,016,208.11	-	0.00
GICs	1998 A/B RMRB	5.04	12/03/98	01/01/31	645,512.43	645,512.43	0.00				645,512.43	645,512.43	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	1,654,667.33	1,675,880.14		(7,926.03)			1,646,741.30	1,629,088.22	(38,865.89)	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,871,043.47	2,907,850.27		(13,920.57)			2,857,122.90	2,826,494.56	(67,435.14)	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	398,350.05	400,588.78		(2,473.47)			395,876.58	388,881.44	(9,233.87)	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	1,195,368.15	1,211,087.23		(211,780.69)			983,587.46	972,994.22	(26,312.32)	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	232,241.07	233,546.22		(1,777.40)			230,463.67	226,391.34	(5,377.48)	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	3,547,986.81	3,594,642.83		(119,435.50)			3,428,551.31	3,391,625.80	(83,581.53)	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	4,945,200.12	5,010,229.44		(259,568.85)			4,685,631.27	4,635,166.95	(115,493.64)	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	76,025.16	76,452.40		(411.27)			75,613.89	74,277.77	(1,763.36)	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	145,583.48	146,401.66		(1,192.15)			144,391.33	141,839.94	(3,369.57)	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	4,146,907.58	4,201,439.39		(184,019.48)			3,962,888.10	3,920,207.77	(97,212.14)	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	2,968,109.06	3,007,139.76		(102,885.89)			2,865,223.17	2,834,364.77	(69,889.10)	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	186,289.78	187,336.73		(911.33)			185,378.45	182,102.81	(4,322.59)	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	2,841,360.62	2,878,724.53		(207,716.55)			2,633,644.07	2,605,279.74	(65,728.24)	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	517,934.54	520,845.35		(6,028.67)			511,905.87	502,860.51	(11,956.17)	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	374,720.16	376,826.09		(4,124.25)			370,595.91	364,047.48	(8,654.36)	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	636,986.95	640,566.80		(7,000.80)			629,986.15	618,854.27	(14,711.73)	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	4,139,948.84	4,194,389.16		(171,532.58)			3,968,416.26	3,925,676.41	(97,180.17)	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	3,769,088.52	3,818,652.06		(114,009.54)			3,655,078.98	3,615,713.80	(88,928.72)	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	6,500,828.29	6,586,314.15		(197,602.98)			6,303,225.31	6,235,339.55	(153,371.62)	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	2,803,598.18	2,839,540.30		(96,447.78)			2,707,150.40	2,678,129.73	(64,962.79)	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	3,420,354.72	3,464,203.66		(193,558.54)			3,226,796.18	3,192,204.93	(78,440.19)	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,888,117.66	1,912,323.33		(72,559.70)			1,815,557.96	1,796,095.17	(43,668.46)	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	613,377.10	616,824.25		(68,157.07)			545,220.03	535,585.97	(13,081.21)	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	300,978.24	302,630.61		(4,348.84)			296,629.40	291,376.09	(6,905.68)	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	317,220.39	318,961.93		(1,580.78)			315,639.61	310,049.63	(7,331.52)	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	2,405,026.88	2,435,859.35		(14,878.15)			2,390,148.73	2,364,526.35	(56,454.85)	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,899,909.77	1,924,266.60		(11,658.46)			1,888,251.31	1,868,009.23	(44,598.91)	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,504,570.85	1,523,859.48		(56,804.36)			1,447,766.49	1,432,246.46	(34,808.66)	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	491,467.41	494,165.57		(4,483.87)			486,983.54	478,359.07	(11,322.63)	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	290,514.44	292,109.36		(2,765.59)			287,748.85	282,652.82	(6,690.95)	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	2,121,608.62	2,148,807.64		(80,320.72)			2,041,287.90	2,019,405.29	(49,081.63)	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	492,800.05	499,117.76		(4,479.33)			488,320.72	483,085.93	(11,552.50)	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	417,619.41	419,912.14		(2,769.64)			414,849.77	407,502.78	(9,639.72)	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	213,995.13	215,169.96		(1,557.93)			212,437.20	208,674.94	(4,937.09)	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	430,642.97	436,163.81		(78,912.03)			351,730.94	347,960.38	(9,291.40)	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	272,543.59	276,037.60		(1,675.23)			270,868.36	267,964.65	(6,397.72)	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	116,276.16	117,766.77		(537.22)			115,738.94	114,498.18	(2,731.37)	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	501,145.58	507,570.27		(4,967.19)			496,178.39	490,859.36	(11,743.72)	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	774,722.19	784,654.10		(3,767.24)			770,954.95	762,690.28	(18,196.58)	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	172,084.40	174,290.52		(3,938.48)			168,145.92	166,343.40	(4,008.64)	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	302,603.03	306,482.40		(1,340.97)			301,262.06	298,032.53	(7,108.90)	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	449,213.67	451,679.84		(3,282.12)			445,931.55	438,034.08	(10,363.64)	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	590,134.81	593,374.63		(3,220.52)			586,914.29	576,520.02	(13,634.09)	0.00
Repo Agmt	1998 A/B RMRB	4.01	11/30/05	12/01/05	1,297,390.03	1,297,390.03	0.00				1,297,390.03	1,297,390.03	-	0.00
Repo Agmt	1998 A/B RMRB	4.01	11/30/05	12/01/05	204.27	204.27	0.00				204.27	204.27	-	0.00
	1998 A/B RMRB Total				<u>69,055,821.57</u>	<u>69,841,341.21</u>	<u>3,891,816.24</u>	<u>(196.63)</u>	<u>(2,332,329.76)</u>	<u>0.00</u>	<u>70,615,111.42</u>	<u>69,910,290.57</u>	<u>(1,490,340.49)</u>	<u>0.00</u>
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	2,035,971.18	2,035,971.18	19,471.82				2,055,443.00	2,055,443.00	-	0.00
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	546,953.81	546,953.81	13,111.51				560,065.32	560,065.32	-	0.00
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	47,122.54	47,122.54	55.88				47,178.42	47,178.42	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	4,157,073.00	4,157,073.00	4,665,786.68				8,822,859.68	8,822,859.68	-	0.00
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	0.09	0.09	0.00				0.09	0.09	-	0.00
Inv Agmt	2000 BCDE RMRB	2.48	02/01/05	01/31/06	406,539.37	406,539.37		(33,808.83)			372,730.54	372,730.54	-	0.00
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	1,228.19	1,228.19	0.00				1,228.19	1,228.19	-	0.00

GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	1,146,781.94	1,183,389.10	(4,117.18)	1,142,664.76	1,172,028.61	(7,243.31)	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	232,408.27	239,827.08	(987.08)	231,421.19	237,367.44	(1,472.56)	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	120,130.15	123,964.91	(372.38)	119,757.77	122,834.65	(757.88)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	249,416.45	257,378.27	(766.08)	248,650.37	255,041.13	(1,571.06)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,520,868.39	1,569,416.99	(145,601.12)	1,375,267.27	1,410,614.11	(13,201.76)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	97,980.14	101,107.80	(332.60)	97,647.54	100,157.27	(617.93)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	364,459.20	376,093.31	(1,201.60)	363,257.60	372,595.84	(2,295.87)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	917,383.12	946,667.46	(3,500.96)	913,882.16	937,375.26	(5,791.24)	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	73,762.90	76,117.51	(2,672.27)	73,495.63	75,385.37	(464.87)	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	357,354.36	368,761.69	(1,327.35)	356,027.01	365,181.24	(2,253.10)	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	259,881.76	268,177.61	(74,417.27)	185,464.49	190,234.52	(3,525.82)	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	1,154,915.97	1,191,782.83	(74,417.27)	1,151,156.35	1,180,765.67	(7,257.54)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	565,094.18	583,132.88	(2,355.60)	562,738.58	577,215.85	(3,561.43)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	1,142,269.24	1,178,732.36	(3,640.60)	1,138,628.64	1,167,921.59	(7,170.17)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	98,395.56	101,536.53	(301.15)	98,094.41	100,618.05	(617.33)	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	175,285.02	180,880.40	(586.89)	174,698.13	179,193.58	(1,099.93)	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	602,419.07	621,649.29	(57,956.05)	544,463.02	558,473.54	(5,219.70)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	203,770.70	210,275.38	(799.00)	202,971.70	208,195.13	(1,281.25)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,325,585.40	1,367,900.27	(47,334.92)	1,278,250.48	1,311,145.92	(9,419.43)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	117,723.56	121,481.50	(368.11)	117,355.45	120,375.81	(737.58)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	166,009.93	171,309.23	(434.27)	165,575.66	169,837.57	(1,037.39)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	533,186.13	550,206.30	(46,180.00)	487,006.13	499,541.61	(4,484.69)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	49,071.63	50,638.07	(149.75)	48,921.88	50,181.12	(307.20)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	460,743.30	475,450.91	(180,460.01)	280,283.29	287,499.74	(7,491.16)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,458,867.34	1,505,436.77	(6,279.58)	1,452,587.76	1,489,987.69	(9,169.50)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	84,650.11	87,352.30	(40,536.92)	44,113.19	45,248.99	(1,566.39)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	254,792.74	262,926.17	(894.70)	253,898.04	260,436.75	(1,594.72)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	1,247,851.56	1,287,685.03	(4,389.65)	1,243,461.91	1,275,485.13	(7,810.25)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	330,794.66	341,354.18	(60,542.65)	270,252.01	277,211.89	(3,599.64)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	502,492.89	518,533.30	(1,874.71)	500,618.18	513,515.94	(3,142.65)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	1,216,499.49	1,255,332.13	(212,747.04)	1,003,752.45	1,029,614.77	(12,970.32)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	152,063.27	156,917.36	(2,092.17)	149,971.10	153,834.90	(990.29)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	236,140.69	243,678.66	(1,894.31)	234,246.38	240,283.10	(1,501.25)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	08/20/31	1,746,469.72	1,802,219.89	(122,020.99)	1,624,448.73	1,666,315.42	(13,883.48)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	232,154.71	239,565.46	(888.36)	231,266.35	237,226.27	(1,450.83)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	373,602.42	385,528.45	(38,538.09)	335,064.33	343,703.00	(3,287.36)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	1,123,304.77	1,159,162.50	(4,929.99)	1,118,374.78	1,147,208.85	(7,023.66)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	287,746.77	296,932.11	(52,769.13)	234,977.64	241,035.86	(3,127.12)	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	304,929.50	314,497.89	(2,166.58)	302,762.92	308,833.34	(3,497.97)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	288,767.18	297,985.12	(53,363.84)	235,403.34	241,481.53	(3,139.75)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	279,337.58	288,254.48	(1,217.71)	278,119.87	285,301.00	(1,315.77)	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	264,929.07	273,386.03	(859.25)	264,069.82	270,888.71	(1,638.07)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	416,226.10	429,512.71	(87,097.43)	329,128.67	337,617.36	(4,797.92)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	1,203,718.81	1,242,143.46	(4,069.33)	1,199,649.48	1,230,592.56	(7,481.57)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	341,072.41	351,959.99	(136,693.48)	204,378.93	209,650.14	(5,616.37)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	322,295.21	332,583.42	(1,245.03)	321,050.18	329,333.81	(2,004.58)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	989,452.59	1,021,037.50	(3,392.52)	986,060.07	1,011,502.06	(6,142.92)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	205,031.72	211,576.65	(793.75)	204,237.97	209,507.66	(1,275.24)	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	96,526.30	99,607.58	(290.80)	96,235.50	98,719.43	(597.35)	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	211,050.87	217,787.96	(655.69)	210,395.18	215,826.56	(1,305.71)	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	359,112.74	370,381.38	(79,293.40)	279,819.34	285,432.87	(5,655.11)	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	208,470.74	215,125.46	(685.90)	207,784.84	213,155.03	(1,284.53)	0.00
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	382,647.68	394,654.79	(2,624.57)	380,023.11	387,656.59	(4,373.63)	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	449,282.46	463,506.89	(51,033.52)	398,248.94	408,388.25	(4,085.12)	0.00
FNMA	2000 BCDE RMRB	6.10	05/30/01	04/01/31	235,373.81	242,759.63	(745.01)	234,628.80	239,343.44	(2,671.18)	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	315,969.52	325,884.36	(998.48)	314,971.04	321,305.89	(3,579.99)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	620,253.28	639,890.71	(1,990.05)	618,263.23	634,026.34	(3,874.32)	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	113,543.76	117,138.61	(347.06)	113,196.70	116,083.09	(708.46)	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	314,025.41	323,967.56	(1,658.15)	312,367.26	320,322.95	(1,986.46)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	267,855.79	276,336.20	(829.43)	267,026.36	273,831.11	(1,675.66)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	474,196.57	489,209.80	(1,464.62)	472,731.95	484,780.73	(2,964.45)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	220,046.51	227,013.25	(47,704.23)	172,342.28	176,736.26	(2,572.76)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	45,449.56	46,888.52	(136.17)	45,313.39	46,468.46	(283.89)	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	1,256,901.29	1,296,695.26	(4,521.92)	1,252,379.37	1,284,367.83	(7,805.51)	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	544,924.45	562,176.96	(1,842.72)	543,081.73	556,931.95	(3,402.29)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	618,882.86	638,476.88	(1,914.81)	616,968.05	632,705.11	(3,856.96)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	667,238.01	688,363.03	(2,489.05)	664,748.96	681,707.56	(4,166.42)	0.00
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	500,897.15	516,755.76	(46,496.99)	454,400.16	465,993.42	(4,265.35)	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	1,144,482.83	1,180,717.59	(3,426.60)	1,141,056.23	1,170,173.04	(7,117.95)	0.00
GNMA	2000 BCDE RMRB	6.10	07/15/02	07/20/32	120,657.02	124,477.06	(63,177.60)	57,479.42	58,946.45	(2,353.01)	0.00

GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	793,765.47	818,896.37	(2,727.91)	791,037.56	811,229.31	(4,939.15)	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	322,759.78	332,978.47	(958.22)	321,801.56	330,016.77	(2,003.48)	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	346,108.82	357,066.74	(1,088.29)	345,020.53	353,828.85	(2,149.60)	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,606,180.39	1,657,032.66	(98,303.94)	1,507,876.45	1,546,381.52	(12,347.20)	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	1,671,944.94	1,724,879.36	(196,647.57)	1,475,297.37	1,512,976.59	(15,255.20)	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	650,208.77	670,794.66	(96,492.88)	553,715.89	567,877.26	(6,424.52)	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	918,068.12	947,134.50	(3,201.04)	914,867.08	938,240.40	(5,693.06)	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	466,865.12	481,646.27	(1,528.48)	465,336.64	477,227.17	(2,890.62)	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,547,654.25	1,596,653.63	(150,989.61)	1,396,664.64	1,432,355.77	(13,308.25)	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	1,430,391.06	1,475,677.80	(75,931.15)	1,354,459.91	1,389,082.25	(10,664.40)	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	907,358.29	936,085.61	(46,462.80)	860,895.49	882,905.89	(6,716.92)	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	639,088.85	659,322.64	(2,250.33)	636,838.52	653,123.11	(3,949.20)	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	607,758.53	626,829.40	(2,238.21)	605,520.32	617,711.91	(6,879.28)	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	481,376.93	496,617.48	(1,945.94)	479,430.99	491,690.99	(2,980.55)	0.00
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	73,974.65	76,316.70	(42,570.68)	31,403.97	32,207.26	(1,538.76)	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	220,121.48	227,090.63	(1,033.90)	219,087.58	224,692.35	(1,364.38)	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	161,765.91	166,887.48	(516.69)	161,249.22	165,374.35	(996.44)	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	123,922.65	127,846.08	(751.26)	123,171.39	126,323.17	(771.65)	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	65,490.47	67,563.93	(205.71)	65,284.76	66,955.04	(403.18)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	90,729.52	93,602.06	(988.77)	89,740.75	92,037.55	(575.74)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	35,262.91	36,379.34	(110.90)	35,152.01	36,051.76	(216.68)	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	128,870.68	132,950.78	(969.23)	127,901.45	131,175.85	(805.70)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	26,298.53	27,128.00	(562.92)	25,735.61	26,386.64	(178.44)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	393,340.84	405,746.75	(1,329.07)	392,011.77	401,928.39	(2,489.29)	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	241,379.23	248,992.27	(3,017.69)	238,361.54	244,393.52	(1,581.06)	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	347,578.94	358,691.68	(2,521.94)	345,057.00	352,348.59	(3,821.15)	0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	416,373.58	429,505.91	(61,266.76)	355,106.82	364,094.25	(4,144.90)	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	104,829.84	108,136.16	(295.55)	104,534.29	107,180.28	(600.33)	0.00
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	193,785.04	199,896.97	(605.00)	193,180.04	198,072.04	(1,219.93)	0.00
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	151,944.05	156,736.34	(431.11)	151,512.94	155,350.40	(954.83)	0.00
GNMA	2000 BCDE RMRB	6.10	04/10/03	04/20/33	88,234.40	91,017.31	(47,160.89)	41,073.51	42,113.98	(1,742.44)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	202,846.88	209,244.64	(51,844.05)	151,002.83	154,828.46	(2,572.13)	0.00
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	27,716.31	28,590.49	(78.94)	27,637.37	28,337.65	(173.90)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	341,106.20	351,864.64	(969.38)	340,136.82	348,755.88	(2,139.38)	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	130,826.85	134,953.10	(46,843.00)	83,983.85	86,112.27	(1,997.83)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	73,234.39	75,544.18	(205.04)	73,029.35	74,880.37	(458.77)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	150,229.21	154,967.41	(424.48)	149,804.73	153,602.32	(940.61)	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	103,937.39	107,215.59	(324.07)	103,613.32	106,240.16	(651.36)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	136,951.05	141,270.47	(395.57)	136,555.48	140,018.19	(856.71)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	199,395.69	205,684.57	(615.61)	198,780.08	203,821.67	(1,247.29)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	61,536.87	63,477.73	(177.93)	61,358.94	62,915.17	(384.63)	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	100,490.45	103,659.88	(279.49)	100,211.38	102,753.32	(627.49)	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	73,739.87	76,065.61	(204.41)	73,535.46	75,401.05	(460.15)	0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	490,373.76	505,840.05	(1,515.21)	488,858.55	501,261.84	(3,063.00)	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	242,856.95	250,516.60	(699.72)	242,157.23	248,301.97	(1,514.91)	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	49,805.83	51,376.70	(137.88)	49,667.95	50,928.43	(310.39)	0.00
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	387,742.88	399,972.22	(118,109.60)	269,633.28	276,476.61	(5,386.01)	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	230,825.81	238,106.01	(684.89)	230,140.92	235,983.12	(1,438.00)	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	238,977.52	246,514.82	(661.80)	238,315.72	244,366.17	(1,486.85)	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	231,510.92	238,775.50	(861.00)	230,649.92	235,305.88	(2,608.62)	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	211,989.50	218,675.59	(594.04)	211,395.46	216,762.89	(1,318.66)	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	347,176.33	358,126.23	(1,003.11)	346,173.22	354,963.78	(2,159.34)	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	161,415.95	166,506.98	(557.36)	160,858.59	164,943.86	(1,005.76)	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	507,484.46	523,490.41	(58,512.71)	448,971.75	460,377.36	(4,600.34)	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	82,882.91	85,497.02	(249.63)	82,633.28	84,732.40	(514.99)	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	369,060.14	380,700.24	(1,164.09)	367,896.05	377,243.54	(2,292.61)	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	327,792.25	338,130.76	(35,081.71)	292,710.54	300,148.93	(2,900.12)	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	90,022.83	92,862.12	(250.01)	89,772.82	92,054.42	(557.69)	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	240,717.47	245,298.41	(798.53)	239,918.94	238,725.36	(5,774.52)	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	247,471.51	255,276.72	(717.15)	246,754.36	253,026.68	(1,532.89)	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	154,342.50	157,279.72	(487.66)	153,854.84	153,089.75	(3,702.31)	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	59,340.66	61,212.24	(181.95)	59,158.71	60,662.55	(67.74)	0.00
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	538,956.27	549,212.80	(1,867.98)	537,088.29	534,421.11	(12,923.71)	0.00
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	140,226.80	144,649.54	(389.00)	139,837.80	143,393.68	(866.86)	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	508,205.96	517,877.33	(1,674.81)	506,531.15	504,017.26	(12,185.26)	0.00
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	48,233.89	49,755.19	(133.33)	48,100.56	49,323.79	(298.07)	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	332,742.47	339,074.68	(1,051.75)	331,690.72	330,045.21	(7,977.72)	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	416,240.49	424,161.72	(1,342.51)	414,897.98	412,840.94	(9,978.27)	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	362,785.52	369,689.45	(1,147.13)	361,638.39	359,846.85	(8,695.47)	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	988,154.94	1,006,959.90	(4,004.23)	984,060.71	979,188.64	(23,677.03)	0.00

GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	923,406.77	940,979.59	(50,081.22)	873,325.55	869,003.49	(21,894.88)	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	133,721.07	136,236.28	(440.81)	133,280.26	132,523.85	(3,271.62)	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	1,250,422.36	1,273,941.98	(6,687.22)	1,243,735.14	1,236,680.37	(30,574.39)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	295,022.85	300,022.76	(295.02)	294,089.83	291,879.04	(7,208.70)	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	50,818.55	51,774.43	(190.86)	50,627.69	50,340.83	(1,242.74)	0.00
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	114,796.10	118,416.75	(345.40)	114,450.70	117,365.03	(706.32)	0.00
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	40,157.87	41,220.30	(117.21)	40,040.66	40,437.39	(665.70)	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	165,075.10	169,442.25	(483.37)	164,591.73	166,222.73	(2,736.15)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	754,865.37	774,835.85	(2,415.87)	752,449.50	759,939.45	(12,480.53)	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	257,396.25	264,205.83	(1,504.12)	255,892.13	258,439.32	(4,262.39)	0.00
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	217,014.83	222,756.12	(51,049.79)	165,965.04	167,610.52	(4,095.81)	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	292,173.20	299,902.85	(79,453.61)	212,719.59	214,829.26	(5,619.98)	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	131,082.32	134,550.17	(380.66)	130,701.66	131,998.16	(2,171.35)	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	263,178.02	270,140.56	(776.74)	262,401.28	265,005.00	(4,358.82)	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	192,327.65	197,415.82	(575.44)	191,752.21	193,655.68	(3,184.70)	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	305,755.82	313,844.77	(926.61)	304,829.21	307,856.09	(5,062.07)	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	613,517.33	629,748.35	(54,730.43)	558,786.90	564,337.20	(10,680.72)	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	252,353.69	259,029.87	(906.14)	251,447.55	253,945.88	(4,177.85)	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	474,894.68	487,458.33	(66,287.99)	408,606.69	412,667.77	(8,502.57)	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	434,746.38	446,247.91	(1,545.34)	433,201.04	437,507.89	(7,194.68)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	184,634.64	189,519.28	(768.46)	183,866.18	185,694.72	(3,056.10)	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	489,985.64	502,948.52	(1,668.80)	488,316.84	493,174.62	(8,105.10)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	107,108.14	109,941.76	(313.38)	106,794.76	107,860.43	(1,767.95)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	106,671.43	109,493.47	(310.42)	106,361.01	107,422.64	(1,760.41)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	95,848.65	98,384.39	(277.31)	95,571.34	96,525.59	(1,581.49)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	152,986.27	157,033.64	(55,571.64)	97,414.63	98,387.58	(3,074.42)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	288,630.97	296,266.93	(1,009.73)	287,621.24	290,494.79	(4,762.41)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	145,795.65	149,652.77	(852.45)	144,943.20	146,391.86	(2,408.46)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	562,967.18	577,860.87	(1,848.68)	561,118.50	566,705.66	(9,306.53)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	622,966.18	639,447.18	(2,810.06)	620,156.12	626,333.00	(10,304.12)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	387,926.45	398,189.34	(1,120.57)	386,805.88	390,659.73	(6,409.04)	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	502,686.73	515,985.62	(3,017.70)	499,669.03	504,648.86	(8,319.06)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	728,410.95	747,681.53	(3,124.48)	725,286.47	732,517.06	(12,039.99)	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	247,265.93	253,116.84	(855.97)	246,409.96	248,500.90	(3,759.97)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	77,778.30	79,835.97	(227.33)	77,550.97	78,324.57	(1,284.07)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	90,473.28	92,866.83	(287.56)	90,185.72	91,089.24	(1,490.03)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	194,189.41	199,326.82	(588.21)	193,601.20	195,542.08	(3,196.53)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	58,953.84	60,513.49	(179.02)	58,774.82	59,362.37	(972.10)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	176,702.05	181,376.85	(58,386.45)	118,315.60	119,499.11	(3,491.29)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	63,245.85	64,919.06	(186.79)	63,059.06	63,690.01	(1,042.26)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	61,651.30	63,282.34	(176.53)	61,474.77	62,090.44	(1,015.37)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	304,525.49	312,581.92	(1,006.96)	303,518.53	306,562.27	(5,012.69)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	53,181.17	54,588.12	(151.27)	53,029.90	53,560.85	(876.00)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	140,950.35	144,679.29	(402.92)	140,547.43	141,959.35	(2,317.02)	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	177,750.91	183,328.56	(592.66)	177,158.25	180,748.02	(1,987.88)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35		63,789.75		63,789.75	64,756.99	967.24	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35		725,693.52		725,693.52	127,207.81	(598,485.71)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35		139,167.55		139,167.55	141,280.42	2,112.87	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35		251,305.18		251,305.18	255,069.56	3,764.38	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	299,344.50	308,548.17	(6,030.09)	293,314.41	299,117.20	(3,400.88)	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	350,625.14	361,405.48	(1,146.94)	349,478.20	356,398.18	(3,860.36)	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	247,956.62	255,580.29	(972.16)	246,984.46	251,880.80	(2,727.33)	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	267,142.23	275,165.22	(783.80)	266,358.43	271,468.00	(2,913.42)	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	270,275.40	278,392.51	(784.41)	269,490.99	274,670.59	(2,937.51)	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	251,669.08	259,227.38	(726.63)	250,942.45	255,770.69	(2,730.06)	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	254,835.08	262,488.45	(41,820.39)	213,014.69	217,114.92	(3,553.14)	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	149,006.79	153,481.84	(565.00)	148,441.79	151,305.02	(1,611.82)	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	256,730.21	259,774.10	(895.53)	255,834.68	252,678.25	(6,200.32)	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	235,736.67	238,531.63	(1,286.81)	234,449.86	231,562.15	(5,682.67)	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	263,897.55	269,757.51	(995.90)	262,901.65	264,062.08	(4,699.53)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	282,505.62	288,778.77	(1,926.66)	280,578.96	281,821.08	(5,031.03)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	301,674.03	308,372.85	(964.33)	300,709.70	302,045.50	(5,363.02)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	242,026.90	247,401.23	(713.56)	241,313.34	242,388.95	(4,298.72)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	75,215.39	76,885.58	(228.71)	74,986.68	75,321.98	(1,334.89)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	46,873.68	47,914.57	(134.74)	46,738.94	46,948.94	(830.89)	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	235,986.38	241,233.69	(681.17)	235,305.21	236,376.10	(4,176.42)	0.00
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	64,523.45	65,958.18	(186.10)	64,337.35	64,634.12	(1,137.96)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35		269,031.38		269,031.38	270,286.98	1,255.60	0.00
Inv Agmt	2000 BCDE RMRB	2.48	02/01/05	01/31/06	1,755,435.00	1,755,435.00	(873,567.17)	881,867.83	881,867.83	-	0.00
Repo Agmt	2000 BCDE RMRB	4.01	11/30/05	12/01/05	8.58	8.58	0.00	8.58	8.58	-	0.00

GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	20,016.20	20,397.47	(66.10)	19,950.10	19,850.90	(480.47)	0.00			
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	12,834.06	13,078.39	(40.39)	12,793.67	12,729.98	(308.02)	0.00			
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	44,815.69	45,669.09	(154.89)	44,660.80	44,439.10	(1,075.10)	0.00			
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	42,259.19	43,063.42	(139.25)	42,119.94	41,910.91	(1,013.26)	0.00			
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	27,668.73	28,195.32	(87.44)	27,581.29	27,444.49	(663.39)	0.00			
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	34,611.92	35,270.62	(111.64)	34,500.28	34,329.26	(829.72)	0.00			
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	30,166.94	30,741.05	(95.39)	30,071.55	29,922.60	(723.06)	0.00			
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	82,168.72	83,732.46	(340.45)	81,828.27	81,423.17	(1,968.84)	0.00			
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	76,784.71	78,245.94	(4,164.46)	72,620.25	72,260.86	(1,820.62)	0.00			
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	11,119.39	11,328.56	(36.64)	11,082.75	11,019.85	(272.07)	0.00			
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	103,977.24	105,933.00	(556.08)	103,421.16	102,834.56	(2,542.36)	0.00			
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	24,532.42	24,948.00	(77.74)	24,454.68	24,270.82	(599.44)	0.00			
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,225.81	4,305.24	(15.93)	4,209.88	4,186.03	(103.28)	0.00			
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	1,554.25	1,595.31	(4.59)	1,549.66	1,565.01	(25.71)	0.00			
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,388.75	6,557.77	(18.71)	6,370.04	6,433.16	(105.90)	0.00			
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	29,214.85	29,987.73	(93.52)	29,121.33	29,411.21	(483.00)	0.00			
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,961.76	10,225.31	(58.21)	9,903.55	10,002.13	(164.97)	0.00			
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	8,398.91	8,621.12	(1,975.73)	6,423.18	6,486.87	(158.52)	0.00			
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	11,307.70	11,606.86	(3,075.03)	8,232.67	8,314.33	(217.50)	0.00			
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	5,073.11	5,207.37	(14.70)	5,058.41	5,108.60	(84.07)	0.00			
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	10,185.55	10,454.99	(30.06)	10,155.49	10,256.24	(168.69)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	7,443.48	7,640.40	(22.29)	7,421.19	7,494.87	(123.24)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,833.36	12,146.43	(35.87)	11,797.49	11,914.66	(195.90)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	23,744.37	24,372.54	(2,118.18)	21,626.19	21,841.00	(413.36)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,766.63	10,024.98	(35.08)	9,731.55	9,828.22	(161.68)	0.00			
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	18,379.41	18,865.63	(2,565.49)	15,813.92	15,971.08	(329.06)	0.00			
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	16,825.58	17,270.70	(59.83)	16,765.75	16,932.44	(278.43)	0.00			
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	7,145.76	7,334.78	(29.76)	7,116.00	7,186.77	(118.25)	0.00			
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	18,963.44	19,465.14	(64.58)	18,898.86	19,086.87	(313.69)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,145.31	4,254.97	(12.13)	4,133.18	4,174.41	(68.43)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,128.40	4,237.62	(12.02)	4,116.38	4,157.47	(68.13)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,709.55	3,807.68	(10.74)	3,698.81	3,735.74	(61.20)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	5,920.90	6,077.52	(2,150.75)	3,770.15	3,807.80	(118.97)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	11,170.61	11,466.13	(39.07)	11,131.54	11,242.74	(184.32)	0.00			
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,642.59	5,791.87	(33.00)	5,609.59	5,665.67	(93.20)	0.00			
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,788.00	22,364.39	(71.57)	21,716.43	21,932.66	(360.16)	0.00			
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	24,110.06	24,747.91	(108.77)	24,001.29	24,240.36	(398.78)	0.00			
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	15,013.54	15,410.74	(43.35)	14,970.19	15,119.33	(248.06)	0.00			
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	19,454.99	19,969.69	(116.79)	19,338.20	19,530.94	(321.96)	0.00			
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	28,191.00	28,936.80	(120.94)	28,070.06	28,349.91	(465.95)	0.00			
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,569.73	9,796.14	(33.17)	9,536.56	9,617.49	(145.48)	0.00			
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	3,010.19	3,089.82	(8.81)	3,001.38	3,031.32	(49.69)	0.00			
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	3,501.53	3,594.13	(11.14)	3,490.39	3,525.34	(57.65)	0.00			
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,515.52	7,714.36	(22.76)	7,492.76	7,567.88	(123.72)	0.00			
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,281.61	2,341.99	(6.92)	2,274.69	2,297.44	(37.63)	0.00			
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	6,838.74	7,019.65	(2,259.66)	4,579.08	4,624.86	(135.13)	0.00			
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,447.71	2,512.50	(7.21)	2,440.50	2,464.93	(40.36)	0.00			
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,386.02	2,449.16	(6.82)	2,379.20	2,403.03	(39.31)	0.00			
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,785.77	12,097.56	(38.98)	11,746.79	11,864.58	(194.00)	0.00			
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,058.23	2,112.67	(5.87)	2,052.36	2,072.91	(33.89)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,455.08	5,599.38	(15.61)	5,439.47	5,494.12	(89.65)	0.00			
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35		2,468.79		2,468.79	2,506.23	37.44	0.00			
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35		4,873.86		4,873.86	4,923.20	49.34	0.00			
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35		5,386.07		5,386.07	5,467.84	81.77	0.00			
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35		9,726.02		9,726.02	9,871.71	145.69	0.00			
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	21,348.09	21,601.18	(74.49)	21,273.60	21,011.14	(515.55)	0.00			
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	19,602.35	19,834.79	(106.98)	19,495.37	19,255.25	(472.56)	0.00			
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	10,213.39	10,440.17	(38.56)	10,174.83	10,219.74	(181.87)	0.00			
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10,933.53	11,176.33	(74.57)	10,858.96	10,907.05	(194.71)	0.00			
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,675.39	11,934.66	(37.33)	11,638.06	11,689.78	(207.55)	0.00			
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	9,366.88	9,574.93	(27.57)	9,339.31	9,380.94	(166.42)	0.00			
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,910.96	2,975.63	(8.82)	2,902.14	2,915.12	(51.69)	0.00			
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,814.14	1,854.39	(5.24)	1,808.90	1,817.02	(32.13)	0.00			
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	9,133.15	9,336.24	(26.36)	9,106.79	9,148.24	(161.64)	0.00			
GNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,497.19	2,552.71	(7.17)	2,490.02	2,501.47	(44.07)	0.00			
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35		59,999.64		59,999.64	10,460.66	(49,538.98)	0.00			
2000 BCDE RMRB Total					87,072,015.54	89,380,616.42	6,229,867.65	(907,376.00)	(3,452,318.95)	0.00	88,942,188.24	89,768,923.42	(1,481,865.70)	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	4,396.39	4,396.39		4,438.55	4,438.55	-	0.00			
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	79,947.04	79,947.04		80,711.59	80,711.59	-	0.00			

Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	3,064.09	3,064.09	29.38	3,093.47	3,093.47	-	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	13,198.91	13,198.91	72.28	13,271.19	13,271.19	-	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	0.08	0.08	0.13	0.21	0.21	-	0.00
GICs	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,770,143.44	2,770,143.44	2,865,688.17	5,635,831.61	5,635,831.61	-	0.00
GICs	2001 A-E RMRB	4.71	10/30/01	07/01/33	185,449.16	185,449.16	1,909.33	187,358.49	187,358.49	-	0.00
GICs	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,629,097.27	2,629,097.27	0.00	2,629,097.27	2,629,097.27	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	268,353.65	289,721.96	(3,890.61)	264,463.04	282,347.77	(3,483.58)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	67,703.42	71,550.18	(1,209.39)	66,494.03	69,576.03	(764.76)	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	93,465.02	100,907.31	(33,885.64)	59,579.38	63,608.47	(3,413.20)	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	240,225.93	253,500.08	(4,295.26)	235,930.67	246,520.13	(2,684.69)	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	31,330.02	33,723.17	(542.10)	30,787.92	32,771.71	(409.36)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	168,467.21	177,776.15	(2,863.15)	165,604.06	173,035.91	(1,877.09)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	127,875.08	137,642.77	(2,714.97)	125,160.11	133,223.75	(1,704.05)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	199,783.71	210,823.06	(26,230.42)	173,553.29	181,344.59	(3,248.05)	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	227,326.38	244,690.71	(4,722.90)	222,603.48	236,952.53	(3,015.28)	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	257,458.97	272,087.23	(4,867.44)	252,591.53	264,265.65	(2,954.14)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	364,887.10	393,942.09	(5,781.33)	359,105.77	383,340.51	(4,820.25)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	134,375.71	142,010.63	(1,949.47)	132,426.24	138,548.15	(1,513.01)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	141,850.28	152,685.46	(15,558.20)	126,292.08	134,432.83	(2,694.43)	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	151,344.87	159,943.93	(2,464.56)	148,880.31	155,762.88	(1,716.49)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	186,362.69	201,202.28	(2,613.78)	183,748.91	196,152.63	(2,435.87)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	118,490.94	125,223.32	(2,675.16)	115,815.78	121,170.78	(1,377.38)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	176,865.25	190,948.60	(38,889.88)	137,975.37	147,290.41	(4,768.31)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	109,532.28	115,755.68	(2,499.13)	107,033.15	111,983.88	(1,272.67)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	275,077.94	296,981.71	(5,745.38)	269,332.56	287,520.40	(3,715.93)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	390,758.92	412,960.95	(25,976.76)	364,782.16	381,662.85	(5,321.34)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	247,669.37	267,390.66	(4,828.18)	242,841.19	259,245.52	(3,316.96)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	348,801.05	368,619.14	(17,937.74)	330,863.31	346,174.37	(4,507.03)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	735,595.24	794,168.71	(58,768.41)	676,826.83	722,547.53	(12,852.77)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	189,915.60	200,706.13	(33,791.20)	156,124.40	163,353.10	(3,561.83)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	38,458.01	41,520.30	(510.21)	37,947.80	40,511.63	(498.46)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	272,528.85	288,013.32	(59,456.21)	213,072.64	222,938.18	(5,618.93)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	527,884.85	569,919.05	(7,288.94)	520,595.91	555,776.48	(6,853.63)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	89,866.57	94,972.56	(1,259.36)	88,607.21	92,711.96	(1,001.24)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	88,204.52	95,228.02	(1,300.82)	86,903.70	92,778.60	(1,148.60)	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	111,349.28	117,675.97	(1,579.59)	109,769.69	114,854.86	(1,241.52)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	366,901.38	396,116.79	(38,105.74)	328,795.64	351,022.90	(6,988.15)	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	120,848.52	125,516.95	(1,823.54)	119,024.98	122,424.11	(1,269.30)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	60,401.91	63,833.82	(894.72)	59,507.19	62,265.36	(673.74)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	49,021.36	51,806.69	(17,569.56)	31,451.80	32,910.11	(1,327.02)	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	116,902.63	126,211.30	(1,439.04)	115,463.59	123,275.60	(1,496.66)	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	96,818.48	102,319.49	(1,270.93)	95,547.55	99,979.03	(1,069.53)	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	204,951.29	221,270.97	(12,465.38)	192,485.91	205,512.08	(3,293.51)	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	113,086.18	117,454.76	(1,949.84)	111,136.34	114,316.16	(1,188.76)	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	124,315.55	134,214.49	(2,825.48)	121,490.07	129,712.28	(1,676.73)	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	238,361.79	247,569.86	(3,998.89)	234,362.90	241,073.06	(2,497.91)	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	244,113.05	257,983.04	(19,088.03)	225,025.02	235,466.17	(3,428.84)	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	483,466.04	521,963.19	(7,347.19)	476,118.85	508,341.61	(6,274.39)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	9,631.92	10,179.18	(123.14)	9,508.78	9,950.08	(105.96)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	136,308.35	147,162.28	(1,917.32)	134,391.03	143,490.00	(1,754.96)	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	173,393.93	180,092.22	(3,090.33)	170,303.60	175,184.02	(1,817.87)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	50,727.50	53,609.70	(1,162.50)	49,565.00	51,866.12	(581.08)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	312,146.03	337,001.43	(3,920.41)	308,225.62	329,093.98	(3,987.04)	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	174,852.10	181,606.69	(21,942.26)	152,909.84	157,295.25	(2,369.18)	0.00
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	562,320.74	607,096.90	(38,902.03)	523,418.71	558,869.01	(9,325.86)	0.00
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	80,385.97	84,953.34	(1,031.63)	79,354.34	83,040.88	(880.83)	0.00
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	159,751.99	172,472.64	(1,940.09)	157,811.90	168,503.95	(2,028.60)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	43,937.90	47,436.62	(525.50)	43,412.40	46,353.99	(557.13)	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	185,295.63	192,453.66	(2,578.87)	182,716.76	187,963.07	(1,911.72)	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	45,443.90	49,062.49	(694.32)	44,749.58	47,781.99	(586.18)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	172,805.64	187,082.55	(27,324.80)	145,480.84	155,704.13	(4,053.62)	0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	136,207.96	147,461.20	(25,242.17)	110,965.79	118,779.53	(3,439.50)	0.00
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	131,077.92	143,436.00	(637.17)	130,440.75	141,403.74	(1,395.09)	0.00
GNMA	2001 A-E RMRB	8.19	04/29/91	04/20/16	234,731.34	254,124.50	(3,180.64)	231,550.70	247,864.92	(3,078.94)	0.00
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	303,172.49	321,442.29	(3,705.63)	299,466.86	314,358.64	(3,378.02)	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	369,595.04	384,427.27	(5,253.08)	364,341.96	374,610.25	(4,563.94)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/91	04/20/16	23,245.05	25,165.57	(284.70)	22,960.35	24,578.07	(302.80)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	118,964.71	126,133.80	(1,613.08)	117,351.63	123,190.49	(1,330.23)	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	494,291.56	514,750.12	(6,525.76)	487,765.80	501,805.38	(6,418.98)	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	18,776.25	20,377.41	(217.28)	18,558.97	19,914.22	(245.91)	0.00

GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	443,883.45	471,338.95	(47,108.56)	396,774.89	417,232.01	(6,998.38)	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	431,806.52	448,135.24	(29,304.75)	402,501.77	409,355.04	(9,475.45)	0.00
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	531,199.30	545,318.11	(1,915.97)	529,283.33	530,075.00	(13,327.14)	0.00
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	1,247,298.74	1,258,798.72	(5,526.09)	1,241,772.65	1,219,024.37	(34,248.26)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	317,919.05	326,369.07	(891.88)	317,027.17	317,525.38	(7,951.81)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	1,158,626.92	1,169,309.27	(3,646.73)	1,154,980.19	1,133,903.02	(31,759.52)	0.00
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	856,200.93	864,095.03	(2,639.17)	853,561.76	837,991.15	(23,464.71)	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	340,384.07	349,431.18	(976.71)	339,407.36	339,943.15	(8,511.32)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	1,108,314.05	1,137,772.14	(3,074.58)	1,105,239.47	1,106,918.34	(27,779.22)	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	104,665.53	107,447.45	(286.98)	104,378.55	104,537.10	(2,623.37)	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	891,560.35	899,780.42	(4,953.34)	886,607.01	870,381.74	(24,445.34)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,756,538.69	1,803,225.95	(5,330.83)	1,751,207.86	1,753,915.64	(43,979.48)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	157,738.66	161,931.17	(430.13)	157,308.53	157,551.30	(3,949.74)	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,669,626.09	1,685,019.88	(7,589.12)	1,662,036.97	1,631,665.48	(45,765.28)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	63,303.58	64,986.14	(171.85)	63,131.73	63,229.99	(1,584.30)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	2,348,712.82	2,370,367.73	(66,484.51)	2,282,228.31	2,240,546.25	(63,336.97)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	650,892.00	668,192.14	(2,029.59)	648,862.41	649,872.28	(16,290.27)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	82,017.97	82,774.13	(282.51)	81,735.46	80,242.66	(2,248.96)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	409,381.30	420,262.31	(1,144.43)	408,236.87	408,878.43	(10,239.45)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	329,784.65	332,825.22	(1,036.14)	328,748.51	322,748.23	(9,040.85)	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	129,880.09	133,332.18	(363.19)	129,516.90	129,720.05	(3,248.94)	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	579,203.46	594,598.15	(111,133.80)	468,069.66	468,849.20	(14,615.15)	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	543,016.36	548,022.93	(1,694.34)	541,322.02	531,493.35	(14,835.24)	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	388,243.69	398,562.88	(1,112.87)	387,130.82	387,745.07	(9,704.94)	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	1,126,693.73	1,137,081.70	(4,040.56)	1,122,653.17	1,102,182.62	(30,858.52)	0.00
GNMA	2001 A-E RMRB				51,616.08	52,988.00	(51,616.08)			(1,371.92)	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	421,114.38	424,997.01	(2,310.56)	418,803.82	411,169.83	(11,516.62)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	100,551.14	103,223.72	(324.67)	100,226.47	100,387.12	(2,511.93)	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	286,288.55	288,928.10	(900.16)	285,388.39	280,189.14	(7,838.80)	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	206,266.85	211,749.26	(600.65)	205,666.20	205,996.26	(5,152.35)	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	195,653.69	197,457.60	(656.59)	194,997.10	191,445.57	(5,355.44)	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	703,965.90	722,676.71	(196,080.66)	507,885.24	508,705.97	(17,890.08)	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	1,049,765.59	1,059,444.32	(3,378.63)	1,046,386.96	1,027,337.13	(28,728.56)	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	120,978.17	124,193.66	(327.90)	120,650.27	120,846.22	(3,019.54)	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	300,121.07	302,888.15	(1,078.42)	299,042.65	293,600.85	(8,208.88)	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	170,466.45	174,997.29	(650.89)	169,815.56	170,092.21	(4,254.19)	0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	735,187.23	741,965.59	(3,284.98)	731,902.25	718,589.32	(20,091.29)	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	103,742.56	106,499.96	(365.64)	103,376.92	103,545.96	(2,588.36)	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	74,316.66	76,291.92	(261.96)	74,054.70	74,175.81	(1,854.15)	0.00
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	443,399.73	447,487.83	(1,399.43)	442,000.30	433,963.17	(12,125.23)	0.00
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	64,756.17	66,477.33	(178.44)	64,577.73	64,683.66	(1,615.23)	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	57,248.07	57,775.90	(197.19)	57,050.88	56,013.45	(1,565.26)	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	315,824.23	324,218.55	(884.92)	314,939.31	315,458.76	(7,874.87)	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	247,418.02	249,699.18	(792.25)	246,625.77	242,143.94	(6,762.99)	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	1,082,544.33	1,111,317.42	(115,375.37)	967,168.96	968,774.87	(27,167.18)	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	1,501,752.03	1,515,598.00	(5,930.02)	1,495,822.01	1,468,655.26	(41,012.72)	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	472,209.05	484,759.96	(108,262.98)	363,946.07	364,576.50	(11,920.48)	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	344,302.50	353,453.73	(1,011.27)	343,291.23	343,866.76	(8,575.70)	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	561,443.42	566,619.89	(1,780.80)	559,662.62	549,507.05	(15,332.04)	0.00
GNMA	2001 A-E RMRB	5.45	09/19/02	09/20/32	209,359.48	214,924.07	(93,114.01)	116,245.47	116,441.43	(5,368.63)	0.00
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	562,292.10	567,476.35	(2,306.76)	559,985.34	549,828.87	(15,340.72)	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	610,623.27	626,853.10	(1,725.31)	608,897.96	609,927.45	(15,200.34)	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	390,899.21	394,503.25	(1,249.21)	389,650.00	382,584.85	(10,669.19)	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	606,357.40	622,473.89	(1,849.35)	604,508.05	605,537.48	(15,087.06)	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	455,825.52	460,028.18	(1,796.75)	454,028.77	445,801.71	(12,429.72)	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	154,976.49	159,095.65	(424.52)	154,551.97	154,816.87	(3,854.26)	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	435,985.44	440,005.17	(1,346.19)	434,639.25	426,768.26	(11,890.72)	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	129,757.07	133,205.91	(355.84)	129,401.23	129,624.20	(3,225.87)	0.00
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	321,206.68	324,168.16	(1,009.03)	320,197.65	314,401.96	(8,757.17)	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	434,897.75	446,456.94	(1,276.23)	433,621.52	434,370.00	(10,810.71)	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	264,039.70	266,474.13	(813.64)	263,226.06	258,462.36	(7,198.13)	0.00
GNMA	2001 A-E RMRB	5.45	11/19/02	11/20/32	112,154.67	115,135.63	(309.06)	111,845.61	112,040.26	(2,786.31)	0.00
GNMA	2001 A-E RMRB	4.95	11/19/02	11/20/32	75,276.04	75,970.07	(230.34)	75,045.70	73,688.62	(2,051.11)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	315,177.18	323,554.36	(119,109.68)	196,067.50	196,409.94	(8,034.74)	0.00
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	81,135.62	81,883.68	(252.82)	80,882.80	79,420.65	(2,210.21)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	192,201.70	197,310.27	(1,049.89)	191,151.81	191,485.63	(4,774.75)	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	194,320.51	196,112.11	(618.72)	193,701.79	190,202.63	(5,290.76)	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	371,984.45	381,871.46	(1,416.14)	370,568.31	371,220.31	(9,235.01)	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	423,071.57	434,316.48	(1,784.57)	421,287.00	422,031.64	(10,500.27)	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	67,011.16	67,628.99	(204.95)	66,806.21	65,599.71	(1,824.33)	0.00

GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	446,144.87	458,003.03	(1,468.91)	444,675.96	445,466.00	(11,068.12)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	44,458.64	45,640.30	(124.22)	44,334.42	44,413.19	(1,102.89)	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	131,416.88	132,628.54	(413.93)	131,002.95	128,638.64	(3,575.97)	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	111,253.14	114,210.14	(619.08)	110,634.06	110,831.51	(2,759.55)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	391,881.58	402,198.55	(1,208.21)	390,673.37	391,273.67	(9,716.67)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	386,333.90	389,868.57	(1,642.51)	384,691.39	377,745.29	(10,480.77)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	94,902.70	97,401.18	(261.13)	94,641.57	94,787.00	(2,353.05)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	56,416.12	56,932.29	(660.89)	55,755.23	54,748.50	(1,522.90)	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	292,284.50	300,053.19	(1,015.41)	291,269.09	291,793.94	(7,243.84)	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	77,896.74	78,609.44	(346.54)	77,550.20	76,150.32	(2,112.58)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	245,864.66	252,337.46	(891.37)	244,973.29	245,353.67	(6,092.42)	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	165,368.38	166,881.37	(516.62)	164,851.76	161,878.09	(4,486.66)	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	184,228.00	189,078.14	(528.02)	183,699.98	183,986.89	(4,563.23)	0.00
GNMA	2001 A-E RMRB	5.45	02/27/03	02/20/33	94,387.27	96,872.21	(260.15)	94,127.12	94,274.61	(2,337.45)	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	143,948.64	145,265.63	(478.54)	143,470.10	140,883.83	(3,903.26)	0.00
GNMA	2001 A-E RMRB				48,909.27	50,209.24	(48,909.27)			(1,299.97)	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	165,636.86	167,152.32	(514.77)	165,122.09	162,147.31	(4,490.24)	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	277,504.76	284,810.55	(844.22)	276,660.54	277,098.80	(6,867.53)	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	211,842.31	213,780.49	(1,193.69)	210,648.62	206,854.90	(5,731.90)	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	116,553.80	119,622.29	(327.91)	116,225.89	116,411.53	(2,882.85)	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	127,891.06	131,258.01	(437.30)	127,453.76	127,658.23	(3,162.48)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	57,389.76	58,900.66	(435.34)	56,954.42	57,046.08	(1,419.24)	0.00
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	227,357.78	233,343.36	(650.32)	226,707.46	227,075.29	(5,617.75)	0.00
GNMA	2001 A-E RMRB	5.45	05/08/03	04/20/33	212,060.48	217,643.33	(609.73)	211,450.75	211,795.33	(5,238.27)	0.00
GNMA	2001 A-E RMRB	4.95	05/08/03	04/20/33	148,970.67	150,335.52	(471.35)	148,499.32	145,831.51	(4,032.66)	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	151,581.65	152,968.49	(473.93)	151,107.72	148,393.95	(4,100.61)	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	156,959.94	161,092.16	(457.64)	156,502.30	156,759.07	(3,875.45)	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	292,556.84	300,258.90	(814.79)	291,742.05	292,223.06	(7,221.05)	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	270,961.66	278,095.18	(759.64)	270,202.02	270,650.24	(6,685.30)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	117,469.93	120,562.56	(330.00)	117,139.93	117,335.43	(2,897.13)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	229,455.90	235,496.71	(1,143.21)	228,312.69	228,693.74	(5,659.76)	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	108,064.75	110,909.73	(411.40)	107,653.35	107,833.57	(2,664.76)	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	50,984.82	52,327.08	(140.75)	50,844.07	50,929.81	(1,256.52)	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	54,552.75	55,988.94	(149.89)	54,402.86	54,495.03	(1,344.02)	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	50,923.90	52,264.56	(142.25)	50,781.65	50,867.99	(1,254.32)	0.00
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	53,656.44	55,069.03	(147.94)	53,508.50	53,599.70	(1,321.39)	0.00
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	104,514.72	107,266.25	(338.17)	104,176.55	104,354.84	(2,573.24)	0.00
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	57,588.04	59,104.14	(312.80)	57,275.24	57,374.37	(1,416.97)	0.00
GNMA	2001 A-E RMRB				83,603.32	85,804.32	(83,603.32)			(2,201.00)	0.00
GNMA	2001 A-E RMRB	5.45	09/18/03	07/20/33	105,189.43	107,958.72	(294.48)	104,894.95	105,078.18	(2,586.06)	0.00
GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	55,455.68	56,915.66	(155.25)	55,300.43	55,397.76	(1,362.65)	0.00
GNMA	2001 A-E RMRB	4.95	09/29/03	09/20/33	126,549.36	127,706.17	(403.51)	126,145.85	123,894.78	(3,407.88)	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	51,133.84	52,480.02	(147.22)	50,986.62	51,077.49	(1,255.31)	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	54,582.67	56,019.66	(152.48)	54,430.19	54,528.47	(1,338.71)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	65,610.93	67,338.24	(202.39)	65,408.54	65,526.44	(1,609.41)	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	253,151.73	259,816.38	(705.67)	252,446.06	252,905.16	(6,205.55)	0.00
GNMA	2001 A-E RMRB	4.95	12/04/03	11/20/33	104,646.34	105,603.78	(328.66)	104,317.68	102,462.94	(2,812.18)	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	61,967.51	63,598.92	(171.84)	61,795.67	61,908.55	(1,518.53)	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	126,200.40	127,304.05	(390.95)	125,809.45	123,533.01	(3,380.09)	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	510,849.48	514,027.30	(1,693.07)	509,156.41	498,677.33	(13,656.90)	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	53,443.21	54,850.19	(152.56)	53,290.65	53,389.89	(1,307.74)	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	52,838.85	54,229.91	(149.72)	52,689.13	52,787.46	(1,292.73)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	53,344.81	54,749.20	(153.35)	53,191.46	53,291.37	(1,304.48)	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	53,882.72	55,287.67	(151.49)	53,731.23	53,791.92	(1,344.26)	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	132,013.14	133,167.63	(416.97)	131,596.17	129,221.28	(3,529.38)	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	103,959.14	104,605.83	(327.38)	103,631.76	101,505.65	(2,772.80)	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	99,317.33	102,074.44	(18.10)	98,799.23	99,076.75	(2,479.59)	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	296,295.81	300,496.51	(1,074.25)	295,221.56	292,213.69	(7,208.57)	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	213,143.34	212,796.43	(1,402.54)	211,740.80	204,835.83	(6,558.06)	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	91,349.97	91,201.28	(686.55)	90,663.42	87,707.99	(2,806.74)	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	248,610.87	248,206.21	(1,467.60)	247,143.27	239,091.01	(7,647.60)	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	245,342.67	248,820.98	(828.05)	244,514.62	242,039.67	(5,953.26)	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	193,625.15	193,309.96	(104,499.41)	89,125.74	86,224.51	(2,586.04)	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	314,441.61	318,899.56	(1,144.13)	313,297.48	310,143.13	(7,162.30)	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	234,650.40	234,268.44	(1,998.71)	232,651.69	225,105.50	(7,164.23)	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	67,952.10	68,899.76	(261.71)	67,690.39	66,989.63	(1,648.42)	0.00
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	96,297.11	97,640.07	(306.42)	95,990.69	95,000.86	(2,332.79)	0.00
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	136,389.48	136,142.81	(607.35)	135,782.13	131,354.47	(4,180.99)	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	26,614.30	26,991.64	(122.50)	26,491.80	26,229.63	(639.51)	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	131,149.42	131,149.42		132,403.76	132,403.76	-	0.00

Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	97,415.50	97,415.50		(871.83)	96,543.67	96,543.67	-	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	184,871.64	184,871.64	1,768.11		186,639.75	186,639.75	-	0.00
Repo Agmt	2001 A-E RMRB	4.01	11/30/05	12/01/05	856.43	856.43	8.31		864.74	864.74	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,983.57	5,123.32		(13.45)	4,970.12	4,986.30	(123.57)	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	12,078.93	12,417.68		(33.08)	12,045.85	12,085.13	(299.47)	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	38,845.20	39,934.54		(119.55)	38,725.65	38,852.37	(962.62)	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,529.61	11,543.37		(48.94)	11,480.67	11,185.34	(309.09)	0.00
GNMA	2001 A-E RMRB	5.49	04/10/03	03/20/33	5,520.81	5,675.65		(15.60)	5,505.21	5,523.29	(136.76)	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	71,478.40	71,563.59		(226.80)	71,251.60	69,419.26	(1,917.53)	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	75,685.12	77,807.57		(6,098.15)	69,586.97	69,815.71	(1,893.71)	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,775.82	9,787.45		(31.11)	9,744.71	9,494.14	(262.20)	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	24,062.84	24,091.53		(76.00)	23,986.84	23,370.27	(645.26)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	13,301.97	13,675.02		(36.65)	13,265.32	13,309.06	(329.31)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,955.35	9,967.20		(32.58)	9,922.77	9,667.71	(266.91)	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	40,896.38	42,043.27		(111.47)	40,784.91	40,919.78	(1,012.02)	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,462.10	15,895.71		(42.40)	15,419.70	15,470.79	(382.52)	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	39,406.94	39,453.86		(132.55)	39,274.39	38,265.52	(1,055.79)	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	38,333.40	39,408.41		(115.17)	38,218.23	38,345.08	(948.16)	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,870.20	26,902.22		(85.79)	26,784.41	26,096.51	(719.92)	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	32,580.91	33,494.59		(11,152.56)	21,428.35	21,499.57	(842.46)	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	20,482.51	20,506.93		(65.63)	20,416.88	19,892.68	(548.62)	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	21,199.51	21,794.02		(58.18)	21,141.33	21,211.81	(524.03)	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	36,603.32	36,646.93		(119.16)	36,484.16	35,547.77	(980.00)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,733.26	12,062.29		(32.32)	11,700.94	11,740.06	(289.91)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,767.23	10,780.07		(34.07)	10,733.16	10,457.82	(288.18)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	25,480.62	26,195.16		(71.16)	25,409.46	25,494.41	(629.59)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,870.25	6,878.39		(22.25)	6,848.00	6,672.30	(183.84)	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,202.22	5,348.09		(14.29)	5,187.93	5,205.33	(128.47)	0.00
GNMA	2001 A-E RMRB	4.80	06/26/03	06/20/33	11,115.26	11,128.51		(35.52)	11,079.74	10,795.54	(297.45)	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,480.90	15,915.02		(42.61)	15,438.29	15,490.08	(382.33)	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	33,120.46	34,049.33		(92.45)	33,028.01	33,139.06	(817.82)	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,659.96	14,677.43		(46.99)	14,612.97	14,238.32	(392.12)	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	78,947.36	79,041.44		(324.46)	78,622.90	76,607.54	(2,109.44)	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	40,505.13	41,641.04		(128.52)	40,376.61	40,512.90	(999.62)	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	40,392.77	40,440.88		(132.10)	40,260.67	39,228.96	(1,079.82)	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	12,204.97	12,547.23		(33.95)	12,171.02	12,212.15	(301.13)	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	28,291.74	29,085.17		(103.61)	28,188.13	28,283.62	(697.94)	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	11,165.64	11,178.93		(35.77)	11,129.87	10,844.75	(298.41)	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,597.74	17,063.19		(46.10)	16,551.64	16,607.82	(409.27)	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	32,529.57	32,568.32		(103.81)	32,425.76	31,595.39	(869.12)	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,555.69	12,907.80		(35.31)	12,520.38	12,562.97	(309.52)	0.00
GNMA	2001 A-E RMRB				11,878.68	12,211.78		(11,878.68)			(333.10)	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	13,261.30	13,277.10		(43.40)	13,217.90	12,879.57	(354.13)	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	16,290.61	16,747.48		(10,779.84)	5,510.77	5,529.57	(438.07)	0.00
GNMA	2001 A-E RMRB	4.80	09/04/03	09/20/33	11,452.00	11,465.62		(36.29)	11,415.71	11,123.59	(305.74)	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	53,375.81	54,872.64		(11,317.39)	42,058.42	42,202.53	(1,352.72)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	47,399.88	47,456.37		(151.96)	47,247.92	46,039.52	(1,264.89)	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	20,270.06	20,838.54		(9,412.82)	10,857.24	10,894.46	(531.26)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	17,231.24	17,251.78		(55.28)	17,175.96	16,736.67	(459.83)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	67,603.36	69,499.21		(193.00)	67,410.36	67,641.96	(1,664.25)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	47,179.42	47,235.64		(155.70)	47,023.72	45,821.45	(1,258.49)	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	10,141.33	10,425.75		(28.15)	10,113.18	10,148.09	(249.51)	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	76,960.14	78,972.26		(42,604.16)	34,355.98	34,410.47	(1,957.63)	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	278,112.51	277,744.60		(16,028.06)	262,084.45	254,740.02	(6,976.52)	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	21,125.84	21,678.22		(100.55)	21,025.29	21,058.92	(518.75)	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	142,294.59	142,464.14		(469.31)	141,825.28	138,204.63	(3,790.20)	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,555.55	5,711.34		(36.16)	5,519.39	5,538.62	(136.56)	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	174,698.42	174,467.28		(16,352.21)	158,346.21	153,911.94	(4,203.13)	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,708.03	6,896.17		(18.69)	6,689.34	6,712.66	(164.82)	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	54,228.80	54,293.40		(195.81)	54,032.99	52,654.29	(1,443.30)	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	87,973.71	87,857.34		(10,864.78)	77,108.93	74,950.59	(2,041.97)	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	5,129.40	5,273.24		(14.64)	5,114.76	5,132.63	(141.48)	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	45,669.87	45,609.45		(174.51)	45,495.36	44,222.17	(1,212.77)	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	11,107.49	11,418.97		(31.18)	11,076.31	11,115.03	(272.76)	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,763.33	5,925.02		(15.99)	5,747.34	5,767.55	(141.48)	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	46,562.56	46,618.07		(174.25)	46,388.31	45,205.58	(1,238.24)	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,960.03	12,295.46		(33.22)	11,926.81	11,968.72	(293.52)	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	33,014.67	32,971.00		(105.90)	32,908.77	31,988.15	(876.95)	0.00
GNMA	2001 A-E RMRB	4.80	01/08/04	12/20/33	10,235.92	10,248.12		(32.86)	10,203.06	9,943.09	(272.17)	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	54,658.10	56,175.42		(8,455.63)	46,202.47	46,328.41	(1,391.38)	0.00

GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	41,172.22	42,237.45	(168.22)	41,004.00	41,039.46	(1,029.77)	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	39,797.78	39,827.51	(128.36)	39,669.42	38,644.79	(1,054.36)	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	21,017.23	21,600.69	(66.85)	20,950.38	21,007.74	(526.10)	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,621.97	8,632.28	(28.94)	8,593.03	8,374.24	(29.10)	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	21,365.24	21,327.70	(85.07)	21,280.17	20,678.27	(564.36)	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	44,441.96	45,675.71	(127.67)	44,314.29	44,436.21	(1,111.83)	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	42,854.57	42,779.27	(149.05)	42,705.52	41,498.18	(1,132.04)	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	22,359.22	22,936.67	(76.59)	22,282.63	22,302.60	(557.48)	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	26,189.46	26,143.45	(85.22)	26,104.24	25,366.59	(691.64)	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	74,094.36	76,151.28	(276.19)	73,818.17	74,023.14	(1,851.95)	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	29,442.55	30,204.28	(81.90)	29,360.65	29,387.67	(734.71)	0.00
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,355.73	11,364.20	(36.81)	11,318.92	11,027.22	(300.17)	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,775.14	16,213.08	(48.24)	15,726.90	15,772.28	(392.56)	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	10,050.16	10,032.49	(33.50)	10,016.66	9,734.61	(264.38)	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	32,019.58	32,043.51	(104.00)	31,915.58	31,093.78	(845.73)	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	26,134.65	26,860.18	(6,728.55)	19,406.10	19,460.71	(670.92)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	23,262.23	23,221.36	(93.96)	23,168.27	22,514.51	(612.89)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,953.56	11,257.64	(34.75)	10,918.81	10,949.59	(273.30)	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	18,053.53	18,067.03	(60.21)	17,993.32	17,530.21	(476.61)	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	7,158.59	7,357.31	(20.12)	7,138.47	7,158.62	(178.57)	0.00
GNMA	2001 A-E RMRB	5.49	05/13/04	04/20/34	11,155.77	11,465.48	(53.43)	11,102.34	11,133.78	(278.27)	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	11,310.50	11,318.95	(37.77)	11,272.73	10,982.65	(298.53)	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	19,354.87	19,892.18	(54.99)	19,299.88	19,354.78	(482.41)	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	17,818.17	18,312.81	(67.49)	17,750.68	17,801.28	(444.04)	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	14,061.12	14,451.47	(39.41)	14,021.71	14,061.97	(350.09)	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	27,759.85	28,478.04	(85.99)	27,673.86	27,703.36	(688.69)	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	29,542.32	30,362.44	(85.23)	29,457.09	29,543.72	(733.49)	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	25,819.25	26,536.01	(73.27)	25,745.98	25,821.82	(640.92)	0.00
GNMA	2001 A-E RMRB	5.49	09/23/04	09/20/34	11,884.31	12,214.24	(35.74)	11,848.57	11,883.57	(294.93)	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	14,257.44	14,268.09	(46.46)	14,210.98	13,847.03	(374.60)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	17,091.31	17,565.77	(49.80)	17,041.51	17,091.91	(424.06)	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,978.60	20,533.22	(58.56)	19,920.04	19,979.09	(495.57)	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	14,108.24	14,118.79	(46.07)	14,062.17	13,702.14	(370.58)	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	12,149.98	12,487.28	(34.98)	12,115.00	12,149.98	(302.32)	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,788.23	12,115.48	(33.28)	11,754.95	11,789.01	(293.19)	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,710.38	6,896.64	(18.90)	6,691.48	6,710.89	(166.85)	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,857.88	27,603.50	(96.52)	26,761.36	26,839.23	(667.75)	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	23,111.01	23,752.57	(121.84)	22,989.17	23,056.33	(574.40)	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,735.75	14,117.05	(39.00)	13,696.75	13,736.83	(341.22)	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	38,668.04	39,741.50	(112.19)	38,555.85	38,672.12	(957.19)	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	26,387.50	26,407.23	(88.63)	26,298.87	25,626.84	(691.76)	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,409.29	3,411.83	(12.20)	3,397.09	3,310.11	(89.52)	0.00
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,627.53	10,902.49	(31.46)	10,596.07	10,607.79	(263.24)	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,664.07	10,645.33	(35.56)	10,628.51	10,330.30	(279.47)	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	15,097.62	15,516.72	(43.47)	15,054.15	15,099.05	(374.20)	0.00
GNMA	2001 A-E RMRB	5.49	11/04/04	10/20/34	7,274.37	7,476.32	(22.22)	7,252.15	7,273.86	(180.24)	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	48,060.55	49,394.73	(139.10)	47,921.45	48,067.11	(1,188.52)	0.00
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	15,329.97	15,341.40	(50.28)	15,279.69	14,889.58	(401.54)	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	11,371.92	11,685.45	(32.34)	11,339.58	11,373.13	(279.98)	0.00
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	18,248.48	18,755.06	(53.28)	18,195.20	18,250.74	(451.04)	0.00
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	59,195.94	60,715.51	(169.53)	59,026.41	59,091.18	(1,454.80)	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	12,073.15	12,408.33	(35.29)	12,037.86	12,075.21	(297.83)	0.00
GNMA	2001 A-E RMRB	5.49	04/21/05	04/20/35	7,306.13	7,507.57	(21.04)	7,285.09	7,307.33	(179.20)	0.00
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,762.05	6,948.46	(19.69)	6,742.36	6,763.01	(165.76)	0.00
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	14,505.63	14,905.53	(42.63)	14,463.00	14,508.13	(354.77)	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,864.25	8,694.46	(31.90)	8,832.35	8,434.57	(227.99)	0.00
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	35,849.64	35,073.93	(134.78)	35,714.86	34,020.85	(918.30)	0.00
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35				14,399.13	14,417.83	18.70	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35				26,897.69	26,932.78	35.09	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	35,740.93	36,726.27	(108.84)	35,632.09	35,744.17	(873.26)	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35				13,598.33	12,984.72	(613.61)	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35				27,895.15	27,984.65	89.50	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35				33,581.77	34,025.57	443.80	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35				26,196.32	24,409.51	(1,786.81)	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	29,341.33	29,799.47	(92.93)	29,248.40	28,991.68	(714.86)	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	13,620.48	13,489.94	(53.48)	13,567.00	13,022.05	(414.41)	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	16,308.52	16,563.21	(55.57)	16,252.95	16,111.68	(395.96)	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	34,860.34	34,526.18	(130.65)	34,729.69	33,336.41	(1,059.12)	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	12,124.18	11,995.08	(74.25)	12,049.93	11,556.59	(364.24)	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,872.32	7,995.25	(26.30)	7,846.02	7,778.16	(190.79)	0.00

FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	28,015.78	28,581.06		(81.33)	27,934.45	27,794.16	(705.57)	0.00		
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	7,055.87	6,980.74		(32.63)	7,023.24	6,736.32	(211.79)	0.00		
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	7,022.37	6,947.57		(24.28)	6,998.09	6,712.33	(210.96)	0.00		
FNMA	2001 A-E RMRB	5.49	04/07/05	01/01/35	10,340.49	10,496.23		(31.36)	10,309.13	10,200.55	(264.32)	0.00		
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,418.17	4,484.72		(13.26)	4,404.91	4,358.71	(112.75)	0.00		
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,717.26	8,447.99		(33.12)	8,684.14	8,154.87	(260.00)	0.00		
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35			27,929.56		27,929.56	27,770.48	(159.08)	0.00		
2001 A-E RMRB Total					66,560,919.06	68,217,587.23	3,042,034.71	(871.83)	(2,115,775.86)	0.00	67,486,306.08	67,716,552.25	(1,426,422.00)	0.00
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	70,321.57	70,321.57	14,784.99			85,106.56	85,106.56	-	0.00	
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	257,068.61	257,068.61		(65,656.84)	191,411.77	191,411.77	-	0.00		
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	14,593.75	14,593.75	1,777.11		16,370.86	16,370.86	-	0.00		
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	317.10	317.10	3.04		320.14	320.14	-	0.00		
GICs	2002 RMRB	4.20	12/18/02	04/01/34	431,598.12	431,598.12	1,929,525.03		2,361,123.15	2,361,123.15	-	0.00		
Mutual Fund	2002 RMRB	3.55	11/01/05	12/01/05	1.46	1.46	0.00		1.46	1.46	-	0.00		
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	69.13	69.13	0.91		70.04	70.04	-	0.00		
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	40,737.18	41,879.60		(109.83)	40,627.35	40,759.60	(1,010.17)	0.00		
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	98,737.06	101,505.99		(270.32)	98,466.74	98,787.62	(2,448.05)	0.00		
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	317,532.62	326,437.33		(977.09)	316,555.53	317,591.33	(7,868.91)	0.00		
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	94,246.85	94,359.12		(400.07)	93,846.78	91,432.50	(2,526.55)	0.00		
GNMA	2002 RMRB	5.49	04/10/03	03/20/33	45,129.05	46,394.57		(127.44)	45,001.61	45,149.13	(1,118.00)	0.00		
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	584,286.85	584,983.10		(1,853.89)	582,432.96	567,454.72	(15,674.49)	0.00		
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	618,673.58	636,023.31		(49,848.12)	568,825.46	570,695.33	(15,479.86)	0.00		
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	79,910.50	80,005.71		(254.20)	79,656.30	77,608.03	(2,143.48)	0.00		
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	196,697.28	196,931.65		(621.33)	196,075.95	191,035.84	(5,274.48)	0.00		
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	108,734.60	111,783.91		(299.71)	108,434.89	108,792.45	(2,691.75)	0.00		
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	81,378.11	81,475.01		(266.31)	81,111.80	79,026.84	(2,181.86)	0.00		
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	334,299.81	343,674.76		(911.12)	333,388.69	334,491.06	(8,272.58)	0.00		
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	126,390.63	129,936.48		(345.09)	126,045.54	126,463.06	(3,128.33)	0.00		
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	322,124.29	322,508.13		(1,083.08)	321,041.21	312,794.24	(8,630.81)	0.00		
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	313,349.30	322,136.68		(941.38)	312,407.92	313,444.67	(7,750.63)	0.00		
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	219,645.43	219,907.15		(701.27)	218,944.16	213,320.97	(5,884.91)	0.00		
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	266,326.55	273,795.25		(91,164.51)	175,162.04	175,744.21	(6,886.53)	0.00		
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	167,430.58	167,630.08		(536.48)	166,894.10	162,609.02	(4,484.58)	0.00		
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	173,291.34	178,151.05		(475.62)	172,815.72	173,391.87	(4,283.56)	0.00		
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	299,206.97	299,563.51		(974.01)	298,232.96	290,578.64	(8,010.86)	0.00		
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	95,911.18	98,600.89		(264.13)	95,647.05	95,966.92	(2,369.84)	0.00		
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	88,014.82	88,119.68		(278.40)	87,736.42	85,485.46	(2,355.82)	0.00		
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	208,286.38	214,127.46		(581.63)	207,704.75	208,399.32	(5,146.51)	0.00		
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	56,159.15	56,226.09		(181.53)	55,977.62	54,541.49	(1,503.07)	0.00		
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	42,524.44	43,716.92		(116.39)	42,408.05	42,550.03	(1,050.50)	0.00		
GNMA	2002 RMRB	4.80	06/26/03	06/20/33	90,859.61	90,967.92		(290.41)	90,569.20	88,246.05	(2,431.46)	0.00		
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	126,545.58	130,094.36		(348.25)	126,197.33	126,620.74	(3,125.37)	0.00		
GNMA	2002 RMRB	5.49	07/10/03	06/20/33	270,737.39	278,329.78		(755.91)	269,981.48	270,888.93	(6,684.94)	0.00		
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	119,835.05	119,977.86		(383.99)	119,451.06	116,388.45	(3,205.42)	0.00		
GNMA	2002 RMRB	4.80	07/17/03	06/20/33	645,340.37	646,109.37		(2,652.37)	642,688.00	626,213.92	(17,243.08)	0.00		
GNMA	2002 RMRB	5.49	07/24/03	07/20/33	331,101.61	340,386.83		(1,050.57)	330,051.04	331,165.07	(8,171.19)	0.00		
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	330,182.83	330,576.30		(1,079.76)	329,103.07	320,669.74	(8,826.80)	0.00		
GNMA	2002 RMRB	5.49	07/30/03	07/20/33	99,767.12	102,564.94		(277.39)	99,489.73	99,825.94	(2,461.61)	0.00		
GNMA	2002 RMRB	5.49	08/07/03	07/20/33	231,265.75	237,751.23		(846.90)	230,418.85	231,199.15	(5,705.18)	0.00		
GNMA	2002 RMRB	4.80	08/07/03	06/20/33	91,271.33	91,380.10		(292.41)	90,978.92	88,648.41	(2,439.28)	0.00		
GNMA	2002 RMRB	5.49	08/14/03	08/20/33	135,675.06	139,479.84		(376.82)	135,298.24	135,757.53	(3,345.49)	0.00		
GNMA	2002 RMRB	4.80	08/14/03	07/20/33	265,906.72	266,223.60		(848.48)	265,058.24	258,270.50	(7,104.62)	0.00		
GNMA	2002 RMRB	5.49	08/21/03	08/20/33	102,634.15	105,512.37		(288.55)	102,345.60	102,693.64	(2,500.18)	0.00		
GNMA	2002 RMRB				97,097.66	99,822.91		(97,097.66)			(2,725.25)	0.00		
GNMA	2002 RMRB	4.80	08/28/03	08/20/33	108,401.96	108,531.14		(354.81)	108,047.15	105,281.62	(2,894.71)	0.00		
GNMA	2002 RMRB	5.49	09/04/03	08/20/33	133,164.74	136,899.13		(88,117.98)	45,046.76	45,200.46	(3,580.69)	0.00		
GNMA	2002 RMRB	4.80	09/04/03	09/20/33	93,612.02	93,723.57		(296.58)	93,315.44	90,927.71	(2,499.28)	0.00		
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	436,310.45	448,546.07		(92,511.63)	343,798.82	344,976.68	(11,057.76)	0.00		
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	387,461.47	387,923.18		(1,242.05)	386,219.42	376,341.45	(10,339.68)	0.00		
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	165,694.13	170,340.74		(76,943.47)	88,750.66	89,054.71	(4,342.56)	0.00		
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	140,853.59	141,021.41		(451.93)	140,401.66	136,810.75	(3,758.73)	0.00		
GNMA	2002 RMRB	5.49	09/29/03	09/20/33	552,611.12	568,108.21		(1,577.50)	551,033.62	552,926.45	(13,604.26)	0.00		
GNMA	2002 RMRB	4.80	09/29/03	09/20/33	385,659.35	386,118.89		(1,272.79)	384,386.56	374,558.86	(10,287.24)	0.00		
GNMA	2002 RMRB	5.49	10/16/03	09/20/33	82,898.61	85,223.34		(230.13)	82,668.48	82,953.62	(2,039.59)	0.00		
GNMA	2002 RMRB	5.49	10/30/03	10/20/33	629,096.23	645,543.90		(348,259.56)	280,836.67	281,281.87	(16,002.47)	0.00		
GNMA	2002 RMRB	4.80	10/30/03	10/20/33	2,273,378.46	2,270,371.00		(131,018.30)	2,142,360.16	2,082,324.38	(57,028.32)	0.00		
GNMA	2002 RMRB	5.49	11/13/03	10/20/33	172,689.60	177,204.52		(821.98)	171,867.62	172,142.15	(4,240.39)	0.00		
GNMA	2002 RMRB	4.80	11/13/03	10/20/33	1,163,160.23	1,164,546.25		(3,836.31)	1,159,323.92	1,129,727.70	(30,982.24)	0.00		
GNMA	2002 RMRB	5.49	11/20/03	11/20/33	45,412.78	46,686.31		(295.47)	45,117.31	45,274.45	(1,116.39)	0.00		

GNMA	2002 RMRB	4.80	11/20/03	11/20/33	1,428,039.14	1,426,149.98	(133,667.87)	1,294,371.27	1,258,124.23	(34,357.88)	0.00
GNMA	2002 RMRB	5.49	11/26/03	10/20/33	54,833.72	56,371.46	(152.97)	54,680.75	54,871.38	(1,347.11)	0.00
GNMA	2002 RMRB	4.80	11/26/03	11/20/33	443,282.97	443,811.20	(1,600.40)	441,682.57	430,412.57	(11,798.23)	0.00
GNMA	2002 RMRB	4.80	12/04/03	12/20/33	719,124.55	718,173.25	(88,812.14)	630,312.41	612,669.48	(16,691.63)	0.00
GNMA	2002 RMRB	5.49	12/04/03	11/20/33	41,929.29	43,105.14	(119.61)	41,809.68	41,955.76	(1,029.77)	0.00
GNMA	2002 RMRB	4.80	12/11/03	12/20/33	373,319.70	372,825.82	(1,426.52)	371,893.18	361,485.78	(9,913.52)	0.00
GNMA	2002 RMRB	5.49	12/11/03	09/20/33	90,795.98	93,342.24	(254.85)	90,541.13	90,857.76	(2,259.63)	0.00
GNMA	2002 RMRB	5.49	12/18/03	12/20/33	47,111.80	48,432.93	(130.88)	46,980.92	47,145.69	(1,156.36)	0.00
GNMA	2002 RMRB	4.80	12/18/03	12/20/33	380,617.15	381,070.71	(1,424.56)	379,192.59	369,524.54	(10,121.61)	0.00
GNMA	2002 RMRB	5.49	12/23/03	12/20/33	97,765.26	100,506.92	(271.64)	97,493.62	97,836.00	(2,399.28)	0.00
GNMA	2002 RMRB	4.80	12/23/03	12/20/33	269,872.27	269,515.27	(865.70)	269,006.57	261,481.11	(7,168.46)	0.00
GNMA	2002 RMRB	4.80	01/08/04	12/20/33	83,671.59	83,771.30	(268.60)	83,402.99	81,277.92	(2,224.78)	0.00
GNMA	2002 RMRB	5.49	01/15/04	01/20/34	446,792.15	459,195.40	(69,118.81)	377,673.34	378,702.85	(11,373.74)	0.00
GNMA	2002 RMRB	5.49	01/22/04	01/20/34	336,554.66	345,262.10	(1,375.23)	335,179.43	335,469.33	(8,417.54)	0.00
GNMA	2002 RMRB	4.80	01/22/04	01/20/34	325,319.44	325,562.54	(1,049.23)	324,270.21	315,894.56	(8,618.75)	0.00
GNMA	2002 RMRB	5.49	01/29/04	01/20/34	171,801.48	176,570.79	(546.40)	171,255.08	171,723.81	(4,300.58)	0.00
GNMA	2002 RMRB	4.80	01/29/04	11/20/33	70,478.97	70,562.94	(236.60)	70,242.37	68,453.71	(1,872.63)	0.00
GNMA	2002 RMRB	4.80	02/12/04	01/20/34	174,646.11	174,339.26	(695.31)	173,950.80	169,030.59	(4,613.36)	0.00
GNMA	2002 RMRB	5.49	02/12/04	02/20/34	363,282.61	373,367.57	(1,043.74)	362,238.87	363,235.48	(9,088.35)	0.00
GNMA	2002 RMRB	4.80	02/26/04	02/20/34	350,306.55	349,691.01	(1,218.28)	349,088.27	339,219.05	(9,253.68)	0.00
GNMA	2002 RMRB	5.49	02/26/04	02/20/34	182,763.00	187,491.47	(617.86)	182,145.14	182,308.39	(4,565.22)	0.00
GNMA	2002 RMRB	4.80	03/11/04	03/20/34	214,080.84	213,704.66	(696.46)	213,384.38	207,354.39	(5,653.81)	0.00
GNMA	2002 RMRB	5.49	03/11/04	03/20/34	605,670.52	622,484.33	(2,257.67)	603,412.85	605,088.24	(15,138.42)	0.00
GNMA	2002 RMRB	5.49	03/25/04	03/20/34	240,672.40	246,899.15	(669.39)	240,003.01	240,223.93	(6,005.83)	0.00
GNMA	2002 RMRB	4.80	03/30/04	03/20/34	92,825.13	92,894.53	(300.86)	92,524.27	90,139.92	(2,453.75)	0.00
GNMA	2002 RMRB	5.49	07/09/04	07/20/34	128,951.01	132,530.77	(394.36)	128,556.65	128,927.51	(3,208.90)	0.00
GNMA	2002 RMRB	4.80	07/08/04	06/20/34	82,153.03	82,008.69	(273.82)	81,879.21	79,573.76	(2,161.11)	0.00
GNMA	2002 RMRB	4.80	04/22/04	04/20/34	261,738.02	261,933.61	(849.99)	260,888.03	254,170.27	(6,913.35)	0.00
GNMA	2002 RMRB	5.49	04/22/04	04/20/34	213,632.96	219,563.54	(55,001.42)	158,631.54	159,077.93	(5,484.19)	0.00
GNMA	2002 RMRB	4.80	04/29/04	04/20/34	190,152.71	189,818.60	(768.13)	189,384.58	184,040.64	(5,009.83)	0.00
GNMA	2002 RMRB	5.49	04/29/04	04/20/34	89,537.87	92,023.49	(284.08)	89,253.79	89,505.40	(2,234.01)	0.00
GNMA	2002 RMRB	4.80	05/06/04	04/20/34	147,575.33	147,685.59	(492.12)	147,083.21	143,297.46	(3,896.01)	0.00
GNMA	2002 RMRB	5.49	05/06/04	04/20/34	58,516.43	60,140.90	(164.55)	58,351.88	58,516.76	(1,459.59)	0.00
GNMA	2002 RMRB	5.49	05/13/04	04/20/34	91,190.83	93,722.35	(436.84)	90,753.99	91,010.93	(2,274.58)	0.00
GNMA	2002 RMRB	4.80	05/13/04	04/20/34	92,455.55	92,524.63	(308.69)	92,146.86	89,775.66	(2,440.28)	0.00
GNMA	2002 RMRB	5.49	05/27/04	05/20/34	158,212.81	162,604.92	(449.53)	157,763.28	158,212.03	(3,943.36)	0.00
GNMA	2002 RMRB	5.49	06/03/04	05/20/34	145,651.20	149,694.61	(551.58)	145,099.62	145,513.22	(3,629.81)	0.00
GNMA	2002 RMRB	5.49	06/24/04	06/20/34	114,940.00	118,130.81	(322.09)	114,617.91	114,946.94	(2,861.78)	0.00
GNMA	2002 RMRB	5.49	09/02/04	08/20/34	226,917.50	232,788.39	(702.71)	226,214.79	226,455.94	(5,629.74)	0.00
GNMA	2002 RMRB	5.49	09/01/04	09/20/34	241,488.16	248,192.03	(694.95)	240,793.21	241,499.55	(5,997.53)	0.00
GNMA	2002 RMRB	5.49	09/16/04	09/20/34	211,054.55	216,913.58	(599.08)	210,455.47	211,075.62	(5,238.88)	0.00
GNMA	2002 RMRB	5.49	09/01/04	09/20/34	97,146.18	99,843.01	(290.32)	96,855.86	97,139.98	(2,412.71)	0.00
GNMA	2002 RMRB	4.80	09/29/04	09/20/34	116,544.71	116,631.81	(379.78)	116,164.93	113,189.97	(3,062.06)	0.00
GNMA	2002 RMRB	5.49	09/29/04	09/20/34	139,709.68	143,588.12	(407.07)	139,302.61	139,714.64	(3,466.41)	0.00
GNMA	2002 RMRB	5.49	10/07/04	09/20/34	163,311.29	167,844.91	(478.84)	162,832.45	163,315.24	(4,050.83)	0.00
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	115,325.21	115,411.39	(376.62)	114,948.59	112,005.55	(3,029.22)	0.00
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	99,317.82	102,074.96	(285.92)	99,031.90	99,317.70	(2,471.34)	0.00
GNMA	2002 RMRB	5.49	07/22/04	07/20/34	96,360.71	99,035.74	(271.98)	96,088.73	96,367.01	(2,396.75)	0.00
GNMA	2002 RMRB	5.49	07/29/04	07/20/34	54,852.52	56,375.27	(154.36)	54,698.16	54,856.91	(1,364.00)	0.00
GNMA	2002 RMRB	5.49	08/05/04	08/20/34	219,544.88	225,639.58	(789.09)	218,755.79	219,392.18	(5,458.31)	0.00
GNMA	2002 RMRB	5.49	08/19/04	08/20/34	188,916.53	194,160.96	(995.85)	187,920.68	188,469.66	(4,695.45)	0.00
GNMA	2002 RMRB	5.49	08/26/04	08/20/34	112,280.16	115,397.14	(318.81)	111,961.35	112,289.12	(2,789.21)	0.00
GNMA	2002 RMRB	5.49	12/02/04	11/20/34	316,084.67	324,859.40	(917.16)	315,167.51	316,117.89	(7,824.35)	0.00
GNMA	2002 RMRB	4.80	12/02/04	11/20/34	215,699.78	215,860.95	(724.52)	214,975.26	209,481.80	(5,654.63)	0.00
GNMA	2002 RMRB	4.80	10/14/04	09/20/34	27,868.54	27,889.37	(99.95)	27,768.59	27,057.82	(731.60)	0.00
GNMA	2002 RMRB	5.49	10/21/04	06/20/34	86,872.77	89,120.35	(257.27)	86,615.50	86,711.33	(2,151.75)	0.00
GNMA	2002 RMRB	4.80	10/28/04	09/20/34	87,171.43	87,018.26	(290.56)	86,880.87	84,443.11	(2,284.59)	0.00
GNMA	2002 RMRB	5.49	10/28/04	10/20/34	123,412.43	126,838.45	(355.33)	123,057.10	123,424.33	(3,058.79)	0.00
GNMA	2002 RMRB	5.49	11/04/04	10/20/34	59,463.07	61,113.76	(181.51)	59,281.56	59,458.81	(1,473.44)	0.00
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	392,861.88	403,767.97	(1,137.03)	391,724.85	392,915.58	(9,715.36)	0.00
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	125,311.75	125,405.41	(410.95)	124,900.80	121,712.07	(3,282.39)	0.00
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	92,957.76	95,520.50	(264.30)	92,693.46	92,967.55	(2,288.65)	0.00
GNMA	2002 RMRB	5.49	01/13/05	12/20/34	149,168.70	153,309.73	(435.52)	148,733.18	149,187.26	(3,686.95)	0.00
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	483,886.02	496,307.50	(1,385.82)	482,500.20	483,029.70	(11,891.98)	0.00
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	98,689.85	101,429.55	(288.56)	98,401.29	98,706.49	(2,434.50)	0.00
GNMA	2002 RMRB	5.49	04/21/05	04/20/35	59,722.71	61,369.19	(172.05)	59,550.66	59,732.36	(1,464.78)	0.00
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	55,275.00	56,798.87	(160.86)	55,114.14	55,282.92	(1,352.09)	0.00
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	118,573.51	121,842.44	(348.43)	118,225.08	118,593.95	(2,900.06)	0.00
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	72,459.09	71,071.24	(260.68)	72,198.41	68,946.78	(1,863.78)	0.00
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	293,046.21	286,705.29	(1,101.67)	291,944.54	278,097.05	(7,506.57)	0.00

GNMA	2002 RMRB	5.49	09/08/05	08/20/35			117,703.00		117,703.00	117,855.86	152.86	0.00		
GNMA	2002 RMRB	5.49	09/15/05	09/20/35			219,870.08		219,870.08	220,156.93	286.85	0.00		
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	292,157.58	300,212.01		(889.72)	291,267.86	292,184.00	(7,138.29)	0.00		
GNMA	2002 RMRB	4.80	10/13/05	09/20/35			111,166.24		111,166.24	106,141.14	(5,025.10)	0.00		
GNMA	2002 RMRB	5.49	10/13/05	10/20/35			228,023.73		228,023.73	228,755.27	731.54	0.00		
GNMA	2002 RMRB	5.49	11/17/05	11/20/35			274,507.84		274,507.84	278,135.62	3,627.78	0.00		
GNMA	2002 RMRB	4.80	11/22/05	10/20/35			211,087.96		211,087.96	199,530.88	(11,557.08)	0.00		
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	239,845.15	243,590.15		(759.66)	239,085.49	236,987.01	(5,843.48)	0.00		
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	111,338.27	110,271.02		(437.31)	110,900.96	106,446.32	(3,387.39)	0.00		
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	133,311.31	135,392.86		(454.26)	132,857.05	131,701.92	(3,236.68)	0.00		
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	284,959.20	282,227.72		(1,067.94)	283,891.26	272,502.24	(8,657.54)	0.00		
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	99,107.05	98,051.51		(607.02)	98,500.03	94,467.14	(2,977.35)	0.00		
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	64,350.90	65,355.70		(215.22)	64,135.68	63,581.14	(1,559.34)	0.00		
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	229,009.84	233,630.50		(664.96)	228,344.88	227,198.15	(5,767.39)	0.00		
FNMA	2002 RMRB	4.80	09/01/04	08/01/34	57,677.07	57,062.77		(266.25)	57,410.82	55,064.77	(1,731.75)	0.00		
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	57,402.97	56,791.58		(198.41)	57,204.56	54,868.61	(1,724.56)	0.00		
FNMA	2002 RMRB	5.49	04/07/05	01/01/35	84,526.37	85,799.47		(256.28)	84,270.09	83,382.48	(2,160.71)	0.00		
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	36,115.54	36,659.50		(108.36)	36,007.18	35,629.47	(921.67)	0.00		
FNMA	2002 RMRB	4.80	07/14/05	04/01/35	71,257.62	69,056.55		(270.72)	70,986.90	66,660.44	(2,125.39)	0.00		
FNMA	2002 RMRB	5.49	11/03/05	10/01/35			228,304.99		228,304.99	227,004.56	(1,300.43)	0.00		
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	6,141,520.69	6,141,520.69		(1,393,559.56)	4,747,961.13	4,747,961.13	-	0.00		
Repo Agmt	2002 RMRB	4.01	11/30/05	12/01/05	79,099.63	79,099.63	756.54		79,856.17	79,856.17	-	0.00		
	2002 RMRB Total				37,764,858.55	38,156,139.50	3,337,511.46	(1,459,216.40)	(1,398,255.35)	0.00	38,244,898.26	37,836,971.36	(799,207.85)	0.00
Repo Agmt	1999 B-D RMRB	4.01	11/30/05	12/01/05	22,467.40	22,467.40		(701.13)	21,766.27	21,766.27	-	0.00		
GICs	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,863,694.91	1,863,694.91	2,696,943.60		4,560,638.51	4,560,638.51	-	0.00		
Repo Agmt	1999 B-D RMRB				10.70	10.70		(10.70)			-	0.00		
GICs	1999 B-D RMRB	6.40	12/02/99	07/01/32	787,356.52	787,356.52	10.70		787,367.22	787,367.22	-	0.00		
GNMA	1999 B-D RMRB	8.18	04/01/91	01/20/21	30,988.36	33,790.67		(173.74)	30,814.62	33,227.33	(389.60)	0.00		
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	258,215.56	281,148.74		(2,430.71)	255,784.85	275,462.97	(3,255.06)	0.00		
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	77,450.59	82,292.27		(712.07)	76,738.52	80,806.76	(773.44)	0.00		
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	486,079.13	529,249.78		(84,173.29)	401,905.84	432,831.86	(12,244.63)	0.00		
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	95,763.53	104,268.72		(1,061.95)	94,701.58	101,985.80	(1,220.97)	0.00		
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	238,751.62	259,956.09		(2,773.39)	235,978.23	254,143.21	(3,039.49)	0.00		
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	324,215.93	353,010.85		(2,809.39)	321,406.54	346,140.74	(4,060.72)	0.00		
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	120,802.08	131,530.98		(992.18)	119,809.90	129,029.12	(1,509.68)	0.00		
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	153,529.44	167,164.95		(30,746.99)	122,782.45	132,233.01	(4,184.95)	0.00		
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	98,537.46	107,288.94		(3,822.74)	94,714.72	102,005.65	(1,460.55)	0.00		
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	108,524.68	115,308.79		(782.55)	107,742.13	113,458.72	(1,067.52)	0.00		
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	103,794.92	113,013.34		(786.39)	103,008.53	110,939.46	(1,287.49)	0.00		
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	1,369,454.73	1,490,365.89		(42,689.33)	1,326,765.40	1,431,812.69	(15,863.87)	0.00		
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	105,378.58	114,682.62		(848.47)	104,530.11	112,806.61	(1,027.54)	0.00		
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	106,627.60	116,041.92		(876.99)	105,750.61	114,122.82	(1,042.11)	0.00		
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	279,197.09	303,847.81		(3,385.26)	275,811.83	297,654.18	(2,808.37)	0.00		
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	123,058.66	133,923.65		(1,305.79)	121,752.87	131,395.83	(1,222.03)	0.00		
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	162,074.01	176,696.57		(40,609.00)	121,465.01	131,307.11	(4,780.46)	0.00		
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	155,212.90	169,216.38		(1,694.94)	153,517.96	165,964.27	(1,557.17)	0.00		
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	52,411.10	57,139.72		(366.52)	52,044.58	56,264.92	(508.28)	0.00		
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	143,555.72	152,529.81		(3,863.67)	139,692.05	147,109.09	(1,557.05)	0.00		
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	135,961.43	148,036.65		(30,428.34)	105,533.09	113,661.41	(3,946.90)	0.00		
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	121,215.69	128,861.42		(1,226.29)	119,989.40	126,420.98	(1,214.15)	0.00		
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	99,121.61	108,064.42		(756.81)	98,364.80	106,345.81	(961.80)	0.00		
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	68,894.77	75,110.57		(1,690.77)	67,204.00	72,657.74	(762.06)	0.00		
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	142,893.94	155,785.98		(904.28)	141,989.66	153,513.59	(1,368.11)	0.00		
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	55,081.41	60,050.92		(354.49)	54,726.92	59,168.91	(527.52)	0.00		
GNMA	1999 B-D RMRB	8.75	01/25/91	12/20/19	175,589.34	191,431.22		(8,595.32)	166,994.02	180,553.73	(2,282.17)	0.00		
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	53,670.77	58,612.84		(362.61)	53,308.16	57,730.90	(519.33)	0.00		
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	59,712.48	65,099.81		(371.08)	59,341.40	64,160.79	(567.94)	0.00		
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	210,136.01	229,139.05		(1,884.82)	208,251.19	224,561.54	(2,692.69)	0.00		
GNMA	1999 B-D RMRB	6.10	07/28/00	07/20/30	1,943,786.29	1,996,851.66		(137,515.28)	1,806,271.01	1,846,532.80	(12,803.58)	0.00		
FNMA	1999 B-D RMRB	6.10	04/28/00	04/01/30	175,241.21	179,984.99		(818.83)	174,422.38	177,378.84	(1,787.32)	0.00		
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	1,426,533.26	1,465,477.62		(8,745.83)	1,417,787.43	1,449,389.91	(7,341.88)	0.00		
GNMA	1999 B-D RMRB	6.10	04/27/00	04/20/30	1,595,752.33	1,639,316.32		(231,975.98)	1,363,776.35	1,394,174.88	(13,165.46)	0.00		
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,960,581.09	2,014,104.94		(290,160.34)	1,670,420.75	1,707,654.42	(16,290.18)	0.00		
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	2,607,904.87	2,679,100.70		(279,773.98)	2,328,130.89	2,380,024.96	(19,301.76)	0.00		
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	292,309.60	300,222.41		(54,259.01)	238,050.59	242,085.54	(3,877.86)	0.00		
FNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	101,718.91	104,472.44		(817.87)	100,901.04	102,611.31	(1,043.26)	0.00		
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	3,416,065.75	3,509,324.36		(89,812.02)	3,326,253.73	3,400,395.94	(19,116.40)	0.00		
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	1,067,649.04	1,096,795.90		(4,327.23)	1,063,321.81	1,087,023.30	(5,445.37)	0.00		
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	382,803.85	393,254.38		(1,607.12)	381,196.73	389,693.60	(1,953.66)	0.00		

GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	270,751.23	278,142.73	(1,391.93)	269,359.30	275,363.31	(1,387.49)	0.00			
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	271,221.42	278,625.74	(1,128.44)	270,092.98	276,113.33	(1,383.97)	0.00			
FNMA	1999 B-D RMRB	6.10	07/24/00	07/01/30	119,405.73	122,638.04	(550.75)	118,854.98	120,869.57	(1,217.72)	0.00			
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	113,607.13	116,708.60	(812.38)	112,794.75	115,308.95	(587.27)	0.00			
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	136,492.28	140,218.52	(649.89)	135,842.39	138,870.32	(698.31)	0.00			
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	614,882.53	631,668.80	(56,958.68)	557,923.85	570,359.95	(4,350.17)	0.00			
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	271,978.44	279,403.45	(2,686.54)	269,291.90	275,294.42	(1,422.49)	0.00			
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	191,514.63	196,689.34	(75,671.02)	115,843.61	118,345.81	(2,672.51)	0.00			
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	213,657.36	219,430.37	(820.22)	212,836.94	217,434.22	(1,175.73)	0.00			
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	108,548.57	111,481.55	(416.16)	108,132.41	110,468.07	(597.32)	0.00			
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	808,764.42	830,617.23	(3,693.53)	805,070.89	822,460.42	(4,463.28)	0.00			
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	991,930.47	1,018,782.03	(6,725.11)	985,205.36	1,001,904.59	(10,152.33)	0.00			
FNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	118,978.38	122,199.12	(1,499.77)	117,478.61	119,469.87	(1,229.48)	0.00			
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	488,976.33	502,188.47	(75,074.78)	413,901.55	422,841.82	(4,271.87)	0.00			
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	223,353.70	229,388.72	(1,296.71)	222,056.99	226,853.42	(1,238.59)	0.00			
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	687,806.98	706,391.52	(139,183.50)	548,623.48	560,473.75	(6,734.27)	0.00			
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	662,057.56	679,946.35	(2,604.91)	659,452.65	673,696.83	(3,644.61)	0.00			
FNMA	1999 B-D RMRB	6.10	12/27/00	11/01/30	157,657.75	161,925.54	(1,187.48)	156,470.27	159,122.43	(1,615.63)	0.00			
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	115,172.53	118,290.25	(617.77)	114,554.76	116,496.46	(1,176.02)	0.00			
FNMA	1999 B-D RMRB	6.10	02/05/01	01/01/31	268,815.68	276,092.52	(1,810.56)	267,005.12	271,530.86	(2,751.10)	0.00			
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	66,890.03	68,697.40	(266.98)	66,623.05	68,062.11	(368.31)	0.00			
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	418,492.46	429,800.10	(77,015.47)	341,476.99	348,852.87	(3,931.76)	0.00			
GNMA	1999 B-D RMRB	6.10	09/28/01	09/20/31	74,880.85	76,904.13	(633.23)	74,247.62	75,851.37	(419.53)	0.00			
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	184,699.54	189,690.12	(875.73)	183,823.81	187,794.40	(1,019.99)	0.00			
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	43,389.27	44,561.65	(211.37)	43,177.90	44,110.54	(239.74)	0.00			
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	358,753.74	368,465.21	(1,796.90)	356,956.84	363,007.26	(3,661.05)	0.00			
GNMA	1999 B-D RMRB	6.10	01/22/02	12/20/31	181,024.49	185,915.77	(1,046.45)	179,978.04	183,865.56	(1,003.76)	0.00			
GNMA	1999 B-D RMRB	6.10	01/30/02	01/20/32	89,044.29	91,427.12	(336.61)	88,707.68	90,588.28	(502.23)	0.00			
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	971,599.45	997,599.46	(3,974.74)	967,624.71	988,138.36	(5,486.36)	0.00			
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	244,301.58	250,839.09	(958.16)	243,343.42	248,502.30	(1,378.63)	0.00			
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	699,017.14	717,722.89	(70,334.11)	628,683.03	642,011.16	(5,377.62)	0.00			
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	901,482.49	925,606.14	(144,501.61)	756,980.88	773,028.85	(8,075.68)	0.00			
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	602,522.08	618,645.57	(2,444.40)	600,077.68	612,799.32	(3,401.85)	0.00			
GNMA	1999 B-D RMRB	6.10	05/15/02	04/20/32	98,046.06	100,669.77	(340.02)	97,706.04	99,777.41	(552.34)	0.00			
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	398,993.99	409,671.07	(82,713.82)	316,280.17	322,985.31	(3,971.94)	0.00			
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	215,703.84	221,476.08	(893.74)	214,810.10	219,364.08	(1,218.26)	0.00			
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	150,362.88	154,386.59	(551.41)	149,811.47	152,987.47	(847.71)	0.00			
GNMA	1999 B-D RMRB	6.10	09/26/02	09/20/32	84,809.66	87,079.17	(284.52)	84,525.14	86,317.07	(477.58)	0.00			
GNMA	1999 B-D RMRB	6.10	10/21/02	09/20/32	98,686.19	101,327.03	(331.09)	98,355.10	100,440.23	(555.71)	0.00			
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	93,907.66	96,420.63	(315.16)	93,592.50	95,576.66	(528.81)	0.00			
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	109,463.03	112,379.13	(357.68)	109,105.35	111,384.56	(636.89)	0.00			
FNMA	1999 B-D RMRB	6.10	10/17/01	09/01/31	81,914.31	84,083.40	(390.67)	81,523.64	82,826.39	(866.34)	0.00			
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	209,947.79	215,507.21	(784.60)	209,163.19	212,505.62	(2,216.99)	0.00			
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	35,933.86	36,862.75	(126.28)	35,807.58	36,361.88	(374.59)	0.00			
Repo Agmt	1999 B-D RMRB	4.01	11/30/05	12/01/05	445.42	445.42	0.00	445.42	445.42	-	0.00			
	1999 B-D RMRB Total				36,609,662.09	37,872,108.41	2,696,954.30	(711.83)	(2,139,558.74)	0.00	37,166,345.82	38,147,077.93	(281,714.21)	0.00
Repo Agmt	2000 A RMRB	4.01	11/30/05	12/01/05	70,107.97	70,107.97	670.53	70,778.50	70,778.50	-	0.00			
Repo Agmt	2000 A RMRB	4.01	11/30/05	12/01/05	18,822.86	18,822.86	62,040.37	80,863.23	80,863.23	-	0.00			
GICs	2000 A RMRB	6.51	05/01/00	07/01/31	1,014,796.70	1,014,796.70	1,362,568.82	2,377,365.52	2,377,365.52	-	0.00			
Repo Agmt	2000 A RMRB	4.01	11/30/05	12/01/05	0.51	0.51	0.00	0.51	0.51	-	0.00			
GICs	2000 A RMRB	6.51	05/01/00	07/01/31	35,387.64	35,387.64	0.00	35,387.64	35,387.64	-	0.00			
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	924,634.68	959,308.47	(56,729.08)	867,905.60	895,765.35	(6,814.04)	0.00			
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	2,635,587.36	2,734,421.89	(166,917.24)	2,468,670.12	2,547,914.44	(19,590.21)	0.00			
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	576,561.60	598,182.65	(2,177.89)	574,383.71	592,821.42	(3,183.34)	0.00			
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	680,072.23	705,574.93	(2,630.57)	677,441.66	699,187.53	(3,756.83)	0.00			
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	442,861.46	459,468.76	(2,028.64)	440,832.82	454,983.55	(2,456.57)	0.00			
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	270,536.17	280,188.90	(1,089.95)	269,446.22	276,222.79	(2,876.16)	0.00			
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	286,945.79	297,706.24	(47,740.65)	239,205.14	246,883.62	(3,081.97)	0.00			
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	217,546.43	225,639.14	(93,221.86)	124,324.57	128,261.91	(4,155.37)	0.00			
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	1,063,553.73	1,103,437.01	(138,841.97)	924,711.76	954,395.03	(10,200.01)	0.00			
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	409,508.41	424,864.99	(79,839.40)	329,669.01	340,251.40	(4,774.19)	0.00			
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	466,089.46	483,567.79	(2,144.77)	463,944.69	478,837.28	(2,585.74)	0.00			
GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	349,321.82	362,421.42	(97,428.66)	251,893.16	259,978.96	(5,013.80)	0.00			
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	228,186.08	236,674.59	(908.75)	227,277.33	234,475.19	(1,290.65)	0.00			
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	374,859.36	388,804.11	(1,595.11)	373,264.25	385,085.52	(2,123.48)	0.00			
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	477,811.54	495,586.12	(78,131.35)	399,680.19	412,338.05	(5,116.72)	0.00			
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	177,295.93	183,891.34	(668.52)	176,627.41	182,221.20	(1,001.62)	0.00			
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	288,187.34	298,907.94	(1,068.28)	287,119.06	296,212.15	(1,627.51)	0.00			
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	459,661.48	476,062.21	(3,749.64)	455,911.84	467,378.02	(4,934.55)	0.00			

FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	29,420.88	30,470.62	(112.02)	29,308.86	30,045.98	(312.62)	0.00			
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	284,549.64	294,702.37	(1,088.35)	283,461.29	290,590.34	(3,023.68)	0.00			
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	515,523.12	534,700.78	(1,944.71)	513,578.41	529,843.63	(2,912.44)	0.00			
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	226,278.59	234,696.15	(1,209.90)	225,068.69	232,196.62	(1,289.63)	0.00			
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	131,824.70	136,728.58	(514.46)	131,310.24	135,468.84	(745.28)	0.00			
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	234,676.77	243,406.74	(816.09)	233,860.68	241,267.05	(1,323.60)	0.00			
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	210,460.28	218,289.40	(850.60)	209,609.68	216,248.01	(1,190.79)	0.00			
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	278,789.21	288,736.42	(64,275.45)	214,513.76	219,908.79	(4,552.18)	0.00			
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	94,336.35	97,702.27	(3,106.38)	91,229.97	93,524.40	(1,071.49)	0.00			
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	458,450.68	475,505.01	(1,963.42)	456,487.26	470,944.17	(2,597.42)	0.00			
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	227,740.60	236,212.54	(2,125.99)	225,614.61	232,759.81	(1,326.74)	0.00			
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	609,072.26	631,729.75	(2,179.11)	606,893.15	626,113.45	(3,437.19)	0.00			
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	374,660.65	388,598.02	(35,894.60)	338,766.05	349,494.76	(3,208.66)	0.00			
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	664,888.38	689,622.23	(3,003.18)	661,885.20	682,847.10	(3,771.95)	0.00			
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	310,164.82	321,702.93	(2,695.37)	307,469.45	317,206.99	(1,800.57)	0.00			
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	365,128.97	378,711.78	(1,262.51)	363,866.46	375,390.13	(2,059.14)	0.00			
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	209,084.09	216,862.03	(1,248.00)	207,836.09	214,418.27	(1,195.76)	0.00			
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	225,187.75	233,222.45	(3,328.55)	221,859.20	227,438.96	(2,454.94)	0.00			
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	585,910.40	607,635.92	(2,335.42)	583,574.98	601,870.02	(3,430.48)	0.00			
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	134,426.07	139,426.72	(492.46)	133,933.61	138,175.29	(758.97)	0.00			
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,649,435.30	1,710,596.34	(56,818.92)	1,592,616.38	1,642,544.88	(11,232.54)	0.00			
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	141,276.09	146,229.23	(505.17)	140,770.92	144,214.18	(1,509.88)	0.00			
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	91,154.37	94,534.37	(303.91)	90,850.46	93,698.62	(531.84)	0.00			
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	215,727.26	223,726.43	(770.39)	214,956.87	221,695.77	(1,260.27)	0.00			
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	432,239.87	448,267.34	(1,456.03)	430,783.84	444,288.93	(2,522.38)	0.00			
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	458,935.20	475,952.51	(1,879.88)	457,055.32	471,384.00	(2,688.63)	0.00			
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	139,102.89	144,260.82	(478.81)	138,624.08	142,969.94	(812.07)	0.00			
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	67,882.20	70,399.27	(233.64)	67,648.56	69,769.34	(396.29)	0.00			
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	65,233.96	67,652.83	(209.69)	65,024.27	67,062.78	(380.36)	0.00			
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	68,055.42	70,578.92	(498.27)	67,557.15	69,675.07	(405.58)	0.00			
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	44,489.51	46,139.18	(481.73)	44,007.78	45,387.42	(270.03)	0.00			
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	62,306.79	64,617.13	(202.53)	62,104.26	64,051.23	(363.37)	0.00			
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	134,368.99	139,351.39	(424.58)	133,944.41	138,143.57	(783.24)	0.00			
GNMA	2000 A RMRB	6.45	09/12/02	08/20/32	59,404.48	61,607.20	(200.80)	59,203.68	61,059.72	(346.68)	0.00			
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	74,918.85	77,696.84	(236.46)	74,682.39	77,023.68	(436.70)	0.00			
GNMA	2000 A RMRB	6.45	10/29/02	10/20/32	65,296.34	67,717.53	(214.38)	65,081.96	67,122.28	(380.87)	0.00			
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	41,070.66	42,593.56	(199.62)	40,871.04	42,152.35	(241.59)	0.00			
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	67,806.11	70,320.36	(209.83)	67,596.28	69,715.42	(395.11)	0.00			
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	79,549.06	82,492.37	(264.54)	79,284.52	81,749.48	(478.35)	0.00			
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	53,231.18	55,200.73	(264.26)	52,966.92	54,613.66	(322.81)	0.00			
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	164,106.26	169,859.83	(902.82)	163,203.44	167,195.39	(1,761.62)	0.00			
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	163,777.78	169,519.83	(578.80)	163,198.98	167,190.83	(1,750.20)	0.00			
GNMA	2000 A RMRB	6.45	02/20/03	02/20/33	71,807.56	74,464.44	(382.26)	71,425.30	73,645.91	(346.27)	0.00			
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	200,246.46	207,267.10	(112,896.24)	87,350.22	89,486.81	(4,884.05)	0.00			
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	122,610.29	126,830.54	(450.02)	122,160.27	125,115.33	(1,265.19)	0.00			
Repo Agmt	2000 A RMRB	4.01	11/30/05	12/01/05	14,401.93	14,401.93	0.00	14,401.93	14,401.93	-	0.00			
	2000 A RMRB Total				22,387,345.57	23,174,764.91	1,425,279.72	0.00	(1,088,422.48)	0.00	22,724,202.81	23,348,719.94	(162,902.21)	0.00
Repo Agmt	2003A RMRB	4.01	11/30/05	12/01/05	44,705.41	44,705.41	60,488.80	105,194.21	105,194.21	-	0.00			
Repo Agmt	2003A RMRB	4.01	11/30/05	12/01/05	9.73	9.73	440.67	450.40	450.40	-	0.00			
GICs	2003A RMRB	2.88	08/20/03	01/31/06	594,513.36	594,513.36	(307,369.78)	287,143.58	287,143.58	-	0.00			
Repo Agmt	2003A RMRB	4.01	11/30/05	12/01/05	27,447.32	27,447.32	(9,909.42)	17,537.90	17,537.90	-	0.00			
GICs	2003A RMRB	4.13	08/20/03	06/28/34	874,619.53	874,619.53	1,335,487.80	2,210,107.33	2,210,107.33	-	0.00			
Repo Agmt	2003A RMRB	4.01	11/30/05	12/01/05	98.54	98.54	1.19	99.73	99.73	-	0.00			
GICs	2003A RMRB	4.13	08/20/03	07/01/34	1,860.62	1,860.62	13.79	1,874.41	1,874.41	-	0.00			
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	12,237,538.88	12,012,375.61	(45,296.00)	12,192,242.88	11,584,376.91	(382,702.70)	0.00			
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,945,197.93	1,909,407.48	(7,587.26)	1,937,610.67	1,841,016.93	(60,803.29)	0.00			
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,449,673.47	1,423,000.35	(6,045.52)	1,443,627.95	1,371,784.84	(45,169.99)	0.00			
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	171,369.38	176,126.72	(539.17)	170,830.21	171,322.51	(4,265.04)	0.00			
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	185,778.82	182,870.90	(1,209.61)	184,569.21	175,879.57	(5,781.72)	0.00			
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	176,968.11	181,546.68	(529.67)	176,438.44	176,617.79	(4,399.22)	0.00			
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,951,972.75	1,921,419.24	(6,997.11)	1,944,975.64	1,853,253.26	(61,168.87)	0.00			
GNMA	2003A RMRB	5.49	04/08/04	04/20/34	344,997.00	354,574.35	(1,031.31)	343,965.69	344,929.43	(8,613.61)	0.00			
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	1,313,079.24	1,292,526.14	(4,677.79)	1,308,401.45	1,246,706.62	(41,141.73)	0.00			
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	64,082.79	65,861.77	(181.00)	63,901.79	64,081.22	(1,599.55)	0.00			
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,501,549.47	1,478,046.33	(5,679.33)	1,495,870.14	1,425,344.26	(47,022.74)	0.00			
GNMA	2003A RMRB	5.49	04/22/04	04/20/34	89,795.61	92,288.38	(259.28)	89,536.33	89,788.29	(2,240.81)	0.00			
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,092,733.21	1,072,627.56	(3,924.01)	1,088,809.20	1,034,557.04	(34,146.51)	0.00			
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	61,061.23	62,756.34	(170.58)	60,890.65	61,062.31	(1,523.45)	0.00			
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	678,549.97	666,065.06	(2,367.95)	676,182.02	642,495.04	(21,202.07)	0.00			

GNMA	2003A RMRB	4.49	05/13/04	05/20/34	544,637.79	534,616.77	(2,202.55)	542,435.24	515,414.58	(16,999.64)	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,404,045.14	1,378,211.54	(5,186.25)	1,398,858.89	1,329,184.71	(43,840.58)	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	663,901.40	651,686.02	(2,638.55)	661,262.85	628,329.95	(20,717.52)	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	1,080,163.22	1,060,288.88	(118,607.95)	961,555.27	913,674.25	(28,006.68)	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	562,620.61	552,268.72	(2,062.03)	560,558.58	532,648.58	(17,558.11)	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,297,409.99	1,273,538.42	(4,542.47)	1,292,867.52	1,228,503.54	(40,492.41)	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,457,666.35	1,430,846.15	(5,235.45)	1,452,430.90	1,380,131.59	(45,479.11)	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	1,241,906.83	1,276,382.98	(3,960.18)	1,237,946.65	1,241,500.35	(30,922.45)	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	255,825.08	251,118.05	(909.89)	254,915.19	242,241.15	(7,967.01)	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	160,679.50	165,140.09	(72,766.37)	87,913.13	88,171.65	(4,202.07)	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	314,560.63	308,772.91	(1,101.75)	313,458.88	297,876.23	(9,794.93)	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	171,496.71	176,257.59	(483.51)	171,013.20	171,517.11	(4,256.97)	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,252,184.18	1,229,144.77	(5,828.76)	1,246,355.42	1,184,403.85	(38,912.16)	0.00
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	77,024.68	79,162.93	(226.34)	76,798.34	77,025.10	(1,911.49)	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	202,749.75	199,576.18	(788.85)	201,960.90	192,465.65	(6,321.68)	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	675,210.17	662,786.72	(2,538.36)	672,671.81	639,242.97	(21,005.39)	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	208,511.39	213,906.05	(652.89)	207,858.50	208,085.12	(5,168.04)	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	138,739.83	142,591.34	(393.67)	138,346.16	138,756.34	(3,441.33)	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	459,793.23	451,333.31	(2,024.48)	457,768.75	435,023.15	(14,285.68)	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	53,802.05	55,295.63	(151.72)	53,650.33	53,805.27	(1,338.64)	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	503,290.78	494,030.53	(1,748.61)	501,542.17	476,585.48	(15,696.44)	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	63,380.53	65,140.02	(178.14)	63,202.39	63,385.42	(1,576.46)	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	592,042.14	581,148.94	(2,223.39)	589,818.75	560,472.82	(18,452.73)	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	565,466.51	556,615.48	(2,060.18)	563,406.33	536,890.52	(17,664.78)	0.00
FNMA	2003A RMRB	5.49	07/29/04	07/20/34	259,498.35	266,702.21	(733.31)	258,765.04	259,515.99	(6,452.91)	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	341,036.38	335,698.28	(1,394.29)	339,642.09	323,659.67	(10,644.32)	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	110,552.51	113,621.52	(312.89)	110,239.62	110,560.10	(2,748.53)	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	399,022.78	392,777.01	(1,388.27)	397,634.51	378,925.45	(12,463.29)	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	86,757.24	89,165.68	(245.09)	86,512.15	86,764.18	(2,156.41)	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	504,059.23	496,169.37	(112,861.17)	391,198.06	372,794.10	(10,514.10)	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	366,333.83	376,503.49	(1,243.59)	365,090.24	366,156.78	(9,103.12)	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	143,015.00	140,383.61	(503.13)	142,511.87	135,437.31	(4,443.17)	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	288,365.20	283,059.46	(1,023.95)	287,341.25	273,079.02	(8,956.49)	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	160,688.83	165,149.66	(690.27)	159,998.56	160,483.14	(3,976.25)	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	313,622.14	307,851.69	(1,342.57)	312,279.57	296,781.61	(9,727.51)	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	453,181.79	444,843.52	(2,165.49)	451,016.30	428,608.38	(14,069.65)	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	41,738.00	42,896.67	(131.30)	41,606.70	41,730.31	(1,035.06)	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	188,992.20	194,238.75	(728.13)	188,264.07	188,824.72	(4,685.90)	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	196,694.20	193,615.45	(682.57)	196,011.63	186,800.80	(6,132.08)	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	483,501.16	474,605.02	(1,734.95)	481,766.21	457,836.55	(15,033.52)	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	55,246.20	56,779.87	(159.49)	55,086.71	55,251.10	(1,369.28)	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	632,357.63	648,718.12	(2,098.41)	630,259.22	630,967.37	(15,652.34)	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	597,093.12	586,106.98	(2,098.72)	594,994.40	565,444.04	(18,564.22)	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	67,072.54	68,934.53	(238.21)	66,834.33	67,034.58	(1,661.74)	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	119,710.77	117,836.99	(417.49)	119,293.28	113,689.49	(3,730.01)	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	108,472.58	111,483.85	(318.20)	108,154.38	108,479.21	(2,686.44)	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	245,520.60	241,677.56	(866.30)	244,654.30	233,163.34	(7,647.92)	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	271,221.28	278,750.57	(779.76)	270,441.52	271,254.83	(6,715.98)	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	444,652.07	436,470.74	(1,995.40)	442,656.67	420,671.30	(13,804.04)	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	334,699.37	343,990.86	(1,059.34)	333,640.03	334,654.21	(8,277.31)	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	164,510.83	161,483.93	(906.54)	163,604.29	155,486.59	(5,090.80)	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	206,618.99	212,315.23	(55,691.28)	150,927.71	151,374.00	(5,249.95)	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	292,048.23	286,662.92	(1,065.17)	290,983.06	276,544.07	(9,053.68)	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	226,447.89	232,690.81	(663.54)	225,784.35	226,453.36	(5,573.91)	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	110,253.28	108,526.42	(384.09)	109,869.19	104,710.32	(3,432.01)	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	804,341.93	789,510.03	(3,224.49)	801,117.44	761,322.93	(24,962.61)	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	219,809.78	225,452.35	(652.28)	219,157.50	219,399.33	(5,400.74)	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	783,368.02	771,098.35	(2,962.43)	780,405.59	743,771.66	(24,364.26)	0.00
GNMA	2003A RMRB	4.49	02/17/05	02/20/35	298,616.18	293,109.78	(1,055.81)	297,560.37	282,784.86	(9,269.11)	0.00
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	56,378.53	57,932.83	(162.32)	56,216.21	56,384.49	(1,386.02)	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	106,131.62	109,057.54	(337.65)	105,793.97	106,112.70	(2,607.19)	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	28,207.17	27,765.37	(99.65)	28,107.52	26,789.07	(876.65)	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	121,001.78	124,337.66	(348.13)	120,653.65	121,017.88	(2,971.65)	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	320,554.32	329,391.63	(921.19)	319,633.13	320,604.17	(7,866.27)	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	229,763.30	236,097.61	(743.22)	229,020.08	229,718.86	(5,635.53)	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	63,363.86	62,371.41	(248.48)	63,115.38	60,157.11	(1,965.82)	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	185,078.17	190,180.56	(552.12)	184,526.05	185,090.20	(4,538.24)	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	188,175.34	193,363.11	(1,011.33)	187,164.01	187,738.49	(4,613.29)	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,399,730.07	1,373,919.35	(5,647.89)	1,394,082.18	1,324,965.33	(43,306.13)	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	685,186.58	704,076.34	(2,319.50)	682,867.08	684,997.64	(16,759.20)	0.00

GNMA	2003A RMRB	5.49	07/14/05	07/20/35	363,704.25	373,040.64		(1,054.96)	362,649.29	363,101.89	(8,883.79)	0.00		
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	129,314.17	127,288.77		(458.31)	128,855.86	122,819.37	(4,011.09)	0.00		
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	391,648.87	402,446.16		(1,484.57)	390,164.30	391,367.01	(9,594.58)	0.00		
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	289,199.26	297,172.13		(1,030.90)	288,168.36	289,060.16	(7,081.07)	0.00		
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	405,346.84	416,521.77		(2,259.68)	403,087.16	404,337.05	(9,925.04)	0.00		
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	303,894.24	311,695.30		(884.24)	303,010.00	303,382.65	(7,428.41)	0.00		
GNMA	2003A RMRB	5.49	09/08/05	09/20/35					282,310.35	283,207.18	896.83	0.00		
GNMA	2003A RMRB	5.49	09/15/05	09/20/35					714,142.13	716,415.12	2,272.99	0.00		
GNMA	2003A RMRB	5.49	09/22/05	09/20/35					206,300.67	206,958.76	658.09	0.00		
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	89,106.24	87,710.59		(331.10)	88,775.14	84,621.18	(2,758.31)	0.00		
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	595,864.88	612,292.15		(2,841.29)	593,023.59	594,881.65	(14,569.21)	0.00		
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	231,961.96	238,357.70		(697.31)	231,264.65	231,990.65	(5,669.74)	0.00		
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	449,510.12	461,902.58		(1,311.71)	448,198.41	449,608.15	(10,982.72)	0.00		
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	264,046.20	271,325.64		(970.77)	263,075.43	263,904.50	(6,450.37)	0.00		
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	315,192.61	323,882.09		(954.62)	314,237.99	315,230.20	(7,697.27)	0.00		
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	952,044.17	978,290.89		(2,992.18)	949,051.99	952,059.19	(23,239.52)	0.00		
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	418,853.96	430,401.26		(2,713.94)	416,140.02	417,458.62	(10,228.70)	0.00		
GNMA	2003A RMRB	5.49	10/27/05	10/20/35					414,981.09	416,317.88	1,336.79	0.00		
GNMA	2003A RMRB	5.49	09/29/05	09/20/35					242,000.15	242,319.06	318.91	0.00		
GNMA	2003A RMRB	5.49	09/29/05	09/20/35					625,172.39	627,170.44	1,998.05	0.00		
GNMA	2003A RMRB	5.49	10/06/05	09/20/35					533,427.03	535,135.10	1,708.07	0.00		
GNMA	2003A RMRB	5.49	10/13/05	10/20/35					388,576.47	389,823.08	1,246.61	0.00		
GNMA	2003A RMRB	5.49	10/20/05	10/20/35					333,708.32	334,781.28	1,072.96	0.00		
GNMA	2003A RMRB	5.49	10/20/05	10/20/35					389,028.05	390,278.87	1,250.82	0.00		
GNMA	2003A RMRB	5.49	11/03/05	09/20/35					205,982.60	208,702.22	2,719.62	0.00		
GNMA	2003A RMRB	5.49	11/03/05	10/20/35					274,866.36	278,495.47	3,629.11	0.00		
GNMA	2003A RMRB	5.49	11/10/05	11/20/35					161,534.46	163,668.22	2,133.76	0.00		
GNMA	2003A RMRB	5.49	11/17/05	07/20/35					231,172.37	234,227.44	3,055.07	0.00		
GNMA	2003A RMRB	5.49	11/17/05	10/20/35					434,190.31	439,928.39	5,738.08	0.00		
GNMA	2003A RMRB	5.49	11/22/05	11/20/35					221,044.51	223,966.88	2,922.37	0.00		
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	306,452.83	298,834.97		(1,331.04)	305,121.79	286,754.14	(10,749.79)	0.00		
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	317,941.92	310,038.49		(1,180.57)	316,761.35	297,709.46	(11,148.46)	0.00		
FNMA	2003A RMRB	4.49	08/26/04	08/01/34	277,122.01	270,233.29		(1,033.57)	276,088.44	259,486.25	(9,713.47)	0.00		
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	206,436.82	209,545.02		(635.32)	205,801.50	203,783.89	(5,125.81)	0.00		
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	337,227.05	328,846.15		(1,234.72)	335,992.33	315,792.34	(11,819.09)	0.00		
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	168,385.35	164,199.62		(159.80)	167,765.55	157,682.28	(5,897.54)	0.00		
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	234,070.24	228,115.30		(852.06)	233,218.18	218,795.01	(8,468.23)	0.00		
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	359,904.95	365,325.68		(1,100.40)	358,804.55	355,037.42	(9,187.86)	0.00		
FNMA	2003A RMRB	5.49	08/18/05	06/01/35	326,712.71	331,633.51		(1,133.16)	325,579.55	322,169.34	(8,331.01)	0.00		
GNMA	2003A RMRB	5.49	09/08/05	08/01/35					257,421.68	254,727.68	(2,694.00)	0.00		
GNMA	2003A RMRB	5.49	10/06/05	10/01/35					273,822.14	270,959.77	(2,862.37)	0.00		
GNMA	2003A RMRB	5.49	10/20/05	10/01/35					255,398.93	252,730.67	(2,668.26)	0.00		
GICs	2003A RMRB	2.88	02/01/05	01/31/06	10,200,884.04	10,200,884.04		(6,465,817.38)	3,735,066.66	3,735,066.66	-	0.00		
Repo Agmt	2003A RMRB	4.01	11/30/05	12/01/05	4.20	4.20	0.00		4.20	4.20	-	0.00		
	2003A RMRB Total				70,392,231.62	69,961,970.07	7,841,512.26	(6,783,096.58)	(570,323.55)	0.00	70,880,323.75	68,740,866.37	(1,709,195.83)	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	389,445.53	416,025.71		(3,709.86)	385,735.67	408,349.55	(3,966.30)	0.00		
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	942,223.20	1,006,531.17		(69,045.15)	873,178.05	924,395.23	(13,090.79)	0.00		
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	166,086.79	180,750.91		(2,170.39)	163,916.40	176,892.34	(1,688.18)	0.00		
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	808,988.29	864,202.82		(10,351.59)	798,636.70	847,902.18	(5,949.05)	0.00		
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	119,399.72	129,941.70		(1,576.79)	117,822.93	127,514.26	(850.65)	0.00		
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	507,974.32	542,644.21		(34,126.08)	473,848.24	501,656.86	(6,861.27)	0.00		
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	132,444.61	144,138.37		(993.77)	131,450.84	141,860.83	(1,283.77)	0.00		
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	261,676.62	279,536.43		(2,229.56)	259,447.06	274,675.42	(2,631.45)	0.00		
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	101,738.92	108,682.81		(912.41)	100,826.51	106,746.01	(1,024.39)	0.00		
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	189,600.21	206,706.25		(2,812.30)	186,787.91	201,928.58	(1,965.37)	0.00		
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	307,360.80	328,706.11		(3,615.07)	303,745.73	321,902.53	(3,188.51)	0.00		
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	107,551.48	117,254.92		(31,967.49)	75,583.99	81,708.95	(3,578.48)	0.00		
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	363,072.67	388,287.19		(5,456.44)	357,616.23	379,001.31	(3,829.44)	0.00		
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	186,191.22	202,989.63		(3,170.19)	183,021.03	197,856.32	(1,963.12)	0.00		
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	448,889.87	480,064.09		(18,271.76)	430,618.11	456,375.37	(5,416.96)	0.00		
GNMA	1999 A RMRB	7.50	06/28/90	04/20/19	70,165.24	75,038.07		(59,670.85)	10,494.39	11,122.24	(4,244.98)	0.00		
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	98,803.68	107,717.91		(1,161.72)	97,641.96	105,558.93	(997.26)	0.00		
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	58,326.62	62,377.29		(456.47)	57,870.15	61,335.23	(585.59)	0.00		
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	50,929.57	54,466.50		(487.77)	50,441.80	53,463.08	(515.65)	0.00		
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	30,869.89	33,655.03		(224.24)	30,645.65	33,132.80	(297.99)	0.00		
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	42,699.23	45,664.58		(311.98)	42,387.25	44,928.12	(424.48)	0.00		
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	167,961.19	183,427.16		(1,067.66)	166,893.53	180,739.74	(1,619.76)	0.00		
GNMA	1999 A RMRB	8.75	04/29/91	02/20/20	35,733.57	39,023.96		(249.16)	35,484.41	38,428.69	(346.11)	0.00		
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	119,704.71	128,017.96		(971.95)	118,732.76	125,852.06	(1,193.95)	0.00		

GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	43,187.92	43,741.62		(199.54)	42,988.38	42,527.58	(1,014.50)	0.00		
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	401,405.07	406,474.82		(1,853.97)	399,551.10	395,251.93	(9,368.92)	0.00		
GNMA	1999 A RMRB				46,803.61	47,394.74		(46,803.61)			(591.13)	0.00		
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	64,552.35	65,367.65		(277.02)	64,275.33	63,583.73	(1,506.90)	0.00		
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	55,722.56	56,426.34		(239.79)	55,482.77	54,885.78	(1,300.77)	0.00		
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	147,946.54	149,815.11		(46,492.56)	101,453.98	100,362.34	(2,960.21)	0.00		
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	254,074.02	255,468.89		(1,346.26)	252,727.76	248,251.95	(5,870.68)	0.00		
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	70,416.40	70,787.49		(549.71)	69,866.69	68,606.99	(1,630.79)	0.00		
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	40,549.00	41,049.78		(180.00)	40,369.00	39,919.69	(950.09)	0.00		
Repo Agmt	1999 A RMRB	4.01	11/30/05	12/01/05	401,199.23	401,199.23	0.00		401,199.23	401,199.23	-	0.00		
1999 A RMRB Total					7,233,694.65	7,663,576.45	0.00	0.00	(352,953.11)	0.00	6,880,741.54	7,217,915.85	(92,707.49)	0.00
Total Residential Mortgage Revenue Bonds Investment Summary					398,028,858.24	405,220,413.79	28,474,084.35	(9,151,469.27)	(13,449,937.80)	0.00	403,901,535.52	403,648,735.29	(7,444,355.78)	0.00

Texas Department of Housing and Community Affairs
Collateralized Home Mortgage Revenue Bonds Investment Summary
For Period Ending November 30, 2005

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	4.01	11/30/05	12/01/05	47,167.75	47,167.75	451.15				47,618.90	47,618.90	-	0.00
Repo Agmt	1990 A&B CHMRB	4.01	11/30/05	12/01/05	76,265.47	76,265.47	729.48				76,994.95	76,994.95	-	0.00
Mutual Fund	1990 A&B CHMRB	3.55	11/01/05	12/01/05	23.15	23.15	0.00				23.15	23.15	-	0.00
Repo Agmt	1990 A&B CHMRB	4.01	11/30/05	12/01/05	210,684.45	210,684.45	2,015.08				212,699.53	212,699.53	-	0.00
1990 A&B CHMRB Total					334,140.82	334,140.82	3,195.71	0.00	0.00	0.00	337,336.53	337,336.53	0.00	0.00
Repo Agmt	1991 A CHMRB	4.01	11/30/05	12/01/05	99,530.00	99,530.00	951.94				100,481.94	100,481.94	-	0.00
Repo Agmt	1991 A CHMRB	4.01	11/30/05	12/01/05	6,634.99	6,634.99	63.44				6,698.43	6,698.43	-	0.00
1991 A CHMRB Total					106,164.99	106,164.99	1,015.38	0.00	0.00	0.00	107,180.37	107,180.37	0.00	0.00
Repo Agmt	1992 A-C CHMRB	4.01	11/30/05	12/01/05	135,462.92	135,462.92	63,727.48				199,190.40	199,190.40	-	0.00
GICs	1992 A-C CHMRB	6.09	06/29/92	07/02/24	1,012,528.93	1,012,528.93	958,255.01				1,970,783.94	1,970,783.94	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	31,718.62	33,689.27			(163.93)		31,554.69	33,219.36	(305.98)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	160,460.96	170,430.07			(1,427.34)		159,033.62	167,416.11	(1,586.62)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	349,722.80	371,548.81			(4,095.01)		345,627.79	364,100.74	(3,353.06)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,385,041.13	1,471,104.80			(8,711.37)		1,376,329.76	1,450,214.97	(12,178.46)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	952,299.19	1,011,473.11			(83,843.70)		868,455.49	915,081.17	(12,548.24)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	378,382.41	401,894.36			(55,018.15)		323,364.26	340,725.06	(6,151.15)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	1,021,205.65	1,084,661.27			(140,532.97)		880,672.68	927,964.48	(16,163.82)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	1,188,237.46	1,261,414.89			(58,559.21)		1,129,678.25	1,190,341.59	(12,514.09)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	335,557.01	355,577.07			(1,908.45)		333,648.56	350,229.98	(3,438.64)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	347,379.03	367,971.18			(41,423.69)		305,955.34	321,737.33	(4,810.16)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	229,642.52	243,255.44			(4,058.68)		225,583.84	237,227.01	(1,969.75)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	408,575.95	432,795.80			(7,056.26)		401,519.69	422,255.81	(3,483.73)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	303,606.44	321,603.88			(62,098.91)		241,507.53	253,982.55	(5,522.42)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	109,889.26	116,403.36			(22,494.02)		87,395.24	91,910.53	(1,998.81)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	385,042.28	407,867.04			(2,743.06)		382,299.22	402,062.08	(3,061.90)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	67,197.46	71,180.84			(1,459.68)		65,737.78	69,131.43	(589.73)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	668,991.39	707,973.37			(5,721.79)		663,269.60	697,490.71	(4,760.87)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	910,451.04	963,502.91			(4,643.42)		905,807.62	952,550.12	(6,309.37)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	543,826.39	575,515.09			(70,325.05)		473,501.34	497,940.00	(7,250.04)	0.00
GICs	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.00	100,000.00	0.05				100,000.05	100,000.05	-	0.00
GICs	1992 A-C CHMRB	6.09	06/29/92	07/02/24	1,412,864.19	1,412,864.19	0.06				1,412,864.25	1,412,864.25	-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	143,704.73	152,632.86			(13,912.00)		129,792.73	136,631.75	(2,089.11)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	1,061,241.30	1,124,150.30			(34,096.34)		1,027,144.96	1,080,111.60	(9,942.36)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	2,505,004.18	2,650,970.43			(14,259.18)		2,490,745.00	2,619,101.28	(17,609.97)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	2,377,505.53	2,516,042.43			(74,397.70)		2,303,107.83	2,421,816.47	(19,828.26)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	2,923,807.42	3,094,177.26			(175,147.79)		2,748,659.63	2,890,356.52	(28,672.95)	0.00
Repo Agmt	1992 A-C CHMRB	4.01	11/30/05	12/01/05	10,370.57	10,370.57	1,107.62				11,478.19	11,478.19	-	0.00
Repo Agmt	1992 A-C CHMRB				0.06	0.06		(0.06)					-	0.00
1992 A-C CHMRB Total					21,459,716.82	22,579,062.51	1,023,090.22	(0.06)	(888,097.70)	0.00	21,594,709.28	22,527,915.48	(186,139.49)	0.00
Total CHMRB Investment Summary					21,900,022.63	23,019,368.32	1,027,301.31	(0.06)	(888,097.70)	0.00	22,039,226.18	22,972,432.38	(186,139.49)	0.00

**Texas Department of Housing and Community Affairs
Multi Family Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.55	11/01/05	12/01/05	44,768.63	44,768.63		(44,694.87)			73.76	73.76	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.55	11/01/05	12/01/05	75,725.94	75,725.94		(75,609.02)			116.92	116.92	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.55	11/01/05	12/01/05	32,746.41	32,746.41		(10,882.47)			21,863.94	21,863.94	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	3.55	11/01/05	12/01/05	10,457.36	10,457.36	3,632.77				14,090.13	14,090.13	-	0.00
	1996 A&B MF (Brighton/LasColi) Total				163,698.34	163,698.34	3,632.77	(131,186.36)	0.00	0.00	36,144.75	36,144.75	0.00	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	3.55	11/01/05	12/01/05	67,767.66	67,767.66		(67,741.02)			26.64	26.64	-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	3.55	11/01/05	12/01/05	23,954.26	23,954.26	5,891.51				29,845.77	29,845.77	-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	3.14	11/01/05	12/01/05	467.36	467.36	4.09				471.45	471.45	-	0.00
	1998 M/F (Dallas-Oxford Rfdg) Total				92,189.28	92,189.28	5,895.60	(67,741.02)	0.00	0.00	30,343.86	30,343.86	0.00	0.00
Mutual Fund	1984 A & B M/F (Summer Bend)				2.42	2.42		(2.42)					-	0.00
Money Market	1984 A & B M/F (Summer Bend)				60,171.38	60,171.38		(60,171.38)					-	0.00
	1984 A & B M/F (Summer Bend) Total				60,173.80	60,173.80	0.00	(60,173.80)	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)	3.55	11/01/05	12/01/05	74,785.18	74,785.18		(74,698.32)			86.86	86.86	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	3.55	11/01/05	12/01/05	38,455.63	38,455.63		(11,780.90)			26,674.73	26,674.73	-	0.00
	1996 A&B MF (Braxton's) Total				113,240.81	113,240.81	0.00	(86,479.22)	0.00	0.00	26,761.59	26,761.59	0.00	0.00
T-Note	1993 A&B M/F(Reming. Hill/HP)	5.73	09/07/05	12/29/05	82,761.11	82,761.11	72,375.49				155,136.60	155,136.60	-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	4.01	11/30/05	12/01/05	540.46	540.46	5.30				545.76	545.76	-	0.00
T-Bill	1993 A&B M/F(Reming. Hill/HP)	5.81	11/10/05	12/15/05	100,713.37	100,713.37		(21,986.57)			78,726.80	78,726.80	-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	4.01	11/30/05	12/01/05	23,332.46	23,332.46	223.24				23,555.70	23,555.70	-	0.00
	1993 A&B M/F(Reming. Hill/HP) Total				207,347.40	207,347.40	72,604.03	(21,986.57)	0.00	0.00	257,964.86	257,964.86	0.00	0.00
Repo Agmt	1987 South Tx. Rental Housing	4.01	11/30/05	12/01/05	939,766.22	939,766.22	8,987.85				948,754.07	948,754.07	-	0.00
	1987 South Tx. Rental Housing Total				939,766.22	939,766.22	8,987.85	0.00	0.00	0.00	948,754.07	948,754.07	0.00	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	3.55	11/01/05	12/01/05	4.26	4.26	0.00				4.26	4.26	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	3.14	11/01/05	12/01/05	404,846.66	404,846.66	2,632.19				407,478.85	407,478.85	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	3.14	11/01/05	12/01/05	8.55	8.55	0.00				8.55	8.55	-	0.00
	1996 A-D M/F(Dallas-Ft Worth) Total				404,859.47	404,859.47	2,632.19	0.00	0.00	0.00	407,491.66	407,491.66	0.00	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	3.31	11/01/05	12/01/05	41,586.58	41,586.58	1,562.01				43,148.59	43,148.59	-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	3.55	11/01/05	12/01/05	18,293.96	18,293.96	0.00				18,293.96	18,293.96	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.25	11/12/96	07/01/26	148,805.40	148,805.40		(78,772.59)			70,032.81	70,032.81	-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	3.55	11/01/05	12/01/05	67,661.33	67,661.33	21,948.07				89,609.40	89,609.40	-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	3.14	11/01/05	12/01/05	0.01	0.01	0.00				0.01	0.01	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/05/96	07/01/26	86,743.95	86,743.95	0.00				86,743.95	86,743.95	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/05/96	07/01/26	777,671.25	777,671.25	0.00				777,671.25	777,671.25	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/05/96	07/01/26	177,500.00	177,500.00	0.00				177,500.00	177,500.00	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	07/01/26	139,920.21	139,920.21	194,246.88				334,167.09	334,167.09	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	07/01/26	6,481.94	6,481.94	13,842.74				20,324.68	20,324.68	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	07/01/26	17,116.21	17,116.21	8,619.81				25,736.02	25,736.02	-	0.00
	1996 A-D M/F(Harbors/Plumtree) Total				1,481,780.84	1,481,780.84	240,219.51	(78,772.59)	0.00	0.00	1,643,227.76	1,643,227.76	0.00	0.00
Mutual Fund	1996 A&B M/F(NHP Project)	3.14	11/01/05	12/01/05	0.02	0.02	0.00				0.02	0.02	-	0.00
Inv Agmt	1996 A&B M/F(NHP Project)	6.70	11/21/96	01/01/27	1.00	1.00	0.00				1.00	1.00	-	0.00
	1996 A&B M/F(NHP Project) Total				1.02	1.02	0.00	0.00	0.00	0.00	1.02	1.02	0.00	0.00
Mutual Fund	1997 M/F (Meadow Ridge)	3.14	11/01/05	12/01/05	3.38	3.38	0.00				3.38	3.38	-	0.00
	1997 M/F (Meadow Ridge) Total				3.38	3.38	0.00	0.00	0.00	0.00	3.38	3.38	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)				20,596.09	20,596.09		(20,596.09)					-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	3.55	11/01/05	12/01/05	122,221.10	122,221.10		(60,048.15)			62,172.95	62,172.95	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	68,174.24	68,174.24	244,713.75				312,887.99	312,887.99	-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	3.14	11/01/05	12/01/05	35,109.49	35,109.49	239.31				35,348.80	35,348.80	-	0.00
	1998 M/F (Pebble Brook) Total				246,100.92	246,100.92	244,953.06	(80,644.24)	0.00	0.00	410,409.74	410,409.74	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)				222,315.78	222,315.78		(222,315.78)					-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.55	11/01/05	12/01/05	0.11	0.11	0.00				0.11	0.11	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.55	11/01/05	12/01/05	205,145.23	205,145.23		(126,320.48)			78,824.75	78,824.75	-	0.00

Mutual Fund	1998 M/F (Residence Oaks Proj)	3.55	11/01/05	12/01/05	141,049.95	141,049.95		(25,648.78)		115,401.17	115,401.17	-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)				32,169.66	32,169.66		(32,169.66)				-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)				113,951.85	113,951.85		(113,951.85)				-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	3.55	11/01/05	12/01/05	2,256.76	2,256.76	6,662.57			8,919.33	8,919.33	-	0.00	
	1998 M/F (Residence Oaks Proj) Total				716,889.34	716,889.34	6,662.57	(520,406.55)	0.00	0.00	203,145.36	203,145.36	0.00	0.00
Mutual Fund	1998 M/F (Volente Project)	3.14	11/01/05	12/01/05	1,471.21	1,471.21		(500.00)		971.21	971.21	-	0.00	
Mutual Fund	1998 M/F (Volente Project)	3.14	11/01/05	12/01/05			61,146.71			61,146.71	61,146.71	-	0.00	
Inv Agmt	1998 M/F (Volente Project)	5.22	05/14/98	01/01/31	150,632.17	150,632.17	122,162.72			272,794.89	272,794.89	-	0.00	
Mutual Fund	1998 M/F (Volente Project)	3.14	11/01/05	12/01/05	3,972.42	3,972.42	28.41			4,000.83	4,000.83	-	0.00	
Mutual Fund	1998 M/F (Volente Project)	3.14	11/01/05	12/01/05	1.24	1.24	0.00			1.24	1.24	-	0.00	
Mutual Fund	1998 M/F (Volente Project)	3.14	11/01/05	12/01/05	11.28	11.28	0.09			11.37	11.37	-	0.00	
	1998 M/F (Volente Project) Total				156,088.32	156,088.32	183,337.93	(500.00)	0.00	0.00	338,926.25	338,926.25	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.55	11/01/05	12/01/05	2,960.13	2,960.13	9,405.17			12,365.30	12,365.30	-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.55	11/01/05	12/01/05	213,804.67	213,804.67	95,250.04			309,054.71	309,054.71	-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.55	11/01/05	12/01/05	147,030.45	147,030.45		(29,376.71)		117,653.74	117,653.74	-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail)	3.14	11/01/05	12/01/05	105,000.00	105,000.00		(104,999.55)		0.45	0.45	-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	03/22/01	09/01/30	1.55	1.55	54,999.99			55,001.54	55,001.54	-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail)				341,846.41	341,846.41		(341,846.41)				-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	09/10/98	09/01/30	5.72	5.72	169,338.75			169,344.47	169,344.47	-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail)				31,000.00	31,000.00		(31,000.00)				-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail)	4.94	03/22/01	09/01/30	6,606.12	6,606.12	16,041.59			22,647.71	22,647.71	-	0.00	
	1998 M/F (Greens-Hickory Trail) Total				848,255.05	848,255.05	345,035.54	(507,222.67)	0.00	0.00	686,067.92	686,067.92	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	3.55	11/01/05	12/01/05	122,639.69	122,639.69	60,640.58			183,280.27	183,280.27	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	3.55	11/01/05	12/01/05	1.78	1.78	0.00			1.78	1.78	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	3.55	11/01/05	12/01/05	14,253.68	14,253.68	109,449.11			123,702.79	123,702.79	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	3.55	11/01/05	12/01/05	46,630.39	46,630.39		(1,731.78)		44,898.61	44,898.61	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)				46,503.53	46,503.53		(46,503.53)				-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)				155,341.64	155,341.64		(155,341.64)				-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	3.55	11/01/05	12/01/05	0.16	0.16	0.00			0.16	0.16	-	0.00	
	1999 M/F (Mayfield Apts) Total				385,370.87	385,370.87	170,089.69	(203,576.95)	0.00	0.00	351,883.61	351,883.61	0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05			2,507.71			2,507.71	2,507.71	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)				7,518.05	7,518.05		(7,518.05)				-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05	6,929.38	6,929.38	55.13			6,984.51	6,984.51	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.31	11/01/05	12/01/05			101,513.14			101,513.14	101,513.14	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05	0.01	0.01	0.00			0.01	0.01	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05	92,891.77	92,891.77		(441.82)		92,449.95	92,449.95	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05	26,551.99	26,551.99	0.00			26,551.99	26,551.99	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	3.55	11/01/05	12/01/05	16,194.53	16,194.53	0.00			16,194.53	16,194.53	-	0.00	
Inv Agmt	1999 M/F (Woodglen Village)	3.31	11/01/05	12/01/05	731.45	731.45	1,227.44			1,958.89	1,958.89	-	0.00	
	1999 M/F (Woodglen Village) Total				150,817.18	150,817.18	105,303.42	(7,959.87)	0.00	0.00	248,160.73	248,160.73	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	3.55	11/01/05	12/01/05	19,304.57	19,304.57	2,898.95			22,203.52	22,203.52	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	3.14	11/01/05	12/01/05	3,545.70	3,545.70	23.06			3,568.76	3,568.76	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	3.14	11/01/05	12/01/05	2.33	2.33	0.00			2.33	2.33	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	3.14	11/01/05	12/01/05	3.53	3.53	0.00			3.53	3.53	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	3.14	11/01/05	12/01/05	52,064.08	52,064.08	25,624.58			77,688.66	77,688.66	-	0.00	
	2000 M/F (Timber Point Apts) Total				74,920.21	74,920.21	28,546.59	0.00	0.00	0.00	103,466.80	103,466.80	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.14	11/01/05	12/01/05	179,988.61	179,988.61	24,496.24			204,484.85	204,484.85	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.14	11/01/05	12/01/05	134,065.61	134,065.61	6,889.36			140,954.97	140,954.97	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)				689.25	689.25		(689.25)				-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.14	11/01/05	12/01/05	0.04	0.04	0.00			0.04	0.04	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.14	11/01/05	12/01/05	93,832.81	93,832.81	778.75			94,611.56	94,611.56	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	3.14	11/01/05	12/01/05	17,980.09	17,980.09	2,423.38			20,403.47	20,403.47	-	0.00	
	2000 A&B M/F (Oaks at Hampton) Total				426,556.41	426,556.41	34,587.73	(689.25)	0.00	0.00	460,454.89	460,454.89	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	3.14	11/01/05	12/01/05	2,931.34	2,931.34	2,982.47			5,913.81	5,913.81	-	0.00	
Mutual Fund	2000 M/F (Deerwood Apts)	3.14	11/01/05	12/01/05	0.02	0.02	0.00			0.02	0.02	-	0.00	
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	92,725.68	92,725.68	121,610.30			214,335.98	214,335.98	-	0.00	
	2000 M/F (Deerwood Apts) Total				95,657.04	95,657.04	124,592.77	0.00	0.00	0.00	220,249.81	220,249.81	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	3.55	11/01/05	12/01/05	23,305.11	23,305.11	1,570.70			24,875.81	24,875.81	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	3.55	11/01/05	12/01/05	9.88	9.88	0.00			9.88	9.88	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	3.55	11/01/05	12/01/05	0.30	0.30	0.00			0.30	0.30	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	3.55	11/01/05	12/01/05	111,222.49	111,222.49		(77,446.10)		33,776.39	33,776.39	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	3.55	11/01/05	12/01/05	228.08	228.08	2.46			230.54	230.54	-	0.00	

	2000 M/F (Creek Point Apts) Total				134,765.86	134,765.86	1,573.16	(77,446.10)	0.00	0.00	58,892.92	58,892.92	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	7,767.44	7,767.44	7,593.17				15,360.61	15,360.61	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	161,093.92	161,093.92		(34,010.05)			127,083.87	127,083.87	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	11.06	11.06	0.09				11.15	11.15	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	264.84	264.84	1.89				266.73	266.73	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	91,267.09	91,267.09	78.02				91,345.11	91,345.11	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	3.14	11/01/05	12/01/05	164,722.10	164,722.10	19,985.18				184,707.28	184,707.28	-	0.00
	2000 M/F (Parks @ Westmoreld) Total				425,126.45	425,126.45	27,658.35	(34,010.05)	0.00	0.00	418,774.75	418,774.75	0.00	0.00
Mutual Fund	2000 M/F (Honey Creek)	3.55	11/01/05	12/01/05	12,498.93	12,498.93		(2,151.60)			10,347.33	10,347.33	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	3.55	11/01/05	12/01/05	0.55	0.55	0.00				0.55	0.55	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	3.55	11/01/05	12/01/05	0.06	0.06	0.00				0.06	0.06	-	0.00
Mutual Fund	2000 M/F (Honey Creek)	3.55	11/01/05	12/01/05	4.86	4.86	31.26				36.12	36.12	-	0.00
	2000 M/F (Honey Creek) Total				12,504.40	12,504.40	31.26	(2,151.60)	0.00	0.00	10,384.06	10,384.06	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.55	11/01/05	12/01/05	144,970.49	144,970.49	55,715.30				200,685.79	200,685.79	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.55	11/01/05	12/01/05	108,524.13	108,524.13		(5,059.32)			103,464.81	103,464.81	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.55	11/01/05	12/01/05	6,584.80	6,584.80	2,896.62				9,481.42	9,481.42	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.55	11/01/05	12/01/05	33,573.81	33,573.81		(33,182.14)			391.67	391.67	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	3.55	11/01/05	12/01/05	166,226.11	166,226.11		(165,458.41)			767.70	767.70	-	0.00
	2000 A-C MF Highland Meadows Total				459,879.34	459,879.34	58,611.92	(203,699.87)	0.00	0.00	314,791.39	314,791.39	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.14	11/01/05	12/01/05	31,009.12	31,009.12	0.00				31,009.12	31,009.12	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.14	11/01/05	12/01/05	37,200.68	37,200.68	301,213.36				338,414.04	338,414.04	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	3.14	11/01/05	12/01/05	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	0.00
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	0.00
	2000 A/B MF Greenbridge Total				79,985.25	79,985.25	301,213.36	0.00	0.00	0.00	381,198.61	381,198.61	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.55	11/01/05	12/01/05	139,436.65	139,436.65	52,590.65				192,027.30	192,027.30	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.55	11/01/05	12/01/05	28,571.83	28,571.83		(5,232.88)			23,338.95	23,338.95	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.14	11/01/05	12/01/05	9,490.93	9,490.93	126,817.89				136,308.82	136,308.82	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.55	11/01/05	12/01/05	40,171.01	40,171.01		(40,169.78)			1.23	1.23	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	3.55	11/01/05	12/01/05	230,705.85	230,705.85		(230,704.67)			1.18	1.18	-	0.00
	2000 A-C MF Collingham Park Total				448,376.27	448,376.27	179,408.54	(276,107.33)	0.00	0.00	351,677.48	351,677.48	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	3.14	11/01/05	12/01/05	2,513.09	2,513.09	0.00				2,513.09	2,513.09	-	0.00
Mutual Fund	2000 A/B MF Willams Run	3.14	11/01/05	12/01/05	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Willams Run	3.14	11/01/05	12/01/05	66,185.40	66,185.40	94,397.65				160,583.05	160,583.05	-	0.00
Mutual Fund	2000 A/B MF Willams Run	3.14	11/01/05	12/01/05	1,428.77	1,428.77	10.22				1,438.99	1,438.99	-	0.00
Mutual Fund	2000 A/B MF Willams Run	3.14	11/01/05	12/01/05	0.66	0.66	0.00				0.66	0.66	-	0.00
	2000 A/B MF Willams Run Total				70,142.64	70,142.64	94,407.87	0.00	0.00	0.00	164,550.51	164,550.51	0.00	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	3.14	11/01/05	12/01/05	745,079.73	745,079.73	5,328.03				750,407.76	750,407.76	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	3.14	11/01/05	12/01/05	18,154.63	18,154.63	6,584.34				24,738.97	24,738.97	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	3.14	11/01/05	12/01/05	113,957.52	113,957.52	10,478.47				124,435.99	124,435.99	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	3.14	11/01/05	12/01/05	89,060.46	89,060.46	97.67				89,158.13	89,158.13	-	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	3.14	11/01/05	12/01/05	226,751.42	226,751.42	21,907.95				248,659.37	248,659.37	-	0.00
	2000 A/B MF Red Hills Villas Total				1,193,003.76	1,193,003.76	44,396.46	0.00	0.00	0.00	1,237,400.22	1,237,400.22	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.14	11/01/05	12/01/05	19,330.60	19,330.60	2,924.69				22,255.29	22,255.29	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.14	11/01/05	12/01/05	177,885.95	177,885.95	21,667.78				199,553.73	199,553.73	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.14	11/01/05	12/01/05	105,852.27	105,852.27		(21,459.60)			84,392.67	84,392.67	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.14	11/01/05	12/01/05	97,850.58	97,850.58	121.58				97,972.16	97,972.16	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	3.14	11/01/05	12/01/05	37,708.59	37,708.59	269.65				37,978.24	37,978.24	-	0.00
	2001A MF Bluffview Sr. Apts. Total				438,627.99	438,627.99	24,983.70	(21,459.60)	0.00	0.00	442,152.09	442,152.09	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.14	11/01/05	12/01/05	9,503.39	9,503.39	3,494.94				12,998.33	12,998.33	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.14	11/01/05	12/01/05	229,068.51	229,068.51	29,744.75				258,813.26	258,813.26	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.14	11/01/05	12/01/05	60,515.87	60,515.87		(19,165.56)			41,350.31	41,350.31	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	3.14	11/01/05	12/01/05	122,086.51	122,086.51		(1.33)			122,085.18	122,085.18	-	0.00
	2001A MF Knollwood Villas Apts Total				421,174.28	421,174.28	33,239.69	(19,166.89)	0.00	0.00	435,247.08	435,247.08	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	7,135.61	7,135.61	21,359.41				28,495.02	28,495.02	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	72,499.99	72,499.99	14,499.99				86,999.98	86,999.98	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	1,452.92	1,452.92	3,724.85				5,177.77	5,177.77	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	146,651.26	146,651.26	81,053.01				227,704.27	227,704.27	-	0.00
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	11,748.17	11,748.17		(11,748.17)					-	0.00
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	25,584.58	25,584.58	0.00				25,584.58	25,584.58	-	0.00

Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	14,027.78	14,027.78	42,083.34			56,111.12	56,111.12	-	0.00	
Inv Agmt	2001A MF Skyway Villas	5.00	08/30/04	12/01/34	28,057.55	28,057.55	0.00			28,057.55	28,057.55	-	0.00	
Mutual Fund	2001A MF Skyway Villas	3.14	11/01/05	12/01/05	51,491.76	51,491.76	118,041.95			169,533.71	169,533.71	-	0.00	
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	102,988.28	102,988.28	0.00			102,988.28	102,988.28	-	0.00	
	2001A MF Skyway Villas Total				461,637.90	461,637.90	280,762.55	(11,748.17)	0.00	0.00	730,652.28	730,652.28	0.00	0.00
Mutual Fund	2001AB MF Cobb Park Apts	3.14	11/01/05	12/01/05	2,058.54	2,058.54	5,951.70			8,010.24	8,010.24	-	0.00	
Mutual Fund	2001AB MF Cobb Park Apts	3.14	11/01/05	12/01/05	144,373.39	144,373.39	51,259.15			195,632.54	195,632.54	-	0.00	
Mutual Fund	2001AB MF Cobb Park Apts	3.14	11/01/05	12/01/05	68,007.41	68,007.41	9,334.06			77,341.47	77,341.47	-	0.00	
Mutual Fund	2001AB MF Cobb Park Apts	3.14	11/01/05	12/01/05	72,415.50	72,415.50		(72,415.47)		0.03	0.03	-	0.00	
Mutual Fund	2001AB MF Cobb Park Apts	3.14	11/01/05	12/01/05	52,304.97	52,304.97	374.03			52,679.00	52,679.00	-	0.00	
	2001AB MF Cobb Park Apts Total				339,159.81	339,159.81	66,918.94	(72,415.47)	0.00	0.00	333,663.28	333,663.28	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	3.55	11/01/05	12/01/05	9.63	9.63	0.00			9.63	9.63	-	0.00	
Mutual Fund	2001A MF Greens Road Apts	3.55	11/01/05	12/01/05			46,416.87			46,416.87	46,416.87	-	0.00	
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	154,195.36	154,195.36	86,596.40			240,791.76	240,791.76	-	0.00	
	2001A MF Greens Road Apts Total				154,204.99	154,204.99	133,013.27	0.00	0.00	0.00	287,218.26	287,218.26	0.00	0.00
Mutual Fund	2001AB MF Meridian Apts	3.55	11/01/05	12/01/05	147.44	147.44	1.30			148.74	148.74	-	0.00	
Mutual Fund	2001AB MF Meridian Apts	3.55	11/01/05	12/01/05	2.38	2.38	0.00			2.38	2.38	-	0.00	
Mutual Fund	2001AB MF Meridian Apts	3.55	11/01/05	12/01/05	0.01	0.01	0.00			0.01	0.01	-	0.00	
Mutual Fund	2001AB MF Meridian Apts	3.55	11/01/05	12/01/05	1,831.21	1,831.21	397,706.50			399,537.71	399,537.71	-	0.00	
	2001AB MF Meridian Apts Total				1,981.04	1,981.04	397,707.80	0.00	0.00	0.00	399,688.84	399,688.84	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	2.62	2.62	0.00			2.62	2.62	-	0.00	
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	5.05	5.05	0.00			5.05	5.05	-	0.00	
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	0.02	0.02	0.00			0.02	0.02	-	0.00	
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	39,787.52	39,787.52	371,289.57			411,077.09	411,077.09	-	0.00	
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	14,106.84	14,106.84	0.00			14,106.84	14,106.84	-	0.00	
Mutual Fund	2001AB MF Wildwood Branch	3.55	11/01/05	12/01/05	433.67	433.67	3.32			436.99	436.99	-	0.00	
	2001AB MF Wildwood Branch Total				54,335.72	54,335.72	371,292.89	0.00	0.00	0.00	425,628.61	425,628.61	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	3.06	11/01/05	12/01/05	164,994.79	164,994.79	76,473.55			241,468.34	241,468.34	-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts	3.55	11/01/05	12/01/05			23,084.18			23,084.18	23,084.18	-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts				60,854.51	60,854.51		(60,854.51)				-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts	3.55	11/01/05	12/01/05	10,861.27	10,861.27	23,761.75			34,623.02	34,623.02	-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts	3.14	11/01/05	12/01/05	42,287.52	42,287.52	14,370.54			56,658.06	56,658.06	-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts	3.55	11/01/05	12/01/05	30,012.53	30,012.53	59,687.67			89,700.20	89,700.20	-	0.00	
Mutual Fund	2001ABC MF Fallbrook Apts	3.14	11/01/05	12/01/05	152,203.47	152,203.47	299,667.44			451,870.91	451,870.91	-	0.00	
	2001ABC MF Fallbrook Apts Total				461,214.09	461,214.09	497,045.13	(60,854.51)	0.00	0.00	897,404.71	897,404.71	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	3.14	11/01/05	12/01/05	18,280.62	18,280.62	5,795.92			24,076.54	24,076.54	-	0.00	
Mutual Fund	2001 MF Oak Hollow Apts	3.14	11/01/05	12/01/05	46,945.19	46,945.19		(25,529.65)		21,415.54	21,415.54	-	0.00	
Mutual Fund	2001 MF Oak Hollow Apts	3.14	11/01/05	12/01/05	69,849.67	69,849.67	74.14			69,923.81	69,923.81	-	0.00	
Mutual Fund	2001 MF Oak Hollow Apts	3.14	11/01/05	12/01/05	139,786.23	139,786.23	20,666.81			160,453.04	160,453.04	-	0.00	
	2001 MF Oak Hollow Apts Total				274,861.71	274,861.71	26,536.87	(25,529.65)	0.00	0.00	275,868.93	275,868.93	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	100,000.00	100,000.00	0.00			100,000.00	100,000.00	-	0.00	
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	20,459.21	20,459.21	7,512.45			27,971.66	27,971.66	-	0.00	
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	81,140.55	81,140.55	7,963.19			89,103.74	89,103.74	-	0.00	
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	109,164.23	109,164.23		(40.82)		109,123.41	109,123.41	-	0.00	
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	276,707.53	276,707.53	33,212.09			309,919.62	309,919.62	-	0.00	
Mutual Fund	2001AB MF Hillside Apts	3.14	11/01/05	12/01/05	213.00	213.00	39.56			252.56	252.56	-	0.00	
	2001AB MF Hillside Apts Total				587,684.52	587,684.52	48,727.29	(40.82)	0.00	0.00	636,370.99	636,370.99	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	24,900.06	24,900.06		(7,843.41)		17,056.65	17,056.65	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	0.98	0.98	0.00			0.98	0.98	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	23,500.53	23,500.53		(11,923.31)		11,577.22	11,577.22	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	49,555.46	49,555.46		(36,833.56)		12,721.90	12,721.90	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.55	11/01/05	12/01/05	40.58	40.58	65,000.00			65,040.58	65,040.58	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	136,908.52	136,908.52	137,367.28			274,275.80	274,275.80	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	106,625.21	106,625.21	52,541.69			159,166.90	159,166.90	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	2.42	2.42	0.00			2.42	2.42	-	0.00	
Mutual Fund	2002A MF Millstone Apts	3.06	11/01/05	12/01/05	13,320.75	13,320.75		(26.22)		13,294.53	13,294.53	-	0.00	
	2002A MF Millstone Apts Total				354,854.51	354,854.51	254,908.97	(56,626.50)	0.00	0.00	553,136.98	553,136.98	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.14	11/01/05	12/01/05	222.44	222.44	1.48			223.92	223.92	-	0.00	
Mutual Fund	2002 MF SugarCreek Apts	3.06	11/01/05	12/01/05	8.67	8.67	0.00			8.67	8.67	-	0.00	
Mutual Fund	2002 MF SugarCreek Apts	3.06	11/01/05	12/01/05	94,921.87	94,921.87	237,385.56			332,307.43	332,307.43	-	0.00	
Mutual Fund	2002 MF SugarCreek Apts	3.06	11/01/05	12/01/05	6.48	6.48	0.00			6.48	6.48	-	0.00	

Mutual Fund	2002 MF SugarCreek Apts	3.06	11/01/05	12/01/05	73.48	73.48	0.00				73.48	73.48	-	0.00	
Mutual Fund	2002 MF SugarCreek Apts	3.06	11/01/05	12/01/05	26.75	26.75	0.00				26.75	26.75	-	0.00	
	2002 MF SugarCreek Apts Total				95,259.69	95,259.69	237,387.04	0.00	0.00	0.00	332,646.73	332,646.73	0.00	0.00	
Mutual Fund	2002 MF West Oaks Apts	3.14	11/01/05	12/01/05	789.17	789.17	5.64				794.81	794.81	-	0.00	
Mutual Fund	2002 MF West Oaks Apts	3.14	11/01/05	12/01/05	72,154.43	72,154.43	6,289.70				78,444.13	78,444.13	-	0.00	
Mutual Fund	2002 MF West Oaks Apts	3.14	11/01/05	12/01/05	2.53	2.53	48.08				50.61	50.61	-	0.00	
Mutual Fund	2002 MF West Oaks Apts	3.14	11/01/05	12/01/05	13,084.44	13,084.44	3,441.00				16,525.44	16,525.44	-	0.00	
Mutual Fund	2002 MF West Oaks Apts	3.14	11/01/05	12/01/05	70,841.30	70,841.30	36,992.29				107,833.59	107,833.59	-	0.00	
	2002 MF West Oaks Apts Total				156,871.87	156,871.87	46,776.71	0.00	0.00	0.00	203,648.58	203,648.58	0.00	0.00	
Mutual Fund	2002 MF Park Meadows	3.55	11/01/05	12/01/05	176,004.41	176,004.41	89,043.52				265,047.93	265,047.93	-	0.00	
Mutual Fund	2002 MF Park Meadows	3.55	11/01/05	12/01/05	39,662.37	39,662.37	297.52				39,959.89	39,959.89	-	0.00	
Mutual Fund	2002 MF Park Meadows	3.55	11/01/05	12/01/05	12.78	12.78	0.00				12.78	12.78	-	0.00	
	2002 MF Park Meadows Total				215,679.56	215,679.56	89,341.04	0.00	0.00	0.00	305,020.60	305,020.60	0.00	0.00	
Mutual Fund	2002 MF Clarkridge Villas Apts	3.14	11/01/05	12/01/05	249,547.42	249,547.42	37,469.66				287,017.08	287,017.08	-	0.00	
Mutual Fund	2002 MF Clarkridge Villas Apts	3.14	11/01/05	12/01/05	62,529.92	62,529.92	12,077.00				74,606.92	74,606.92	-	0.00	
Mutual Fund	2002 MF Clarkridge Villas Apts	3.14	11/01/05	12/01/05	130,071.66	130,071.66					129,829.84	129,829.84	-	0.00	
	2002 MF Clarkridge Villas Apts Total				442,149.00	442,149.00	49,546.66	(241.82)	0.00	0.00	491,453.84	491,453.84	0.00	0.00	
Mutual Fund	2002 MF Hickory Trace Apts	3.14	11/01/05	12/01/05	17,728.30	17,728.30					12,900.33	12,900.33	-	0.00	
Mutual Fund	2002 MF Hickory Trace Apts	3.14	11/01/05	12/01/05	41,157.01	41,157.01	5,130.55				46,287.56	46,287.56	-	0.00	
Money Market	2002 MF Hickory Trace Apts	3.14	11/01/05	12/01/05	102,901.76	102,901.76	84.12				102,985.88	102,985.88	-	0.00	
Mutual Fund	2002 MF Hickory Trace Apts	3.14	11/01/05	12/01/05	29.30	29.30	21.67				50.97	50.97	-	0.00	
Mutual Fund	2002 MF Hickory Trace Apts	3.14	11/01/05	12/01/05	160,859.84	160,859.84	44,483.10				205,342.94	205,342.94	-	0.00	
	2002 MF Hickory Trace Apts Total				322,676.21	322,676.21	49,719.44	(4,827.97)	0.00	0.00	367,567.68	367,567.68	0.00	0.00	
Mutual Fund	2002 MF Green Crest Apts	3.14	11/01/05	12/01/05	134,036.47	134,036.47	30,995.61				165,032.08	165,032.08	-	0.00	
Mutual Fund	2002 MF Green Crest Apts	3.14	11/01/05	12/01/05	48,502.68	48,502.68	6,746.76				55,249.44	55,249.44	-	0.00	
Mutual Fund	2002 MF Green Crest Apts	3.14	11/01/05	12/01/05	969,314.16	969,314.16	6,931.52				976,245.68	976,245.68	-	0.00	
Mutual Fund	2002 MF Green Crest Apts	3.14	11/01/05	12/01/05			54.95				54.95	54.95	-	0.00	
Mutual Fund	2002 MF Green Crest Apts	3.14	11/01/05	12/01/05	17,839.21	17,839.21	4,397.37				22,236.58	22,236.58	-	0.00	
	2002 MF Green Crest Apts Total				1,169,692.52	1,169,692.52	49,126.21	0.00	0.00	0.00	1,218,818.73	1,218,818.73	0.00	0.00	
Mutual Fund	2002 AB MF Ironwood Crossings	3.14	11/01/05	12/01/05	318,970.90	318,970.90					3,614.04	3,614.04	-	0.00	
Mutual Fund	2002 AB MF Ironwood Crossings				3.17	3.17					(3.17)		-	0.00	
Mutual Fund	2002 AB MF Ironwood Crossings				24.23	24.23					(24.23)		-	0.00	
Mutual Fund	2002 AB MF Ironwood Crossings				165.94	165.94					(165.94)		-	0.00	
	2002 AB MF Ironwood Crossings Total				319,164.24	319,164.24	0.00	(315,550.20)	0.00	0.00	3,614.04	3,614.04	0.00	0.00	
Mutual Fund	2002 MF Woodway Village	3.31	11/01/05	12/01/05	2,000.28	2,000.28					58.28	58.28	-	0.00	
Mutual Fund	2002 MF Woodway Village	3.14	11/01/05	12/01/05	8.20	8.20	0.00				8.20	8.20	-	0.00	
Mutual Fund	2002 MF Woodway Village	3.14	11/01/05	12/01/05	53,677.71	53,677.71					38,298.18	38,298.18	-	0.00	
Mutual Fund	2002 MF Woodway Village	3.14	11/01/05	12/01/05	231,426.69	231,426.69	121,711.86				353,138.55	353,138.55	-	0.00	
Mutual Fund	2002 MF Woodway Village	3.14	11/01/05	12/01/05	40.69	40.69	0.00				40.69	40.69	-	0.00	
	2002 MF Woodway Village Total				287,153.57	287,153.57	121,711.86	(17,321.53)	0.00	0.00	391,543.90	391,543.90	0.00	0.00	
Mutual Fund	2003 AB MF North Vista Apts	3.14	11/01/05	12/01/05	719,609.74	719,609.74	5,751.21				725,360.95	725,360.95	-	0.00	
Mutual Fund	2003 AB MF North Vista Apts	3.55	11/01/05	12/01/05	17,919.68	17,919.68	143.20				18,062.88	18,062.88	-	0.00	
Mutual Fund	2003 AB MF North Vista Apts	3.55	11/01/05	12/01/05	165,489.21	165,489.21	109,748.77				275,237.98	275,237.98	-	0.00	
Mutual Fund	2003 AB MF North Vista Apts	3.55	11/01/05	12/01/05	164.44	164.44	1.02				165.46	165.46	-	0.00	
Mutual Fund	2003 AB MF North Vista Apts	3.55	11/01/05	12/01/05	15,312.21	15,312.21					9,065.68	9,065.68	-	0.00	
	2003 AB MF North Vista Apts Total				918,495.28	918,495.28	115,644.20	(6,246.53)	0.00	0.00	1,027,892.95	1,027,892.95	0.00	0.00	
Mutual Fund	2003 AB MF West Virginia Apts	3.55	11/01/05	12/01/05	3,909.02	3,909.02					54.57	54.57	-	0.00	
Mutual Fund	2003 AB MF West Virginia Apts	3.14	11/01/05	12/01/05	1,079.96	1,079.96	9.36				1,089.32	1,089.32	-	0.00	
Mutual Fund	2003 AB MF West Virginia Apts	3.55	11/01/05	12/01/05	275,924.51	275,924.51	168,748.92				444,673.43	444,673.43	-	0.00	
Mutual Fund	2003 AB MF West Virginia Apts	3.55	11/01/05	12/01/05	41.45	41.45	0.00				41.45	41.45	-	0.00	
Mutual Fund	2003 AB MF West Virginia Apts	3.55	11/01/05	12/01/05	704.11	704.11	6.06				710.17	710.17	-	0.00	
	2003 AB MF West Virginia Apts Total				281,659.05	281,659.05	168,764.34	(3,854.45)	0.00	0.00	446,568.94	446,568.94	0.00	0.00	
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	15,002,626.11	15,002,626.11					(31,807.57)	14,970,818.54	14,970,818.54	-	0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux	3.14	11/01/05	12/01/05	34.70	34.70	6.44				41.14	41.14	-	0.00	
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	168,850.29	168,850.29	220,524.26				389,374.55	389,374.55	-	0.00	
	2003AB MF Sphinx @ Murdeaux Total				15,171,511.10	15,171,511.10	220,530.70	0.00	(31,807.57)	0.00	15,360,234.23	15,360,234.23	0.00	0.00	
Mutual Fund	2003 AB MF Primrose Houston				81,379.28	81,379.28					(81,379.28)		-	0.00	
Mutual Fund	2003 AB MF Primrose Houston	3.31	11/01/05	12/01/05	90.35	90.35	96,951.32				97,041.67	97,041.67	-	0.00	

Mutual Fund	2003 AB MF Primrose Houston	3.14	11/01/05	12/01/05	428.26	428.26	3.06		431.32	431.32	-	0.00		
Mutual Fund	2003 AB MF Primrose Houston	3.14	11/01/05	12/01/05	337,127.79	337,127.79	2,410.78		339,538.57	339,538.57	-	0.00		
	2003 AB MF Primrose Houston Total				419,025.68	419,025.68	99,365.16	(81,379.28)	0.00	0.00	437,011.56	437,011.56	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	32,990.81	32,990.81		(24,783.70)	8,207.11	8,207.11	-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	60,425.36	60,425.36		(10,425.36)	50,000.00	50,000.00	-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	30,977.28	30,977.28	13,453.34		44,430.62	44,430.62	-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	0.02	0.02	0.00		0.02	0.02	-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	33,056.16	33,056.16	10,435.20		43,491.36	43,491.36	-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts				10.79	10.79		(10.79)			-	0.00		
Mutual Fund	2003 AB MF Timber Oaks Apts	3.14	11/01/05	12/01/05	2,709.53	2,709.53	7,761.12		10,470.65	10,470.65	-	0.00		
	2003 AB MF Timber Oaks Apts Total				160,169.95	160,169.95	31,649.66	(35,219.85)	0.00	0.00	156,599.76	156,599.76	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	3.14	11/01/05	12/01/05	887.75	887.75	191.77		1,079.52	1,079.52	-	0.00		
Mutual Fund	2003 AB MF Ash Creek	3.14	11/01/05	12/01/05	415,833.77	415,833.77	0.00		415,833.77	415,833.77	-	0.00		
Mutual Fund	2003 AB MF Ash Creek	3.14	11/01/05	12/01/05	147.00	147.00	0.00		147.00	147.00	-	0.00		
Mutual Fund	2003 AB MF Ash Creek	3.14	11/01/05	12/01/05	78,278.92	78,278.92	13,400.00		91,678.92	91,678.92	-	0.00		
	2003 AB MF Ash Creek Total				495,147.44	495,147.44	13,591.77	0.00	0.00	0.00	508,739.21	508,739.21	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	3.14	11/01/05	12/01/05	52.37	52.37	0.29		52.66	52.66	-	0.00		
Mutual Fund	2003 AB MF Peninsula				3,919.99	3,919.99		(3,919.99)			-	0.00		
Mutual Fund	2003 AB MF Peninsula				172.61	172.61		(172.61)			-	0.00		
Mutual Fund	2003 AB MF Peninsula	3.14	11/01/05	12/01/05	362,501.57	362,501.57		(176,038.42)	186,463.15	186,463.15	-	0.00		
	2003 AB MF Peninsula Total				366,646.54	366,646.54	0.29	(180,131.02)	0.00	0.00	186,515.81	186,515.81	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05	38,690.23	38,690.23		(37,189.17)	1,501.06	1,501.06	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05			8.13		8.13	8.13	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05	1,563.16	1,563.16		(1,555.53)	7.63	7.63	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite				74.88	74.88		(74.88)			-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05	400.19	400.19		(398.23)	1.96	1.96	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05			131,081.28		131,081.28	131,081.28	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05	13.24	13.24	0.09		13.33	13.33	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05	17,000.00	17,000.00		(4,146.37)	12,853.63	12,853.63	-	0.00		
Mutual Fund	2003 A MF Evergreen @ Mesquite	3.14	11/01/05	12/01/05			87,366.08		87,366.08	87,366.08	-	0.00		
	2003 A MF Evergreen @ Mesquite Total				57,741.70	57,741.70	218,455.58	(43,364.18)	0.00	0.00	232,833.10	232,833.10	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	3.14	11/01/05	12/01/05	501,580.30	501,580.30		(370,683.10)	130,897.20	130,897.20	-	0.00		
Mutual Fund	2003 AB Arlington Villas	3.14	11/01/05	12/01/05	104,773.23	104,773.23		(104,507.44)	265.79	265.79	-	0.00		
Mutual Fund	2003 AB Arlington Villas	3.14	11/01/05	12/01/05	316,793.43	316,793.43		(215,668.79)	101,124.64	101,124.64	-	0.00		
Mutual Fund	2003 AB Arlington Villas	3.14	11/01/05	12/01/05	416,928.17	416,928.17		(145,929.75)	270,998.42	270,998.42	-	0.00		
Mutual Fund	2003 AB Arlington Villas				2,918.24	2,918.24		(2,918.24)			-	0.00		
	2003 AB Arlington Villas Total				1,342,993.37	1,342,993.37	0.00	(839,707.32)	0.00	0.00	503,286.05	503,286.05	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	12,215.80	12,215.80	7,154.26		19,370.06	19,370.06	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	8,275.21	8,275.21	12,490.65		20,765.86	20,765.86	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	30.25	30.25	0.22		30.47	30.47	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	4,901.67	4,901.67	5,044.45		9,946.12	9,946.12	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	0.12	0.12	4,100.48		4,100.60	4,100.60	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	60.34	60.34	0.43		60.77	60.77	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	3.14	11/01/05	12/01/05	10,009.31	10,009.31	15,106.62		25,115.93	25,115.93	-	0.00		
Inv Agmt	2003 AB Parkview Twnhms	1.31	12/23/03	12/01/05	190,000.00	190,000.00		(15,000.00)	175,000.00	175,000.00	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms				0.02	0.02		(0.02)			-	0.00		
Inv Agmt	2003 AB Parkview Twnhms	1.31	12/23/03	12/01/05	213.11	213.11		(29.49)	183.62	183.62	-	0.00		
	2003 AB Parkview Twnhms Total				225,705.83	225,705.83	43,897.11	(15,029.51)	0.00	0.00	254,573.43	254,573.43	0.00	0.00
Mutual Fund	2003 MF NHP-Asmara-Refunding	3.14	11/01/05	12/01/05	125,053.80	125,053.80	36,000.91		161,054.71	161,054.71	-	0.00		
FNMA	2003 MF NHP-Asmara-Refunding	3.13	10/03/05	12/02/05			547,130.83		547,130.83	547,130.83	-	0.00		
FNMA	2003 MF NHP-Asmara-Refunding				198,980.11	198,980.11		(198,980.11)			-	0.00		
FNMA	2003 MF NHP-Asmara-Refunding				547,320.89	547,320.89		(547,320.89)			-	0.00		
FNMA	2003 MF NHP-Asmara-Refunding				398,145.78	398,145.78		(398,145.78)			-	0.00		
Mutual Fund	2003 MF NHP-Asmara-Refunding	3.14	11/01/05	12/01/05	448,487.52	448,487.52		(148,487.52)	300,000.00	300,000.00	-	0.00		
Mutual Fund	2003 MF NHP-Asmara-Refunding	3.14	11/01/05	12/01/05	62.36	62.36	0.49		62.85	62.85	-	0.00		
T-Note	2003 MF NHP-Asmara-Refunding	2.07	12/15/03	01/01/06	697,495.00	697,495.00	0.00		697,495.00	697,495.00	-	0.00		
T-Note	2003 MF NHP-Asmara-Refunding	2.07	12/15/03	01/01/06	712,029.00	712,029.00	0.00		712,029.00	712,029.00	-	0.00		
T-Note	2003 MF NHP-Asmara-Refunding	2.59	12/15/03	01/01/07	24,349,975.00	24,349,975.00	0.00		24,349,975.00	24,349,975.00	-	0.00		
Money Market	2003 MF NHP-Asmara-Refunding	3.31	11/01/05	12/01/05	4.59	4.59	0.02		4.61	4.61	-	0.00		
Mutual Fund	2003 MF NHP-Asmara-Refunding	3.14	11/01/05	12/01/05	0.22	0.22	2.18		2.40	2.40	-	0.00		
Mutual Fund	2003 MF NHP-Asmara-Refunding	3.14	11/01/05	12/01/05	16.83	16.83	0.12		16.95	16.95	-	0.00		
	2003 MF NHP-Asmara-Refunding Total				27,477,571.10	27,477,571.10	583,134.55	(148,487.52)	(1,144,446.78)	0.00	26,767,771.35	26,767,771.35	0.00	0.00

Mutual Fund	2004 A&B Timber Ridge	3.14	11/01/05	12/01/05	8,181.32	8,181.32	3,316.27			11,497.59	11,497.59	-	0.00	
Mutual Fund	2004 A&B Timber Ridge	3.14	11/01/05	12/01/05	100,301.78	100,301.78	717.25			101,019.03	101,019.03	-	0.00	
Mutual Fund	2004 A&B Timber Ridge	3.14	11/01/05	12/01/05	11.26	11.26		(7.76)		3.50	3.50	-	0.00	
Mutual Fund	2004 A&B Timber Ridge				0.20	0.20		(0.20)				-	0.00	
	2004 A&B Timber Ridge Total				108,494.56	108,494.56	4,033.52	(7.96)	0.00	0.00	112,520.12	112,520.12	0.00	0.00
Mutual Fund	2004 A&B Century Park	3.14	11/01/05	12/01/05	5,189.18	5,189.18	7,750.05			12,939.23	12,939.23	-	0.00	
Mutual Fund	2004 A&B Century Park	3.14	11/01/05	12/01/05	49,833.44	49,833.44		(37,374.98)		12,458.46	12,458.46	-	0.00	
Mutual Fund	2004 A&B Century Park	3.14	11/01/05	12/01/05	3,295.39	3,295.39	2,079.61			5,375.00	5,375.00	-	0.00	
Mutual Fund	2004 A&B Century Park	3.14	11/01/05	12/01/05	198,703.71	198,703.71	122,829.76			321,533.47	321,533.47	-	0.00	
	2004 A&B Century Park Total				257,021.72	257,021.72	132,659.42	(37,374.98)	0.00	0.00	352,306.16	352,306.16	0.00	0.00
Mutual Fund	2004 A Addison Park	3.14	11/01/05	12/01/05	525.05	525.05	4.42			529.47	529.47	-	0.00	
Mutual Fund	2004 A Addison Park	3.14	11/01/05	12/01/05	1,147.54	1,147.54	8.12			1,155.66	1,155.66	-	0.00	
Money Market	2004 A Addison Park	3.14	11/01/05	12/01/05			15.77			15.77	15.77	-	0.00	
Mutual Fund	2004 A Addison Park				0.29	0.29		(0.29)				-	0.00	
Mutual Fund	2004 A Addison Park				35,930.04	35,930.04		(35,930.04)				-	0.00	
Mutual Fund	2004 A Addison Park	3.14	11/01/05	12/01/05	10.80	10.80	0.09			10.89	10.89	-	0.00	
	2004 A Addison Park Total				37,613.72	37,613.72	28.40	(35,930.33)	0.00	0.00	1,711.79	1,711.79	0.00	0.00
Mutual Fund	2004 A&B MF Veterans Memorial	3.14	11/01/05	12/01/05	113.76	113.76	0.82			114.58	114.58	-	0.00	
Money Market	2004 A&B MF Veterans Memorial	3.14	11/01/05	12/01/05	495.93	495.93	2,827.38			3,323.31	3,323.31	-	0.00	
	2004 A&B MF Veterans Memorial Total				609.69	609.69	2,828.20	0.00	0.00	0.00	3,437.89	3,437.89	0.00	0.00
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	351,704.25	351,704.25	2,773.80			354,478.05	354,478.05	-	0.00	
Mutual Fund	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	36.38	36.38	0.10			36.48	36.48	-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	63.78	63.78	0.50			64.28	64.28	-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	65,026.26	65,026.26	8,496.48			73,522.74	73,522.74	-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	1,109.18	1,109.18	911.16			2,020.34	2,020.34	-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	65,686.20	65,686.20		(65,621.01)		65.19	65.19	-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	18,000.00	18,000.00	50.63			18,050.63	18,050.63	-	0.00	
Mutual Fund	2004 MF Rush Creek Apts				67.21	67.21		(67.21)				-	0.00	
Mutual Fund	2004 MF Rush Creek Apts				1,026.03	1,026.03		(1,026.03)				-	0.00	
Money Market	2004 MF Rush Creek Apts	3.14	11/01/05	12/01/05	79.84	79.84	0.63			80.47	80.47	-	0.00	
Money Market	2004 MF Rush Creek Apts				5,114.98	5,114.98		(5,114.98)				-	0.00	
	2004 MF Rush Creek Apts Total				507,914.11	507,914.11	12,233.30	(71,829.23)	0.00	0.00	448,318.18	448,318.18	0.00	0.00
Inv Agmt	2004 MF Humble Parkway				798.85	798.85		(798.85)				-	0.00	
Inv Agmt	2004 MF Humble Parkway				6,440.08	6,440.08		(6,440.08)				-	0.00	
Inv Agmt	2004 MF Humble Parkway	1.20	02/05/04	12/31/05	80,765.93	80,765.93		(27,071.66)		53,694.27	53,694.27	-	0.00	
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	143,887.19	143,887.19	193,113.23			337,000.42	337,000.42	-	0.00	
Mutual Fund	2004 MF Humble Parkway	3.14	11/01/05	12/01/05	5,416.72	5,416.72	8,125.02			13,541.74	13,541.74	-	0.00	
Mutual Fund	2004 MF Humble Parkway				191,649.08	191,649.08		(191,649.08)				-	0.00	
	2004 MF Humble Parkway Total				428,957.85	428,957.85	201,238.25	(225,959.67)	0.00	0.00	404,236.43	404,236.43	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	3.55	11/01/05	12/01/05	348.65	348.65	96,105.35			96,454.00	96,454.00	-	0.00	
Inv Agmt	2004 MF Chisholm Trail Apts				184,616.99	184,616.99		(184,616.99)				-	0.00	
Money Market	2004 MF Chisholm Trail Apts	3.55	11/01/05	12/01/05	34,630.43	34,630.43	817,672.47			852,302.90	852,302.90	-	0.00	
Inv Agmt	2004 MF Chisholm Trail Apts				870,192.63	870,192.63		(870,192.63)				-	0.00	
Money Market	2004 MF Chisholm Trail Apts	3.55	11/01/05	12/01/05	10.62	10.62	725.01			735.63	735.63	-	0.00	
Inv Agmt	2004 MF Chisholm Trail Apts				718.35	718.35		(718.35)				-	0.00	
Money Market	2004 MF Chisholm Trail Apts	3.55	11/01/05	12/01/05	2,874.70	2,874.70	16,310.01			19,184.71	19,184.71	-	0.00	
Inv Agmt	2004 MF Chisholm Trail Apts				18,802.47	18,802.47		(18,802.47)				-	0.00	
Money Market	2004 MF Chisholm Trail Apts				53.37	53.37		(53.37)				-	0.00	
Money Market	2004 MF Chisholm Trail Apts				155,513.15	155,513.15		(155,513.15)				-	0.00	
	2004 MF Chisholm Trail Apts Total				1,267,761.36	1,267,761.36	930,812.84	(1,229,896.96)	0.00	0.00	968,677.24	968,677.24	0.00	0.00
Money Market	2004 MF Evergreen @ Plano	3.31	11/01/05	12/01/05	19,953.20	19,953.20	151.37			20,104.57	20,104.57	-	0.00	
Money Market	2004 MF Evergreen @ Plano				1,163,393.64	1,163,393.64		(1,163,393.64)				-	0.00	
Money Market	2004 MF Evergreen @ Plano	3.55	11/01/05	12/01/05	5.13	5.13	0.00			5.13	5.13	-	0.00	
Money Market	2004 MF Evergreen @ Plano	3.31	11/01/05	12/01/05	5,358.00	5,358.00		(4,500.00)		858.00	858.00	-	0.00	
Money Market	2004 MF Evergreen @ Plano	3.31	11/01/05	12/01/05	208,449.76	208,449.76		(176,652.87)		31,796.89	31,796.89	-	0.00	
Money Market	2004 MF Evergreen @ Plano	3.14	11/01/05	12/01/05	1,613,468.87	1,613,468.87		(186,267.32)		1,427,201.55	1,427,201.55	-	0.00	
Money Market	2004 MF Evergreen @ Plano	3.31	11/01/05	12/01/05	8,203.43	8,203.43	4,684.32			12,887.75	12,887.75	-	0.00	
	2004 MF Evergreen @ Plano Total				3,018,832.03	3,018,832.03	4,835.69	(1,530,813.83)	0.00	0.00	1,492,853.89	1,492,853.89	0.00	0.00
Mutual Fund	2004 MF Montgomery Pines Apts	3.55	11/01/05	12/01/05	115.95	115.95	0.82			116.77	116.77	-	0.00	
Mutual Fund	2004 MF Montgomery Pines Apts	3.55	11/01/05	12/01/05	263,516.58	263,516.58		(74,783.92)		188,732.66	188,732.66	-	0.00	
Mutual Fund	2004 MF Montgomery Pines Apts	3.55	11/01/05	12/01/05	17,474.84	17,474.84		(12,440.63)		5,034.21	5,034.21	-	0.00	
Inv Agmt	2004 MF Montgomery Pines Apts	1.81	05/27/04	12/15/05	34,419.29	34,419.29		(25,516.53)		8,902.76	8,902.76	-	0.00	

Mutual Fund	2004 MF Montgomery Pines Apts	3.55	11/01/05	12/01/05	132,326.69	132,326.69		(126,458.43)		5,868.26	5,868.26	-	0.00	
Inv Agmt	2004 MF Montgomery Pines Apts	1.81	05/27/04	12/15/05	233,922.14	233,922.14	0.00			233,922.14	233,922.14	-	0.00	
	2004 MF Montgomery Pines Apts Total				681,775.49	681,775.49	0.82	(239,199.51)	0.00	0.00	442,576.80	442,576.80	0.00	0.00
Mutual Fund	2004 MF Bristol Apts	3.55	11/01/05	12/01/05	56.64	56.64	1,162.60			1,219.24	1,219.24	-	0.00	
Inv Agmt	2004 MF Bristol Apts	1.85	05/28/04	05/15/06	103,504.07	103,504.07		(88,517.27)		14,986.80	14,986.80	-	0.00	
Mutual Fund	2004 MF Bristol Apts	3.55	11/01/05	12/01/05	1,026,731.14	1,026,731.14	18,241.87			1,044,973.01	1,044,973.01	-	0.00	
Inv Agmt	2004 MF Bristol Apts	1.85	05/28/04	05/15/06	36,898.39	36,898.39	0.00			36,898.39	36,898.39	-	0.00	
Mutual Fund	2004 MF Bristol Apts	3.55	11/01/05	12/01/05	1,157.32	1,157.32	20,553.25			21,710.57	21,710.57	-	0.00	
Inv Agmt	2004 MF Bristol Apts	1.85	05/28/04	05/15/06	3,036.86	3,036.86	0.00			3,036.86	3,036.86	-	0.00	
Mutual Fund	2004 MF Bristol Apts	3.42	11/01/05	12/01/05	45.65	45.65	49.06			94.71	94.71	-	0.00	
	2004 MF Bristol Apts Total				1,171,430.07	1,171,430.07	40,006.78	(88,517.27)	0.00	0.00	1,122,919.58	1,122,919.58	0.00	0.00
Mutual Fund	2004 MF Pinnacle Apts	3.55	11/01/05	12/01/05	143.18	143.18	200,011.57			200,154.75	200,154.75	-	0.00	
Inv Agmt	2004 MF Pinnacle Apts				119,796.08	119,796.08		(119,796.08)				-	0.00	
Mutual Fund	2004 MF Pinnacle Apts	3.55	11/01/05	12/01/05	1,694,804.77	1,694,804.77		(928,850.66)		765,954.11	765,954.11	-	0.00	
Inv Agmt	2004 MF Pinnacle Apts	1.81	05/28/04	05/15/06	108,523.73	108,523.73		(18,576.03)		89,947.70	89,947.70	-	0.00	
Mutual Fund	2004 MF Pinnacle Apts	3.42	11/01/05	12/01/05	2,616.23	2,616.23	20,151.55			22,767.78	22,767.78	-	0.00	
Inv Agmt	2004 MF Pinnacle Apts				887,397.91	887,397.91		(887,397.91)				-	0.00	
Mutual Fund	2004 MF Pinnacle Apts				19,517.72	19,517.72		(19,517.72)				-	0.00	
	2004 MF Pinnacle Apts Total				2,832,799.62	2,832,799.62	220,163.12	(1,974,138.40)	0.00	0.00	1,078,824.34	1,078,824.34	0.00	0.00
Mutual Fund	2004 MF Tranquility Bay Apts	3.31	11/01/05	12/01/05	298,110.90	298,110.90		(141,354.28)		156,756.62	156,756.62	-	0.00	
Mutual Fund	2004 MF Tranquility Bay Apts	3.14	11/01/05	12/01/05	0.10	0.10	0.00			0.10	0.10	-	0.00	
Mutual Fund	2004 MF Tranquility Bay Apts	3.31	11/01/05	12/01/05	100,000.00	100,000.00	158,073.00			258,073.00	258,073.00	-	0.00	
Mutual Fund	2004 MF Tranquility Bay Apts	3.31	11/01/05	12/01/05	1,147,823.95	1,147,823.95		(734,217.60)		413,606.35	413,606.35	-	0.00	
Mutual Fund	2004 MF Tranquility Bay Apts	3.31	11/01/05	12/01/05	53,647.14	53,647.14		(49,144.55)		4,502.59	4,502.59	-	0.00	
Mutual Fund	2004 MF Tranquility Bay Apts	3.31	11/01/05	12/01/05			5.25			5.25	5.25	-	0.00	
	2004 MF Tranquility Bay Apts Total				1,599,582.09	1,599,582.09	158,078.25	(924,716.43)	0.00	0.00	832,943.91	832,943.91	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	10/28/05	05/15/07	8,635,754.00	8,635,754.00	1,975,987.00			10,611,741.00	10,611,741.00	-	0.00	
Money Market	2004 MF Sphinx @ Delafield	3.14	11/01/05	12/01/05	0.92	0.92	17.54			18.46	18.46	-	0.00	
Inv Agmt	2004 MF Sphinx @ Delafield	1.90	07/13/04	01/31/06	2,733,890.49	2,733,890.49		(1,931,865.48)		802,025.01	802,025.01	-	0.00	
Money Market	2004 MF Sphinx @ Delafield	3.14	11/01/05	12/01/05	355.83	355.83		(344.90)		10.93	10.93	-	0.00	
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	43,000.00	43,000.00	72,365.32			115,365.32	115,365.32	-	0.00	
Money Market	2004 MF Sphinx @ Delafield	3.14	11/01/05	12/01/05	232.29	232.29	1.66			233.95	233.95	-	0.00	
Money Market	2004 MF Sphinx @ Delafield	3.14	11/01/05	12/01/05			1,332.11			1,332.11	1,332.11	-	0.00	
Mutual Fund	2004 MF Sphinx @ Delafield				882.33	882.33		(882.33)				-	0.00	
	2004 MF Sphinx @ Delafield Total				11,414,115.86	11,414,115.86	2,049,703.63	(1,933,092.71)	0.00	0.00	11,530,726.78	11,530,726.78	0.00	0.00
Mutual Fund	2004 MF Churchill @ Pinnacle	3.31	11/01/05	12/01/05	350,000.00	350,000.00	0.00			350,000.00	350,000.00	-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle	3.31	11/01/05	12/01/05	1,952,522.90	1,952,522.90		(928,347.90)		1,024,175.00	1,024,175.00	-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle				38,921.23	38,921.23		(38,921.23)				-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle	3.31	11/01/05	12/01/05	4,800.00	4,800.00	0.00			4,800.00	4,800.00	-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle	3.31	11/01/05	12/01/05	252,834.96	252,834.96		(129,955.24)		122,879.72	122,879.72	-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle	3.31	11/01/05	12/01/05	6,354.37	6,354.37	6,470.18			12,824.55	12,824.55	-	0.00	
Mutual Fund	2004 MF Churchill @ Pinnacle	3.14	11/01/05	12/01/05	8.71	8.71	4.38			13.09	13.09	-	0.00	
	2004 MF Churchill @ Pinnacle Total				2,605,442.17	2,605,442.17	6,474.56	(1,097,224.37)	0.00	0.00	1,514,692.36	1,514,692.36	0.00	0.00
Mutual Fund	2004 A/B MF Post Oak East Apts	3.55	11/01/05	12/01/05	570.46	570.46	46.30			616.76	616.76	-	0.00	
Mutual Fund	2004 A/B MF Post Oak East Apts	3.55	11/01/05	12/01/05	6,013.10	6,013.10	45.83			6,058.93	6,058.93	-	0.00	
Inv Agmt	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	166,146.00	166,146.00		(71,571.14)		94,574.86	94,574.86	-	0.00	
Inv Agmt	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	379,307.35	379,307.35	0.00			379,307.35	379,307.35	-	0.00	
Mutual Fund	2004 A/B MF Post Oak East Apts				149,450.68	149,450.68		(149,450.68)				-	0.00	
Inv Agmt	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	4,104,504.00	4,104,504.00		(2,119,193.91)		1,985,310.09	1,985,310.09	-	0.00	
Mutual Fund	2004 A/B MF Post Oak East Apts	3.55	11/01/05	12/01/05	25,826.91	25,826.91	200.32			26,027.23	26,027.23	-	0.00	
	2004 A/B MF Post Oak East Apts Total				4,831,818.50	4,831,818.50	292.45	(2,340,215.73)	0.00	0.00	2,491,895.22	2,491,895.22	0.00	0.00
Money Market	2004 MF Village Fair	3.14	11/01/05	12/01/05	0.44	0.44	2,327,030.07			2,327,030.51	2,327,030.51	-	0.00	
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	613,589.02	613,589.02		(437,069.84)		176,519.18	176,519.18	-	0.00	
Money Market	2004 MF Village Fair	3.14	11/01/05	12/01/05	1.33	1.33	3.99			5.32	5.32	-	0.00	
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	3,838,981.66	3,838,981.66		(3,823,352.54)		15,629.12	15,629.12	-	0.00	
Money Market	2004 MF Village Fair	3.31	11/01/05	12/01/05			235,405.39			235,405.39	235,405.39	-	0.00	
Money Market	2004 MF Village Fair	3.14	11/01/05	12/01/05	622.75	622.75	4.31			627.06	627.06	-	0.00	
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	275,215.92	275,215.92		(174,869.19)		100,346.73	100,346.73	-	0.00	
	2004 MF Village Fair Total				4,728,411.12	4,728,411.12	2,562,443.76	(4,435,291.57)	0.00	0.00	2,855,563.31	2,855,563.31	0.00	0.00
Money Market	2005 MF Pecan Grove	3.14	11/01/05	12/01/05	25,293.94	25,293.94	0.00			25,293.94	25,293.94	-	0.00	
Inv Agmt	2005 MF Pecan Grove	2.84	02/07/05	01/02/07	516,331.62	516,331.62	0.00			516,331.62	516,331.62	-	0.00	
Money Market	2005 MF Pecan Grove	3.14	11/01/05	12/01/05	17,666.02	17,666.02	123.24			17,789.26	17,789.26	-	0.00	

Inv Agmt	2005 MF Pecan Grove	2.84	02/07/05	01/02/07	11,146,804.46	11,146,804.46		(2,656,159.28)		8,490,645.18	8,490,645.18	-	0.00
Money Market	2005 MF Pecan Grove	3.14	11/01/05	12/01/05	33,468.82	33,468.82	21,744.39			55,213.21	55,213.21	-	0.00
Inv Agmt	2005 MF Pecan Grove	2.84	02/07/05	01/02/07	328,448.66	328,448.66		(116,916.66)		211,532.00	211,532.00	-	0.00
	2005 MF Pecan Grove Total				12,068,013.52	12,068,013.52	21,867.63	(2,773,075.94)	0.00	9,316,805.21	9,316,805.21	0.00	0.00
Money Market	2005 MF Prairie Oaks	3.14	11/01/05	12/01/05	0.23	0.23	221.15			221.38	221.38	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	514,902.56	514,902.56		(66,327.22)		448,575.34	448,575.34	-	0.00
Money Market	2005 MF Prairie Oaks	3.14	11/01/05	12/01/05	0.96	0.96	17.89			18.85	18.85	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	5,652,900.62	5,652,900.62		(4,123,637.02)		1,529,263.60	1,529,263.60	-	0.00
Money Market	2005 MF Prairie Oaks				1,018.50	1,018.50		(1,018.50)				-	0.00
Money Market	2005 MF Prairie Oaks	3.14	11/01/05	12/01/05	102.26	102.26	0.71			102.97	102.97	-	0.00
Inv Agmt	2005 MF Prairie Oaks	2.76	02/02/05	01/01/07	261,857.52	261,857.52		(92,223.09)		169,634.43	169,634.43	-	0.00
	2005 MF Prairie Oaks Total				6,430,782.65	6,430,782.65	239.75	(4,283,205.83)	0.00	2,147,816.57	2,147,816.57	0.00	0.00
Money Market	2005 MF Port Royal	3.14	11/01/05	12/01/05	549,244.90	549,244.90	0.00			549,244.90	549,244.90	-	0.00
Money Market	2005 MF Port Royal	3.14	11/01/05	12/01/05	9,062,319.50	9,062,319.50		(1,798,962.74)		7,263,356.76	7,263,356.76	-	0.00
Money Market	2005 MF Port Royal	3.14	11/01/05	12/01/05	295,915.69	295,915.69		(89,381.57)		206,534.12	206,534.12	-	0.00
Money Market	2005 MF Port Royal	3.14	11/01/05	12/01/05	6,445.76	6,445.76	3,973.72			10,419.48	10,419.48	-	0.00
	2005 MF Port Royal Total				9,913,925.85	9,913,925.85	3,973.72	(1,888,344.31)	0.00	8,029,555.26	8,029,555.26	0.00	0.00
Money Market	2005 MF Mission Del Rio	3.14	11/01/05	12/01/05	200,784.78	200,784.78		(36,426.33)		164,358.45	164,358.45	-	0.00
Money Market	2005 MF Mission Del Rio	3.14	11/01/05	12/01/05	9,124,088.56	9,124,088.56	0.00			9,124,088.56	9,124,088.56	-	0.00
Money Market	2005 MF Mission Del Rio	3.14	11/01/05	12/01/05	293,229.85	293,229.85		(76,628.48)		216,601.37	216,601.37	-	0.00
	2005 MF Mission Del Rio Total				9,618,103.19	9,618,103.19	0.00	(113,054.81)	0.00	9,505,048.38	9,505,048.38	0.00	0.00
Money Market	2005 MF Atascocita Apts	3.14	11/01/05	12/01/05	4,145.84	4,145.84	1,256.81			5,402.65	5,402.65	-	0.00
Money Market	2005 MF Atascocita Apts	3.14	11/01/05	12/01/05			11,244.79			11,244.79	11,244.79	-	0.00
Money Market	2005 MF Atascocita Apts	3.14	11/01/05	12/01/05			324.44			324.44	324.44	-	0.00
Inv Agmt	2005 MF Atascocita Apts	3.43	04/14/05	11/15/06	9,450,640.81	9,450,640.81		(2,460,427.42)		6,990,213.39	6,990,213.39	-	0.00
Money Market	2005 MF Atascocita Apts	3.14	11/01/05	12/01/05	1,904.00	1,904.00		(1,903.91)		0.09	0.09	-	0.00
Inv Agmt	2005 MF Atascocita Apts				36,294.08	36,294.08		(36,294.08)				-	0.00
Money Market	2005 MF Atascocita Apts	3.31	11/01/05	12/01/05	142,336.65	142,336.65		(77,194.91)		65,141.74	65,141.74	-	0.00
Money Market	2005 MF Atascocita Apts				11,160.53	11,160.53		(11,160.53)				-	0.00
	2005 MF Atascocita Apts Total				9,646,481.91	9,646,481.91	12,826.04	(2,586,980.85)	0.00	7,072,327.10	7,072,327.10	0.00	0.00
Money Market	2005 MF Tower Ridge	3.06	11/01/05	12/01/05	12,320.22	12,320.22		(4,562.55)		7,757.67	7,757.67	-	0.00
Comm Paper	2005 MF Tower Ridge	3.95	11/14/05	12/12/05	11,361,953.00	11,361,953.00		(1,570,565.00)		9,791,388.00	9,791,388.00	-	0.00
Money Market	2005 MF Tower Ridge	3.14	11/01/05	12/01/05	29.19	29.19	0.00			29.19	29.19	-	0.00
	2005 MF Tower Ridge Total				11,374,302.41	11,374,302.41	0.00	(1,575,127.55)	0.00	9,799,174.86	9,799,174.86	0.00	0.00
Money Market	2005 MF Alta Cullen	3.31	11/01/05	12/01/05	3,688,030.50	3,688,030.50	1,232,337.33			4,920,367.83	4,920,367.83	-	0.00
Inv Agmt	2005 MF Alta Cullen	5.89	04/21/05	05/01/06	7,000,000.00	7,000,000.00		(3,500,000.00)		3,500,000.00	3,500,000.00	-	0.00
Money Market	2005 MF Alta Cullen	3.31	11/01/05	12/01/05	0.01	0.01	0.00			0.01	0.01	-	0.00
Money Market	2005 MF Alta Cullen	3.31	11/01/05	12/01/05	374,717.17	374,717.17		(86,827.28)		287,889.89	287,889.89	-	0.00
Mutual Fund	2005 MF Alta Cullen	3.14	11/01/05	12/01/05			1,530.05			1,530.05	1,530.05	-	0.00
Money Market	2005 MF Alta Cullen	3.31	11/01/05	12/01/05			0.02			0.02	0.02	-	0.00
	2005 MF Alta Cullen Total				11,062,747.68	11,062,747.68	1,233,867.40	(3,586,827.28)	0.00	8,709,787.80	8,709,787.80	0.00	0.00
Money Market	2005 MF Lafayette Village Apts				31,293.96	31,293.96		(31,293.96)				-	0.00
Inv Agmt	2005 MF Lafayette Village Apts	3.44	06/23/05	07/01/07	10,589,546.65	10,589,546.65		(518,488.88)		10,071,057.77	10,071,057.77	-	0.00
Money Market	2005 MF Lafayette Village Apts	3.14	11/01/05	12/01/05			23,533.80			23,533.80	23,533.80	-	0.00
Money Market	2005 MF Lafayette Village Apts	3.42	11/01/05	12/01/05	266,981.51	266,981.51		(27,618.02)		239,363.49	239,363.49	-	0.00
Money Market	2005 MF Lafayette Village Apts	3.42	11/01/05	12/01/05	3,022.70	3,022.70	59,022.17			62,044.87	62,044.87	-	0.00
Inv Agmt	2005 MF Lafayette Village Apts	3.44	06/23/05	07/01/07	493,484.10	493,484.10	0.00			493,484.10	493,484.10	-	0.00
	2005 MF Lafayette Village Apts Total				11,384,328.92	11,384,328.92	82,555.97	(577,400.86)	0.00	10,889,484.03	10,889,484.03	0.00	0.00
GNMA	2005 MF Prairie Ranch	4.99	07/29/05	05/15/07	1,515,141.00	1,515,141.00	1,504,403.00			3,019,544.00	3,019,544.00	-	0.00
Money Market	2005 MF Prairie Ranch	3.14	11/01/05	12/01/05	6,300.46	6,300.46	23,126.63			29,427.09	29,427.09	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.72	07/20/05	06/17/07	10,684,859.00	10,684,859.00		(776,339.00)		9,908,520.00	9,908,520.00	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.72	07/20/05	06/17/07	259,119.57	259,119.57		(2,936.57)		256,183.00	256,183.00	-	0.00
Money Market	2005 MF Prairie Ranch	3.14	11/01/05	12/01/05	32,611.83	32,611.83	233.20			32,845.03	32,845.03	-	0.00
	2005 MF Prairie Ranch Total				12,498,031.86	12,498,031.86	1,527,762.83	(779,275.57)	0.00	13,246,519.12	13,246,519.12	0.00	0.00
Money Market	2005 MF St. Augustine	3.42	11/01/05	12/01/05	496,000.00	496,000.00		(51,190.43)		444,809.57	444,809.57	-	0.00
Money Market	2005 MF St. Augustine	3.42	11/01/05	12/01/05	359,844.00	359,844.00	0.00			359,844.00	359,844.00	-	0.00
Money Market	2005 MF St. Augustine	3.42	11/01/05	12/01/05	6,030,363.95	6,030,363.95		(882,092.20)		5,148,271.75	5,148,271.75	-	0.00
Money Market	2005 MF St. Augustine	3.42	11/01/05	12/01/05	35,599.95	35,599.95		(30,240.00)		5,359.95	5,359.95	-	0.00
Money Market	2005 MF St. Augustine	3.14	11/01/05	12/01/05			20,000.00			20,000.00	20,000.00	-	0.00
Money Market	2005 MF St. Augustine	3.42	11/01/05	12/01/05	30,500.00	30,500.00		(24,362.49)		6,137.51	6,137.51	-	0.00
	2005 MF St. Augustine Total				6,952,307.90	6,952,307.90	20,000.00	(987,885.12)	0.00	5,984,422.78	5,984,422.78	0.00	0.00

Mutual Fund	2005 MF Park Manor	3.31	11/01/05	12/01/05	378,148.41	378,148.41	(50,311.42)			327,836.99	327,836.99	-	0.00	
Mutual Fund	2005 MF Park Manor	3.31	11/01/05	12/01/05	3,994,953.58	3,994,953.58	(659,978.45)			3,334,975.13	3,334,975.13	-	0.00	
Inv Agmt	2005 MF Park Manor	5.00	08/26/05	10/01/06	5,200,000.00	5,200,000.00		0.00		5,200,000.00	5,200,000.00	-	0.00	
Mutual Fund	2005 MF Park Manor	3.31	11/01/05	12/01/05	300,000.00	300,000.00	(84,961.32)			215,038.68	215,038.68	-	0.00	
Money Market	2005 MF Park Manor	3.31	11/01/05	12/01/05	4,493.72	4,493.72	(4,473.47)			20.25	20.25	-	0.00	
	2005 MF Park Manor Total				9,877,595.71	9,877,595.71	(799,724.66)	0.00	0.00	9,077,871.05	9,077,871.05	0.00	0.00	
Money Market	2005 MF Pr Mockingbird	3.14	11/01/05	12/01/05			2,282.88			2,282.88	2,282.88	-	0.00	
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07			625,009.00			625,009.00	625,009.00	-	0.00	
Money Market	2005 MF Pr Mockingbird	3.14	11/01/05	12/01/05			1,889.49			1,889.49	1,889.49	-	0.00	
Money Market	2005 MF Pr Mockingbird	3.42	11/01/05	12/01/05			0.81			0.81	0.81	-	0.00	
Mutual Fund	2005 MF Pr Mockingbird	3.14	11/01/05	12/01/05			31,902.87			31,902.87	31,902.87	-	0.00	
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07			768,754.20			768,754.20	768,754.20	-	0.00	
Money Market	2005 MF Pr Mockingbird	3.06	11/01/05	12/01/05			30,786.87			30,786.87	30,786.87	-	0.00	
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07			8,290,661.04			8,290,661.04	8,290,661.04	-	0.00	
Money Market	2005 MF Pr Mockingbird	3.14	11/01/05	12/01/05			187.26			187.26	187.26	-	0.00	
Inv Agmt	2005 MF Pr Mockingbird	3.66	09/01/05	09/01/07			31,214.00			31,214.00	31,214.00	-	0.00	
	2005 MF Pr Mockingbird Total				0.00	0.00	9,782,688.42	0.00	0.00	9,782,688.42	9,782,688.42	0.00	0.00	
Money Market	2005 MF PI @ Chase Oaks	3.42	11/01/05	12/01/05			85,382.79			85,382.79	85,382.79	-	0.00	
Inv Agmt	2005 MF PI @ Chase Oaks	4.05	08/31/05	03/01/07	12,810,750.00	12,810,750.00	(691,918.72)			12,118,831.28	12,118,831.28	-	0.00	
Inv Agmt	2005 MF PI @ Chase Oaks	4.05	08/31/05	03/01/07	1,439,250.00	1,439,250.00	(8,963.84)			1,430,286.16	1,430,286.16	-	0.00	
	2005 MF PI @ Chase Oaks Total				14,250,000.00	14,250,000.00	85,382.79	(700,882.56)	0.00	13,634,500.23	13,634,500.23	0.00	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			833.86			833.86	833.86	-	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			91,964.02			91,964.02	91,964.02	-	0.00	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07			667,424.83			667,424.83	667,424.83	-	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			1,488.59			1,488.59	1,488.59	-	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			55,222.43			55,222.43	55,222.43	-	0.00	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07			403,880.90			403,880.90	403,880.90	-	0.00	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07			13,175,332.30			13,175,332.30	13,175,332.30	-	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			1.65			1.65	1.65	-	0.00	
Money Market	2005 MF Canal Place	3.14	11/01/05	12/01/05			21,461.73			21,461.73	21,461.73	-	0.00	
	2005 MF Canal Place Total				0.00	0.00	14,417,610.31	0.00	0.00	14,417,610.31	14,417,610.31	0.00	0.00	
	Total Multi-Family Investment Summary				223,431,751.69	223,431,751.69	40,072,769.44	(41,135,951.12)	(1,176,254.35)	0.00	221,192,315.66	221,192,315.66	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1993 Investment Summary
For Period Ending November 30, 2005

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	7,646.22	7,646.22	73.29				7,719.51	7,719.51	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	330,128.42	330,128.42	3,157.35				333,285.77	333,285.77	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	86,639.29	86,639.29	828.68				87,467.97	87,467.97	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	39,248.57	39,248.57	375.49				39,624.06	39,624.06	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	179,182.90	179,182.90	1,713.68				180,896.58	180,896.58	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	111,716.26	111,716.26	1,068.50				112,784.76	112,784.76	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	4.82	4.82	0.00				4.82	4.82	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	5.78	5.78	0.00				5.78	5.78	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	367.82	367.82	3.64				371.46	371.46	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	3.29	3.29	0.00				3.29	3.29	-	0.00
Repo Agmt	1993 SF MRB CHMRB	4.01	11/30/05	12/01/05	8.97	8.97	0.00				8.97	8.97	-	0.00
1993 SF MRB CHMRB Total					754,952.34	754,952.34	7,220.63	0.00	0.00	0.00	762,172.97	762,172.97	0.00	0.00
Total 1993 SF MRB CHMRB Investment Summary					754,952.34	754,952.34	7,220.63	0.00	0.00	0.00	762,172.97	762,172.97	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1994 and 1995 Investment Summary
For Period Ending November 30, 2005

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	1994 SF MRB CHMRB	4.01	11/30/05	12/01/05	232.03	232.03	1.95				233.98	233.98	-	0.00
GICs	1994 SF MRB CHMRB				(0.24)	(0.24)	0.24						-	0.00
Repo Agmt	1994 SF MRB CHMRB	4.01	11/30/05	12/01/05	1,336.47	1,336.47	12.91				1,349.38	1,349.38	-	0.00
Repo Agmt	1994 SF MRB CHMRB	4.01	11/30/05	12/01/05	19,315.25	19,315.25		(1,773.24)			17,542.01	17,542.01	-	0.00
Inv Agmt	1994 SF MRB CHMRB	6.05	12/16/04	11/01/26	3,603,649.75	3,603,649.75	714.73				3,604,364.48	3,604,364.48	-	0.00
1994 SF MRB CHMRB Total					3,624,533.26	3,624,533.26	729.83	(1,773.24)	0.00	0.00	3,623,489.85	3,623,489.85	0.00	0.00
Repo Agmt	1995 A/B SF MR Refunding Bonds	4.01	11/30/05	12/01/05	0.01	0.01	0.00				0.01	0.01	-	0.00
1995 A/B SF MR Refunding Bonds Total					0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Total 1994/1995 SF MRB CHMRB Investment Summary					3,624,533.27	3,624,533.27	729.83	(1,773.24)	0.00	0.00	3,623,489.86	3,623,489.86	0.00	0.00

**Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	2,601,488.67	2,601,488.67	24,880.16				2,626,368.83	2,626,368.83	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	2,623,128.87	2,623,128.87	25,087.07				2,648,215.94	2,648,215.94	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	1,122,577.18	1,122,577.18		(218,452.02)			904,125.16	904,125.16	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	331,761.81	331,761.81	30,517.12				362,278.93	362,278.93	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	503,723.57	503,723.57	69,767.25				573,490.82	573,490.82	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	318,304.59	318,304.59	3,044.27				321,348.86	321,348.86	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	363,309.68	363,309.68	3,474.71				366,784.39	366,784.39	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	258,686.55	258,686.55		(60,064.84)			198,621.71	198,621.71	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	313,697.29	313,697.29	63,502.42				377,199.71	377,199.71	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	128,644.99	128,644.99	7,661.84				136,306.83	136,306.83	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	641,791.43	641,791.43	6,138.16				647,929.59	647,929.59	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	1,171,509.86	1,171,509.86		(232,317.85)			939,192.01	939,192.01	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	827,686.31	827,686.31	116,167.14				943,853.45	943,853.45	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	91,550.82	91,550.82		(23,308.55)			68,242.27	68,242.27	-	0.00
Repo Agmt	General Fund	4.01	11/30/05	12/01/05	94,353.13	94,353.13	166,987.37				261,340.50	261,340.50	-	0.00
General Fund Total					11,392,214.75	11,392,214.75	517,227.51	(534,143.26)	0.00	0.00	11,375,299.00	11,375,299.00	0.00	0.00
Total General Fund Investment Summary					11,392,214.75	11,392,214.75	517,227.51	(534,143.26)	0.00	0.00	11,375,299.00	11,375,299.00	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Current Maturity V	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	4.01	11/30/05	12/01/05		22,094.06	22,094.06	12,130.57				34,224.63	34,224.63	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		334,974.03	334,974.03	3,172.31				338,146.34	338,146.34	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		11,745.00	11,745.00	8,065.76				19,810.76	19,810.76	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		15,738.71	15,738.71	129.94				15,868.65	15,868.65	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		441,843.00	441,843.00		(323,261.28)			118,581.72	118,581.72	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		148,435.73	148,435.73	18,448.85				166,884.58	166,884.58	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		257,480.18	257,480.18		(179,266.76)			78,213.42	78,213.42	-	0.00
Repo Agmt	Housing Trust Fund	4.01	11/30/05	12/01/05		5,341,475.16	5,341,475.16	50,885.17				5,392,360.33	5,392,360.33	-	0.00
Repo Agmt	General Revenue Appn	4.01	11/30/05	12/01/05				45,425.95				45,425.95	45,425.95	-	0.00
Repo Agmt	General Revenue Appn	4.01	11/30/05	12/01/05				4,648,256.58				4,648,256.58	4,648,256.58	-	0.00
Repo Agmt	Capacity Building -GR	4.01	11/30/05	12/01/05				54,602.20				54,602.20	54,602.20	-	0.00
Repo Agmt	Pre-Development -GR	4.01	11/30/05	12/01/05				333,546.55				333,546.55	333,546.55	-	0.00
Repo Agmt	Housing Trust Fund-GR	4.01	11/30/05	12/01/05				220,883.26				220,883.26	220,883.26	-	0.00
Repo Agmt	Bootstrap -GR	4.01	11/30/05	12/01/05				791,400.00				791,400.00	791,400.00	-	0.00
Repo Agmt	Bootstrap -GR	4.01	11/30/05	12/01/05				2,466,871.47				2,466,871.47	2,466,871.47	-	0.00
Repo Agmt	Bootstrap -GR	4.01	11/30/05	12/01/05				2,218,359.00				2,218,359.00	2,218,359.00	-	0.00
Housing Trust Fund Total						6,573,785.87	6,573,785.87	10,872,177.61	(502,528.04)	0.00	0.00	16,943,435.44	16,943,435.44	0.00	0.00
Total Housing Trust Fund Investment Summary						6,573,785.87	6,573,785.87	10,872,177.61	(502,528.04)	0.00	0.00	16,943,435.44	16,943,435.44	0.00	0.00

**Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	V	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	Administration	4.01	11/30/05	12/01/05		139,298.68	139,298.68	1,307.51				140,606.19	140,606.19	-	0.00
	Administration Total					139,298.68	139,298.68	1,307.51	0.00	0.00	0.00	140,606.19	140,606.19	0.00	0.00
	Total Administration Investment Summary					139,298.68	139,298.68	1,307.51	0.00	0.00	0.00	140,606.19	140,606.19	0.00	0.00

**Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	V	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	RTC	4.01	11/30/05	12/01/05		122,399.51	122,399.51	149,280.66				271,680.17	271,680.17	-	0.00
Repo Agmt	Multi Family	4.01	11/30/05	12/01/05		715,658.30	715,658.30		(154,238.72)			561,419.58	561,419.58	-	0.00
Repo Agmt	Multi Family	4.01	11/30/05	12/01/05		27,246.70	27,246.70	32,093.10				59,339.80	59,339.80	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.01	11/30/05	12/01/05		404,872.89	404,872.89	224,589.26				629,462.15	629,462.15	-	0.00
Compliance Total						1,270,177.40	1,270,177.40	405,963.02	(154,238.72)	0.00	0.00	1,521,901.70	1,521,901.70	0.00	0.00
Total Compliance Investment Summary						1,270,177.40	1,270,177.40	405,963.02	(154,238.72)	0.00	0.00	1,521,901.70	1,521,901.70	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Current Maturity V	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	4.01	11/30/05	12/01/05		449,453.90	449,453.90	4,263.39				453,717.29	453,717.29	-	0.00
Repo Agmt	S/F Interim Construction	4.01	11/30/05	12/01/05		171.24	171.24	1.81				173.05	173.05	-	0.00
Repo Agmt	S/F Interim Construction	4.01	11/30/05	12/01/05		6.38	6.38	0.00				6.38	6.38	-	0.00
Repo Agmt	Mtg. Credit Certificate	4.01	11/30/05	12/01/05		68,490.29	68,490.29	642.66				69,132.95	69,132.95	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.01	11/30/05	12/01/05		1,249,009.16	1,249,009.16		(381,951.22)			867,057.94	867,057.94	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.01	11/30/05	12/01/05		3,219,349.19	3,219,349.19		(688,843.83)			2,530,505.36	2,530,505.36	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	4.01	11/30/05	12/01/05		377,446.38	377,446.38		(20,415.86)			357,030.52	357,030.52	-	0.00
Housing Initiatives Total						5,363,926.54	5,363,926.54	4,907.86	(1,091,210.91)	0.00	0.00	4,277,623.49	4,277,623.49	0.00	0.00
Total Housing Initiatives Investment Summary						5,363,926.54	5,363,926.54	4,907.86	(1,091,210.91)	0.00	0.00	4,277,623.49	4,277,623.49	0.00	0.00
Total Investment Summary						1,394,458,300.61	1,405,018,582.24	220,620,081.93	(217,078,024.99)	(24,134,918.95)	0.00	1,373,865,438.60	1,366,761,176.22	(17,664,544.01)	0.00

EXECUTIVE DISCUSSION ITEM

February 15, 2006

Discussion

Discussion of Possible TDHCA Activities regarding the Announcement of \$74,523,000 in Community Development Block Grant (CDBG) Funds Provided Under HR 2863 through the U. S. Dept. of Housing and Urban Development (HUD) for Disaster Assistance to Texas for Areas Impacted by Hurricanes.

Background

On December 30, 2005, President Bush signed legislation (HR 2863) providing \$11.5 billion in disaster relief to five Gulf Coast states. Through continued meetings since HR 2863 was signed, the state of Texas has identified over \$1.5 billion in needed repairs related directly to Hurricane Rita. On January 25, 2006, HUD Secretary Alphonso J. Jackson announced HUD’s plan to allocate the \$11.5 billion in disaster funding for areas impacted by Hurricanes Katrina, Rita, and Wilma. Emergency funding is provided through HUD’s Community Development Block Grant Program to specifically assist Louisiana, Mississippi, Florida, Alabama, and Texas in their long-term recovery efforts.

Secretary Jackson announced the following allocation among the five impacted states:

Alabama	\$74,388,000
Florida	\$82,904,000
Louisiana	\$6,210,000,000
Mississippi	\$5,058,185,000
Texas	\$74,523,000
Total	\$11,500,000,000

HUD analyzed data from several different sources, including the Federal Emergency Management Agency (FEMA), Small Business Administration, National Oceanic and Atmospheric Administration, FEMA and U. S. Geological Service, and FEMA remote sensing data to determine the methodology for allocating the CDBG appropriation.

Using these data sources, HUD calculated for each of the five states, their extent of unmet housing needs, defined as uninsured homeowners and low-income renters whose homes had major or severe damage; and concentrated distress, defined as the total number of housing units with major or severe housing damage in counties where 50 percent or more of units had major or severe damage.

HUD developed a formula that determined fifty-five percent of the funds would be allocated toward unmet housing needs. As a result, the Department will have access to approximately \$41 million to address housing needs as a result of Hurricane Rita. Governor Rick Perry’s Executive Order RP 54 extends the disaster declaration for the 22 counties in Southeast Texas that would be eligible for assistance.

**Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending November 30, 2005**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/05	Beginning Market Value 08/31/05	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/05	Ending Market Value 11/30/05	Change in In Market Value	Recognized Gain
Repo Agmt	Commercial Paper	4.01	11/30/05	12/01/05	214,916.38	214,916.38		(114,573.41)			100,342.97	100,342.97	-	0.00
GICs	Commercial Paper	2.85	08/18/05	01/18/06	75,000,000.00	75,000,000.00	0.00				75,000,000.00	75,000,000.00	-	0.00
Commercial Paper Total					75,214,916.38	75,214,916.38	0.00	(114,573.41)	0.00	0.00	75,100,342.97	75,100,342.97	0.00	0.00
Total Commercial Paper Investment Summary					75,214,916.38	75,214,916.38	0.00	(114,573.41)	0.00	0.00	75,100,342.97	75,100,342.97	0.00	0.00

The counties include:

Angelina	Jefferson	San Augustine
Brazoria	Liberty	San Jacinto
Chambers	Montgomery	Shelby
Fort Bend	Nacogdoches	Trinity
Galveston	Newton	Tyler
Hardin	Orange	Walker
Harris	Polk	
Jasper	Sabine	

HUD will shortly publish a notice providing guidance to the affected states to assist them in their long-term recovery planning, particularly as they relate to meeting the tremendous housing needs of their citizens. Once these local action plans are developed, they will be provided to HUD for review.

The Department has been in ongoing discussions with the Governor's office and the Office of Rural Community Affairs regarding the process for distribution of the available CDBG funds. The decision regarding funding and process will be made in the Office of the Governor.

Already, Texas has requested an initial set of waivers from HUD for the allocation and application notice and will have another opportunity to ask for additional waivers as needed.

In anticipation of the yet to be released HUD NOFA, TDHCA has been developing potential distribution scenarios and preparing drafts of the necessary documents for an application, evaluation, and implementation process for the CDBG funding. It is envisioned that the funding will be awarded in the Rita affected area to assist in rehabilitating or reconstructing housing. The types of activities to be funded with the CDBG funds may be partially determined by demand as demonstrated through applications received under the current HOME, Housing Trust Fund, and Housing Tax Credit NOFAs.

Additionally, TDHCA staff has been planning possible staffing assignments, and application and implementation workshop timelines. The Department will conduct the application workshops in Beaumont and Nacogdoches as was done previously with HOME, Housing Trust Fund, and Housing Tax Credit NOFAs and will conduct implementation workshops in Beaumont and Nacogdoches once the funds are awarded.

The Department is reviewing staff availability and cost constraints to determine how the additional workload will be distributed within the Department.

FINANCIAL ADMINISTRATION DIVISION

**BOARD ACTION REQUEST
(February 15, 2006)**

Action Item

Request from the Texas State Affordable Housing Corporation (the "Corporation") for forgiveness of a \$500,000 loan to the Corporation so the Corporation may use the money to provide a gap-financing loan for the rehabilitation, reconstruction or replacement new construction of multifamily complexes in any county designated by the Governor to be a hurricane-affected county of the state (excluding Harris County) or to provide down payment assistance for the Professional Educators Home Loan Program and/or the Fire Fighter and Law Enforcement or Security Officer Home Loan Program.

Required Action

Forgive the \$500,000 loan to the Corporation so the Corporation may use the money to provide a gap-financing loan for the rehabilitation, reconstruction or replacement new construction of multifamily complexes in any county designated by the Governor to be a hurricane-affected county of the state (excluding Harris County) or to provide down payment assistance for the Professional Educators Home Loan Program and/or the Fire Fighter and Law Enforcement or Security Officer Home Loan Program.

Background

In 1995 and 1996, the Corporation received approximately \$5.5 million in Federal Investment Partnerships Program (HOME) awards from the Department (HOME Contracts No. 535001 and No. 536267). These funds were directly awarded to the Corporation to assist the Department in committing its Federal HOME grant allocation. The proceeds from these awards were used to provide down payment and closing cost assistance in the form of a second lien, non-amortizing, non-interest bearing 30-year note to homebuyers utilizing the Department's Single Family Mortgage Revenue Bond Program or Neighborhood Partnerships for Texans Program. When the HOME funds and loan were awarded, the Corporation had no staff of its own and the Corporation was staffed by Department personnel.

At the time these funds were awarded, HOME rules required that the sub-recipient provide the initial cash outlay to fund projects (down payment assistance loans) and then request reimbursement for these monies under the HOME award. Due to the Corporation's limited resources at the time of the awards, the Department made a \$500,000 loan to the Corporation to provide the initial payments to the awardees. The term of the loan was for ten (10) years with the provision that the Department "...may waive and forgive repayment of principal on this Note before or after its maturity." The

note maturity date is February 28, 2006, as amended. **(See attached Promissory Note, with amendments)**

In an effort to provide assistance to the hurricane-affected counties in Texas designated by the Governor on October 3, 2005, the Corporation and Department propose to use the loan funds in conjunction with the Corporation's 2006 Multi-family Private Activity Bond Program for the rehabilitation, reconstruction or replacement new construction of multifamily complexes in any of the 21 designated hurricane-affected counties of the state (excluding Harris County). The Corporation has approximately \$26 million available under its 2006 Multi-family Private Activity Bond allocation. Due to the low area median family incomes in these areas, gap financing will be required to ensure the financial feasibility of the development(s). The Corporation proposes that the \$500,000 (original loan amount) be forgiven by the Department to be used as a low-interest cash flow loan for gap financing to facilitate the rebuilding of the hurricane-affected disaster areas.

In addition, the Corporation will commit to make an additional loan up to \$500,000 as a low-interest cash flow loan for gap financing, as may be required. **(See attached draft of the Corporation's Request for Proposal to be considered by the Corporation's Board of Directors on February 10, 2006)**

Should the Corporation not receive proposals in response to the hurricane-affected area RFP, or does not close a transaction as a result of the RFP, the Corporation will use the money for down payment assistance for one or both of its single family bond programs, the Professional Educators Home Loan Program or the Fire Fighter and Law Enforcement or Security Officer Home Loan Program.

Within 10 days of approval of this Action Item, staff will return the original Promissory Note to the Corporation along with a signed statement that the Note has been forgiven and is no longer due.

Texas State Affordable Housing Corporation

**Request for Proposals
from Multi-Family Developers
for the Reconstruction, Rehabilitation, or
Replacement New Construction of
Multifamily Housing in the Gulf Opportunity Zone
Designated Counties of Texas using
Tax-Exempt Bond Financing**

**Texas State Affordable Housing Corporation
1005 Congress Avenue, Suite 500
Austin, Texas 78701**

Request for Proposals

The Texas State Affordable Housing Corporation (The "Corporation") is requesting proposals (the "RFP") from qualified firms (the "Respondents") interested in working with the Corporation for the reconstruction, rehabilitation, or replacement new construction of multifamily rental housing in certain areas affected by Hurricanes Katrina and Rita. This includes twenty-one (21) of the twenty-two (22) counties in the Southeast and Gulf Coast regions of Texas (excluding Harris county) that were most impacted by the hurricanes as declared by the Governor of the State of Texas on October 3, 2005. The Corporation will offer approximately \$26 million in private activity bonds along with a low interest, cash flow loan of up to one million dollars (\$1M).

For the purpose of this RFP, a qualified rehabilitation or reconstruction development must be located in one of the following counties: Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, or Walker county. A qualified replacement new construction development must be located in either Jefferson or Orange county.

Questions about the RFP can be directed in writing to:

Ms. Cari Garcia
Texas State Affordable Housing Corporation
1005 Congress Avenue, Suite 500
Austin, Texas 78701
Telephone (512) 477-3555, Ext. 413
Fax (512) 477-3557
Email: cgarcia@tsahc.org

All questions and responses will be posted on the Corporation's web site (www.tsahc.org) within the Multifamily Bond Programs section. Questions and Answers from the previous program years that are applicable to the 2006 Program will be posted in that section as well. New Questions will be accepted until 5:00 p.m. on Friday, March 17, 2006. Respondents will be held responsible for information posted to the website related to the RFP. Submissions are due by not later than 2:00 P.M. Central Standard Time on Friday, April 7, 2006.

General Information

The Corporation is interested in contracting with a firm that is experienced, qualified, and interested in partnering with the Corporation for the rehabilitation, reconstruction or replacement of multifamily rental housing in certain areas affected by Hurricanes Katrina and Rita. If a proposed Development is approved by the Corporation, the Texas Attorney General, and (if required) the Texas Bond Review Board, the selected Respondent will receive a tax-exempt private activity bond allocation that the Corporation has reserved specifically for the selected Development. In addition, the selected Respondent will be eligible to apply for a 4 percent HTC allocation through the Texas Department of Housing and Community Affairs (TDHCA). According to HR 4440, the Gulf Opportunity Zone Act of 2005, President Bush designated these specific areas as Difficult Development Areas ("DDA") that are eligible to receive an additional 30% eligible basis boost for tax credit calculations associated with the designation.

On October 3, 2005, the Governor of the State of Texas declared twenty-two (22) Texas counties to be impacted by Hurricane Rita. These counties are located in the Southeast and Gulf Coast regions of Texas and were identified by the State Operations Center as the areas most impacted by the hurricane. These areas were also federally designated as disaster areas under HR 4440. Subsequently, the Governor waived “all rules and regulations that may inhibit or prevent prompt response to this threat” through Executive Order RP54. This Executive Order declared a state of disaster for purposes of disaster recovery and response and directed all necessary measures, both public and private as authorized under Section 418.015 of the Texas Government Code, be implemented to meet the disaster needs.

Appendix D shows the severity of damage to multifamily units in each of these counties. Because the severity of damage was so great in Jefferson and Orange counties, the Corporation is limiting replacement new construction to those counties only. Rehabilitation or reconstruction responses may be submitted for any of the twenty-one (21) counties. For purposes of this RFP, reconstruction is defined as demolition and reconstruction on the same site and replacement new construction is defined as new construction of multifamily units on any site in Jefferson or Orange county.

The Development and the proposed financing must comply with all state and federal requirements, including without limitation the Internal Revenue Code and related regulations and requirements relating to low income housing tax credits.

Detailed Development Description

Requirements:

- 1) A qualified rehabilitation or reconstruction development must be located in one of the following counties: Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, or Walker county. A qualified replacement new construction development must be located in either Jefferson or Orange county.
- 2) More than one property may be pooled together under a single bond issuance, but the total bond request must not exceed \$26 million dollars. (If additional properties could be added to the pool, they should be presented in a secondary proposal to be funded in the event that other RFPs do not receive qualified proposals.)
- 3) Submitted proposals must meet local standards for multi-family development found in the respective City’s zoning ordinances.
- 4) Proposals must comply with requirements of the Qualified Allocation Plan of TDHCA relating to an issuance of tax-exempt bond financing.

Proposals not meeting the requirements above will not be scored or presented to the Board.

The Roles of the Corporation

The Corporation may assemble a team of consultants for legal and financial planning to assist in the implementation of this initiative, and to the maximum extent, their costs will be paid from the tax-exempt bond and tax credit financing. Upon selection, the Respondent is responsible for preparing a HTC application for 4 percent tax credits and timely submitting it to TDHCA and providing a copy of such application to the Corporation, when completed. The Corporation will assume the following roles for the selected Development:

- A. *Bond Issuer.* Private activity bond volume cap funds from the Corporation will be made available for use by the Respondent for the construction and permanent financing of the Development. The Corporation has been given volume cap allocation by statute that will be used for the selected Development. The Corporation is not a participant in the State of Texas private activity bond lottery administered by the Bond Review Board.
- B. *Asset/Compliance Manager.* The Corporation will monitor and enforce the terms of all regulatory and operating agreements for any multi-family units considered “affordable.” The Corporation will receive ongoing fees for these services that will be paid from the project revenues. The Corporation may require the owner of the Development and/or related entities or person to guaranty the payment of those fees.
- C. *Management.* The Corporation does not intend to have significant involvement in the day-to-day operation/management activities; aside from asset oversight and compliance monitoring. The Respondent will negotiate the terms of the management of the property, which is expected to be done by an experienced property management firm. The Corporation must approve the initial selection of a management company and all subsequent changes in management agent during the term while the bonds are outstanding.

Respondent’s Role

The responsibilities of the selected Respondent(s) will include, but are not limited to, the following:

- Insure that the Development meets all of the Corporation’s requirements for affordable multifamily financing and that the rehabilitation complies with local codes and requirements.
- Undertake predevelopment activities.
- Develop architectural plans consistent with this RFP and guidelines, and obtain City and other required approvals and permits.
- Gain local community support for the proposal.
- Develop and manage an implementation schedule.
- Obtain additional leveraged funds from other sources, if needed.
- Prepare and submit a Low Income Housing Tax Credit application to TDHCA for 4 percent tax credits.
- Develop a project budget.
- Coordinate all development activities, including reporting and budget requirements, as required by each jurisdiction.
- Determine a general management structure, prepare a management plan for the property, and recommend a property manager, subject to approval by the Corporation.
- Provide all necessary financial guarantees and assurances to the lenders and tax credit investors.

- Solicit construction bids and enter into a contract for construction.
- Oversee construction and ensure completion in a timely manner.
- Obtain commitments from lenders and tax credit investors for financing the Development, such commitments to be with parties acceptable to the Corporation.
- Deliver units consistent with Federal, State, and City requirements and guidelines.
- Maintain compliance with all regulatory and operating agreements.

Income Structure and Use Restrictions

The Corporation seeks to provide housing to a mix of eligible households, including the low and very low income. **A Respondent will be disqualified from consideration if any of requirements (a) through (c) below are not met.** At a minimum, all proposals will be required to meet the following income and rent restrictions:

- (a) Minimum Income Restrictions. A minimum of twenty percent (20%) of the units in a Qualified Residential Rental Project 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 project must be affordable to families with incomes at or below sixty percent (60%) of the AMI, adjusted for family size.
- (b) Rent Restrictions. Gross monthly rent charged on an income restricted unit will not exceed 30% of the applicable AMI including utility allowances for each unit size.
- (c) Minimum Term of Restrictions. Income and rent restrictions must be maintained for a qualified project period to be determined in accordance with federal and state law.

To receive the maximum amount of points the respondent may choose to serve lower income groups through the following method:

- (d) Preferred Income Restrictions. A minimum of forty percent (40%) of the units in a Qualified Residential Rental Project must have Gross Rents that are restricted to households with incomes no greater than fifty percent (50%) of the Area Median Income (“AMI”). The remaining units must be restricted to households with incomes no greater than sixty percent (60%) of the Area Median Income (“AMI”).

All applications must comply with the TDHCA Qualified Allocation Plan and Rules pertaining to the Low Income Housing Tax Credit Program in effect at the time of response in order to apply for 4% tax credits.

Development Design Review

The Corporation encourages the use of “green building” methods in the design and operation of multi-family developments. Green building promotes conservation of natural resources, preserves the health of people and the environment, improves the quality of life for residents, and may save money for the residents on utility bills. The Corporation recommends contacting the respective City/County to determine available resources or programs that are available for the Development. The Development

must obtain all required City permits including all building permits and must be appropriately zoned and platted.

Submission Requirements

The objective of the RFP is to determine respondent interest and to consider the selection of a qualified respondent. Submissions to this RFP must include brief summary responses to the following in the order listed along with each section tabbed. If any item listed below is not included in the submission, please provide a written explanation behind the tabbed section. The Corporation reserves the right to request additional information upon review of initial submissions.

1. Title page & Application Form
2. Maps: A **location map** showing the location and approximate outline of the tracts involved along with the location of any and all amenities, for which the respondent is claiming points, which are located near the Development. To be eligible for points, amenities should be located within a one mile radius of a Development in urban/exurban areas and a two mile radius of the Development in rural areas. A **zoning map** showing the existing zoning of the property and surrounding areas, demonstrating that the Development, as proposed, is zoned for the intended use, or a letter indicating that a zoning change has been requested. Zoning must be approved for the Development within 45 days of receiving a reservation for allocation of bond cap.
3. Site Control: Evidence that the Respondent either (i) owns the site for the proposed Development or (ii) has a contract or an option to purchase the Development site covering the time period that the application is under review or that has an “option to extend” clause covering the same time period.
4. Audited financial statements of the Respondent for the last three years. The Respondent shall fully explain any negative audit findings. Provide the names of three banks or other financial institutions that can provide business references and the names and telephone numbers of contact persons. Respondents should be aware that the Corporation is subject to the provisions of the Texas Public Information Act, and that information received by the Corporation may be subject to open records requests.
5. An estimated construction schedule. If rehabilitation is proposed, submit a physical condition assessment report (“PCA”) completed on the property which confirms the cost of rehabilitation. The PCA must not be older than 6 months prior to the application date.
6. Submit a market study showing the need in the area for replacement new construction or rehabilitated affordable housing as proposed.
7. Photographs of the proposed site for replacement new construction and/or of the Development which identify the need for rehabilitation.
8. Provide an organizational chart of the proposed ownership structure and identify the various legal entities to be involved in the construction, ownership, operation, and management of the improvements and the nature of their involvement. With respect to the development entity and/or the management agent, a precise description of any joint venture arrangements, including respective equity and decision making interests shall be provided. Describe the roles and responsibilities of each team member on this Development and provide resumes that include

qualifying experience. Provide certification by the Respondent stating the nature of any relationship, business or otherwise, (for example, common or related board members) between or among the team members, including the Respondent, the proposed management company, the seller(s) of property, the underwriter or placement agent, and any other party related to the transaction.

9. Certifications:

- a. Certification by the Respondent and Respondent's principal(s) that they are in good standing with the Corporation, TDHCA, and the City or County in which the Development is located. The certification should state that these principals do not have any outstanding compliance issues with the Corporation, TDHCA, or the City/County, and have not had any compliance issues in the last three years, or provide full disclosure of any problems and issues. As part of the evaluation process, the Corporation will request information from TDHCA's Compliance Division and review any internal compliance records on each principal of the Applicant.
 - b. Certification by the Respondent and any underwriter or placement agent for the bonds stating that they have read and understand the Corporation's Guidelines and the RFP and acknowledging (a) that all exceptions to the Guidelines and RFP must be requested in writing by the Applicant with an explanation of the need for the exception, (b) that all exceptions to the Guidelines and RFP are subject to the review and/or approval by the Board of Directors of the Corporation, and (c) that complying with the Guidelines and RFP does not guarantee approval of the transaction by either the Corporation's Board of Directors or the Texas Bond Review Board.
 - c. Certification by the Respondent and Respondent's principal(s) that they have not been involved during the past five years and are not currently involved in litigation regarding the development and/or financing of a property under the Corporation's or TDHCA's multifamily bond programs, the LIHTC program, or any City program, or full disclosure of any litigation.
 - d. Certification by the Respondent and Respondent's principal(s) that they do not have outstanding issues with the Internal Revenue Service regarding tax-exempt bond financed or LIHTC properties, or full disclosure of any outstanding issues.
 - e. If claiming points for providing a security or courtesy officer on site, the respondent must submit a certification stating that the proposal contains such a provision and a description of the budgeted line item that will compensate this expense.
 - f. Certification by the Respondent stating that a majority of the expenses of rehabilitation or reconstruction are related to direct damage from Hurricane Katrina or Rita along with a copy of all insurance remittances requested or received verifying the amount and cause of damage or a statement that the development was not insured for hurricane damage. Insurance proceeds should be identified as a source of funds on the development cost schedule.
10. If applicable, describe and provide supporting evidence (e.g., certification by a governmental agency) of the status as a Historically Underutilized Business (HUB), minority business enterprise (MBE) and/or women owned business enterprise (WBE), or, if applicable, describe the Respondent's or the general contractor's history of utilizing HUB's.

11. Describe past experience working on affordable housing developments with TDHCA, the Corporation, and local government entities, including cities or local housing finance corporations. Include a description of the work, and name and telephone number for a contact representative at each (maximum of 4 examples for each government entity with which you worked). *The submitted documents must support points claimed for this item under the scoring criteria.*
12. Describe experience in the development of properties using tax-exempt bond financing and/or LIHTC. Include the name and address of the property(s), property description, whether new construction or acquisition and rehabilitation, whether 9% or 4% LIHTC and allocation year, description of the participation of the Respondent, identification of any participation by a housing-related nonprofit or City or other public entity where the property is located, and the name and telephone number of a reference person(s) for each property (maximum of 4 examples of properties completed using both LIHTC and tax-exempt bond financing, and if no properties completed using both financing methods, list a maximum of 4 properties completed using either tax-exempt bond financing or LIHTC and specify which was used). *The submitted documents must support points claimed for this item under the scoring criteria.*
13. Financial Spreadsheets:
 - a. **Rent/Expense Analysis** identifying the proposed rent structure and any components to this structure such as utility allowances and source, vacancy and collections loss and other exceptions to the rent and secondary income of the property. All operating expenses should be identified and included to determine the Net Operating Income of the property and financial ability to repay bonds in the amount required. For pooled transactions, information should be submitted for each property.
 - b. **Development Cost Schedule** identifying all anticipated Development costs associated with the transaction consistent with the Sources and Uses of Funds report. For pooled transactions, information should be submitted for each property.
 - c. **30-year Operating Proforma** which substantiates that the Development will maintain a minimum debt coverage ratio of 1.10 over the 30 year period. Any deferred developer fee proposed in the transaction should be shown in the proforma as fully repayable within 10 years. For pooled transactions, information should be submitted for each property along with a combined proforma identifying the entire cross collateralized transaction.
 - d. **Sources and Uses of Funds Schedule** for the bond transaction that identifies by name all companies or individuals to receive payments, including, but not limited to, developer's fees, real estate commissions, underwriting fees, operating working capital (if any) and borrower's working capital (if any), and should specify whether the payments will be from bond proceeds or other proceeds.
 - e. **Operating Statements** for each property consisting of the previous twelve (12) consecutive months ending not more than three (3) months from the date of submission; the two most recent consecutive annual operating statement summaries; and a rent roll not more than six (6) months old at the time of response submission. (rehabilitation only)
14. A narrative of the financing plan which clearly identifies the amount of outside resources necessary to make the Development financially feasible, if applicable, as well as the amount of tax-exempt volume cap allocation and Low-Income Housing Tax Credits and other private

resources that will likely be available for the Development. The plan should also identify any anticipated cash investment by the Respondent.

15. Commitment letters from all financial entities (including rental assistance and grant funds) involved in the financing of the proposed development. Commitment letters should be consistent with the amount of funds on the sources and uses form. If applicable, provide verification of rental assistance in the form of an approved contract between the proposed ownership entity and the provider.
16. Provide a list of all properties for which the Respondent or Respondent's principals have received TDHCA housing construction or rehabilitation funding. Please list the property name, the name of the legal owner of the property, the type of funding, and the city where the property is located.
17. A resident services plan which clearly identifies the resident services to be provided at the Development. The plan must state how services will be determined, who will be providing the services, transportation arrangements (if applicable), and available/proposed space to be used for the provision of resident services. *The narrative must support points claimed for these items under the scoring criteria.*
18. The TDHCA QAP requires all developments to meet the standard statewide energy code adopted by the State Energy Conservation Office. Beginning September 1st, 2005, two new energy code notices will be in effect: IECC (International Energy Conservation Code)-2003 and ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers) 90.1-2004; also known as the "Texas Standard". Under this program, minimum requirements are set for energy efficient design and major renovation projects so that they may be constructed, operated, and maintained in a manner that minimizes the use of energy without constraining the building function or the comfort of the occupants. The Corporation promotes the use of energy efficiency in multi-family housing developments by providing a point based incentive for exceeding the Texas Standard. Therefore, if the Development is proposing specific items to promote energy efficiency which exceed the Texas Standard as outlined by the State Energy Conservation Office, the proposal must contain a narrative of the energy efficiency methods proposed and describe how these compare to and exceed the minimum standard. All energy efficiency features identified should be consistent with line item expenses identified in the development and/or operating budget. *Information in this section must support points claimed for these items under the scoring criteria.*
19. A copy of the tax credit application to the Texas Department of Housing and Community Affairs, as soon as it is submitted.

One response should be submitted for the entire proposal. If the response includes more than one property, there are various sections of the response that are property specific and should be submitted for each property. These items may include but are not limited to.

Property Specific Submissions

- Application Form
- Maps
- Site Control (unless all properties are contained within one purchase agreement)
- Market Study
- Photographs of the Development
- Evidence of local support
- Financial Spreadsheets (by property and as pooled, if applicable)

- Resident Services Plan
- Housing Tax Credit Application
- Green Building Information (if applicable)

Response Submission and Approval Procedures

Response Filing Requirements

A Respondent desiring to respond to this RFP shall complete and file with the Corporation one (1) original and five (5) copies of the RFP response (the “Response”). The Response (original and five copies) shall be filed with the Corporation by mailing or delivering the same to the following address:

Ms. Cari Garcia
Texas State Affordable Housing Corporation
1005 Congress Avenue, Suite 500
Austin, Texas 78701
(512) 477-3555, Ext. 413
(512) 477-3557 (Fax)

Preliminary Official Action.

Upon compliance with the response requirements set forth in the RFP, the Corporation will conduct a preliminary review of all Responses. If all of the Response requirements are met and the proposed Development meets the Corporation’s purposes and guidelines, the Development will be scored by the Corporation in accordance with the criteria identified in Appendix A. The Applicant will be notified in writing of any deficiencies identified in the application and will be provided a timeframe to correct noted deficiencies. If the deficiencies are not corrected to the satisfaction of the Corporation within the allotted timeframe, the application will not be considered by the board for allocation and an alternate application will be underwritten.

The Corporation’s Board of Directors (the “Board”) will have an opportunity to call any Respondent before the Board (at the Board’s discretion) to review the following items:

- The amount of volume cap that will reasonably support the financing structure (recognizing the limits of the Corporation’s allocation);
- Evidence of community support for the Development;
- Qualifications of Development team;
- Evidence of financial feasibility of the Development and cost efficiency of bond financing structure – The Corporation reserves the right to impose a cap on any volume cap requests;
- Evidence of commitment of all long term development financing sources;
- Evidence of long term affordability of rents for persons with low income;
- Evidence and support of adequate market for the units;
- Demonstration that the Development will not adversely impact existing affordable housing properties in the identified market area; and
- Other information relating to the RFP, the proposed Development, or the Respondent.

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 development process are the sole responsibility of the Respondent. 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 Developments for possible allocation of private activity bond cap is subject to final allocation approval by the Texas Bond Review Board.

At the same Board meeting at which oral presentations are made, the Board may select Development(s) and alternate Developments based on the final scores of the Responses. **The Corporation reserves the right not to approve any Responses, even one that is awarded the most points in the initial or final scoring of the Responses.** The Corporation also reserves the right to approve more than one Response. After the Developments are chosen, the Corporation, in coordination with the Respondent(s), will hold the required TEFRA hearings.

At the Board's next meeting following the TEFRA hearing for a Development, the Board may take preliminary official action to adopt an inducement resolution evidencing the Corporation's intent to issue obligations with respect to the Development, if all the requirements set forth herein are met and the public comment at the TEFRA hearings shows sufficient support for the Development. In order for the Board to take preliminary official action, the preliminary review of the Response must demonstrate with reasonable certainty that:

- (a) the Response, the obligations, and the Development will qualify for final approval by the Corporation in accordance with the RFP and the requirements set forth in Appendix C; and
- (b) all governmental approvals with respect to the obligations, the HTC, and the Development will be obtained.

If the Corporation does not grant preliminary approval of the Response, the Corporation will so advise the Respondent.

Any preliminary official action of the Corporation should not be construed as an indication as to the marketability of obligations, or as the final approval of the Development by the Corporation, its Financial Advisor or Bond Counsel. Rather, it is an indication that the Corporation will attempt to issue its obligations for the Development subject to, (i) a readiness to proceed by the Respondent with financing structure approval process, (ii) the Respondent's continuing compliance with these Regulations and cooperation in providing any and all requested information to the Corporation, (iii) approval by the Texas Bond Review Board of the sale of obligations, (iv) market conditions and terms acceptable to the Corporation and to its staff and consultants, and (v) acceptable evidence of local support for the Development and approval by the Texas Attorney General of the issuance of the obligations.

AFTER THE CORPORATION'S ADOPTION OF THE INDUCEMENT RESOLUTION, IT IS THE RESPONDENT'S RESPONSIBILITY TO PROCEED WITH REASONABLE DISPATCH TO COMPLETE THE BOND FINANCING PROCESS IN A TIMELY MANNER, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF ANY FEE DEPOSITED AND THE PROVISION OF REQUIRED INFORMATION, DOCUMENTS, ETC. NECESSARY TO PROCEED.

See Appendix C for a detailed discussion of these items:

- I. Subsequent filing requirement, public hearings and document preparation
- II. Final Approval and Closing
- III. Sale of Bonds
- IV. Fees and Other Costs
- V. Miscellaneous

Appendix A Scoring Criteria

Financial Feasibility

- A. The lowest cost per unit (includes direct construction hard costs, site work, contingency, contractor profit, overhead and general requirements) of a proposed housing development that meets the specifications in the Request for Proposal (RFP). *The minimum hard cost per unit must meet the requirements of the TDHCA QAP.* **20 points total**
20 points – lowest per unit construction cost
15 points – next lowest per unit construction cost
10 points – next lowest per unit construction cost
5 points – next lowest per unit construction cost
0 points – next lowest per unit construction cost
- B. The proposed unit rents meet or exceed the low-rent requirements in the RFP. **20 points total**
20 points – meets rent requirements
0 points – does not meet rent requirements
- C. The proposal meets the low-income set aside requirements in the RFP for the proposed housing development. **20 points total**
20 points – meets preferred low-income set aside requirements
10 points – meets minimum low-income set aside requirements
0 points – does not meet minimum low-income set aside requirements
- D. A strong pro-forma, as evidenced by a high debt service coverage ratio (DSCR). The DSCR should be 1.10 to 1.30 in the first year of stabilized operations and maintained no lower than 1.10 over the 30-year operating proforma. **20 points total**
20 points – 1.25 or greater
10 points – 1.16 to 1.24 DSCR
5 points – 1.11 to 1.15 DSCR
0 points – 1.10 DSCR
- E. The reasonableness of any deferred developer fees as compared to other submissions and/or similar projects. **15 points total**
15 points – lowest percent of developer fee deferred
10 points – next lowest percent of developer fee deferred
0 points – next lowest percent of developer fee deferred
- F. The financial participation of other entities specifically, the highest proposed grant contribution (excluding rental assistance) by any entity other than TSAHC, relative to other submissions. **10 points total**
10 points – highest amount of grant proposed
5 points – highest amount of grant proposed
0 points – highest amount of grant proposed

- G. The financial participation of other entities, specifically, the lowest proposed cash value contribution by TSAHC relative to other submissions. **10 points total**
 10 points – lowest amount of financial assistance proposed
 5 points – next lowest amount of financial assistance proposed
 0 points – next lowest amount of financial assistance proposed
- H. The financial participation of other entities in the form of a rental assistance operating subsidy such as HUD Section 8, Rural Development Rental Assistance or other funds specifically set aside by the developer for rental assistance. *To qualify for points, funds set aside out of cash flow to be used for rental assistance should be allocated for a period of ten years and identified in the proforma as such.* **20 points total**
 20 points – 80-100% of the units have rental assistance
 15 points – 50-79% of the units have rental assistance
 10 points – 25-49% of the units have rental assistance
 5 points – 5-9% of the units have rental assistance

Development Characteristics

- I. The Development provides quality resident services to all households at the Development as outlined in the TSAHC Resident Services Program Guidelines (Appendix B). **15 points total**
 10 points – maximum of 10 points with one point for each service provided
 5 points- additional 5 points for certification by respondent that a Resident Council will be formed within six months of achieving stabilized occupancy (90% occupancy)
- J. The Development will have staff and accommodations to provide resident services on-site or will budget for transportation to an off site location. **20 points total**
 10 points – Resident Services Coordinator position in budget and certification by owner that this position will be posted and/or filled within six months of achieving stabilized occupancy (90% occupancy)
 10 points- additional 10 points for submitting a plan which identifies space at the property to provide the services identified in Section I. and/or describes how the services are to be provided to the residents (i.e. transportation) if off site
 0 points – no space set aside for resident services and no plan for transportation off site
- K. The Development exceeds the Texas Standard for energy efficiency as described in detail in the Submission Requirements section of the RFP. **10 points total**
 10 points – energy efficiency proposed exceeds the Texas Standard
 0 points –energy efficiency proposed does not exceed the Texas Standard

- L. The Development is located near appropriate amenities that can be easily accessed by the tenant population (elderly, special needs, families, etc.). To count for points, the amenity must be located within a one or two mile radius of the Development (as specified in the RFP) and identified on a local area map. For purposes of this section, amenities include: grocery store, pharmacy, convenience store, department/retail store, bank, restaurant, indoor or outdoor recreation facilities, hospital/medical clinics, public schools, senior center, daycares, and social service offices. **10 points total**
 10 points – Six (6) or more local amenities nearby
 5 points – Three (3) or more local amenities nearby
 0 points – Fewer than three (3) amenities nearby
- M. The Development provides security at the property(ies). **10 points total**
 10 points – Either certification that security or courtesy officer will be provided and the includes compensation for this position (budgeted expenses or rent concessions, or the Development(s) have or are proposed to have exterior fencing around the entire perimeter of the property along with a secured access gate.
 0 points – No security/courtesy officer or secured gate and fencing identified in the development plan

Experience and Local Support

- N. The proposal demonstrates the experience and qualifications of the Respondent and team members as evidenced by the completion of multifamily housing rental developments using bond financing and/or Low Income Housing Tax Credits (LIHTC). **20 points total**
 20 points – 4+ multifamily developments completed using bond financing **and** LIHTC
 15 points – 1-3 multifamily developments completed using bond financing **and** LIHTC
 10 points – 4+ multifamily developments completed using bond financing **or** LIHTC
 5 points – 1-3 multifamily developments completed using bond financing **or** LIHTC
 0 points – no multifamily developments completed using bond financing **or** LIHTC
- O. Experience working on affordable housing developments with cities or other local government entities, as evidenced by the receipt of HOME funds, CDBG funds, PHA funds, real estate, or some other substantial contribution from the local gov't entity. **10 points total**
 10 points – 4+ multifamily projects completed with the participation of a local gov't entity
 5 points – 1-3 multifamily projects completed with the participation of a local gov't entity
 0 points – 0 multifamily projects completed with the participation of a local gov't entity
- P. The development team has provided for Historically Underutilized Business (HUB) participation on its last two developments. **10 points total**
 10 points – HUB participation
 0 points – no HUB participation
- Q. The financial capacity of the Respondent has been established, as evidenced by an absence of any negative findings on audited financial statements (that have not been explained to the Corporation's satisfaction). **10 points total**
 10 points – financial capacity of the Respondent or Guarantor established
 0 points – financial capacity of the Respondent or Guarantor not established

TOTAL POSSIBLE POINTS: 250

APPENDIX B

TSAHC Resident Services Program Guidelines

It is the Texas State Affordable Housing Corp.'s goal to have the nation's leading Resident Services Program. To reach this goal, and better serve your residents, we need your help on site. TSAHC has created basic guidelines and report systems to help with this process.

The following is a list of activities/courses that can be implemented. If you are interested in starting an activity or course that is not on the list, make sure that it will encourage economic self sufficiency and/or promote homeownership opportunities.

- Career Services
 1. Computer Literacy
 2. GED Classes
 3. Job Skills/Training
 4. Resume/ Job Search Workshop
 5. Job Fair

- Children's Services
 1. After School Care
 2. Swimming Lessons
 3. On-site Daycare
 4. On-site Tutoring Sessions
 5. Performing Arts
 6. Halloween Safety
 7. Site library

- Community Awareness
 1. Crime Watch
 2. Self Defense Course
 3. Child Id/Fingerprinting Program
 4. Fire Safety
 5. Domestic Violence Shelter/ Programs
 6. Host Support Groups Such as AA, Anger Management, etc.
 7. Community Gardens
 8. Community Service Activities (i.e. Habitat for Humanity)

- Domestic Skills
 1. Budgeting
 2. Tax Prep. Courses
 3. Low Cost Healthy Cooking
 4. Organization Classes
 5. Cleaning Supply Safety

- Medical and Health Services
 1. Basic First Aid and CPR
 2. Caring for the Disabled
 3. Health and Screening Services
 4. HIV/AIDS Classes

5. Vaccinations/ Flu Shots
 6. Weight Loss Club
 7. Diabetes/ Heart Disease Courses
 8. Babysitting Safety Courses
- Personal Development
 1. Counseling Services
 2. Credit Counseling
 3. English as a Second Language Courses
 4. Home Ownership Counseling
 5. Parenting Classes
 6. Anger Management Courses
 7. Family Counseling
 - Transportation Services
 1. Grocery Store
 2. Library
 3. Medical Visits
 4. Cultural Events

Inappropriate activities include children's movie time, patio decorating contests, gambling trips, resident parties, Easter Egg Hunts or other activities along these lines. Properties are welcome to offer these activities but they will not count towards fulfilling the Resident Services obligation.

APPENDIX C

I. Subsequent Filing Requirements, Public Hearings and Document Preparation

1. Subsequent Filing Requirements. Prior to review of the Response for final approval by the Corporation, and prior to review by the Texas Bond Review Board, the Respondent may file such additional documents or statements in support thereof as the Respondent shall consider relevant and appropriate and shall file the following:

(a) such additional information as is requested by the Corporation, the Financial Advisor, or Bond Counsel;

(b) a proforma copy of any official statement, prospectus, or other offering memoranda, through the use of which the proposed obligations are to be offered, sold, or placed with any lender, purchaser, or investor, which offering, sale, or placement material shall 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 these Regulations;

(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 or guarantees, warrants, or endorses the creditworthiness or credit standing of the Respondent 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 Respondent 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.

2. Public Hearings and Meetings. The Corporation is required to hold certain public hearings and meetings prior to final approval by the Corporation's Board and by the Texas Bond Review Board. With respect to the public hearing required under federal tax law by the Tax Equity and Fiscal Responsibility Act ("TEFRA"), the Corporation is required to hold such hearing (the "TEFRA Hearing") in the jurisdiction in which the Development is to be located. The Corporation must publish notice in the *Texas Register* and the local newspapers of general circulation in the participating jurisdictions at least seven (7) days and twenty-one (21) days prior to the TEFRA hearing. The *Texas Register* is published only on Fridays and such notice must be provided to the *Texas Register* no later than noon on the Wednesday which is ten (10) days preceding the Friday in which the publication is requested. **The *Texas Register* provides no exceptions to this deadline.** Accordingly, the Corporation will require

the Respondent to provide an appropriate location, date and time for TEFRA hearings as approved by the Corporation and transmit this information to the Corporation at least 7 days prior to the date notice is required to be published in the *Texas Register*. The TEFRA Hearing may not be held (and notice of such Hearing may not be published) prior to the date a Development is selected by the Corporation; provided, however, that such hearings may be scheduled and publication of notice of such hearings may be provided for 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 in Section IV.A.1. (d) below.

The Corporation must also provide notice of the TEFRA hearing(s) to certain members of the Texas Legislature, local public libraries, homeowners' associations or other recognized neighborhood organizations or groups within a one mile radius of the Development(s), county and city officials, residents of the Development(s) (if occupied), and other interested parties designated by the Corporation. The Corporation will not publish notice of a public hearing until it has received from the Respondent:

- (a) the names and addresses of any affected homeowners' associations, and
- (b) the names of the state legislators, the city council members and the county commissioners in whose district or precinct (as applicable) the Development(s) are located.

THE INFORMATION REQUIRED BY THE CORPORATION TO GIVE NOTICE OF THE TEFRA HEARING IS AVAILABLE FROM THE CORPORATION. A HEARING INFORMATION FORM MUST BE RETURNED TO THE CORPORATION AT LEAST 7 DAYS PRIOR TO THE DATE NOTICE MUST BE PROVIDED TO THE TEXAS REGISTER. FAILURE TO TIMELY PROVIDE THIS INFORMATION TO THE CORPORATION MAY RESULT IN A DELAY IN PUBLIC NOTICE AND ACCORDINGLY, A DELAY IN THE CLOSING OF THE DEVELOPMENT.

3. Bond Review Board Approval. Obligations issued by the Corporation are subject to approval by the Texas Bond Review Board (the "BRB"). BRB rules provide an exemption from the formal approval process for Texas State Affordable Housing Corporation Multifamily conduit transactions unless such transactions involve an ad valorem tax reduction or exemption. No ad valorem tax exemption or reduction is expected to be requested with respect to the Development; therefore, the formal BRB approval process should not be required. However, if one or more BRB members request it, the formal BRB approval process must be followed. If so, representatives of the Respondent are expected to attend the BRB planning session and the BRB meeting at which the Development will be considered for approval. Additional information may be requested by BRB members and the Respondent's cooperation in providing this information is required.

If the formal BRB approval process is required, the Corporation, with the assistance of its Bond Counsel, will prepare and file the notice of intent and the BRB Application for the Development. The Corporation will file the notice of intent and the BRB Application with the BRB only if it has timely received all required information and documentation for the completion of the BRB Application from the Respondent and/or its consultants.

4. Document Preparation. Bond Counsel shall have the primary responsibility for the preparation of the legal instruments and documents to be utilized in connection with the financing of the Development by the Corporation. No bonds or other obligations will be sold or delivered unless the legality and validity thereof have been approved by Bond Counsel. The Respondent and its legal counsel shall cooperate fully with Bond Counsel, the Financial Advisor, the Issuer's Counsel and the Corporation's agents in the preparation of such materials.

5. 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 Response must be disclosed to the Corporation immediately in writing and approved by the Corporation.

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. See Section V.B. below.

II. Final Approval and Closing

1. Final Approval by the Corporation. The Board will consider final action on the Response after the completion of the public hearings and at the recommendation by the Corporation's staff. If approved, the Board shall 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 Respondent has complied in all material respects with these Regulations 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 these Regulations 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.

2. Closing of the Development. Following the public hearing(s) and final approval by the Corporation and the BRB (if necessary), the Corporation will proceed to close the financing in accordance with the documents approved by the Corporation and when finally approved by the Texas Attorney General and Bond Counsel in accordance with the terms of the sale or placement.

III. Sale of Bonds

A. Structure of the Development. There are a variety of bond financing structures and credit enhancements that may be utilized by the Respondent such as letters of credit, mortgage insurance and surety bonds. Prospective Respondents are encouraged to contact the Corporation's Financial Advisor for further information regarding financing structures prior to submission of a Response. The Respondent is required to execute an agreement awarding the sale of the Corporation's obligations to an underwriter or to an institutional purchaser through a private placement which obligates the Respondent to the payment of the costs of issuing such obligations as more fully described herein.

B. Environmental Review. Prior to the sale of the obligations, the Respondent will be required to conduct a Phase I Environmental Site Assessment. At bond closing, the Respondent will be required to provide an environmental indemnity clause in the form to be provided by Bond Counsel.

C. Public Sale Requirements.

1. If the obligations are to be publicly sold, whether by competitive bid or negotiated sale, the bond issue must be structured so as to receive an investment grade rating of “BBB-” or higher by a nationally recognized rating agency acceptable to the Corporation and its Financial Advisor. If a credit enhancement is being provided, obligations may be credit-enhanced by an institution that is acceptable to the Corporation and its Financial Advisor.

The Response must indicate the type and nature of the proposed credit enhancement or surety, and the name and telephone number of a contact person (if known at time of submission) at such institution.

2. Obligations with an investment grade rating of “AA” or higher may be in minimum denominations of \$5,000. For the Corporation to approve transactions that are rated “BBB-” or higher but less than “AA,” the obligations must be sold in minimum initial denominations of \$100,000 and \$5,000 thereafter.

D. Limited Offering Requirements. If the obligations do not have an investment grade rating of BBB- or higher, the Corporation will consider such obligations to be non-rated for purposes of this subsection D. The Corporation may require that the obligations be rated or permit, at its sole discretion, the issuance of the obligations without a rating. The Corporation requires that non-rated obligations be privately placed or offered on a limited basis with 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 144(a) of the Securities Act of 1933 (a “QIB”) or an “accredited investor” as defined in Regulation D under such act (an “Accredited Investor”) and cannot be an underwriting or purchase with an intent to resell any portion of the obligations, (ii) if they are sold to QIBs, the obligations must be issued in minimum denominations of not less than \$250,000, and if they are sold to Accredited Investors, the obligations must be issued in such higher minimum denomination as the Corporation may require, (iii) at such time as the bond financing is presented to the Corporation for final approval, the Respondent (or placement agent, if applicable) must (a) identify the Purchaser of the obligations and (b) 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) there shall be no offering statement of the Corporation, or 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, 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 Accredited Investor, as applicable. In the case of a private placement transaction, the Respondent 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 Accredited Investor, as applicable; (2) it has made an independent investigation into the financial position and business condition of the Respondent and therefore waives any right to receive such information; and (3) it has received copies of the financing documents pursuant to which such obligations are issued. A form of such investment letter will be provided by the Corporation.

Any variation to the requirements set forth above must be requested in writing by the Respondent and must be approved by the Corporation, and be acceptable to the Bond Counsel, Financial Advisor, and Issuer’s Counsel.

IV. FEES AND OTHER COSTS.

The Respondent will be responsible for all fees and expenses in connection with all bonds issued on its behalf. Such expenses, where eligible under the Code, may be financed through bond proceeds and will be considered part of the obligations authorized for issuance by the Corporation. Federal tax law provides that only two (2%) percent of the proceeds of a tax exempt bond offering may be used to pay “costs of issuance.” The Respondent commits to pay from other sources any costs of issuance not payable from tax-exempt bond proceeds. The following fees are payable at the times and in the amounts as described below. ***ALL FEES ARE NONREFUNDABLE, EXCEPT AS OTHERWISE PROVIDED HEREIN.***

A. Processing Fees, Closing Fees and Costs.

1. Processing Fees.

(a) Within 5 business days after the date of the board meeting at which the Development is selected by the Board of the Corporation, the Respondent shall make an initial deposit for expenses related to public hearings and application for private activity bond allocation. **Such deposit shall be \$7,500.**

Following the issuance of a reservation for bond cap from the Bond Review Board, the Respondent shall make another deposit with the Corporation which shall be credited against fees and expenses incurred by Bond Counsel, the Financial Advisor and Issuer’s Counsel in connection with the proposed financing. **Such deposit shall be \$27,500, which represents a \$12,500 deposit for Bond Counsel fees, a \$10,000 deposit for Financial Advisor’s fees, and a \$5,000 deposit for Issuer’s Counsel fees.** All fees and expenses incurred by Bond Counsel, the Financial Advisor and Issuer’s Counsel in connection with the Respondent’s transaction shall be deducted from such deposit whether or not the obligations are issued and the remaining balance, if any, shall be refunded to the Respondent.

(b) The Respondent shall reimburse the Corporation for all costs and expenditures incurred by the Corporation, prior to and after the selection of the Development by the board, to analyze the appropriateness and willingness of the Corporation to provide bond financing for the Respondent’s transaction, including, but not limited to, the reimbursement of costs and expenditures for (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 Respondent, (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 invoice the Respondent for such costs and expenditures, and the Respondent shall pay such invoices within ten (10) days of receipt. Failure to make prompt payment of such invoices may result in a termination of the participation of the Corporation and its consultants in the financing.

2. Closing Fees. Concurrently with the closing of the financing, the Respondent shall pay or cause to be paid all fees and expenses in connection with the issuance of the obligations including, but not limited to, the following professional fees and other costs:

(a) all fees and expenses of Bond Counsel (to the extent such fees and expenses have not been covered by the above referenced deposit);

(b) all fees and expenses of the Financial Advisor (to the extent such fees and expenses have not been covered by the above-referenced deposit) or other consultants, for services rendered to the Corporation in connection with the Development or the issuance of the obligations;

(c) all fees and expenses of Issuer's Counsel (to the extent not covered by the above-referenced deposit);

(d) 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;

(e) a closing fee to the Corporation of \$0.50 per \$1,000 principal amount of obligations issued, with a minimum closing fee of \$5,000;

(f) a closing fee to the Texas Bond Review Board of \$1,000 or 0.025% of the principal amount of the bonds certified as provided by §1372.039(a)(1), Government Code, whichever is greater.

3. Financial Advisor Fees. The fee to be paid to the Corporation's Financial Advisor shall be 1) for the first \$15,000,000 of bond principal, the fee shall be \$10,000 plus \$2.00/\$1,000 of the principal amount of debt issued with a minimum fee of \$20,000 (unless otherwise agreed to by the Corporation's Financial Advisor) and 2) for amounts above \$15,000,000 the fee shall be reduced to \$1/1000 for that amount over \$15,000,000. In addition, the Corporation's Financial Adviser shall also serve as the bidding agent for an additional fee with respect to all investment contracts to be entered into in connection with the investment of bond proceeds and revenues of the Developments.

4. Bond Counsel Fees. The fee to be paid to Bond Counsel shall be \$6.00/\$1,000 of the principal amount of debt issued for the first \$20,000,000 of the principal amount of debt issued, \$3.00/\$1,000 of the principal amount of debt issued for the next \$20,000,000 of the principal amount of debt issued, and \$0.75/\$1,000 of the principal amount of debt issued thereafter, with a minimum fee of \$75,000 (unless otherwise agreed to by Bond Counsel).

In addition to the fees paid to Bond Counsel, the Respondent will reimburse Bond Counsel for all out-of-pocket expenses incurred by Bond Counsel in connection with the Development. Such expenses include Bond Counsel fees in connection with the TEFRA Hearings and preparation and publication of notices thereof and the preparation and filing of the BRB Applications and supplements thereto.

5. Issuer's Counsel Fees. The fee to be paid to Issuer's Counsel shall be \$2.00/\$1,000 of the principal amount of debt issued for the first \$20,000,000, \$0.75/\$1,000 of the principal

amount of debt issued for the next \$20,000,000, and \$0.50/\$1,000 of the principal amount of debt issued thereafter, with a minimum fee of \$20,000 (unless otherwise agreed to by Issuer's Counsel.) In addition to the fees paid to Issuer's Counsel, the Respondent will reimburse Issuer's Counsel for all out-of-pocket expenses incurred by Issuer's Counsel in connection with the Development.

6. Administrative Fee. Until the final maturity of the obligations, the Respondent will pay an Administrative Fee, remitted through the respective bond trustee to the Corporation on such basis as designated by the Corporation, in an amount equal to ten (10) basis points annually of the aggregate principal amount of the obligations outstanding, with a minimum annual fee of \$5,000. The Administrative Fee is exclusive of the trustee's fee, compliance agent fee, rebate analysts' fee, asset-oversight management fee (if required), 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).

7. Trustee's Fees. The Respondent 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, shall be approved by the Corporation, and will be paid by the Respondent.

8. Auditor's Fees. The Corporation may at any time over the life of the project appoint an auditor to review the financial transactions under the bond documents, the compliance agent, and a rebate analyst to perform an analysis of rebate requirements with respect to the issue. Such fees and costs shall be paid by the Respondent.

B. Continuing Costs.

Each Respondent shall pay to the Corporation, in the manner described in the Development documents, the following amounts:

1. An annual asset oversight fee equal to \$25 per unit for the Development (as such fee may be adjusted in accordance with the Asset Oversight Agreement),
2. An annual compliance fee equal to \$20 per unit for the Development (as such fee may be adjusted in accordance with the Compliance Agreement),
3. Any amounts payable pursuant to any indemnity contract or agreement executed in connection with any financing of the Corporation completed as herein contemplated, and
4. The amount allocable to each Respondent (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 shall be divided and allocated equally among all Respondents whose financings have been completed.

C. Changes in Fees. The Corporation reserves the right at any time to change, increase or reduce the fees payable under these Regulations. All fees imposed subsequent to closing by the Corporation under these Regulations 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.

D. Failure to Timely Pay Fees and Costs. The Corporation will not consider submissions for future transactions proposed by Respondents who are delinquent in the payment of any fees described in this Section IV.

V. MISCELLANEOUS.

A. Unauthorized Representations and Bond Marketing Practices.

1. Required Approvals. No Respondent, or any representative of any Respondent 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 until the Board has given final approvals for the issuance thereof under these Regulations, and then subject to the governmental approvals required by these Regulations 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.

2. Offering Statement. No Respondent, or any representative of the Respondent or the Corporation, shall ever make any representation, directly or indirectly, express or implied, of any fact contrary to the disclosures required to be made by paragraph II.C.1.(b) of these Regulations (regarding an offering statement, prospectus or other offering memoranda).

3. Registration. Neither the Respondent 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.

B. Failure to Comply with these Regulations. The Corporation will not consider submissions from Respondents for a potential Development if the Respondent 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 these Regulations or is delinquent in the payment of any fees or costs set forth in these Regulations with respect to such prior issued obligations of the Corporation.

C. OTHER REQUIREMENTS. THE CORPORATION MAY IMPOSE ADDITIONAL OR DIFFERENT REQUIREMENTS ON A RESPONDENT THAN THOSE PROVIDED IN THESE REGULATIONS IN THE EVENT THAT THESE ADDITIONAL OR DIFFERENT REQUIREMENTS BECOME NECESSARY TO PROVIDE THE BEST OPPORTUNITY FOR APPROVAL BY THE CORPORATION'S BOARD OF DIRECTORS AND/OR THE TEXAS BOND REVIEW BOARD.

APPENDIX D

Damages Due to Hurricane Rita as of December 20, 2005

County	Apartments		
	Destroyed	Major	Minor
Jefferson	282	3,587	1,479
Orange	200	300	600
Angelina	0	25	73
Newton	0	18	40
Liberty	0	12	1
Polk	0	10	5
Jasper	0	5	9
Sabine	1	5	0
Chambers	0	4	4
Trinity	0	3	2
Hardin	0	0	22
Cherokee	0	0	0
Harris	0	0	0
Montgomery	0	0	0
Nacogdoches	0	0	0
San Augustine	0	0	0
San Jacinto	0	0	0
Shelby	0	0	0
Tyler	0	0	0
Totals	483	3,969	2,235

Source: State of Texas, State Operations Center (SOC) Hurricane Rita Situation Report #41.

Notes: (1) The report is prepared by the Governor's Division of Emergency Management.

(2) Numbers are self-reported from a variety of sources



Memorandum

To: Edwina Carrington
From: Gordon Anderson
cc: Bill Dally, Michael Lyttle
Date: February 6, 2006
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for January 2006. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, January 2006

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Section 504 Policy Meeting with Advocate Community	Austin	January 4	Portfolio Management & Compliance, Real Estate Analysis, Manufactured Housing	Participant
Meeting with staff of Lieutenant Governor	Austin	January 12	Policy & Public Affairs	Briefing
HOME Program Rule Roundtable	Austin	January 13	Single Family	Public Comment
Webb County Housing Rehabilitation Program Scoring Committee Meeting	Laredo	January 17	Office of Colonia Initiatives	Participant
Rita Disaster Relief Application Workshop	Beaumont	January 19	Executive, Multifamily, Single Family, Office of Colonia Initiatives, Policy & Public Affairs	Workshop
FFY 2006 ESGP Pre-Application Workshop	Austin	January 19	Community Affairs	Workshop
LBB Presentation on Single Family, Office of Colonia Initiatives	Austin	January 20	Single Family, Office of Colonia Initiatives, Policy & Public Affairs	Presentation
Rita Disaster Relief Application Workshop	Nacogdoches	January 20	Executive, Multifamily, Single Family, Office of Colonia Initiatives, Policy & Public Affairs	Workshop
HOME Program Rule Roundtable	Longview	January 23	Single Family	Public Comment
American Red Cross Volunteer Recognition Event for Katrina efforts	El Paso	January 23	Office of Colonia Initiatives	Participant
DSHS Working Group meeting	Austin	January 25	Policy & Public Affairs	Participant
LBB Presentation on Multifamily Finance, Real Estate Analysis	Austin	January 25	Multifamily, Real Estate Analysis, Policy & Public Affairs	Presentation
Promoting Independence Advisory Committee meeting	Austin	January 26	Policy & Public Affairs	Participant
Interagency Coordinating Council on Building Healthy Families	Austin	January 31	Policy & Public Affairs	Participant
Groundbreaking Ceremony for the Fred & Anita Bruni Community Center	Rancho Penitas	January 31	Office of Colonia Initiatives	Participant



Texas Department of Housing and Community Affairs

Survey of Organizational Excellence

2005 Results Compared with 2004 and 2002




Prepared by TDHCA Human Resources Staff

January 30, 2006

Survey of Organizational Excellence

2005 Results Compared with 2004 and 2002

Key to Block Colors

Color Key	Definition	2002	2004	2005
	<i>Did not change from previous year</i>	<i>N/A</i>	<i>0</i>	<i>3</i>
	<i>Changed downward from previous year</i>	<i>N/A</i>	<i>17</i>	<i>14</i>
	<i>Represents areas of concern and need attention</i>	<i>23</i>	<i>14</i>	<i>4</i>

Dimension 1: Work Group

Construct Scores - '02 / '04/ '05	2002 Avg. Score	2004 Avg. Score	2005 Avg. Score
Supervisor Effectiveness – Construct Score =305/319/330			
20: We have an opportunity to participate in the goal setting process	2.86	3.13	3.12
22: We seem to be working toward the same goals.	3.27	3.42	3.51
24: We are given the opportunity to do our best work.	3.38	3.54	3.70
33: We are given accurate feedback about our performance	3.34	3.33	3.49
38: Supervisors know whether an individual's career goals are compatible with organizational goals.	3.11	3.10	3.31
47: People who challenge the status quo are valued.	2.60	2.88	2.97
51: Favoritism (special treatment) is not an issue in raises or promotions.	2.81	2.99	3.01
Fairness – Construct Score = 321 /335 /343			
7: My performance is evaluated fairly.	3.68	3.66	3.68
8: My supervisor is consistent when administering policies concerning employees.	3.33	3.54	3.52
23: There is a basic trust among employees and supervisors.	2.88	3.08	3.20
34: When possible, alternative work schedules (flex-time, compressed workweek, job sharing, telecommuting) are offered to employees.	3.36	3.49	3.75
51: Favoritism (special treatment) is not an issue in raises or promotions.	2.81	2.99	3.01
Team Effectiveness – Construct = 296 /315 /327			
19: Work groups receive adequate feedback that helps improve their performance.	3.02	3.12	3.28
21: Decision making and control are given to employees doing the actual work.	2.95	3.18	3.29
23: There is a basic trust among employees and supervisors.	2.88	3.08	3.20
27: We are efficient.	3.17	3.35	3.39
29: There is a real feeling of teamwork.	2.98	3.08	3.19
48: Work groups are actively involved in making work processes more effective.	2.76	3.09	3.28
Diversity – Construct = 336 /340 /342			
9: Every employee is valued.	3.31	3.39	3.39
10: We work to attract, develop, and retain people of diverse backgrounds	3.56	3.51	3.46
18: Work groups are trained to incorporate the opinions of each member.	3.09	3.12	3.31
49: The people I work with treat each other with respect.	3.50	3.61	3.54

Dimension 2. Accommodations

Construct Scores - '02 / '04/ '05	2002 Avg. Score	2004 Avg. Score	2005 Avg. Score
Fair Pay – Construct Score = 283 /273 /274			
60: People are paid fairly for the work they do.	2.97	2.87	3.03
61: Salaries are competitive with similar jobs in the community.	2.95	2.87	2.74
65: My pay keeps pace with the cost of living.	2.60	2.46	2.47
Physical Environment – Construct Score = 355 /370 /377			
11: We have adequate computer resources (hardware and software).	3.51	3.76	3.58
39: We have sufficient procedures to ensure the safety of employees in the workplace.	4.07	4.03	4.20
40: Our workplace is well maintained.	3.42	3.69	3.85
41: Within my workplace, there is a feeling of community.	3.25	3.33	3.46
Benefits – Construct Score = 375 /349 /359			
62: Benefits can be selected to meet individual needs.	3.69	3.39	3.51
63: I understand my benefit plan.	3.88	3.86	3.94
64: Benefits are comparable to those offered in other jobs.	3.70	3.25	3.34
Employee Development – Construct Score = 344 /330 /352			
18: Work groups are trained to incorporate the opinions of each member.	3.09	3.12	3.31
35: Training is made available to us for personal growth and development.	3.63	3.30	3.59
36: Training is made available to us so that we can do our jobs better.	3.70	3.45	3.67
37: We have access to information about job opportunities, conferences, workshops, and training.	3.67	3.55	3.76
38: Supervisors know whether an individual's career goals are compatible with organizational goals.	3.11	3.10	3.31

Dimension 3: Organizational Features

Construct Scores - '02 / '04/ '05	2002 Avg. Score	2004 Avg. Score	2005 Avg. Score
Change Oriented – Construct Score = 298 /326 /334			
15: We integrate information and act intelligently upon that information.	3.21	3.43	3.56
20: We have an opportunity to participate in the goal setting process	2.86	3.13	3.12
46: My ideas and opinions count at work.	3.37	3.49	3.55
56: When possible, problems are solved before they become a crisis.	3.04	3.30	3.36
77: An effort is made to get the opinions of people throughout the organization.	2.47	2.98	3.15
Goal Oriented – Construct Score = 322 /337 /346			
3: Our goals are consistently met or exceeded.	3.64	3.58	3.78
15: We integrate information and act intelligently upon that information.	3.21	3.43	3.56
20: We have an opportunity to participate in the goal setting process	2.86	3.13	3.12
27: We are efficient.	3.17	3.35	3.39
Holographic – Construct = 300 /326 /343			
16: The work atmosphere encourages open and honest communication.	3.12	3.21	3.33
21: Decision making and control are given to employees doing the actual work.	2.95	3.18	3.29
25: We feel a sense of pride when we tell people that we work for this organization.	2.97	3.49	3.70
30: We feel that our efforts count.	3.00	3.20	3.34
41: Within my workplace, there is a feeling of community.	3.25	3.33	3.46
77: An effort is made to get the opinions of people throughout the organization	2.47	2.98	3.15
82: We know how our work impacts other in the organization.	3.27	3.48	3.75
Strategic – Construct = 338 /368 /384			
1: We are known for the quality of service we provide.	3.33	3.61	3.80
5: We know who our customers (those that we serve) are.	4.20	4.19	4.14
57: We use feedback from those we serve to improve our performance.	3.47	3.59	3.58
78: We work well with other organizations.	3.16	3.50	3.75
79: We work well with our governing bodies (the legislature, the board, etc.)	2.90	3.69	3.82
80: We work well with the public.	3.44	3.80	3.96
81: We understand the state, local, national, and global issues that impact the organization.	3.48	3.63	3.85
84: I have a good understanding of our mission, vision, and strategic plan.	3.43	3.67	3.96
85: I believe we communicate our mission effectively to the public	3.07	3.53	3.71
Quality – Construct = 362 /370 /375			
1: We are known for the quality of service we provide.	3.33	3.61	3.80
2: We are constantly improving our services.	3.72	3.86	3.86
4: We produce high quality work that has a low rate of error.	3.60	3.69	3.69
5: We know who our customers (those that we serve) are.	4.20	4.19	4.14
6: We develop services to match our customers' needs.	3.96	3.83	3.85
28: Outstanding work is recognized.	3.15	3.19	3.40
32: We have adequate resources to do our jobs.	3.41	3.57	3.54

Dimension 4: Information

Construct Scores - '02 / '04/ '05	2002 Avg. Score	2004 Avg. Score	2005 Avg. Score
Internal – Construct Score =274 /306 /326			
14: The right information gets to the right people at the right time.	2.89	3.11	3.25
19: Work groups receive adequate feedback that helps improve their performance.	3.02	3.12	3.28
76: Information and knowledge are shared openly within this organization.	2.31	2.98	3.25
Availability – Construct Score=335 /354 /369			
12: Information systems are in place and accessible for me to get my job done.	3.79	3.91	3.98
14: The right information gets to the right people at the right time.	2.89	3.11	3.25
17: We feel the channels we must go through at work are reasonable.	2.95	3.26	3.45
81: We understand the state, local, national, and global issues that impact the organization.	3.48	3.63	3.85
82: We know how our work impacts others in the organization.	3.27	3.48	3.75
83: Our web site is easy to use and contains helpful information.	3.72	3.87	3.90
External – Construct = 336 /357 /373			
13: Information is shared as appropriate with other organizations.	3.28	3.48	3.64
16: The work atmosphere encourages open and honest communications.	3.12	3.21	3.33
37: We have access to information about job opportunities, conferences, workshops, and training.	3.67	3.55	3.76
50: Information is shared as appropriate with the public.	3.50	3.80	3.86
80: We work well with the public.	3.44	3.80	3.96
81: We understand the state, local, national, and global issues that impact the organization.	3.48	3.63	3.85
85: I believe we communicate our mission effectively to the public	3.07	3.53	3.71

Dimension 5: Personal

Construct Scores - '02 / '04/ '05	2002 Avg. Score	2004 Avg. Score	2005 Avg. Score
Job Satisfaction – Construct Score =340 /352 /362			
24: We are given the opportunity to do our best work.	3.38	3.54	3.70
32: We have adequate resources to do our jobs.	3.41	3.57	3.54
42: The environment supports a balance between work and personal life.	3.51	3.66	3.73
43: The pace of the work in this organization enables me to do a good job.	3.30	3.34	3.52
Time and Stress – Construct Score=338 /353 /356			
26: The amount of work I am asked to do is reasonable.	3.39	3.62	3.59
32: We have adequate resources to do our jobs.	3.41	3.57	3.54
42: The environment supports a balance between work and personal life.	3.51	3.66	3.73
45: We balance our focus on both long range and short-term goals.	3.22	3.28	3.41
Burnout – Construct = 322 /343 /358			
25: We feel a sense of pride when we tell people that we work for this organization.	2.97	3.49	3.70
30: We feel our efforts count.	3.00	3.20	3.34
31: We are encouraged to learn from our mistakes.	3.50	3.63	3.75
44: My job meets my expectations.	3.28	3.35	3.61
46: My ideas and opinions count at work.	3.37	3.49	3.55
Empowerment – Construct = 310 /334 /351			
23: There is a basic trust among employees and supervisors.	2.88	3.08	3.20
24: We are given the opportunity to do our best work.	3.38	3.54	3.70
25: We feel a sense of pride when we tell people that we work for this organization.	2.97	3.49	3.70
31: We are encouraged to learn from our mistakes.	3.50	3.63	3.75
47: People who challenge the status quo are valued.	2.60	2.88	2.97
82: We know how our work impacts other in the organization.	3.27	3.48	3.75

Survey of Organizational Excellence

Factors Impacting the Organization

2002

- *Hired a new executive director*
- *The governing board membership was revamped.*
- *Reorganized the department to better serve our customers and to re-align program services.*
- *Assisted the Sunset review process that culminated in removing the department from a two year probationary period to an eight approved status.*
- *Implemented more employee friendly policies like flexible time and compressed work weeks.*
- *Emphasized more employee activities like Cinco de Mayo, Diez y Septiembre, Black History month, Hamburger Fest, annual picnics, and service awards.*
- *Raised security and safety awareness in the building.*
- *Stepped up safety efforts and concerns for employee safety in the building which culminated in the first ever Gold Safety Award for the department.*
- *Implemented a highly regarded intranet communication tool named "Water Cooler" to disseminate information to employees.*
- *Instilled a culture of honesty, integrity and professionalism in the department through example.*
- *Involved a larger cross section of levels of employees in activities, program discussions and task forces.*

2003 / 2004

- *Conducted a Compensation Basics Course for Non-HR professionals for all department management staff.*
- *Implemented a strategic outreach program with industry and trade groups relating to housing and community affairs which gained the department credulity in the provision of much needed services.*

- *Charted a Task Force of cross-sectional and level staff to develop and recommend a new department specific Compensation Program which is in place now.*
- *Underwent a budget reduction in FTEs and operating budget which directly impacted the stress level of employees.*
- *Employees began to see a reduction in the benefit plan as a result of cost containment measures from the legislature.*
- *The Manufactured Housing Division was subject to a reduction in the workforce due to a reduction in their operating budget.*

2005

- *Implemented a Pay Equity Committee to ensure that department salary actions are equitable in order to achieve pay equity.*
- *The department moved from a building with 68,000 square feet to a state owned building with only 38,000 square feet which meant a significant culture change for all employees.*



The Survey of Organizational Excellence

Texas Department of Housing and Community
Affairs



Executive Summary

2005

Executive Summary

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Introduction

Thank you for your participation in the Survey of Organizational Excellence (SOE). We trust that you will find the information helpful in your leadership and organizational development efforts. Acting as a powerful wave of change, the SOE is important in both the public and private sectors. The number of surveys distributed over the last 10 years has increased three-fold. Both organization and employee response has been tremendous. Such participation indicates the readiness, indeed the eagerness, of employees to engage in meaningful work to improve the organization.

Organizational Leadership must build on this wave of engaged employees and begin initiatives to improve services and benchmark results against outstanding organizations. Above all, the Survey is not about just collecting data or fulfilling some type of compliance, but about promoting excellence through participation and accountability. The Survey reinforces the vital role every employee must play to the fullest at all times. The Survey emphasizes continuous thinking to formulate better, more efficient ways of getting work done. Finally, the Survey calls for candor among all employees towards building a quality organization.

The Survey Framework assesses, at its highest level, five workplace dimensions capturing the total work environment. Each workplace dimension consists of survey constructs. The survey constructs are designed to profile organizational areas of strength and concern so that interventions are targeted appropriately.

Survey Dimensions and Constructs

Dimension I Work Group	Dimension II Accommodations	Dimension III Organizational Features	Dimension IV Information	Dimension V Personal
Supervisor Effectiveness Fairness Team Effectiveness Diversity	Fair Pay Physical Environment Benefits Employment Development	Change Oriented Goal Oriented Holographic Strategic Quality	Internal Availability External	Job Satisfaction Time and Stress Burnout Empowerment

Your Reports Include:

An Executive Summary is provided in this document. The summary contains graphical representations of data from the organization as a whole or in the case of executive summaries for category codes, data specific to that category code. Your organization may or may not have elected to use category codes. In each executive report there is a demographic profile of the organization along with high order analysis of survey data on the construct and dimension level. Both organizational strengths and areas of concern are presented along additional narrative and analysis. Relative benchmark data is also pulled in for comparison purposes.



Introduction (cont.)

A Data Summary accompanies this report. The data summary provides a greater detail than the executive summary. The data summary is largely a quantitative report of the survey responses. Demographic data are presented in percentages and real numbers. Construct means and benchmark comparison numbers are provided on all variables. Item data is broken into mean, frequency counts, standard deviations, and number of respondents and item benchmark data are also displayed.

Electronic Reports are provided in two formats. First, all executive and data summary reports are included in pdf files for ease in distribution and for clear printability. This file format is widely used and a free pdf reader, called Adobe Acrobat reader is available from www.adobe.com. The second types of electronic reports are in Microsoft Excel format. These reports are constructs and item survey data in a flat spreadsheet format. This allows the user to sort highs and lows, search for individual items, or create custom reports from the survey data.

Benchmark Data composed of the organizations participating in the survey are provided in your reports. Benchmarks are used to provide a unit of comparison of organizations of similar mission and size. If you selected to use organizational categories, internal benchmarks between categories as well as over time data illustrates differences and changes along item and construct scores. Our benchmark data are updated every two years and are available from our website at www.orgexcel.net. The most current benchmark data are provided in your report.

Using the Survey as a Catalyst for organizational improvement is essential to the survey process. The survey creates momentum and interest. Towards the end of the executive summary report is a series of suggested next steps to assist in these efforts. Also, we have captured several presentations from other organizations that have used the data in strategic planning, organizational improvement, and employee engagement initiatives. These presentations are provided in streaming video from our website at www.orgexcel.net by clicking on the Best Practices link.

Additional Services are available from our group. We conduct 360-Degree leadership and supervisory evaluations, special leadership assessments, customer and client satisfaction surveys along with the ability to create and administer a variety of custom hardcopy and online survey instruments. Consultation time for large presentations, focus groups, or individual meetings is available as well. For additional information, please contact us at anytime.

Your Comments are Important to us. We welcome your comments (positive or negative) regarding the Survey, the level or type of service provided by our office, or suggestions you may have for ways we can improve our products or services. Comments can be sent directly to me or to the Survey's Principal Investigator, Dr. Michael L. Lauderdale at the UT School of Social Work, 1925 San Jacinto Blvd., Austin, TX 78712.



Organization Profile

Texas Department of Housing and Community Affairs

Organizational Leadership:

ID: 332

- Edwina Carrington, Executive Director
- Beth Anderson, Board Chair



Benchmark Categories:

To get a better idea of how this organization compares to others like it, we provide three types of benchmark data: organizations with a similar size, similar mission, and organizations belonging to a special grouping. Visit www.survey.utexas.edu for a complete list of benchmark groups and scores.

Organization Size: Size category 4 includes organizations with 301 to 1000 employees.

Mission Category: Business and Economic Development (Mission 7)

The Business and Economic Development category includes organizations involved in workforce, transportation, economic, and overall development of the communities they serve.

Special Grouping: MACC: Mid-Size Agency Coordinating Council. Agencies with 101- 799 FTEs excluding higher education and agencies headed by an elected official.

Survey Administration Profile:

Collection Period:

10/10/2005 - 11/2/2005

Collection Method:

All employees took the survey online.

Additional Items and Categories:

Organizations can add customization by creating additional items tailored to the organization and categories for employees to identify with.

Refer to the Appendix of the Data Report for a complete list of categories and additional items.

- 20 additional items
- Category (8 codes)

Survey Liaison:

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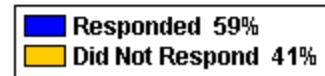
kathy.nemec@tdhca.state.tx.us



Response Rates

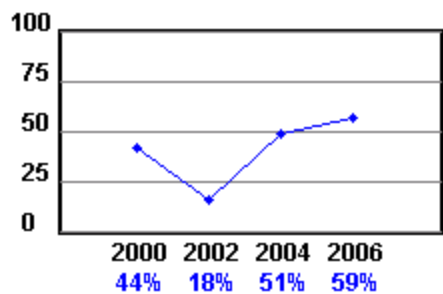
Overall Response Rate

High rates mean that employees have an investment in the organization, want to see the organization improve and generally have a sense of responsibility to the organization. Low response rates can mean several things. There simply may not have been enough effort in making certain employees know the importance of completing the Survey. At a more serious level, low rates of response suggest a lack of organization focus or responsiveness. It may suggest critical levels of employee alienation, anger or indifference to organizational responsibilities.



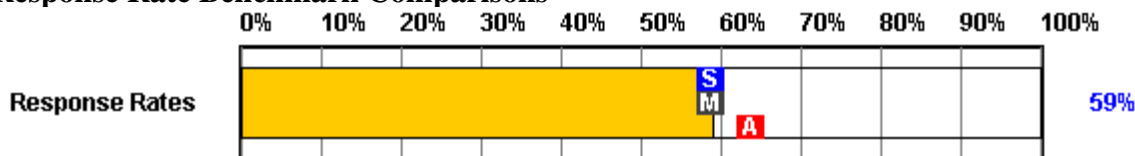
Out of the 279 employees who were invited to take the survey, 164 responded. As a general rule, rates higher than 50 percent suggest soundness. Rates lower than 30 percent may indicate serious problems. At 59%, your response rate is considered high.

Response Rate Over Time



One of the values of participating in multiple iterations of the Survey is the opportunity to measure organizational change over time. In general, response rates should rise from the first to the second and succeeding iterations. If organizational health is sound, rates tend to plateau above the 50 percent level. Sharp declines in participation suggest some form of general organizational problem is developing. Your response rate is higher than it was for the previous survey.

Response Rate Benchmark Comparisons



	Scores for your Organization (Numeric Score to the right in Blue)
	S Size - Benchmark for similar size organizations
	M Mission - Benchmark for organizations with a similar mission
	A All Respondents - Benchmark for all of the survey respondents

Regional Distribution Map and Benchmarks

Regional Distribution Maps are available to organizations with a large number of employees working in several regions throughout the state. Regional Distribution Map (if applicable) and Regional Benchmark Map will be available in the near future.



Survey Framework and Scoring

The Survey assessment is a framework that consists of survey items, constructs, and dimensions. Each level of the framework provides insight into the workings of an organization.

Items

At the most basic level there are survey items, which provide specific feedback. For each item, employees are asked to indicate how strongly they agree or disagree that the item describes the organization. Possible responses include: (1) strongly disagree; (2) disagree; (3) feel neutral; (4) agree; (5) strongly agree; and, (not scored) don't know/not applicable. Any survey item with an average (mean) score above the neutral midpoint of "3.0" suggests that employees perceive the issue more positively than negatively. Scores of "4.0" or higher indicate areas of substantial strength for the organization. Conversely, scores below "3.0" are viewed more negatively by employees. Items that receive below a "2.0" should be a significant source of concern for the organization and should receive immediate attention.

Constructs

The survey constructs are designed to broadly profile organizational strengths and areas of concern so that interventions may be targeted appropriately. Survey constructs are developed from a group of related survey items. The construct score is calculated by averaging the related item scores together and multiplying that result by 100. Scores for the constructs range from a low of 100 to a high of 500. An item may belong to one or several constructs, however, not every item is associated with a construct.

Dimensions

The framework, at its highest level, consists of five workplace dimensions. These five dimensions capture the total work environment. Each dimension consists of several survey constructs. The dimension score also ranges from 100 to 500 and is an average of the construct scores belonging to the dimension.

Survey Dimensions and Constructs

Dimension I Work Group	Dimension II Accommodations	Dimension III Organizational Features	Dimension IV Information	Dimension V Personal
Supervisor Effectiveness Fairness Team Effectiveness Diversity	Fair Pay Physical Environment Benefits Employment Development	Change Oriented Goal Oriented Holographic Strategic Quality	Internal Availability External	Job Satisfaction Time and Stress Burnout Empowerment

Over Time and Benchmark Data

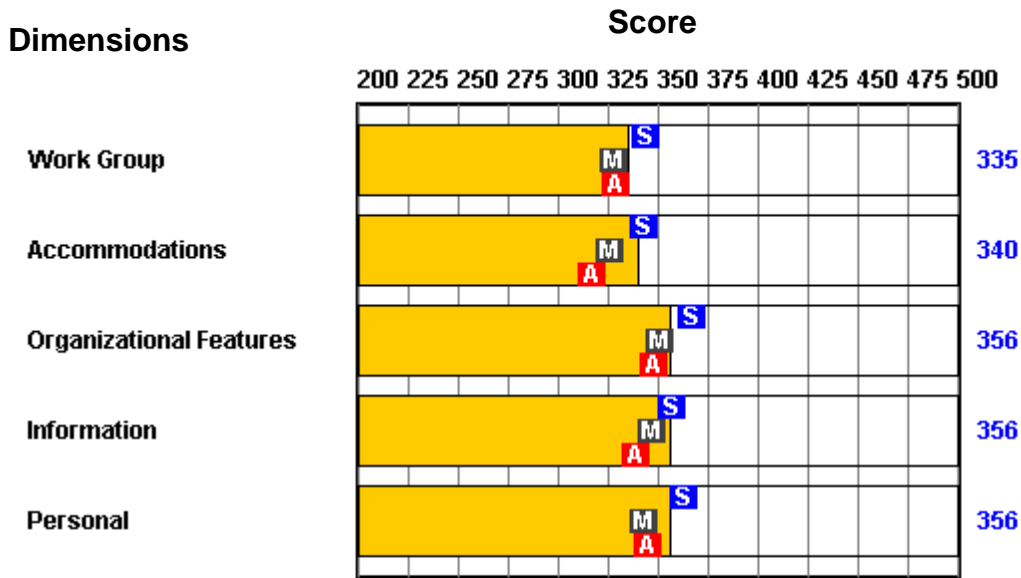
Comparison scores are provided when available. One of the benefits of continuing to participate in the survey is that over time data shows how employees' views have changed as a result of implementing efforts suggested by previous survey results. Additionally, benchmarks help to illustrate how this organization is performing relative to organizations of similar size, organizations with similar missions and to the performance of all organizations that participated in this survey.







Dimension Analysis

In order for organizations to improve, there is a need to compare performance with other organizations. This comparison process is called benchmarking. The Survey provides a number of convenient and useful comparisons. The number of employees in an organization is one important characteristic of any organization. Large organizations with multiple locations in which any employee will know only a few of the members are different from organizations where most interaction is face-to-face and people know each other well. A second kind of benchmark focuses upon organizations that perform similar functions. The nature of an organization's work can have an impact on organizational features and employee experiences. Lastly, a benchmark is provided for a comparison against all other organizations that have taken the Survey in the current time frame.

The data in this table are composed of the organization's scores for this iteration of the Survey and comparison data from the latest benchmark scores. The scores for the organization appear to the right.



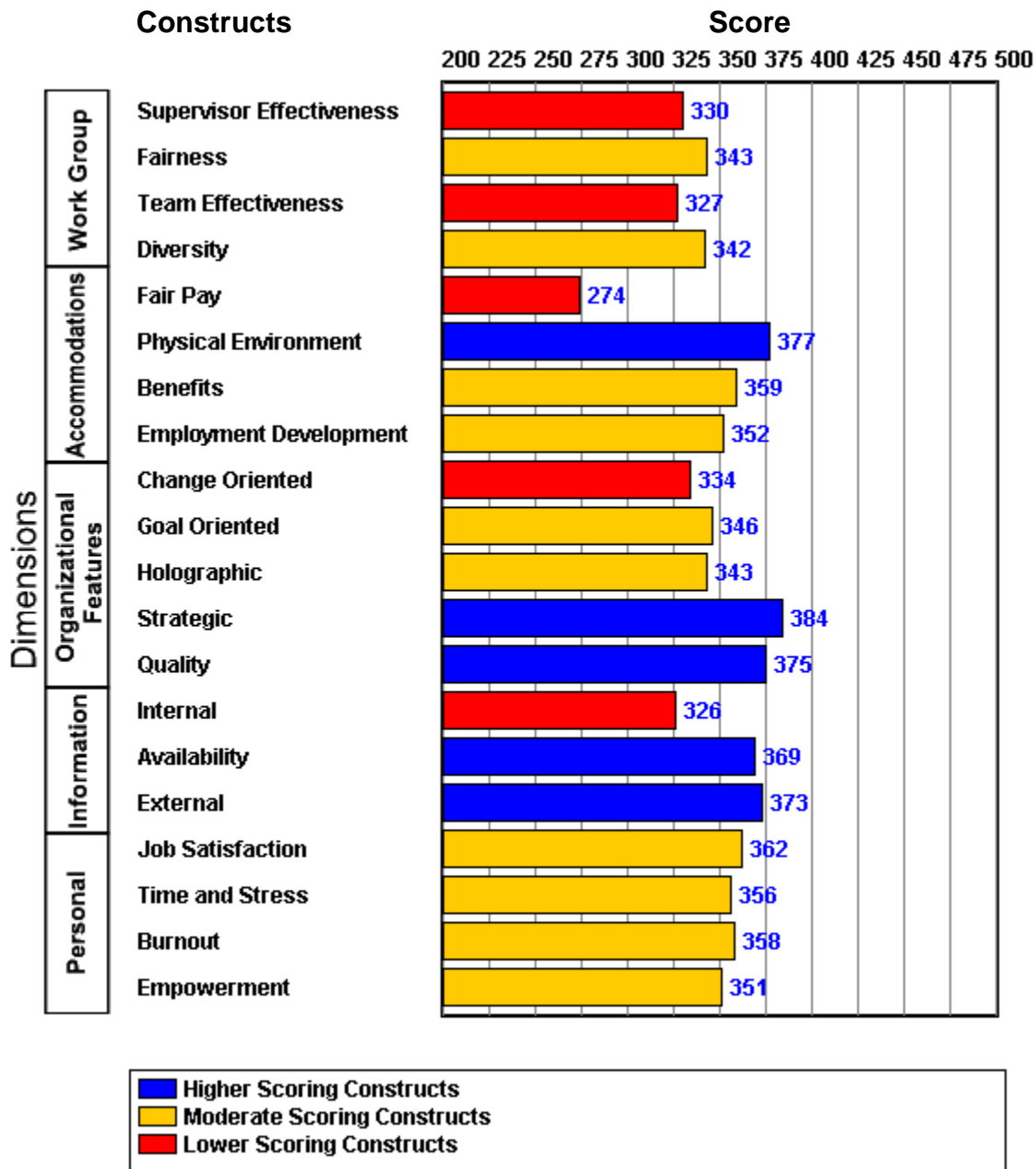
	Scores for your Organization (Numeric Score to the right in Blue)
	Size - Benchmark for similar size organizations
	Mission - Benchmark for organizations with a similar mission
	All Respondents - Benchmark for all of the survey respondents



Construct Analysis

Constructs have been color coded to highlight the organization's areas of strength and areas of concern. The 5 highest scoring constructs are blue, the 5 lowest scoring constructs are red, and the remaining 10 constructs are yellow.

Each construct is displayed below with its corresponding score. Highest scoring constructs are areas of strength for this organization while the lowest scoring constructs are areas of concern. Scores above 300 suggest that employees perceive the issue more positively than negatively, and scores of 400 or higher indicate areas of substantial strength. Conversely, scores below 300 are viewed more negatively by employees, and scores below 200 should be a significant source of concern for the organization and should receive immediate attention.



Organizational Typology: Areas of Strength

The following Constructs are relative strengths for the organization:

Strategic

Score: 384

General Description: Strategic (Strategic Orientation) reflects employees' thinking about how the organization responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities.

Average scores suggest that employees feel there is room for improvement in how the organization interprets and understands the environment. Likely there is a concern that some programs are less relevant than in the past and that some processes do not seem knit into an overall vision. In general problems with Strategic Orientation stem from these factors: employees having a limited grasp of the goals of the organization, high levels of "silos", organizational components that function in isolation from other organizational processes, and the nature of the specific work being performed. Remedying Strategic Orientation requires careful study to determine the correct causative factors but assessing environmental understandings is the starting point. Conduct and compile customer assessments and review findings with staff at all levels. Benchmark processes with similar and competitive organizations. Use the employee feedback sessions to make a more complete determination for the causes of low Strategic Orientation scores.

Physical Environment

Score: 377

General Description: This Construct captures employees' perceptions of the total work atmosphere and the degree to which employees believe that it is a "safe" working environment. This construct addresses the "feel" of the workplace as perceived by the employee.

Average scores suggest that room for improvement exists and lack of attention can lead to dropping scores. Attention may be needed to quality and amount of office space, equipment, parking and the location of facilities.



Organizational Typology: Areas of Strength

Relative Strengths Continued:

Quality

Score: 375

General Description: Focuses upon the degree to which quality principles, such as customer service and continuous improvement are a part of the organizational culture. This Construct also addresses the extent to which employees feel that they have the resources to deliver quality services.

Quality comes from attention to detail, customers and overall effort. Average scores mean that there is important room for improvement. In general quality is a result of understanding the needs of customers or clients coupled with a continuous and zealous examination of products and processes for improvement. Achieving quality requires the full and thoughtful attention of all members of the organization. Essential to maintaining high levels is clear articulation of goals, careful attention to changes in the environment that might affect resources or heightened competition and vigorous participation by all members. Leadership must maintain a clear articulation of the importance of quality and the role of everyone in achieving quality. Improvement is best addressed by developing clear standards of quality at all levels, urging employee assessment and feedback, and creating measures of quality for all work.

External

Score: 373

General Description: This Construct looks at how information flows into the organization from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of organizational members to synthesize and apply external information to work performed by the organization.

Average scores suggest that immediate consideration needs to be made to improve tools and process for external communication. In general External Communication is a function of these factors: nature of the organization's services or products and those who use the products, types of technology deployed for communication and knowledge of the organization of the needs of those who use its services. Remedying External Communication requires careful study to determine the correct causative factors. Carefully examine the customer base, operating hours of the organization, location of offices and knowledge of contact personnel with customer needs.



Organizational Typology: Areas of Strength

Relative Strengths Continued:

Availability

Score: 369

General Description: This Construct addresses the extent to which employees feel that they know where to get needed information, and when they get it, that they know how to use it.

Average scores suggest that room for improvement exists and there is significant frustration in being able to secure needed information. In general a low availability of information stems from these factors: traditional dependence on word of mouth to meet information needs, low investment in appropriate technology and possibly some persons using their control of information to control others. Remediating Availability of Information problems requires careful study to determine the correct causative factors. Have each program group list what information is needed and how they access it. Use the employee feedback sessions to make a more complete determination for the causes of low Availability scores.



Organizational Typology: Areas of Concern

The following Constructs are relative areas of concern for the organization:

Fair Pay

Score: 274

Source of Concern

General Description: This Construct addresses perceptions of the overall compensation package offered by the organization. It describes how well the compensation package "holds up" when employees compare it to similar jobs in other organizations.

Low scores can come from many causes and may suggest a number of remedies. Part of the follow up to the Survey when data are returned is to discuss the results with employees and secure more elaborate explanations of important issues. Failure to successfully remedy Fair Pay problems is one of the more serious mistakes that leadership can make. These scores suggest that pay is a central concern or reason for satisfaction or discontent. Problems with pay can come from two or three causes and may suggest a number of remedies. In some situations pay does not meet comparables in similar organizations. In other cases individuals may perceive that pay levels are not appropriately set to work demands, experience and ability. At some times cost of living increases may cause sharp drops in purchasing power and employees will view pay levels as unfair. Remediating Fair Pay problems requires a determination of which of the above factors are serving to create the concerns. Triangulate low scores in Fair Pay by reviewing comparable positions in other organizations and cost of living information. Use the employee feedback sessions to make a more complete determination for the causes of low Fair Pay scores.

Internal

Score: 326

General Description: This Construct captures the flow of communication within the organization from the top-down, bottom-up, and across divisions or departments. It addresses the extent to which communication exchanges are open and candid and move the organization toward goal achievement.

Average scores suggest that room for improvement exists and lack of attention can lead to dropping scores. Employees feel that information does not arrive in a timely fashion and often it is difficult to find needed facts. In general Internal Information problems stem from these factors: an organization that has outgrown an older verbal culture based upon a few people knowing "how to work the system", lack of investment and training in modern communication technology and, perhaps, vested interests that seek to control needed information. Remediating Internal Communication requires careful study to determine the correct causative factors. Triangulate low scores in Internal Communication by reviewing existing policy and procedural manuals to determine their availability. Assess how well telephone systems are articulated and if e mail, faxing and Internet modalities are developed and in full use. Use the employee feedback sessions to make a more complete determination for the causes of low Internal Communication scores.



Organizational Typology: Areas of Concern

Relative Areas of Concern Continued:

Team Effectiveness

Score: 327

General Description: This Construct captures employees' perceptions of the people within the organization that they work with on a daily basis to accomplish their jobs (the work group or team). This construct gathers data about how effective employees think their work group is as well as the extent to which the organizational environment supports cooperation among employees.

Average scores suggest that room for improvement exists and lack of attention can lead to dropping scores. Much and often most work in organizations require regular collaboration with others, the work team. Problems with Team Effectiveness can come from many causes and may suggest a number of remedies. In general team effectiveness stems from these factors: team membership, the selection, support and training of supervisors, the maturity and experience of employees and the nature of the specific work being performed. Remedying Team Effectiveness requires careful study to determine the correct causative factors. Triangulate low scores in Team Effectiveness with Supervisory Effectiveness by reviewing how supervisors are selected and their training. Use the employee feedback sessions to make a more complete determination for the causes of low Team Effectiveness scores.

Supervisor Effectiveness

Score: 330

General Description: This Construct provides insight into the nature of supervisory relationships in the organization, including the quality of communication, leadership, thoroughness and fairness that employees perceive exists between supervisors and them. This Construct helps organizational leaders determine the extent to which supervisory relationships are a positive element of the organization.

Average scores suggest that room for improvement exists and lack of attention can lead to dropping scores. No area in an organization is more important and often more resistant to change than the middle areas of the organization. Problems with supervision can come from many causes and may suggest a number of remedies. Part of the follow up to the Survey when data are returned is to discuss the results with employees and secure more elaborate explanations of important issues. In general supervisory effectiveness stems from these factors: the selection, support and training of supervisors, the maturity and experience of employees and the nature of the specific work being performed. A frequent problem with supervisors is that those tasks a person may be successful with are not the same tasks that are required when one is promoted to supervision. Remedying Supervisory Effectiveness requires careful study to determine the correct causative factors. Triangulate low scores in Supervisory Effectiveness by reviewing how supervisors are selected and their training. Use the employee feedback sessions to make a more complete determination for the causes of low Supervisory Effectiveness scores.



Organizational Typology: Areas of Concern

Relative Areas of Concern Continued:

Change Oriented

Score: 334

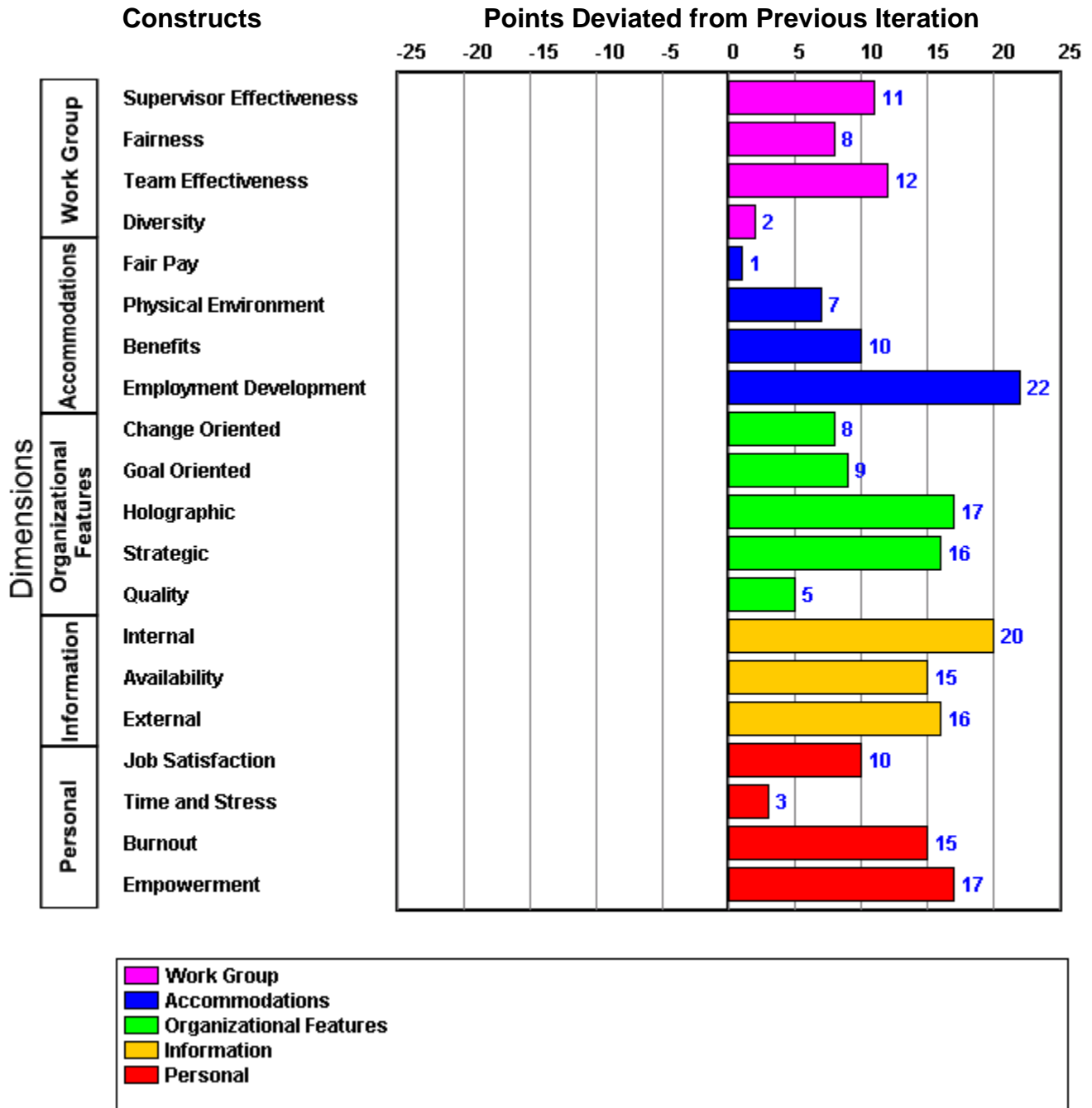
General Description: This Construct secures employees' perceptions of the organization's capability and readiness to change based on new information and ideas. It addresses the organization's aptitude to process information timely and act upon it effectively. This Construct also examines the organization's capacity to draw upon, develop, and utilize the strengths of all in the organization for improvement.

Average scores suggest that room for improvement exists and lack of attention can lead to organizational stasis. Problems with low change orientation can come from many causes and may suggest a number of remedies. Typically the organization is isolated or maintains a culture that feels that the organization and its activities are unique. This vitiates needed comparison or benchmarking processes. Remediating Change Orientation requires opportunity for study and comparisons with other organizations. Visits to other organizations, participation in accreditation processes and developing external advisory boards can help open the organization and increase readiness to change.



Organizational Change: Performance Over Time

One of the benefits of continuing to participate in the survey is that over time data shows how employees' views have changed as a result of implementing efforts suggested by previous survey results. Positive changes indicate that employees perceive the issue as adequately improved since the previous survey. Negative changes indicate that the employees perceive that the issue has worsened since the previous survey. Negative changes of greater than 50 points and having 10 or more negative construct changes should be a source of concern for the organization and should receive immediate attention.



Analyzing Over Time Data

Over Time Data adds another dimension to an organization's scores. By viewing data from multiple iterations of the survey - static data suddenly is capable of tracking effectiveness of previous action plans and catching declining trends before they become critical. Identifying areas for future action plans becomes more obvious and employees can visually confirm the benefits of being proactive in their organization.

Changes

Organizational change occurs whether or not leadership plans for it. Planning for change puts the control in the hands of the organization. By using the results of the survey and employee feedback, organizations can encourage positive growth trends in their survey scores. A lack of planning can lead to haphazard fluctuations in scores over time.

This organization experienced positive growth in 20 out of the 20 constructs in comparison to the last iteration of the survey. The constructs with the most positive growth are: *Employment Development, Internal, Empowerment, Holographic, and Strategic*. Together, these constructs were identified by employees as having the most significant improvement compared to the previous iteration of the survey. The constructs that showed the least amount of improvement or a decrease in score are: *Fair Pay, Diversity, Time and Stress, Quality, and Physical Environment*. These constructs may or may not be the lowest scoring constructs, but definite attention should be given to these constructs when considering which areas to focus efforts upon improving.

Determining Causes

This is a turbulent time for many organizations, however this year will prove as an important benchmark year as the economy starts to recover. Any number of events both within and outside of leadership control can affect scores. While score changes cannot be attributed directly to one particular event, it is worthwhile to consider all possibilities and use the most likely culprits as a starting point for developing action plans and encouraging positive trends. Consider any recent events that might have affected the scores for a particular construct. Have there been changes in leadership, policy, or procedure? Has there been any restructuring or layoffs? Were any action plans put into place based on the results of the last survey?

The *Data Report* provides detailed data on each of the survey items and constructs including descriptions and item-construct relationships. Examine the over time data for the individual items that make up a construct to try to isolate contributing factors. Once you have a list of factors, hold a focus group consisting of a diverse group of employees and try to get a better feel for why the employees responded the way they did. You may find that there are many other complex factors at work, but having a pre-compiled set of possible factors will provide a sound starting point.

Continuing Trends

No matter how high a score, there is always room for improvement. Get the entire organization involved in deciding on which constructs to concentrate efforts for improvement. Brainstorm ideas on how improvements can be made and how every employee can have a chance to contribute suggestions. A questionnaire, customized online survey, or departmental meeting may prove effective for collecting ideas. Each organization is unique and has a great amount of untapped resources in its employees. Using employees to solve problems and make organizational improvements is a natural solution - who else knows the organization better?

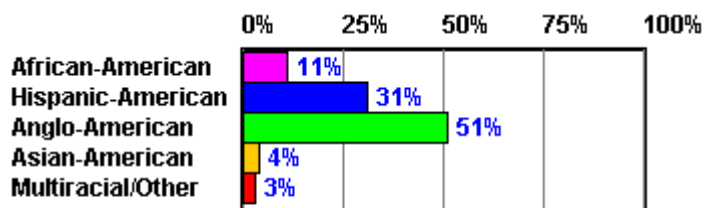


Participant Profile

Demography data help one to see if the Survey response rate matches the general features of all employees in the organization. It is also an important factor in being able to determine the level of consensus and shared viewpoints across the organization. It may also help to indicate the extent to which the membership of the organization is representative of the local community and those persons that use the services and products of the organization.

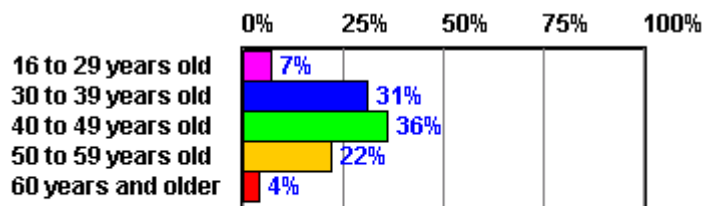
Race/Ethnic Identification

Diversity within the workplace provides resources for innovation. A diverse workforce helps insure that different ideas are understood, and that the community sees the organization as representative of the community. * There were 5 employees who chose not to respond to this item.



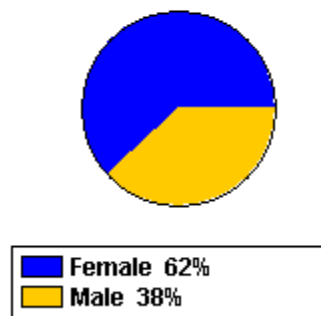
Age

Age Diversity contributes to having a well-balanced workplace. Different age groups bring different experiences and perspectives to the organization. Large percentages of older individuals may be a cause of concern if a number of key employees are nearing retirement age. Seek ways to preserve the culture and experiences these individuals have brought to the organization. Be mindful that people have different challenges and resources at various age levels and should see that leadership incorporates these understandings. * There were 2 employees who chose not to respond to this item.



Gender

The ratio of males to females within an organization can vary among different organizations. However, extreme imbalances in the gender ratio should be a source of concern for the organization and may require immediate attention. Give consideration to the types of work being performed and be open to unintentional bias in job and employee selection as well as promotion consideration. * There were 5 employees who chose not to respond to this item.



Participant Profile

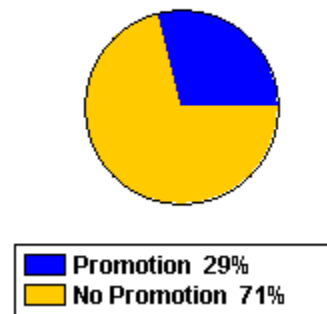
Employee Retention

The percent of employees that see themselves working for this organization in two years is a good indicator of how well the organization is doing at retaining its employees. Very low retention should be a source of concern and may require immediate attention. You have a higher than average number of employees who expect to be working for your organization in two years. * There were 3 employees who chose not to respond to this item.



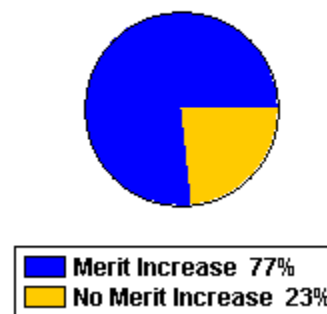
Promotion

The percentage of employees that receive a promotion can vary among organizations. While organizational growth may increase the likelihood of promotional opportunities, organizations should not simply wait for growth. Low percentages may indicate that current employees do not compete well for promotional opportunities. This would urge study of the Employee Development Construct to gauge the level of employee interest. * There were 4 employees who chose not to respond to this item.



Merit Increase

The percentage of employees that receive a merit increase can vary between organizations. Low percentages may indicate that employees need to review expectations of current employees and those efforts that seek to increase performance. * There were 4 employees who chose not to respond to this item.



*Charts and percentages are based on valid responses. Slight variations from the Data Aggregation Report are due to respondents who chose not to answer particular demographic items. The number of people who chose not to respond is noted for each demographic item.



Interpretation and Intervention

After the survey data has been compiled, the results are returned to the survey liaison, executive director, and board or commission chair approximately one month after data collection stops. These individuals are strongly encouraged to share results with all survey participants in the organization. Survey results are provided in several formats to provide maximum flexibility in interpreting the data and sharing the data with the entire organization. The quick turnaround in reporting allows for immediate action upon the results while they are still current.

The Executive Summary provides a graphical depiction of the data. Graphical data can easily be reproduced in a company newsletter or website. For additional detailed data, the Data Report is useful for examining survey data on the individual item level. Response counts, averages, standard deviations, and response distributions are provided for each item. Excel files provide electronic access to scores. Scores can be sorted in various ways to help determine strengths and areas of concern. The electronic data can also be used by Excel or other software to create additional graphs or charts. Any of these formats can be used alone or in combination to create rich information on which employees can base their ideas for change.

Benchmark data provide an opportunity to get a true feel of the organization's performance. Comparing the organization's score to scores outside of the organization can unearth unique strengths and areas of concern. Several groups of benchmarks are provided to allow the freedom to choose which comparisons are most relevant. If organizational categories were used, then internal comparisons can be made between different functional areas of the organization. By using these comparisons, functional areas can be identified for star performance in a particular construct, and a set of "best practices" can be created to replicate their success throughout the organization.

These Survey Data provide a unique perspective of the average view of all that took the Survey. It is important to examine these findings and take them back to the employees for interpretation and to select priority areas for improvement. This also provides an opportunity for the organization to recognize and celebrate areas that members have judged to be areas of relative strength. By seeking participation and engaging people on how the organization functions, you have taken a specific step in increasing organizational capital. High organizational capital means high trust among employees and a greater likelihood of improved efforts and good working relationships with clients and customers.

Ideas for getting employees involved in the change process:

- Hold small focus groups to find out how the employees would interpret the results
- Conduct small customized follow-up surveys to collect additional information including comments
- Provide employees with questionnaires/comment cards to express their ideas

Ideas for sharing data with the organization:

- Publish results in an organizational newsletter or intranet site
- Discuss results in departmental meetings
- Create a PowerPoint presentation of the results and display them on kiosks



Timeline

November and December: Interpreting the Data

- Data is returned to survey liaisons, executive directors and board members
- Review Survey data including the Executive Summary with executive staff
- Develop plans for circulating all the data sequentially and providing interpretations for all staff

January: Distributing Results to the Entire Organization

- Implement the plans for circulating the data to all staff
- Create 3 to 4 weekly or monthly reports or organization newsletters
- Report a portion of the Constructs and Questions, providing the data along with illustrations pertinent to the organization
- Select a time to have every employee participate in a work unit group to review the reports as they are distributed to all staff, with one group leader assigned to every group. The size of the groups should be limited to about a dozen people at a time. A time limit should be set not to exceed two hours.

February: Planning for Change

- Designate the Change Team composed of a diagonal slice across the organization that will guide the effort
- Identify Work Unit Groups around actual organizational work units and start each meeting by reviewing strengths as indicated in the data report. Brainstorm on how to best address weaknesses
- Establish Procedures for recording the deliberations of the Work Unit Group and returning those data to the Change Team
- Decide upon the Top Priority Change Topic and Methods necessary for making the change. Web-based Discussion Groups and Mini-Surveys are convenient technologies
- First change effort begins
- Repeat for the next change topic

March and Beyond: Implementation and Interventions

- Have the Change Team compile the Priority Change Topics and Methods necessary for making the change and present them to the executive staff
- Discuss the administrative protocols necessary for implementing the changes
- Determine the plan of action and set up a reasonable timeline for implementation
- Keep employees informed about changes as they occur through meetings, newsletters, or intranet publications
- Resurvey to document the effectiveness of the change



AGENCY DEVELOPING MARCOM PLAN

The Division of Policy and Public Affairs has prepared a Marketing/Communications Plan (or “MarCom Plan”) for review of senior staff and the governing board of the Texas Department of Housing and Community Affairs.

This MarCom Plan will guide the Department in all of its marketing and communications functions both internally and externally. The document is designed to be a “living document” in that it will be continually updated and adjusted as the Department’s mission, functions, and programs adhere to statutory and policy changes.

The purpose of the Plan is to provide guidelines for continuity and consistency of the Department’s marketing and communication activities and to portray, promote and position TDHCA as Texas' primary source for low and moderate income affordable housing programs, statewide housing data, and community affairs programs.

This plan is a major undertaking and requires the commitment and enthusiasm of the governing board, the entire agency and its staff to help carry it out. This will mark the first time that the Department has used such a plan to guide its efforts to reach out to all of its target audiences. Staff anticipates the document being ready for board review by May 2006.

TDHCA Presentation on Service-Oriented Architecture at the Government Technology Conference

On February 1, Curtis Howe and Ed Turner joined representatives from the Health and Human Services Commission and the Department of Information Resources as presenters in a seminar titled “State of the Art Service-Oriented Architecture” at the Government Technology Conference. Joe Burkhart assisted with the design of the presentation.

The audience was primarily made up of state agency IT professionals and IT vendor representatives. TDHCA’s Director of Financial Administration was also in attendance.

Service-Oriented Architecture (SOA) is a framework for sharing data from diverse software applications across the web, using a set of standards-based protocols and technologies.

TDHCA’s part of the presentation was a case study in a mid-sized agency implementation of SOA, while HHSC covered SOA as a component of a large agency’s enterprise IT planning and operations. TDHCA’s presentation goals were to provide a conceptual overview of SOA, an example of how it could be applied to achieve business objectives, and help getting started to other state agencies.

We focused on the UsrRemote interface to the Compliance Monitoring Tracking System (CMTS), which allows property managers to submit unit/household data (Unit Status Reports) to CMTS using third party property management software, instead of logging into CMTS and entering the data a second time.

Half of the presentation covered the business value of UsrRemote, and half covered the technical implementation.. Through CMTS and the requirement for property managers to report unit information online, TDHCA has realized business benefits such as reporting improvements, efficiencies gained through automated compliance testing, and the ability to provide up-to-date, online information on vacant units in Texas, which assisted in the relief efforts for Hurricanes Katrina and Rita.

To aid our business partners in the online reporting requirement, TDHCA developed UsrRemote using a popular SOA technology, web services, so that property management software vendors can build real-time interfaces to CMTS – regardless of what programming language their software is built on. Five software vendors have developed or are developing web services clients to connect to CMTS through UsrRemote.

TDHCA deployed UsrRemote at a low cost by leveraging our existing technology investment in the suite of Open Source tools that support CMTS, the Contract System, and the Housing Resources Center. The web services tool is also Open Source and is integrated with existing software.

Both the TDHCA and HHSC presentations were well received by audience members, and we accomplished presentation goals.