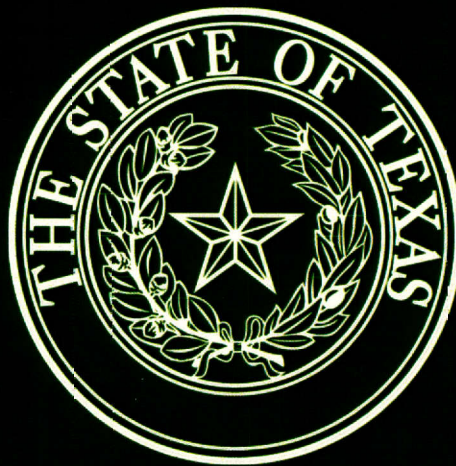


**TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS**

ANNUAL FINANCIAL REPORT
for the year ended August 31, 2013

(Unaudited)



Issued November 20, 2013



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

BOARD MEMBERS
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Leslie Bingham-Escareño
Tom H. Gann
J. Mark McWatters
Robert D. Thomas

November 20, 2013

Writer's direct phone # (512) 475-3296
Email: tim.irvine@tdhca.state.tx.us

The Honorable Rick Perry, Governor
The Honorable Susan Combs, Texas Comptroller
Ms. Ursula Parks, Director, Legislative Budget Board
Mr. John Keel, CPA, State Auditor

RE: ANNUAL FINANCIAL REPORT

Dear Governor Perry, Comptroller Combs, Ms. Parks, and Mr. Keel:

We are pleased to submit the Annual Financial Report of the Texas Department of Housing and Community Affairs for the year ended August 31, 2013, in compliance with TEX. GOV'T CODE ANN. §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact David Cervantes, Chief Financial Officer, at (512) 475-3875. Esther Ku may be contacted at (512) 475-3871 for questions related to the Schedule of Expenditures of Federal Awards.

Respectfully,

A handwritten signature in black ink, appearing to read "Timothy K. Irvine".

Timothy K. Irvine
Executive Director

TKI/tt



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(UNAUDITED)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Annual Financial Report
for the year ended August 31, 2013

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BASIC
FINANCIAL STATEMENTS

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-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

August 31, 2013

	General Funds (Ex A-1)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS				
Current Assets:				
Cash and Cash Equivalents (Note 3):				
Petty Cash on Hand	\$ 200.00	\$ -	\$ -	\$ 200.00
Travel Cash in Bank	20,000.00	-	-	20,000.00
Restricted:				
Cash and Cash Equivalents (Note 3):				
Cash in State Treasury	10,941,764.80	-	-	10,941,764.80
Federal Receivable	6,519,356.53	-	-	6,519,356.53
Legislative Appropriations	3,324,021.62	-	-	3,324,021.62
Accounts Receivable	21,868.83	-	-	21,868.83
Receivables From:				
Other Intergovernmental	193,729.89	-	-	193,729.89
Interest and Dividends Receivable	50,874.77	-	-	50,874.77
Interfund Receivable (Note 12)	73,901.94	-	-	73,901.94
Due From Other Agencies (Note 12)	379.48	-	-	379.48
Consumable Inventories	10,694.84	-	-	10,694.84
Restricted - Loans & Contracts	18,423,922.86	-	-	18,423,922.86
Total Current Assets	<u>39,580,715.56</u>	<u>-</u>	<u>-</u>	<u>39,580,715.56</u>
Noncurrent Assets:				
Capital Assets (Note 2):				
Non-Depreciable, Net		44,953.98		44,953.98
Depreciable or Amortizable, Net		174,893.39		174,893.39
Restricted - Loans & Contracts	447,150,260.92	-	-	447,150,260.92
Total Noncurrent Assets	<u>447,150,260.92</u>	<u>219,847.37</u>	<u>-</u>	<u>447,370,108.29</u>
Total Assets	<u>\$ 486,730,976.48</u>	<u>\$ 219,847.37</u>	<u>\$ -</u>	<u>\$ 486,950,823.85</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables:				
Accounts Payable	\$ 6,930,334.58	\$ -	\$ -	\$ 6,930,334.58
Payroll Payable	1,135,402.65	-	-	1,135,402.65
Interfund Payable (Note 12)	177,333.19	-	-	177,333.19
Deferred Revenues	448,907.67	-	-	448,907.67
Employees' Compensable Leave (Note 5)	-	-	562,235.12	562,235.12
Total Current Liabilities	<u>8,691,978.09</u>	<u>-</u>	<u>562,235.12</u>	<u>9,254,213.21</u>
Noncurrent Liabilities:				
Employees' Compensable Leave (Note 5)	-	-	420,030.12	420,030.12
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>420,030.12</u>	<u>420,030.12</u>
Total Liabilities	<u>\$ 8,691,978.09</u>	<u>\$ -</u>	<u>\$ 982,265.24</u>	<u>\$ 9,674,243.33</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT I (Continued)

COMBINED BALANCE SHEET/STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

August 31, 2013

	General Funds (Ex A-1)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
FUND FINANCIAL STATEMENT				
Fund Balances (Deficits):				
Nonspendable for Inventory	\$ 10,694.84	\$ -	\$ -	\$ 10,694.84
Restricted	474,785,903.56	-	-	474,785,903.56
Committed	379.48	-	-	379.48
Assigned	738,720.35	-	-	738,720.35
Unassigned	2,503,300.16	-	-	2,503,300.16
Total Fund Balances	<u>478,038,998.39</u>			
Total Liabilities and Fund Balances	<u>\$ 486,730,976.48</u>			
GOVERNMENT-WIDE STATEMENT OF NET POSITION				
Net Position				
Restricted For:				
Capital Projects	-	219,847.37	-	219,847.37
Unrestricted	-	-	(982,265.24)	(982,265.24)
Total Net Position	<u>\$ 478,038,998.39</u>	<u>\$ 219,847.37</u>	<u>\$ (982,265.24)</u>	<u>\$ 477,276,580.52</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT II

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES-GOVERNMENTAL FUNDS**

For the fiscal year ended August 31, 2013

	General Funds (Ex A-2)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES				
Legislative Appropriations:				
Original Appropriations (GR)	\$ 6,608,025.00	\$ -	\$ -	\$ 6,608,025.00
Additional Appropriations (GR)	1,379,339.84	-	-	1,379,339.84
Federal Revenue (PR-OP G/C)	283,715,904.86	-	-	283,715,904.86
Federal Grant Pass-Through Revenue (PR-OP G/C)	82,183.07	-	-	82,183.07
State Grant Pass-Through Revenue (PR-OP G/C)	4,325.42	-	-	4,325.42
Licenses, Fees & Permits (PR-C/S)	5,291,266.81	-	-	5,291,266.81
Interest and Other Investment Income (GR)	48,531.74	-	-	48,531.74
Sales of Goods and Services (PR-C/S)	586,657.37	-	-	586,657.37
Other (GR)	161,144.93	-	-	161,144.93
Total Revenues	<u>297,877,379.04</u>	<u>-</u>	<u>-</u>	<u>297,877,379.04</u>
EXPENDITURES/EXPENSES				
Salaries and Wages	10,207,465.45	-	16,769.94	10,224,235.39
Payroll Related Costs	3,092,837.44	-	-	3,092,837.44
Professional Fees and Services	396,049.92	-	-	396,049.92
Travel	522,363.82	-	-	522,363.82
Materials and Supplies	155,984.74	-	-	155,984.74
Communication and Utilities	175,543.15	-	-	175,543.15
Repairs and Maintenance	215,784.45	-	-	215,784.45
Rentals & Leases	219,112.07	-	-	219,112.07
Printing and Reproduction	15,674.65	-	-	15,674.65
Claims and Judgments	160,664.01	-	-	160,664.01
Intergovernmental Payments	55,969,480.07	-	-	55,969,480.07
Public Assistance Payments	180,001,508.87	-	-	180,001,508.87
Other Expenditures	268,727.35	-	-	268,727.35
Capital Outlay	85,538.23	(85,538.23)	-	-
Depreciation Expense	-	45,884.97	-	45,884.97
Total Expenditures/Expenses	<u>251,486,734.22</u>	<u>(39,653.26)</u>	<u>16,769.94</u>	<u>251,463,850.90</u>
Excess (Deficiency) of Revenues Over Expenditures/Expenses	<u>46,390,644.82</u>	<u>39,653.26</u>	<u>(16,769.94)</u>	<u>46,413,528.14</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out (Note 12)	(6,972,249.58)	-	-	(6,972,249.58)
Total Other Financing Sources and Uses	<u>(6,972,249.58)</u>	<u>-</u>	<u>-</u>	<u>(6,972,249.58)</u>
Net Change in Fund Balances / Net Assets	39,418,395.24	39,653.26	(16,769.94)	39,441,278.56
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances--September 1, 2012	438,628,333.72			
Appropriations Lapsed	(7,730.57)			(7,730.57)
Fund Balances--August 31, 2013	<u>\$ 478,038,998.39</u>			
GOVERNMENT-WIDE STATEMENT OF NET POSITION				
Net Position, September 1, 2012	<u>438,628,333.72</u>	<u>180,194.11</u>	<u>(965,495.30)</u>	<u>437,843,032.53</u>
Net Position, August 31, 2013	<u>\$ 478,038,998.39</u>	<u>\$ 219,847.37</u>	<u>\$ (982,265.24)</u>	<u>\$ 477,276,580.52</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT III

COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUND

August 31, 2013

	Total Proprietary Fund (Exhibit F-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3)	
Cash on Hand	\$ 200.00
Cash in Bank	98,460.60
Cash in State Treasury	1,310,502.10
Cash Equivalents	28,603,030.40
Restricted Assets:	
Cash and Cash Equivalents (Note 3)	
Cash in Bank	152,278.74
Cash Equivalents	100,369,708.39
Loans and Contracts	12,221,178.32
Interest Receivable	11,476,670.80
Receivable:	
Interest Receivable	99,605.43
Accounts Receivable	550,770.06
Interfund Receivable (Note 12)	103,431.25
Consumable Inventories	10,694.84
Loans and Contracts	2,629,334.80
Other Current Assets	360,873.22
Total Current Assets	<u>157,986,738.95</u>
Non-Current Assets :	
Investments (Note 3)	6,311,060.94
Loans and Contracts	49,008,713.71
Capital Assets (Note 2):	
Non-Depreciable	
Other Capital Assets	26,345.02
Depreciable or Amortizable, Net	128,453.81
Restricted Assets:	
Investments (Note 3)	999,243,594.62
Loans and Contracts	1,054,152,893.29
Other Non-current Assets	
Deferred Issuance Costs, net (Note 6)	5,604,382.11
Real Estate Owned, net	388,236.13
Total Non-Current Assets	<u>2,114,863,679.63</u>
Total Assets	<u>\$ 2,272,850,418.58</u>
DEFERRED OUTFLOWS OF RESOURCES	
Accumulated decrease in fair value of hedging derivatives	<u>25,144,122.67</u>
Total Deferred Outflows Of Resources	<u>\$ 25,144,122.67</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT III (Continued)

COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUND

August 31, 2013

	Total Proprietary Fund (Exhibit F-1)
LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	\$ 1,607,765.19
Accrued Bond Interest Payable	21,848,814.65
Deferred Revenues	16,147,006.16
Employees' Compensable Leave (Note 5)	547,709.56
Revenue Bonds Payable (Notes 5 & 6)	24,849,568.17
Other Current Liabilities	<u>278,660.39</u>
Total Current Liabilities	<u>65,279,524.12</u>
Non-Current Liabilities	
Employees' Compensable Leave (Note 5)	445,838.25
Revenue Bonds Payable (Notes 5 & 6)	1,891,171,055.12
Derivative Hedging Instruments (Note 7)	25,144,122.67
Other Non-Current Liabilities (Note 5)	<u>67,375,913.78</u>
Total Non-Current Liabilities	<u>1,984,136,929.82</u>
Total Liabilities	\$ <u>2,049,416,453.94</u>
DEFERRED INFLOWS OF RESOURCES	
	-
Total Deferred Inflows of Resources	\$ -
NET POSITION	
Invested in Capital Assets	154,798.83
Restricted for Bonds	169,151,067.60
Unrestricted	<u>79,272,220.88</u>
Total Net Position	\$ <u>248,578,087.31</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT IV

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND
For the fiscal year ended August 31, 2013

	Total Proprietary Fund (Exhibit F-2)
OPERATING REVENUES	
Interest and Investment Income	\$ 98,929,820.18
Net Decrease in Fair Value	(43,623,320.95)
Other Operating Revenues	25,979,100.88
Total Operating Revenues	<u>81,285,600.11</u>
OPERATING EXPENSES	
Salaries and Wages	9,312,157.27
Payroll Related Costs	2,522,500.33
Professional Fees and Services	3,549,763.13
Travel	212,386.73
Materials and Supplies	184,490.78
Communications and Utilities	148,938.41
Repairs and Maintenance	337,112.59
Rentals and Leases	58,639.69
Printing and Reproduction	29,802.26
Depreciation and Amortization	2,222,631.27
Interest	88,877,459.86
Bad Debt Expense	1,355,445.66
Down Payment Assistance	8,821,685.30
Other Operating Expenses	3,515,708.58
Total Operating Expenses	<u>121,148,721.86</u>
Operating (Loss)	<u>(39,863,121.75)</u>
(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(39,863,121.75)
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS	
Transfers In (Note 12)	3,682,759.01
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>3,682,759.01</u>
CHANGE IN NET POSTION	(36,180,362.74)
Net Position, September 1, 2012	<u>284,758,450.05</u>
NET POSITION, AUGUST 31, 2013	<u>\$ 248,578,087.31</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the fiscal year ended August 31, 2013

	Totals 2013 (Exh F-3)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Loan Programs	\$ 104,772,501.37
Proceeds from Other Revenues	32,164,579.36
Payments to Suppliers for Goods/Services	(27,693,377.20)
Payments to Employees	(11,491,766.66)
Payments for Loans Provided	<u>(18,309,941.76)</u>
Net Cash Provided by Operating Activities	<u>79,441,995.11</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	122,640,000.00
Proceeds from Transfers from Other Funds	2,940,314.77
Payments of Principal on Debt Issuance	(559,593,334.68)
Payments of Interest	(87,947,568.33)
Payments for Other Cost of Debt	<u>(2,079,175.84)</u>
Net Cash (Used For) Noncapital Financing Activities	<u>(524,039,764.08)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Additions to Capital Assets	<u>(61,832.43)</u>
Net Cash (Used for) Capital Activities	<u>(61,832.43)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	560,149,158.99
Proceeds from Interest/Investment Income	60,144,724.06
Payments to Acquire Investments	<u>(261,989,471.73)</u>
Net Cash Provided by Investing Activities	<u>358,304,411.32</u>
Net Decrease in Cash and Cash Equivalents	(86,355,190.08)
Cash and Cash Equivalents, September 1, 2012	<u>216,889,370.31</u>
Cash and Cash Equivalents, August 31, 2013	<u>\$ 130,534,180.23</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT V (Continued)

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the fiscal year ended August 31, 2013

	Totals 2013 (Exh F-3)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating (Loss)	<u>\$ (39,863,121.75)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash	
Provided by Operating Activities:	
Amortization and Depreciation	2,222,631.27
Provision for Uncollectibles	1,355,445.66
Operating (Loss) and Cash Flow Categories Classification Differences	67,546,063.44
Changes in Assets and Liabilities:	
Decrease in Receivables	459,760.85
Decrease in Accrued Interest Receivable	1,890,413.79
Decrease in Loans / Contracts	53,321,454.07
(Increase) in Property Owned	(47,704.06)
Decrease in Acquisition Costs	3,353,368.45
(Increase) in Other Assets	(173,020.81)
Increase in Payables	330,487.87
(Decrease) in Deferred Revenues	(1,008,836.47)
(Decrease) in Accrued Interest Payable	(5,950,797.22)
(Decrease) in Other Liabilities	<u>(3,994,149.98)</u>
Total Adjustments	<u>119,305,116.86</u>
Net Cash Provided By Operating Activities	<u>\$ 79,441,995.11</u>
NON CASH TRANSACTIONS	
Net Change in Fair Value of Investments	\$ (67,856,942.08)

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT VI

COMBINED STATEMENT OF FIDUCIARY NET ASSETS

August 31, 2013

	Totals
	2013
AGENCY FUNDS	(Exh J-1)
ASSETS	
Cash in State Treasury	\$ 240,416.91
Total Assets	\$ 240,416.91
 LIABILITIES	
Funds Held for Others	\$ 240,416.91
Total Liabilities	\$ 240,416.91

NOTES TO THE
FINANCIAL STATEMENTS

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

The Texas Department of Housing and Community Affairs (Department) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

Effective September 1, 1991, the Department was created to assist local governments in helping residents overcome financial, social and environmental problems; to address very low to moderate income housing needs; to contribute to the preservation and redevelopment of neighborhoods and communities; to assist the Governor and the legislature in coordinating federal and state programs affecting local governments; and to continually inform the state and the public about the needs of local government (*Texas Government Code Ann., Chapter 2306*). The Department was created by merging two former agencies, the Texas Housing Agency and the Texas Department of Community Affairs.

The regulation of manufactured housing was transferred from the Texas Department of Licensing and Regulation to the Department on September 1, 1995. The Manufactured Housing Division is administratively attached to the Department and is responsible for issuing Statements of Ownership and Location, industry licensing, installation inspection, and consumer protection. The Manufactured Housing Division also serves as a State Administrative Agency, inspecting manufacturing plants on HUD's behalf. The Manufactured Housing Division has a governing Board of five members appointed by the Governor.

The Department is governed by a Board, composed of seven members, all of whom are appointed by the Governor with the advice and consent of the Texas Senate. The Board then appoints the Executive Director, with the approval of the Governor.

The accompanying financial statements of the Department have been prepared to conform to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Component Units - No component units have been identified which should be included in the Department's financial statements.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Funds & Government-wide Adjustment Funds

General Fund

The General Fund is the principal operating fund used to account for most of the Department's general activities. It accounts for all financial resources except those accounted for in other funds.

Capital Assets Adjustment Fund and Long-Term Liabilities Adjustment Fund

These funds are used to convert governmental funds from modified accrual to full accrual. Capital Assets and Long-Term Liabilities of the government are reported in the Government-wide Financial Statements.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

Proprietary Fund Types

Enterprise Funds (Business-Type Activity)

Enterprise Funds account for operations financed and operated in a manner similar to private business. The intent is to recover costs through user charges and where a periodic determination of revenues earned, expenses incurred, and net income are appropriate for management control, accountability, contractual obligations and other purposes.

Fiduciary Fund Types

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental funds are accounted for using the modified accrual basis of accounting. Under modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The Department considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for the Fund Financial Statements prepared on the modified accrual basis of accounting. Expenditures and other uses of financial resources are recognized when the related liability is incurred except for certain long-term liabilities.

The Government-wide Financial Statements are accounted for using the accrual method of accounting. This includes unpaid employee compensable leave, capital assets and accumulated depreciation.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary Funds distinguish operating from non-operating items. Operating revenues result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

The Department has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989 as allowed by GASB Statement No. 20.

BUDGET AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). The state monitors its statewide budget by establishing the legal level of control at the agency level to ensure that expenditures are not made in excess of budgetary authority. Within the Department, procedures are used to ensure that expenditures do not exceed their total budget at the division level, but the State Comptroller ultimately ensures that each total authorized agency budget is not exceeded.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

ASSETS, LIABILITIES AND FUND BALANCES/NET POSITION

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The Department utilizes established quoted market prices for determining the fair value of its debt securities in reserve funds. Fair value of the Department's securitized mortgage loans Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) has been established by each bond issue's trustee using a pricing service.

The Department has reported all investment securities at fair value as of August 31, 2013 with exception of some short-term money market investments and nonparticipating interest-earning investment contracts which are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

Changes in the fair value of investments for the Enterprise Fund are reported in the Combined Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Fund as "Net Increase (Decrease) in the Fair Value of Investments."

Restricted Net Position

Restricted Net Position include monies or other resources restricted by legal or contractual requirements. These assets in the General Fund include federal grants which are restricted by the grantor for specific program purposes. The Proprietary Fund includes certain assets pledged to respective bond indentures, the use of which is restricted by those same bond covenants.

Consumable Inventories

Consumable inventories consist of postage on hand at year-end. Inventories for governmental fund types and proprietary fund types are accounted for using the consumption method of accounting. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost meeting the thresholds established by the Comptroller's Office and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if donated, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset (5 years for both Furniture & Equipment and Other Capital Assets) using the straight-line method.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the donation date. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

Loans and Contracts

Loans and contracts consist of loans in the General Fund made from federal funds for the purpose of Single Family loans and Multifamily development loans from HOME, Tax Credit Assistance Program (TCAP) and Neighborhood Stabilization Program (NSP) grants.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

Restricted loans and contracts in proprietary funds consist of mortgage loans made from Single Family and Multifamily bond proceeds. Unrestricted loans and contracts consist of Single Family loans and Multifamily development loans from the Housing Trust Fund and other Housing Initiative Programs. Loans receivable are carried at the unpaid principal balance outstanding, net of the allowance for estimated losses. Deferred commitment fees relating to the Single Family, Residential Mortgage Revenue Bonds (RMRB) Series 1987A and certain Multifamily programs are included as a reduction of loans receivable. Interest on loans is credited to income as earned. Loans are generally placed on nonaccrual status when the Department becomes aware that the borrower has entered bankruptcy proceedings or when they are past due 90 days as to either principal or interest or when payment in full of principal and interest is not expected. Deferred commitment fees are recognized using the interest method over the estimated lives of the loans.

Deferred Outflow of Resources

The Department identified its derivative instruments and measured their effectiveness in accordance with Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The Department contracted a service provider to measure its derivative effectiveness. Since the derivative instruments were deemed to be effective, the Department will be deferring the changes in fair value for these derivatives and reporting them as deferred outflow of resources.

Real Estate Owned

Real estate owned are properties acquired through foreclosure that are carried at the unpaid principal balance on the related property plus accrued interest and reimbursable expenses through the date of foreclosure, less any sales proceeds, reimbursements received from mortgage insurers and an allowance for estimated losses on such properties, which approximates the net realizable value of the property at foreclosure.

Loans secured by Single Family properties on which there is an indication that the borrower no longer has the ability to repay the loan and that foreclosure is likely are considered in-substance foreclosures and are classified as real estate owned in the accompanying balance sheet. Interest on real estate owned is credited to income as earned based on a calculation of interest recoverable in accordance with the Department's agreements with its mortgage insurers.

Allowance for Estimated Losses on Loans and Foreclosed Properties

The allowance for estimated losses on loans is calculated for future charge-offs on Single Family and Multifamily loans. The allowance for estimated losses on real estate owned is calculated for future charge-offs on foreclosed Single Family loans.

All losses are charged to the allowance when the loss actually occurs or when a determination is made that a loss is likely to occur. Periodically, management estimates the level of future losses to determine whether the allowances for estimated losses are adequate to absorb anticipated losses in the existing loan and real estate owned portfolios. Based on these estimates, a provision for estimated losses on loans and real estate owned is credited to the allowances in order to adjust the allowances to levels estimated to be adequate to absorb reasonably foreseeable losses.

While management uses available information to recognize losses in the loan and real estate owned portfolios, future additions may be necessary based on changes in economic conditions. However, it is the judgment of management that allowances are currently adequate to absorb reasonably foreseeable losses in the existing loan and real estate owned portfolios.

Commitment Fees

Commitment fees received in connection with the origination of loans are deferred and recognized using the interest method over the estimated lives of the related loans and mortgage-backed securities, or if the commitment expires unexercised it is credited to income upon expiration of the commitment.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

Deferred Issuance Costs

Deferred issuance costs on bonds are amortized using the interest method over the contractual life of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of related deferred issuance costs.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Current Liabilities

Other current liabilities primarily consist of escrow fees and arbitrage rebate liability.

Deferred Revenues

Deferred Revenues in the proprietary fund represent fees such as commitment fees and compliance fees that are deferred upon receipt and amortized over a period of time. Deferred Revenues in the governmental fund represent federal revenues that have not been earned but are available at fiscal year-end in the amount that revenues exceed expenditures.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position.

Bonds Payable – Revenue Bonds

Revenue bonds are accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net position.

Discounts and Premiums on Debt

Discounts and premiums on debt are recognized using the interest method over the lives of the bonds to which they relate. Prepayments on the bonds result in the proportionate amortization during the current year of the remaining balance of discounts and premiums related to that debt.

Derivative Instrument

Per GASB Statement No. 53, the Department is to recognize its interest rate swaps at fair value on the Statement of Net Position. As of August 31, 2013, the fair value of the Department's five swaps is considered to be negative indicating the Department would be obligated to pay the counterparty the fair value as of the termination date. The Department has the option to terminate prior to the maturity date.

Other Non-current Liabilities

Other non-current liabilities primarily account for funds due to Developers as a result of Multifamily bond proceeds. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the developers' fluctuation in cash flow needs, the current portion cannot be reasonably estimated.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

Fund Balance/Net Position

Fund Balance/Net Position – “Net position” is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements. “Fund balance” is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components

The fund balance amounts for governmental funds were reclassified in accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to be maintained intact.

Restricted Fund Balance

Includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Texas Legislature, the state’s highest level of decision-making authority.

Assigned Fund Balance

Includes amounts constrained by the state’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance

This is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the general fund.

Interfund Transactions and Balances

Interfund Receivables and Payables

Interfund transactions are reported as interfund receivables and payables at year end. If repayment is due during the current year or soon thereafter, the balance is classified as “current.” Balances for repayment due in two (or more) years are classified as “noncurrent.”

Due From and Due To Other Agencies

Represents amounts that must be repaid by other agencies or advances from other agencies.

Transfers

Legally required transfers that are reported when incurred as “Transfers In” by the recipient fund and as “Transfers Out” by the disbursing fund.

Legislative Sources/Uses

Budget transfers between agencies within the General Revenue Fund (0001).

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 2: CAPITAL ASSETS - A summary of changes in Capital Assets for year ended August 31, 2013 is below:

	PRIMARY GOVERNMENT				Balance 08/31/13
	Balance 09/01/12	Adjustments	Additions	Deletions	
GOVERNMENTAL ACTIVITIES					
Non-depreciable or Non-amortizable Assets					
Construction in Progress	-		\$ 44,953.98		\$ 44,953.98
Total Non-depreciable or Non-amortizable Assets	-		\$ 44,953.98		\$ 44,953.98
Depreciable Assets					
Furniture and Equipment	\$ 623,077.01		\$ 40,584.25		\$ 663,661.26
Other Capital Assets	130,964.13		-		130,964.13
Total Depreciable Assets	\$ 754,041.14		\$ 40,584.25		\$ 794,625.39
Less Accumulated Depreciation for:					
Furniture and Equipment	\$ (443,218.32)		\$ (45,549.55)		\$ (488,767.87)
Other Capital Assets	(130,964.13)		-		(130,964.13)
Total Accumulated Depreciation	(574,182.45)		(45,549.55)		(619,732.00)
Depreciable Assets, Net	\$ 179,858.69		\$ (4,965.30)		\$ 174,893.39
Amortizable Assets - Intangible					
Computer Software	\$ 1,307,012.36		\$ -		\$ 1,307,012.36
Total Amortizable Assets - Intangible	\$ 1,307,012.36		\$ -		\$ 1,307,012.36
Less Accumulated Amortization for:					
Computer Software	\$ (1,306,676.94)		\$ (335.42)		\$ (1,307,012.36)
Total Accumulated Amortization	(1,306,676.94)		(335.42)		(1,307,012.36)
Amortizable Assets - Intangible, Net	\$ 335.42		\$ (335.42)		\$ -
Governmental Activities Capital Assets, Net	\$ 180,194.11		\$ 39,653.26		\$ 219,847.37

	PRIMARY GOVERNMENT				Balance 08/31/13
	Balance 09/01/12	Adjustments	Additions	Deletions	
BUSINESS-TYPE ACTIVITIES					
Non-depreciable or Non-amortizable Assets					
Construction in Progress	-		\$ 26,345.02		\$ 26,345.02
Total Non-depreciable or Non-amortizable Assets	-		\$ 26,345.02		\$ 26,345.02
Depreciable Assets					
Furniture and Equipment	\$ 489,397.63		\$ 35,487.41		\$ 524,885.04
Other Capital Assets	132,278.87		-		132,278.87
Total Depreciable Assets	\$ 621,676.50		\$ 35,487.41		\$ 657,163.91
Less Accumulated Depreciation for:					
Furniture and Equipment	\$ (363,248.31)		\$ (33,182.92)		\$ (396,431.23)
Other Capital Assets	(132,278.87)		-		(132,278.87)
Total Accumulated Depreciation	(495,527.18)		(33,182.92)		(528,710.10)
Depreciable Assets, Net	\$ 126,149.32		\$ 2,304.49		\$ 128,453.81
Amortizable Assets - Intangible					
Computer Software	\$ 679,784.59		\$ -		\$ 679,784.59
Total Amortizable Assets - Intangible	\$ 679,784.59		\$ -		\$ 679,784.59
Less Accumulated Amortization for:					
Computer Software	\$ (679,425.71)		\$ (358.88)		\$ (679,784.59)
Total Accumulated Amortization	(679,425.71)		(358.88)		(679,784.59)
Amortizable Assets - Intangible, Net	\$ 358.88		\$ (358.88)		\$ -
Business-Type Activities Capital Assets, Net	\$ 126,508.20		\$ 28,290.63		\$ 154,798.83

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

The Department is authorized by statute to make investments following the "prudent person rule" and based upon provisions within the master bond indentures and its Investment Policy adopted by the Board in accordance with the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2013, the carrying amount of deposits was \$270,739.34.

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING VALUE	\$ 270,739.34
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalents	
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	
Total Cash in Bank per AFR	\$ 270,739.34
Governmental Funds Current Assets Cash in Bank	\$ 20,000.00
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	
Texas Treasury Safekeeping Trust	98,460.60
Demand Deposits	
Proprietary Funds Current Assets Restricted Cash in Bank	
Texas Treasury Safekeeping Trust	116,371.86
Demand Deposits	35,906.88
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$ 270,739.34

At August 31, 2013, the Department's cash and deposits in the State Treasury amounted to \$12,252,266.90. Of that amount, \$12,252,266.90 was fully collateralized by securities held with a trustee in the State's name, as reported to the Department by the Comptroller of Public Accounts of the State of Texas.

Investments

The types of investments in which the Department may invest are restricted by the provisions of the master bond indentures and the Department's Investment Policy adopted by its Board in accordance with the Public Funds Investment Act. The indentures allow for investments in direct obligations of or guaranteed by the U.S. Government; obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by agencies or intermediaries of the U.S. Government; obligations issued by public agencies or municipalities; obligations and general obligations of or guaranteed by the state; demand deposits, interest-bearing time deposits or certificates of deposit; repurchase agreements in U.S. Government securities; direct or general obligations of any state within the territorial U.S.; investment agreements with any bank or financial institution; and guaranteed investment contracts. Certain trust indentures restrict the Department from investing in certain of the aforementioned investments.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

At August 31, 2013, the fair value of investments (including both short-term and long-term) and cash equivalents are shown below.

Business Type Activities	Carrying Value	Fair Value
U.S. Government		
U.S. Government Agency Obligations	\$ 907,531,971.45	\$ 969,222,871.11
Repurchase Agreements (TTSTC)	102,527,375.78	102,527,375.78
Fixed Income Money Markets	26,445,362.71	26,445,362.71
Misc (Investment Agreements/GICs)	36,331,784.75	36,331,784.75
Total	\$ 1,072,836,494.69	\$ 1,134,527,394.35

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Preservation and safety of principal is the foremost objective of the investment program. According to the Department's investment policy, investments should be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is mitigated by

- Limiting investments to the safest types of securities.
- Pre-qualifying the financial institution, broker/dealers, intermediaries, and advisors with which the Department will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

As of August 31, 2013, the Department's credit quality distribution for securities with credit risk exposure was as follows.

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	Not Rated	AAA	AA+	A
05	3054	U.S. Government Agency Obligations			\$111,703,693.25	
05	3054	Repurchase Agreements (TTSTC)	\$102,527,375.78			
05	3054	Misc (Investment Agreements/GICs)	\$36,331,784.75			
			Not Rated	AAA-M	AA-M	A-M
05	3054	Fixed Income Money Market		\$26,445,362.71		

A total of \$857,519,177.86 was not subject to credit risk disclosure due to their explicit guarantee by the U.S. Government which is composed of U.S. Government Agency obligations issued by the Government National Mortgage Association.

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2013, the Department's concentration of credit risk is as follows.

Fund Type	GAAP Fund	Issuer	Carrying Value	% of Total Portfolio
05	3054	Warburg	\$102,527,375.78	9.04%

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS Cont'd

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of any investment. The longer the maturity of an investment will result in greater sensitivity of its fair value to changes in the market interest rates. The Department's investment policy allows for the mitigation of interest rate risk by

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities.

Information about the sensitivity of the fair values of the Department's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Department's investments by maturity:

Remaining Maturity (in months)

Government and Business Type Activities	Fair Value	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
U.S. Government Agency Obligations	\$ 969,222,871.11	\$ -	\$ 617,555.54	\$ 699,995.07	\$ 967,905,320.50
Repurchase Agreements (TTSTC)	102,527,375.78	102,527,375.78			
Fixed Income Money Markets	26,445,362.71	26,445,362.71			
Misc (Investment Agreements/GICs)	36,331,784.75				36,331,784.75
Total	\$ 1,134,527,394.35	\$ 128,972,738.49	\$ 617,555.54	\$ 699,995.07	\$ 1,004,237,105.25

Highly Sensitive Investments

Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. These prepayments result in a reduction of expected total cash flows affecting the fair value of these securities and make the fair value of these securities highly sensitive to the changes in interest rates. The Department does not make it a common practice to sell these investments. However, in recent years the Department has sold some of these investments at a premium and used the realized gain to fund Down Payment Assistance loans in connection with the Single Family, First-Time Homebuyer Program. Any other fluctuation in fair value generates an unrealized gain or loss. As of August 31, 2013, the Department holds \$969,222,871.11 in mortgage backed securities.

NOTE 4: SHORT-TERM DEBT - Not Applicable

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 5: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in liabilities.

Governmental Activities	Balance 09/01/2012	Additions	Reductions	Balance 08/31/2013	Amounts Due Within One Year
Compensable Leave	\$ 965,495.30	716,616.35	699,846.41	\$ 982,265.24	\$ 562,235.12
Total Governmental Activities	\$ 965,495.30	716,616.35	699,846.41	\$ 982,265.24	\$ 562,235.12

Business-Type Activities	Balance 09/01/2012	Additions	Reductions	Balance 08/31/2013	Amounts Due Within One Year
Revenue Bonds Payable	\$ 2,360,413,357.02	42,272,562.91	486,665,296.64	\$ 1,916,020,623.29	\$ 24,849,568.17
Compensable Leave	\$ 920,646.52	653,163.85	580,262.56	\$ 993,547.81	\$ 547,709.56
Total Business-Type Activities	\$ 2,361,334,003.54	42,925,726.76	487,245,559.20	\$ 1,917,014,171.10	\$ 25,397,277.73

Revenue Bonds Payable

The Department issues bonds to assist in financing the purchase of homes or the construction of rental housing for families with very low to moderate incomes. Loan payments provide the revenues for debt service payments. (See Note 6 for more information.) The \$486,665,296.64 in reductions is inclusive of \$1,587,731.50 in amortization of bond premium/discount and gain/loss on refundings.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Other Non-current Liabilities

Other non-current liabilities in the Enterprise Fund totaling \$67,375,913.78 account for funds due to Developers as a result of Multifamily bond proceeds which have corresponding investment balances not adjusted to market value. These proceeds are conduit debt issued on behalf of the Developer for the purpose of Multifamily developments and are held by the trustee. Due to the various variables related to the balance, the current portion cannot be reasonably estimated.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 6: BONDED INDEBTEDNESS

The Department has 107 bond issues outstanding at August 31, 2013. All series are revenue bonds backed by the pledged revenue sources and restricted funds specified in the bond resolutions. Each series is designed to be self-supporting with no repayment nor obligation from the State's General Revenue. The Department issues bonds to assist in financing the purchase of homes by or the construction of rental housing for families with very low to moderate incomes. Loan payments provide the revenues for debt service payments. (Detailed supplemental bond information is disclosed in Schedules 2-A, 2-B, 2-C, 2-D and 2-F.)

Proceeds from the issuance of bonds under the Single Family indenture prior to 1987 and Residential Mortgage Revenue Bonds (RMRB) Series 1987A Programs were used to acquire loans. Proceeds from Collateralized Home Mortgage Revenue Bond (CHMRB) and the remaining Single Family and RMRB programs were used to acquire pass-through certificates (GNMA, FNMA, FHLMC) backed by mortgage loans. Proceeds from the remaining Multifamily bond issues were used to finance mortgage loans.

Interest on bonds and collateralized mortgage obligations is payable periodically.

The Single Family, RMRB and CHMRB bonds are collateralized by the revenues and assets pledged under the trust indentures, primarily Single Family mortgage loans, mortgage-backed securities and investments. The Multifamily bonds are collateralized by varying methods, including, but not limited to, the mortgage loans on the applicable housing developments, certificates of deposit, letters of credit, guarantees provided by third parties and collateralized mortgage obligations issued by federally chartered, privately owned corporations.

The trust indentures contain positive and negative covenants. Events of default include the following: failure to make timely payment of both principal and interest on any outstanding bond; failure to make timely payment of any other monies required to be paid to the Trustee; and non-performance or non-observance of any other covenants, agreements or conditions contained in the indentures. Management believes they are in compliance with the covenants of the indentures.

CHANGES IN BONDS PAYABLE

Deferred issuance costs at August 31, 2013, consist of the following:

	Amount
Deferred Issuance Costs at August 31, 2013	\$ 46,502,362.42
Less Accumulated Amortization	(40,897,980.31)
Deferred Issuance Costs, net	<u>\$ 5,604,382.11</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 6: BONDED INDEBTEDNESS Cont'd

CHANGES IN BONDS PAYABLE

Description	Bonds Outstanding 09/01/12	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/13	Amounts Due Within One Year
Single Family	\$ 720,900,000.00	\$ 42,500,000.00	\$ 11,445,000.00	\$ 177,855,000.00	\$ 574,100,000.00	\$ 8,026,172.67
RMRB	551,605,000.00		7,110,000.00	224,015,000.00	320,480,000.00	6,576,695.76
CHMRB	5,600,000.00	-	-	1,200,000.00	4,400,000.00	5,875.67
Multifamily	1,075,805,305.46	-	8,885,946.01	54,566,619.13	1,012,352,740.32	10,240,824.07
Total Principal	\$ 2,353,910,305.46	\$ 42,500,000.00	\$ 27,440,946.01	\$ 457,636,619.13	\$ 1,911,332,740.32	\$ 24,849,568.17
Unamortized Premium	8,299,367.37				5,820,649.04	
Unamortized Refunding (Loss)	(1,796,315.81)				(1,132,766.07)	
Total	\$ 2,360,413,357.02				\$ 1,916,020,623.29	

Demand Bonds

The Department currently holds seven single family bond series in the amount \$267,880,000 in variable rate demand bonds. The proceeds of these bonds were used to refund outstanding bonds or provide funds for the primary purpose of purchasing mortgaged-backed securities which are pools of first time homebuyer loans. These bond series have the following terms.

Demand Bonds - Standby Purchase Agreements					
Single Family Bond Series	Remarketing Agent	Liquidity Provider	Commitment Fee Rate	Outstanding Variable Rate Demand Bonds as of 8/31/13	Liquidity Facility Expiration Date
2007A	JP Morgan	Comptroller of Public Accounts	0.12%	\$ 78,700,000.00	8/31/2014
2006H	JP Morgan	Comptroller of Public Accounts	0.12%	36,000,000.00	8/31/2014
2005A	JP Morgan	Comptroller of Public Accounts	0.12%	57,500,000.00	8/31/2014
2004D	Piper Jaffray	Comptroller of Public Accounts	0.12%	35,000,000.00	8/31/2014
2004B	JP Morgan	Comptroller of Public Accounts	0.12%	53,000,000.00	8/31/2014
2005C	JP Morgan	Comptroller of Public Accounts	0.12%	3,825,000.00	8/31/2014
2004A Jr. Lien	JP Morgan	Comptroller of Public Accounts	0.12%	3,855,000.00	8/31/2014
Total Demand Bonds				\$ 267,880,000.00	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to remarket any bonds, the liquidity facility will purchase the bonds (bank bonds). The liquidity agreement is subject to renewal yearly on an ongoing basis. The Department shall use its best effort to cause the bonds to be purchased from the liquidity facility as soon as possible. The purchased bonds are not subject to term out provisions. For fiscal year 2013, the Trustee did not draw from the liquidity provider, Comptroller of Public Accounts, related to the Department's demand bonds.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 6: BONDED INDEBTEDNESS Cont'd

Pledged and Other Sources

GASB Statement No. 48 requires the following disclosures for "specific revenues that have been formally committed to directly collateralize or secure debt of the Department." The following table summarizes by indenture, pledged and other sources and related expenditures for the Department's revenue bonds. A detail schedule of each bond issue is included in Schedule 2-D.

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2013			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating	Principal	Interest
		Expenses/Expenditures and Capital Outlay		
Total Single Family Bonds	\$ 211,417,335.07	\$ 1,951,371.49	\$ 11,445,000.00	\$ 27,955,870.56
Total Residential Mtg Revenue Bonds	239,288,989.02	1,911,676.24	7,110,000.00	13,750,924.24
Total 1992 CHMRB	1,663,390.27	192.68	-	355,739.53
Total Multifamily Bonds	99,738,474.40	6,126.00	8,885,946.01	45,202,643.05
Total	\$ 552,108,188.76	\$ 3,869,366.41	\$ 27,440,946.01	\$ 87,265,177.38

Current Refunding

On May 28, 2013, the Department issued the 2013 Single Family Mortgage Revenue Bonds (Series A) in the amount of \$42,500,000. The purpose of the bond proceeds were to provide funds to refund the 2002 Series A Single Family Mortgage Revenue Bonds (\$26,615,000) with average rates of 5.479%, 2002 Series B Single Family Revenue Refunding Bonds (\$12,310,000) with average rates of 5.353%, and 2002 Series C Single Family Revenue Refunding Bonds (\$4,990,000) with average rates of 4.34%.

This refunding transaction resulted in a deferred loss of \$56,018.08, which will be amortized for recognition purposes over the life of the new debt. During the current year, \$2,413.08 of the deferral amount has been recognized as bond interest expense. This transaction also gave rise to an \$14,695,772.98 economic gain.

NOTE 7: DERIVATIVE INSTRUMENTS

VARIABLE TO FIXED INTEREST RATE SWAP

OBJECTIVE

In order to hedge against increases in interest rates on variable rate demand bond issues, the Department has entered into five interest rate swap agreements with the objective of reducing the interest rate risk of certain variable rate demand bonds. The variable rate demand bonds were issued at an expected lower total interest cost than attainable through traditional fixed rate bond structures. The Department has entered into interest rate swap agreements with various rated counterparties. Under the terms of the agreements, the Department makes periodic fixed interest rate payments in exchange for receiving variable rate payments that are expected to be comparable to the rates payable on the variable rate demand bonds. The swap notional amounts amortize in accordance with the scheduled and/or anticipated reductions in the related variable rate demand bond liability. The Department is potentially exposed to loss in the event of nonperformance by the counterparties under the swap agreements. Termination of the swap agreements may result in the Department making or receiving termination payments. Each swap agreement includes optional early termination provisions granting the Department the right, but not an obligation, to terminate the interest rate swaps at par without a termination payment after an effective date.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 7: DERIVATIVE INSTRUMENTS Cont'd

Summary

The fair value balances and notional amounts of derivative instruments outstanding as of August 31, 2013, classified by type, and the changes in fair value of such derivative instruments for the year ended as reported in the 2013 financial statements are as follows.

Business Type Activities		Changes in Fair Value		Fair Value at August 31, 2013		Notional
Cash Flow Hedges	Bond Issue	Classification	Amount	Classification	Amount	
Pay-fixed, receive-variable interest rate swap	2004B	Deferred outflow of resources	\$ 3,336,741.54	Debt	\$ (3,926,582.97)	\$ 53,000,000.00
Pay-fixed, receive-variable interest rate swap	2004D	Deferred outflow of resources	1,853,048.52	Debt	(2,587,322.19)	35,000,000.00
Pay-fixed, receive-variable interest rate swap	2005A	Deferred outflow of resources	6,487,845.30	Debt	(6,987,301.95)	57,500,000.00
Pay-fixed, receive-variable interest rate swap	2006H	Deferred outflow of resources	1,298,550.38	Debt	(2,718,167.87)	36,000,000.00
Pay-fixed, receive-variable interest rate swap	2007A	Deferred outflow of resources	8,786,481.06	Debt	(8,924,747.69)	78,700,000.00
			<u>\$ 21,762,666.80</u>		<u>\$ (25,144,122.67)</u>	<u>\$ 260,200,000.00</u>

TERMS AND FAIR VALUE

The terms, including the fair value of the outstanding swaps as of August 31, 2013 are as follows. The notional amounts of the swaps match the principal amount of the associated debt.

Counterparty	Notional Amount	Fair Value	Effective Date	Fixed Rate	Variable Rate	Swap Termination Date
UBS AG	\$ 53,000,000.00	\$ (3,926,582.97)	9/1/2004	3.84%	63% of LIBOR + .30%	9/1/34 (a)
Goldman Sachs Bank USA	35,000,000.00	(2,587,322.19)	1/1/2005	3.64%	Lesser of (the greater of 65% of LIBOR and 53% of LIBOR + .45%) and LIBOR	3/1/35 (b)
JP Morgan Chase Bank	57,500,000.00	(6,987,301.95)	8/1/2005	4.01%	Less of (the greater of 65% of LIBOR and 53% of LIBOR + .45%) and LIBOR	9/1/36 (c)
UBS AG	36,000,000.00	(2,718,167.87)	11/15/2006	3.86%	63% of LIBOR +.30%	9/1/25 (d)
JP Morgan Chase Bank	78,700,000.00	(8,924,747.69)	6/5/2007	4.01%	Less of (the greater of (a) 65% of LIBOR and (b) 53% of LIBOR + .45%) and LIBOR	9/1/38 (c)
Total	\$ 260,200,000.00	\$ (25,144,122.67)				

- Swap Agreement has an optional early termination date of March 1, 2014 and every March and September thereafter. The maximum notional amount subject to early termination is equal to 60% of the current notional amount.
- 60% may terminate as early as September 2014, 100% may terminate after March 2023.
- Swap Agreement is subject to an early termination date at any time from mortgage loan prepayments with a 10 business day notice.
- Swap Agreement has an optional early termination date of March 1, 2016 and every March and September thereafter. The maximum notional amount subject to early termination is current notional amount per the amortization schedule.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 7: DERIVATIVE INSTRUMENTS Cont'd

CREDIT RISK

As of August 31, 2013, the Department is not exposed to credit risk on any of its outstanding swaps because the swaps currently have a negative fair value indicating an obligation for the Department to pay the counterparty as opposed to receive payments should the Department exercise its optional right to terminate. If interest rates change and the fair value of the swaps become positive, the department would be exposed to credit risk on those swaps. The swap agreements contain varying collateral agreements and insurance policies with the counterparties. The credit ratings for the counterparties are as follows.

Counterparty	Standard & Poor's	Moody's
UBS AG	A	A2
Goldman Sachs Bank	A	A2
JP Morgan Chase Bank	A+	Aa3

BASIS RISK

The Department's variable-rate bond coupon payments are related to the Securities Industry and Financial Markets Association (SIFMA) rate. The swap agreements designate a function of LIBOR as the rate for payments received on these swaps. The Department will be exposed to basis risk should LIBOR and SIFMA rates converge. The swap agreements provide an option to terminate as stated in the Terms and Fair Value table on previous page.

ROLLOVER RISK

Rollover risk is the risk that arises when a derivative associated with a government's variable-rate debt does not extend all the way to the maturity date of the associated debt, thereby creating a gap in the protection otherwise afforded by the derivative. The Department is not exposed to rollover risk on swap agreements because the variable rate debt has been structured to decline with the swap notional balances. The counterparties in the swap agreements have limited rights to terminate the swap. They can terminate only if the Department were to be downgraded below investment grade or default on any swap payments. The swap providers cannot unilaterally terminate any of the swaps subjecting the Department to rollover risk.

The Department has retained optional termination rights which are listed below. The optional termination rights are intended to keep the notional amount in line with bonds outstanding to the extent the Department receives prepayments.

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
2004B Single Family	September 2034	60% may terminate as early as March 2014
2004D Single Family	March 2035	60% may terminate as early as September 2014, 100% may terminate after March 2023
2005A Single Family	September 2036	May terminate at anytime from mortgage loan prepayments giving 10 day notice
2006H Single Family	September 2037	100% may terminate as early as March 2016
2007A Single Family	September 2038	May terminate at anytime from mortgage loan prepayments giving 10 day notice

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 7: DERIVATIVE INSTRUMENTS Cont'd

SWAP PAYMENTS AND ASSOCIATED DEBT

Using rates as of August 31, 2013, debt service requirements of the Department's outstanding variable-rate debt and net swap payments are as follows. As rates vary, variable-rate debt bond interest payments and new swap payments will vary. The Department's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds outstanding.

Fiscal Year Ending August 31	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2014	\$ -	\$ 209,380.00	\$ 9,262,627.00	\$ 9,472,007.00
2015	2,020,000.00	209,186.00	9,253,038.00	11,482,224.00
2016	3,435,000.00	207,443.00	9,167,368.00	12,809,811.00
2017	4,010,000.00	204,867.00	9,040,802.00	13,255,669.00
2018	4,205,000.00	202,027.00	8,901,242.00	13,308,269.00
2019-2023	24,290,000.00	962,456.00	42,163,406.00	67,415,862.00
2024-2028	65,580,000.00	817,390.00	35,381,767.00	101,779,157.00
2029-2033	86,070,000.00	489,830.00	20,729,938.00	107,289,768.00
2034-2038	69,990,000.00	138,944.00	5,665,454.00	75,794,398.00
2039-2043	600,000.00	270.00	11,479.00	611,749.00
	\$ 260,200,000.00	\$ 3,441,793.00	\$ 149,577,121.00	\$ 413,218,914.00

Netting Arrangements The Department's swap agreements allow for netting arrangements. On each payment date, September 1 and March 1, the party with the lesser obligation will be automatically satisfied and discharged and, the obligation of the party with the greater obligation will become the excess of the larger aggregate amount over the smaller aggregate amount. As of August 31, 2013, the Department has an aggregate liability related to the interest rate swaps in the amount of \$4,756,308.33 payable on September 1, 2013.

NOTE 8: LEASES

OPERATING LEASES

The Department's three-year operating lease at office space located at 1106 Clayton Lane, Austin, Texas expires on September 30, 2015.

Year Ended August 31	Governmental Activities	Business-Type Activities	Total
2014 (Future Year 1)	\$134,542.94	\$13,715.62	\$148,258.56
2015 (Future Year 2)	\$134,542.94	\$13,715.62	\$148,258.56
2016 (Future Year 3)	\$11,211.91	\$1,142.97	\$12,354.88
Total Minimum Future Lease Rental Payments	\$280,297.79	\$28,574.21	\$308,872.00

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 9: PENSION PLANS - Not Applicable

NOTE 10: DEFERRED COMPENSATION - Not Applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Not Applicable

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

As explained in Note 1 on Interfund Transactions and Balances, there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due To Other Agencies
- Transfers In or Transfers Out

The Department experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements. Individual balances and activity at August 31, 2013, follows:

Fund	Current Interfund Receivable	Current Interfund Payable
General Fund (01)		
General Revenue (0001)	\$ -	\$ 177,333.19
Consolidated Federal (0127, 0369)	73,901.94	
Enterprise Fund (05, 0896)	103,431.25	
Total Interfund Receivable/Payable (Exhibit I & Exhibit III)	\$ 177,333.19	\$ 177,333.19

General (01)	Due From Other Agencies	Due To Other Agencies	Source
Appd Fund 5140, D23 Fund 5140			
(Agency 608, D23 Fund 5140)	\$ 379.48		Transfers
Total Due From Other Agencies/Due To Other Agencies (Exhibit I)	\$ 379.48		

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS Cont'd

Fund	Transfers In	Transfers Out	Purpose
General Fund (01)			
Appd Fund 0001, D23 Fund 0001		\$ 3,682,759.01	Article VII-6, Rider 9
Appd Fund 0001, D23 Fund 0001		1,996,247.71	Article IX, Sect. 6.22
Appd Fund 0001, D23 Fund 0066		1,271,039.25	Gov't Code, Sect. 403.021
Appd Fund 0369, D23 Fund 0369		22,203.61	Article IX, Sect. 6.22
Total Transfers for Fund 0001 (Exhibit II)		\$ 6,972,249.58	
Enterprise Fund (05)			
Appd Fund 3054, D23 Fund 0999	\$ 3,682,759.01		Article VII-6, Rider 9
Total Transfers for Fund 3054 (Exhibit IV)	\$ 3,682,759.01		
Total Transfers*	\$ 3,682,759.01	\$ 6,972,249.58	

*The difference between total transfers in and out represents transfers to the Comptroller's Office of \$3,289,490.57.

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Department will be abolished effective September 1, 2025 unless continued in existence as provided by the Act. If abolished, the Department may continue until September 1, 2026 to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCE / NET POSITION - Not Applicable

NOTE 15: CONTINGENCIES AND COMMITMENTS

The Department receives federal grants that are subject to review and audit by the grantor agencies. Such audits could result in request(s) for reimbursement to the grantor agency for expenditures disallowed under the terms of the applicable grants. The Department's management is working to resolve HOME compliance matters identified by the U. S. Department of Housing and Urban Development (HUD) in an audit. If the Department is unsuccessful in resolving these issues, it may be required to reimburse HUD. As an alternative to any direct reimbursement, it is possible the Department could request a reduction of a future grant, but HUD staff has indicated that any such request would have to be made with the approval of the state's chief elected official. If any such repayments are ultimately required and they are resolved through reduction of any future grant, this would have the effect of reducing services funded through such grants in future periods. Management is actively working on multiple alternative resolution strategies for several properties and therefore cannot reasonably estimate the final amount of repayment liability to HUD, if any, at this time.

The Department is a defendant in the legal action known as Inclusive Communities Project, Inc. vs. Texas Department of Housing and Community Affairs, *et al*. The court has issued its judgment in this case and has given the plaintiff leave to make a claim for its attorneys' fees. Although this litigation did not involve any claim or award for monetary damages, the plaintiff has sought recovery of its attorneys' fees in the amount of approximately \$1,870,250. Because the Department is contesting the plaintiff's request, management cannot estimate the amount of its liability for the plaintiff's attorneys' fees.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 15: CONTINGENCIES AND COMMITMENTS Cont'd

DERIVATIVE INSTRUMENTS

All of the Department's derivative instruments include provisions that require posting collateral in the event its credit rating falls below a specified level as issued by Moody's Investor Service and Standard & Poor's. If the Department fails to post eligible collateral, the derivative instrument may be terminated by the counterparty. The table below lists the triggering event and the collateral exposure for each instrument.

Series	Collateral Posting Exposure at Current Credit Rating	Credit Rating Downgrade Threshold	MTM Threshold
2004B ⁽¹⁾	None	A3/A- or below for FSA and TDHCA	After downgrade of FSA and TDHCA, collateral exposure with no threshold
2004D	Yes, if MTM exceeds (\$7.5M)	A3/A- or below	After downgrade, collateral exposure with no threshold
2005A	None	A2/A	After downgrade to A2/A, collateral exposure if MTM exceeds (\$7.5M); after downgrade to A3/A or below, collateral exposure with no threshold
2006H	None	Baa1/BBB+ or below	After downgrade, collateral exposure with no threshold
2007A	None	A2/A	After downgrade to A2/A, collateral exposure if MTM exceeds (\$7.5M); after downgrade to A3/A or below, collateral exposure with no threshold

(1) FSA Swap Insurance still in effect. Collateral posting only required if FSA is downgraded to A3/A- or below AND TDHCA is downgraded to A3/A- or below.

As of August 31, 2013, the Department's credit rating related to the Single Family Indenture was AA+ issued by Standard & Poor's and Aa1 by Moody's, therefore no collateral was posted. The Department's aggregate fair value of all hedging derivative instruments with these collateral provisions is \$25,144,122.67. If the collateral posting requirements had been triggered at August 31, 2013, the Department would have been required to post eligible collateral equal to the aggregate fair value of the derivative instruments.

TAXABLE MORTGAGE PROGRAM

On July 26, 2012, the Department approved the Taxable Mortgage Program (TMP). The TMP market facilitates the forward trading of Mortgage Backed Securities (MBSs) issued by Ginnie Mae. In a TMP trade, the seller and buyer agree to the type of security, coupon, face value, price and settlement date at the time of trade but do not specify the actual pools to be traded. The securities are "to be announced" two business days prior to the trade settlement date. The TMP program was created to provide loans to low to moderate income homebuyers as a tool to fund the First Time Homebuyer Program in order to take advantage of this opportunity. The program will be paid for from revenues generated by the packaging and sale of the TMP MBSs. An escrow agreement will be negotiated and established to limit the recourse to the servicer, who will deliver the MBSs to the purchaser who will acquire the MBSs backed by the mortgage loans. The amount of the escrow will be up to \$4 million, which is funded from the Department's general funds. The TMP program commenced on October 1, 2012.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 16: SUBSEQUENT EVENTS

Bond Issuance	Series	Amount	Date of Issuance	Purpose
Revenue Bonds	Multifamily Revenue Bonds MF Series 2013 The Waters at Willow Run	\$14,500,000.00	9/24/2013	The multifamily bonds are issued for the primary purpose to finance the acquisition, construction, and equipping of multifamily rental housing developments. The Waters at Willow Run will be located in Austin, Texas.

NOTE 17: RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. It is the Department's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The Department assumes substantially all risks associated with the performance of its duties. Currently there is no purchase of commercial insurance, nor is the Department involved in any risk pools with other government entities. The Department carries Public Official Liabilities Insurance coverage in the amount of \$10,000,000; automobile liability insurance in the amount of \$1,000,000, errors and omissions insurance of \$300,000 related to loan servicing for others, \$350,000 Public Employee Fidelity Bond and Commercial Property, Equipment Breakdown Insurance for the Alpine Retirement Center in the amount of \$224,515.

The Department's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There have been no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. The Department did not incur any claims in fiscal year 2012 but incurred a claim of \$22,950 related to the Alpine Retirement Center in fiscal year 2013.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS (MATERIAL CHANGES TO AFR)

The Department will issue audited financial statements on or before December 20, 2013 under GASB guidance and will include a management discussion and analysis as part of the required supplementary information. The audited report will be submitted to all required parties.

NOTE 19: THE FINANCIAL REPORTING ENTITY- Not Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Department's Enterprise Fund 0896 reported a negative change in Net Position of \$432,483.89 resulting in a negative Net Position balance of (\$626,792.05) at August 31, 2013. Balances are due to the accrual of expenditures with transfer of funds made in Fiscal Year 2014, therefore, offsetting the negative balance.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 21: - Not Applicable

NOTE 22: DONOR RESTRICTED ENDOWMENTS - Not Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS - Not Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES - Not Applicable

NOTE 25: TERMINATION BENEFITS - Not Applicable

NOTE 26: SEGMENT INFORMATION FOR ENTERPRISE FUND

The Segment information below is for the Department's direct debt associated with the issuance of Single Family bonds only and does not include the Multifamily bonds where the Department is only a conduit issuer. Therefore, this note represents less than what is reported in the Enterprise Fund as a whole. Each grouping consists of separate indentures that have one or more bonds outstanding with the revenue stream and assets exclusively pledged in support of that debt. Each indenture imposes the requirement of separate accounting of the revenues, expenses, gains, losses, assets, and liabilities.

CONDENSED STATEMENT OF NET POSITION

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds
Restricted Assets:			
Current Assets	\$ 54,035,465.85	\$ 24,519,493.61	\$ 67,387.80
Non-Current Assets	<u>631,283,706.44</u>	<u>376,387,816.51</u>	<u>6,374,730.46</u>
Total Assets	<u>685,319,172.29</u>	<u>400,907,310.12</u>	<u>6,442,118.26</u>
Deferred Outflows of Resources:	<u>25,144,122.67</u>	<u>-</u>	<u>-</u>
Liabilities:			
Current Liabilities	29,057,902.86	10,129,687.44	184,457.65
Non-Current Liabilities	<u>593,644,855.16</u>	<u>316,288,073.06</u>	<u>4,457,807.20</u>
Total Liabilities	<u>622,702,758.02</u>	<u>326,417,760.50</u>	<u>4,642,264.85</u>
Deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Restricted Net Position	<u>\$ 87,760,536.94</u>	<u>\$ 74,489,549.62</u>	<u>\$ 1,799,853.41</u>
Net Position	<u>\$ 87,760,536.94</u>	<u>\$ 74,489,549.62</u>	<u>\$ 1,799,853.41</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended August 31, 2013

NOTE 26: SEGMENT INFORMATION FOR ENTERPRISE FUND Cont'd

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds
Operating Revenues:			
Interest and Investment Income	\$ 35,048,767.13	\$ 17,572,353.48	\$ 433,482.43
Net (Decrease) in Fair Value	(38,658,963.03)	(9,243,226.36)	(345,580.09)
Other Operating Revenues	696,180.29	228,811.44	29,907.84
Operating Expenses	(29,166,938.21)	(17,530,150.07)	(334,984.35)
Depreciation and Amortization	(954,413.76)	(1,226,151.56)	(2,398.15)
Operating (Loss)	<u>(33,035,367.58)</u>	<u>(10,198,363.07)</u>	<u>(219,572.32)</u>
Nonoperating Revenues (Expenses):			
Transfers In	10,974.97	6,537,373.04	466.06
Changes in Net Position	(33,024,392.61)	(3,660,990.03)	(219,106.26)
Net Position, September 1, 2012	120,784,929.55	78,510,539.65	2,018,959.67
Net Position, August 31, 2013	<u>\$ 87,760,536.94</u>	<u>\$ 74,849,549.62</u>	<u>\$ 1,799,853.41</u>

CONDENSED STATEMENT OF CASH FLOWS

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds
Net Cash Provided (Used) By:			
Operating Activities	\$ 2,465,769.94	\$ (12,397,957.54)	\$ 2,450.47
Noncapital Financing Activities	(179,809,412.74)	(239,638,372.89)	(1,546,892.72)
Investing Activities	179,385,206.58	176,656,711.69	1,539,600.55
Net Increase (Decrease)	2,041,563.78	(75,379,618.74)	(4,841.70)
Beginning Cash and Cash Equivalents	47,927,822.05	98,439,450.53	40,153.70
Ending Cash and Cash Equivalents	<u>\$ 49,969,385.83</u>	<u>\$ 23,059,831.79</u>	<u>\$ 35,312.00</u>

COMBINING FINANCIAL
STATEMENTS

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT A-1

COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS

August 31, 2013

	<u>General Revenue</u> Fund 0001 U/F (0001) (0066), (0077)	<u>Consolidated</u> <u>Accounts</u> Fund 0127 U/F (0127), (9000), (9001)	<u>Federal American</u> <u>Recovery and</u> <u>Reinvestment</u> Fund 0127 U/F (0369)	<u>General</u> <u>Revenue</u> <u>Account</u> Fund 5140 U/F (5140)	<u>Total</u> (Ex I)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Petty Cash on Hand	\$ 200.00	\$ -	\$ -	\$ -	\$ 200.00
Travel Cash in Bank	-	20,000.00	-	-	20,000.00
Restricted:					
Cash and Cash Equivalents:					
Cash in State Treasury	-	1,624,482.38	9,317,282.42	-	10,941,764.80
Federal Receivable	-	6,644,915.24	(125,558.71)	-	6,519,356.53
Legislative Appropriations	3,324,021.62	-	-	-	3,324,021.62
Accounts Receivable	21,868.83	-	-	-	21,868.83
Receivables From:					
Other Intergovernmental	-	-	193,729.89	-	193,729.89
Interest and Dividends Receivable	-	21,874.77	29,000.00	-	50,874.77
Interfund Receivable	-	27,210.78	46,691.16	-	73,901.94
Due From Other Agencies	-	-	-	379.48	379.48
Consumable Inventories	-	10,694.84	-	-	10,694.84
Restricted - Loans & Contracts	-	14,432,247.03	3,991,675.83	-	18,423,922.86
Total Current Assets	<u>3,346,090.45</u>	<u>22,781,425.04</u>	<u>13,452,820.59</u>	<u>379.48</u>	<u>39,580,715.56</u>
Noncurrent Assets:					
Restricted - Loans & Contracts	-	310,011,177.96	137,139,082.96	-	447,150,260.92
Total Noncurrent Assets	-	310,011,177.96	137,139,082.96	-	447,150,260.92
Total Assets	<u>\$ 3,346,090.45</u>	<u>\$ 332,792,603.00</u>	<u>\$ 150,591,903.55</u>	<u>\$ 379.48</u>	<u>\$ 486,730,976.48</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts Payable	\$ 66,512.70	\$ 6,863,118.75	\$ 703.13	\$ -	\$ 6,930,334.58
Payroll Payable	598,944.40	536,458.25	-	-	1,135,402.65
Interfund Payable	177,333.19	-	-	-	177,333.19
Deferred Revenues	-	209,661.96	239,245.71	-	448,907.67
Total Current Liabilities	<u>842,790.29</u>	<u>7,609,238.96</u>	<u>239,948.84</u>	<u>-</u>	<u>8,691,978.09</u>
Total Liabilities	<u>842,790.29</u>	<u>7,609,238.96</u>	<u>239,948.84</u>	<u>-</u>	<u>8,691,978.09</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT A-1 (Continued)

COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS

August 31, 2013

	<u>General Revenue</u>	<u>Consolidated</u>	<u>Federal American</u>	<u>General</u>	
	<u>Fund 0001</u>	<u>Accounts</u>	<u>Recovery and</u>	<u>Revenue</u>	
	<u>U/F (0001)</u>	<u>Fund 0127</u>	<u>Reinvestment</u>	<u>Account</u>	
	<u>(0066), (0077)</u>	<u>U/F (0127),</u>	<u>Fund 0127</u>	<u>Fund 5140</u>	<u>Total</u>
		<u>(9000), (9001)</u>	<u>U/F (0369)</u>	<u>U/F (5140)</u>	<u>(Ex I)</u>
FUND FINANCIAL STATEMENT					
Fund Balances (Deficits):					
Nonspendable for Inventory	\$ -	\$ 10,694.84	\$ -	\$ -	\$ 10,694.84
Restricted	-	324,433,948.85	150,351,954.71	-	474,785,903.56
Committed	-	-	-	379.48	379.48
Assigned	-	738,720.35	-	-	738,720.35
Unassigned	2,503,300.16	-	-	-	2,503,300.16
Total Fund Balances	<u>2,503,300.16</u>	<u>325,183,364.04</u>	<u>150,351,954.71</u>	<u>379.48</u>	<u>478,038,998.39</u>
Total Liabilities and Fund Balances	<u>\$ 3,346,090.45</u>	<u>\$ 332,792,603.00</u>	<u>\$ 150,591,903.55</u>	<u>\$ 379.48</u>	<u>\$ 486,730,976.48</u>

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-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT A-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- ALL GENERAL AND CONSOLIDATED FUNDS**

For the fiscal year ended August 31, 2013

	<u>General Revenue</u> Fund 0001 U/F (0001), (0066), (0077)	<u>Consolidated</u> <u>Accounts</u> Fund 0127 U/F (0127), (9000), (9001)	<u>Federal American</u> <u>Recovery and</u> <u>Reinvestment</u> Fund 0127 U/F (0369)	<u>General</u> <u>Revenue</u> <u>Account</u> Fund 5140 U/F (5140)	<u>Total</u> (Ex II)
REVENUES					
Legislative Appropriations:					
Original Appropriations (GR)	\$ 6,608,025.00	\$ -	\$ -	\$ -	\$ 6,608,025.00
Additional Appropriations (GR)	1,379,339.84	-	-	-	1,379,339.84
Federal Revenue (PR-OP G/C)	1,969,919.58	275,143,663.18	6,602,322.10	-	283,715,904.86
Federal Grant Pass-Through Revenue (PR-OP G/C)	82,183.07	-	-	-	82,183.07
State Grant Pass-Through Revenue (PR-OP G/C)	4,325.42	-	-	-	4,325.42
Licenses, Fees & Permits (PR-C/S)	5,266,416.68	-	-	24,850.13	5,291,266.81
Interest and Other Investment Income (GR)	26,328.13	-	22,203.61	-	48,531.74
Sales of Goods and Services (PR-C/S)	95,776.77	490,880.60	-	-	586,657.37
Other (GR)	38,582.55	122,562.38	-	-	161,144.93
Total Revenues	<u>15,470,897.04</u>	<u>275,757,106.16</u>	<u>6,624,525.71</u>	<u>24,850.13</u>	<u>297,877,379.04</u>
EXPENDITURES					
Salaries and Wages	4,896,189.20	5,238,792.78	72,483.47	-	10,207,465.45
Payroll Related Costs	1,398,050.45	1,581,692.95	113,094.04	-	3,092,837.44
Professional Fees and Services	248,882.30	71,167.14	76,000.48	-	396,049.92
Travel	312,038.50	208,070.65	2,254.67	-	522,363.82
Materials and Supplies	102,270.08	53,462.78	251.88	-	155,984.74
Communication and Utilities	123,462.76	52,007.64	72.75	-	175,543.15
Repairs and Maintenance	199,554.40	16,230.05	-	-	215,784.45
Rentals & Leases	200,542.75	18,569.32	-	-	219,112.07
Printing and Reproduction	14,888.99	785.66	-	-	15,674.65
Claims and Judgments	159,964.01	700.00	-	-	160,664.01
Intergovernmental Payments	227,674.55	55,333,735.21	408,070.31	-	55,969,480.07
Public Assistance Payments	132,341.93	178,174,553.25	1,669,657.22	24,956.47	180,001,508.87
Other Expenditures	197,296.87	71,005.48	425.00	-	268,727.35
Capital Outlay	57,528.66	28,009.57	-	-	85,538.23
Total Expenditures/Expenses	<u>8,270,685.45</u>	<u>240,848,782.48</u>	<u>2,342,309.82</u>	<u>24,956.47</u>	<u>251,486,734.22</u>
Excess Revenues					
Over (Under) Expenditures	<u>7,200,211.59</u>	<u>34,908,323.68</u>	<u>4,282,215.89</u>	<u>(106.34)</u>	<u>46,390,644.82</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(6,950,045.97)	-	(22,203.61)	-	(6,972,249.58)
Total Other Financing Sources and Uses	<u>(6,950,045.97)</u>	<u>-</u>	<u>(22,203.61)</u>	<u>-</u>	<u>(6,972,249.58)</u>
Net Change in Fund Balances / Net Assets	250,165.62	34,908,323.68	4,260,012.28	(106.34)	39,418,395.24
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances--September 1, 2012	2,260,865.11	290,275,040.36	146,091,942.43	485.82	438,628,333.72
Appropriations Lapsed	(7,730.57)	-	-	-	(7,730.57)
Fund Balances-August 31, 2013	<u>\$ 2,503,300.16</u>	<u>\$ 325,183,364.04</u>	<u>\$ 150,351,954.71</u>	<u>\$ 379.48</u>	<u>\$ 478,038,998.39</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT F-1

COMBINING STATEMENT OF NET POSITION - ENTERPRISE FUNDS

August 31, 2013

	Enterprise Fund 0896 U/F (0037),(0896),(8896)	Enterprise Fund 3054 U/F (0199),(0999)	Totals (Exh III) 2013
ASSETS			
Current Assets:			
Cash and Cash Equivalents			
Cash on Hand	\$ 200.00	\$	\$ 200.00
Cash in Bank		98,460.60	98,460.60
Cash in State Treasury	1,310,502.10		1,310,502.10
Cash Equivalents		28,603,030.40	28,603,030.40
Restricted Assets:			
Cash and Cash Equivalents			
Cash in Bank		152,278.74	152,278.74
Cash Equivalents		100,369,708.39	100,369,708.39
Loans and Contracts		12,221,178.32	12,221,178.32
Interest Receivable		11,476,670.80	11,476,670.80
Receivable:			
Interest Receivable	31,683.48	67,921.95	99,605.43
Accounts Receivable		550,770.06	550,770.06
Interfund Receivable	103,431.25		103,431.25
Consumable Inventories	10,694.84		10,694.84
Loans and Contracts		2,629,334.80	2,629,334.80
Other Current Assets		360,873.22	360,873.22
Total Current Assets	<u>1,456,511.67</u>	<u>156,530,227.28</u>	<u>157,986,738.95</u>
Non-Current Assets			
Investments		6,311,060.94	6,311,060.94
Loans and Contracts		49,008,713.71	49,008,713.71
Capital Assets:			
Non-Depreciable	26,345.02		26,345.02
Other Capital Assets			
Depreciable or Amortizable, Net	128,453.81		128,453.81
Restricted Assets:			
Investments		999,243,594.62	999,243,594.62
Loans and Contracts		1,054,152,893.29	1,054,152,893.29
Other Non-current Assets			
Deferred Issuance Cost, net		5,604,382.11	5,604,382.11
Real Estate Owned, net		388,236.13	388,236.13
Total Non-Current Assets	<u>154,798.83</u>	<u>2,114,708,880.80</u>	<u>2,114,863,679.63</u>
Total Assets	<u>\$ 1,611,310.50</u>	<u>\$ 2,271,239,108.08</u>	<u>\$ 2,272,850,418.58</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives		25,144,122.67	25,144,122.67
Total Deferred Outflows	<u>\$ -</u>	<u>\$ 25,144,122.67</u>	<u>\$ 25,144,122.67</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT F-1 (Continued)

COMBINING STATEMENT OF NET POSITION - ENTERPRISE FUNDS

August 31, 2013

	Enterprise Fund 0896 U/F (0037),(0896),(8896)	Enterprise Fund 3054 U/F (0199),(0999)	Totals (Exh III) 2013
LIABILITIES			
Current Liabilities			
Payables:			
Accounts Payable	\$ 1,244,554.74	\$ 363,210.45	\$ 1,607,765.19
Accrued Bond Interest Payable		21,848,814.65	21,848,814.65
Deferred Revenues		16,147,006.16	16,147,006.16
Employees' Compensable Leave	547,709.56		547,709.56
Revenue Bonds Payable		24,849,568.17	24,849,568.17
Other Current Liabilities		278,660.39	278,660.39
Total Current Liabilities	<u>1,792,264.30</u>	<u>63,487,259.82</u>	<u>65,279,524.12</u>
Non-Current Liabilities			
Employees' Compensable Leave	445,838.25		445,838.25
Revenue Bonds Payable		1,891,171,055.12	1,891,171,055.12
Derivative Hedging Instruments		25,144,122.67	25,144,122.67
Other Non-Current Liabilities		67,375,913.78	67,375,913.78
Total Non-Current Liabilities	<u>445,838.25</u>	<u>1,983,691,091.57</u>	<u>1,984,136,929.82</u>
Total Liabilities	<u>\$ 2,238,102.55</u>	<u>\$ 2,047,178,351.39</u>	<u>\$ 2,049,416,453.94</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Invested in Capital Assets	154,798.83		154,798.83
Restricted for Bonds		169,151,067.60	169,151,067.60
Unrestricted	(781,590.88)	80,053,811.76	79,272,220.88
Total Net Position	<u>\$ (626,792.05)</u>	<u>\$ 249,204,879.36</u>	<u>\$ 248,578,087.31</u>

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-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT F-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUNDS

For the fiscal year ended August 31, 2013

	Enterprise Fund 0896 U/F (0037),(0896),(8896)	Enterprise Fund 3054 U/F (0199),(0999)	Totals (Exh IV) 2013
OPERATING REVENUES			
Interest and Investment Income	\$ 11,432.99	\$ 98,918,387.19	\$ 98,929,820.18
Net Decrease in Fair Value		(43,623,320.95)	(43,623,320.95)
Other Operating Revenues	1,155.00	25,977,945.88	25,979,100.88
Total Operating Revenues	<u>12,587.99</u>	<u>81,273,012.12</u>	<u>81,285,600.11</u>
OPERATING EXPENSES			
Salaries and Wages	9,312,157.27		9,312,157.27
Payroll Related Costs	2,522,500.33		2,522,500.33
Professional Fees and Services	679,497.35	2,870,265.78	3,549,763.13
Travel	212,386.73		212,386.73
Materials and Supplies	184,490.78		184,490.78
Communications and Utilities	148,938.41		148,938.41
Repairs and Maintenance	337,112.59		337,112.59
Rentals and Leases	58,639.69		58,639.69
Printing and Reproduction	12,540.99	17,261.27	29,802.26
Depreciation and Amortization	33,541.80	2,189,089.47	2,222,631.27
Interest		88,877,459.86	88,877,459.86
Bad Debt Expense		1,355,445.66	1,355,445.66
Down Payment Assistance		8,821,685.30	8,821,685.30
Other Operating Expenses	252,776.94	3,262,931.64	3,515,708.58
Total Operating Expenses	<u>13,754,582.88</u>	<u>107,394,138.98</u>	<u>121,148,721.86</u>
Operating (Loss)	<u>(13,741,994.89)</u>	<u>(26,121,126.86)</u>	<u>(39,863,121.75)</u>
(Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	(13,741,994.89)	(26,121,126.86)	(39,863,121.75)
OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS			
Transfers In (Out)	13,309,511.00	(9,626,751.99)	3,682,759.01
Total Other Revenues, Expenses, Gains, Losses and Transfers	<u>13,309,511.00</u>	<u>(9,626,751.99)</u>	<u>3,682,759.01</u>
CHANGE IN NET POSITION	(432,483.89)	(35,747,878.85)	(36,180,362.74)
Net Position, September 1, 2012	<u>(194,308.16)</u>	<u>284,952,758.21</u>	<u>284,758,450.05</u>
NET POSITION AUGUST 31, 2013	<u>\$ (626,792.05)</u>	<u>\$ 249,204,879.36</u>	<u>\$ 248,578,087.31</u>

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT F-3

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

For the fiscal year ended August 31, 2013

	Enterprise Fund 0896 U/F (0037),(0896),(8896)	Enterprise Fund 3054 U/F (0199),(0999)	Totals (Exh V) 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Loan Programs	\$	\$ 104,772,501.37	\$ 104,772,501.37
Proceeds from Other Revenues		32,164,579.36	32,164,579.36
Payments to Suppliers for Goods/Services	(1,995,495.81)	(25,697,881.39)	(27,693,377.20)
Payments to Employees	(11,491,766.66)		(11,491,766.66)
Payments for Loans Provided		(18,309,941.76)	(18,309,941.76)
Net Cash Provided by (Used For) Operating Activities	(13,487,262.47)	92,929,257.58	79,441,995.11
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Debt Issuance		122,640,000.00	122,640,000.00
Proceeds (Payments) from Transfers (to)/from Other Funds	13,307,499.78	(10,367,185.01)	2,940,314.77
Payments of Principal on Debt Issuance		(559,593,334.68)	(559,593,334.68)
Payments of Interest		(87,947,568.33)	(87,947,568.33)
Payments for Other Cost of Debt		(2,079,175.84)	(2,079,175.84)
Net Cash Provided by (Used For) Noncapital Financing Activities	13,307,499.78	(537,347,263.86)	(524,039,764.08)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for Additions to Fixed Assets	(61,832.43)		(61,832.43)
Net Cash (Used For) Capital Activities	(61,832.43)		(61,832.43)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales of Investments		560,149,158.99	560,149,158.99
Proceeds from Interest/Investment Income	14,949.01	60,129,775.05	60,144,724.06
Payments to Acquire Investments		(261,989,471.73)	(261,989,471.73)
Net Cash Provided by Investing Activities	14,949.01	358,289,462.31	358,304,411.32
Net (Decrease) in Cash and Cash Equivalents	(226,646.11)	(86,128,543.97)	(86,355,190.08)
Cash and Cash Equivalents, September 1, 2012	1,537,348.21	215,352,022.10	216,889,370.31
Cash and Cash Equivalents, August 31, 2013	\$ 1,310,702.10	\$ 129,223,478.13	\$ 130,534,180.23

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT F-3 (Continued)

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

For the fiscal year ended August 31, 2013

	Enterprise Fund 0896 U/F (0037),(0896),(8896)	Enterprise Fund 3054 U/F (0199),(0999)	Totals (Exh V) 2013
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**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating (Loss)	\$ (13,741,994.89)	\$ (26,121,126.86)	\$ (39,863,121.75)
Adjustments to Reconcile Operating (Loss) to Net Cash			
Provided by Operating Activities:			
Amortization and Depreciation	33,541.80	2,189,089.47	2,222,631.27
Provision for Uncollectibles		1,355,445.66	1,355,445.66
Operating (Loss) and Cash Flow Categories Classification Differences	(8,926.50)	67,554,989.94	67,546,063.44
Changes in Assets and Liabilities:			
Decrease in Receivables		459,760.85	459,760.85
Decrease in Accrued Interest Receivable	349.80	1,890,063.99	1,890,413.79
Decrease in Loans / Contracts		53,321,454.07	53,321,454.07
(Increase) in Property Owned		(47,704.06)	(47,704.06)
Decrease in Acquisition Costs		3,353,368.45	3,353,368.45
Decrease (Increase) in Other Assets	156,812.99	(329,833.80)	(173,020.81)
Increase in Payables	72,954.33	257,533.54	330,487.87
(Decrease) in Deferred Revenues		(1,008,836.47)	(1,008,836.47)
(Decrease) in Accrued Interest Payable		(5,950,797.22)	(5,950,797.22)
(Decrease) in Other Liabilities		(3,994,149.98)	(3,994,149.98)
Total Adjustments	<u>254,732.42</u>	<u>119,050,384.44</u>	<u>119,305,116.86</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (13,487,262.47)</u>	<u>\$ 92,929,257.58</u>	<u>\$ 79,441,995.11</u>
NON CASH TRANSACTIONS			
Net Change in Fair Value of Investments		\$ (67,856,942.08)	\$ (67,856,942.08)

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

EXHIBIT J-1

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

August 31, 2013

	Beginning Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
<u>Suspense Fund (0900) U/F (0903)</u>				
ASSETS				
Cash in State Treasury	\$ 125,749.43	\$ 479,801.96	\$ 368,297.07	\$ 237,254.32
Total Assets	<u>\$ 125,749.43</u>	<u>\$ 479,801.96</u>	<u>\$ 368,297.07</u>	<u>\$ 237,254.32</u>
LIABILITIES				
Current				
Funds Held for Others	\$ 125,749.43	\$ 479,801.96	\$ 368,297.07	\$ 237,254.32
Total Liabilities	<u>\$ 125,749.43</u>	<u>\$ 479,801.96</u>	<u>\$ 368,297.07</u>	<u>\$ 237,254.32</u>
<u>Child Support Addenda Deducts (0807) U/F (8070)</u>				
ASSETS				
Cash in State Treasury	\$ 2,047.68	\$ 26,709.08	\$ 25,594.17	\$ 3,162.59
Total Assets	<u>\$ 2,047.68</u>	<u>\$ 26,709.08</u>	<u>\$ 25,594.17</u>	<u>\$ 3,162.59</u>
LIABILITIES				
Funds Held for Others	\$ 2,047.68	\$ 26,709.08	\$ 25,594.17	\$ 3,162.59
Total Liabilities	<u>\$ 2,047.68</u>	<u>\$ 26,709.08</u>	<u>\$ 25,594.17</u>	<u>\$ 3,162.59</u>
<u>Totals - All Agency Funds</u>				
ASSETS				
Cash in State Treasury	\$ 127,797.11	\$ 506,511.04	\$ 393,891.24	\$ 240,416.91
Total Assets	<u>\$ 127,797.11</u>	<u>\$ 506,511.04</u>	<u>\$ 393,891.24</u>	<u>\$ 240,416.91</u>
LIABILITIES				
Funds Held for Others	\$ 127,797.11	\$ 506,511.04	\$ 393,891.24	\$ 240,416.91
Total Liabilities	<u>\$ 127,797.11</u>	<u>\$ 506,511.04</u>	<u>\$ 393,891.24</u>	<u>\$ 240,416.91</u>

SCHEDULES

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

**SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the fiscal year ended August 31, 2013

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	CFDA No.	Identifying No.	Agency No.	Pass Through From		
				Agency Amount	Non-State Entities Amount	
U.S. Department of Housing and Urban Development						
Pass Through From:						
Texas Department of Agriculture						
Community Development Block Grants/State's Programs	14.228		551	\$ 82,183.07	\$ -	
Direct Programs:						
Manufactured Housing	14.000			-	-	
Emergency Solutions Grants Program	14.231			-	-	
HOME Investment Partnerships Program	14.239			-	-	
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257			-	-	
ARRA - Tax Credit Assistance Program	14.258			-	-	
Section 8 Housing Choice Vouchers	14.871			-	-	
				<u>82,183.07</u>	<u>-</u>	
Total U.S. Department of Housing and Urban Development						
U. S. Department of the Treasury						
Direct Programs:						
National Foreclosure Mitigation Counseling Program						
	21.000					
		PL 111-117: 95X1350		-	-	
		PL 112-10: 95X1350		-	-	
		PL 112-55: 95X1350		-	-	
		PL 113-6X1350		-	-	
				<u>-</u>	<u>-</u>	
Total U.S. Department of the Treasury						
				<u>-</u>	<u>-</u>	
U.S. Department of Energy						
Direct Programs:						
Weatherization Assistance Program for Low-Income Persons						
	81.042			-	-	
ARRA - Weatherization Assistance Program for Low-Income Persons						
	81.042			-	-	
				<u>-</u>	<u>-</u>	
Total U.S. Department of Energy						
				<u>-</u>	<u>-</u>	
U.S. Department of Health and Human Services						
Direct Programs:						
Low Income Home Energy Assistance						
	93.568			-	-	
Community Services Block Grant						
	93.569			-	-	
ARRA - Community Services Block Grant						
	93.710			-	-	
				<u>-</u>	<u>-</u>	
Total U.S. Department of Health and Human Services						
				<u>-</u>	<u>-</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 82,183.07</u>	<u>\$ -</u>	

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

**SCHEDULE 1-A (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the fiscal year ended August 31, 2013

Direct Program Amount	Total PT From & Direct Program	Pass Through To			Expenditures Amount	Total PT To & Expenditures
		Agency No.	Agency Amount	Non-State Entities Amount		
\$ 18,271,738.34	\$ 18,353,921.41		\$ -	\$ 16,877,913.68	\$ 1,476,007.73	\$ 18,353,921.41
81,498.00	81,498.00		-	-	81,498.00	81,498.00
10,190,072.43	10,190,072.43		-	9,796,804.11	393,268.32	10,190,072.43
59,932,243.54	59,932,243.54		-	56,664,527.12	3,267,716.42	59,932,243.54
(955.57)	(955.57)		-	(955.57)	-	(955.57)
5,222,599.70	5,222,599.70		-	5,222,599.70	-	5,222,599.70
6,449,568.90	6,449,568.90		-	-	6,449,568.90	6,449,568.90
<u>100,146,765.34</u>	<u>100,228,948.41</u>		<u>-</u>	<u>88,560,889.04</u>	<u>11,668,059.37</u>	<u>100,228,948.41</u>
1,177.82	1,177.82		-	1,177.82	-	1,177.82
12,753.79	12,753.79		-	12,753.79	-	12,753.79
202,614.06	202,614.06		-	202,614.06	-	202,614.06
139,652.10	139,652.10		-	126,840.88	12,811.22	139,652.10
<u>356,197.77</u>	<u>356,197.77</u>		<u>-</u>	<u>343,386.55</u>	<u>12,811.22</u>	<u>356,197.77</u>
1,603,008.79	1,603,008.79		-	1,538,312.91	64,695.88	1,603,008.79
1,413,068.71	1,413,068.71		-	1,174,526.00	238,542.71	1,413,068.71
<u>3,016,077.50</u>	<u>3,016,077.50</u>		<u>-</u>	<u>2,712,838.91</u>	<u>303,238.59</u>	<u>3,016,077.50</u>
145,345,338.04	145,345,338.04		-	143,798,850.58	1,546,487.46	145,345,338.04
34,853,618.17	34,853,618.17		-	33,687,262.69	1,166,355.48	34,853,618.17
(2,091.96)	(2,091.96)		-	(2,091.96)	-	(2,091.96)
<u>180,196,864.25</u>	<u>180,196,864.25</u>		<u>-</u>	<u>177,484,021.31</u>	<u>2,712,842.94</u>	<u>180,196,864.25</u>
<u>\$ 283,715,904.86</u>	<u>\$ 283,798,087.93</u>		<u>\$ -</u>	<u>\$ 269,101,135.81</u>	<u>\$ 14,696,952.12</u>	<u>\$ 283,798,087.93</u>

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

**NOTES TO SCHEDULE 1-A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended August 31, 2013**

NOTE 1: GENERAL

The Schedule of Expenditures of Federal Awards presents expenditures for all federal assistance awards that were in effect for the year ended August 31, 2013 for the Texas Department of Housing and Community Affairs.

NOTE 2: RECONCILIATION

Expenditures are reported on the modified accrual basis of accounting in accordance with generally accepted accounting principles as further described in the notes to the basic financial statements. Total expenditures as reported in the Schedule of Expenditures of Federal Awards reconciles with expenditures reported in the basic financial statements (Exhibit II) as described below.

Expenditures	Amount
Federal Revenues (Exh. II) All funds	\$ 283,715,904.86
Federal Pass-Through Revenues (Exh. II)	82,183.07
Total Federal Revenues	<u>\$ 283,798,087.93</u>
Total Pass-Through and Expenditures per Federal Schedule	<u>\$ 283,798,087.93</u>

NOTE 3: SECTION 8 EXPENDITURES

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards for Section 8 Housing Choice Vouchers, \$5,975,849.52 represents direct program expenditures. The remaining \$473,719.38 are administrative expenditures incurred for the Section 8 Housing Choice Voucher Program.

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

NOTES TO SCHEDULE 1-A (Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended August 31, 2013

NOTE 4: REVOLVING LOAN PROGRAMS

Loans from the revolving loan fund (RLF) are carried at the unpaid principal balance, net of allowance for loan loss. A summary of activity in the RLF programs for the following grants for the fiscal year ended August 31, 2013 follows:

	<u>HOME</u>	<u>NSP</u>	<u>TCAP</u>	<u>TOTAL</u>
Loans Serviced	\$267,536,018.53	\$61,653,064.54	\$141,130,758.79	\$470,319,841.86
Allowance for Estimated Loan Losses	(4,745,658.08)	-	-	(4,745,658.08)
Balance at August 31, 2013	\$262,790,360.45	\$61,653,064.54	\$141,130,758.79	\$465,574,183.78

NOTE 5: FEDERAL DEFERRED REVENUES

Program	CFDA No.	Federal Deferred Revenue 09/01/2012	Amount of Increase/(Decrease)	Federal Deferred Revenue 08/31/2013
CDBG	14.228	\$ 78,536.60	\$ (78,536.60)	\$ -
TCAP - ARRA	14.258	2,695,024.97	(2,695,024.97)	-
SEC 8	14.871	872,702.81	(700,188.65)	172,514.16
NFMC	21.000	4,787.66	1,018.75	5,806.41
WAP	81.042	-	31,341.39	31,341.39
WAP - ARRA	81.042	-	239,245.71	239,245.71
Total		\$ 3,651,052.04	\$ (3,202,144.37)	\$ 448,907.67

Deferred revenue represents federal revenue that has not been earned but is available at fiscal year-end in the amount that revenues exceed expenditures.

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

SCHEDULE 1-B

SCHEDULE OF STATE GRANT PASS-THROUGHS FROM/TO STATE AGENCIES

For the fiscal year ended August 31, 2013

Pass Through From:

Texas Department of Agriculture (Agency 551)

Community Development Block Grants/State's Program

Interagency Contract for Office of Colonia Initiatives

\$ 4,325.42

Total Pass-Through From Other Agencies (Exhibit II)

\$ 4,325.42

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
Supplementary Bond Schedules
SCHEDULE 2-A
MISCELLANEOUS BOND INFORMATION
For the fiscal year ended August 31, 2013

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		
				First Year	Final Maturity Date	First Call Date
2002 Single Family Series A	\$ 38,750,000.00	5.45%	5.55%	2023	03/01/2034	03/01/2012
2002 Single Family Series B	52,695,000.00	5.35%	5.55%	2033	09/01/2033	03/01/2012
2002 Single Family Series C	12,950,000.00	2.80%	5.20%	2004	09/01/2017	03/01/2012
2002 Single Family Series D	13,605,000.00	2.00%	4.50%	2003	09/01/2012	03/01/2012
2004 Single Family Series A	123,610,000.00	2.00%	4.70%	2006	09/01/2035	03/01/2013
2004 Single Family Series B	53,000,000.00	VAR - Weekly		2015	09/01/2034	03/01/2015 (e)
2004 Single Family Series A (Jr. Lien)	4,140,000.00	VAR - Weekly		2036	09/01/2036	09/01/2036 (e)
2004 Single Family Series C	41,245,000.00	4.30%	4.80%	2019	03/01/2036	09/01/2014
2004 Single Family Series D	35,000,000.00	VAR - Weekly		2035	03/01/2035	(f)
2004 Single Family Series E	10,825,000.00	2.45%	4.30%	2006	03/01/2019	09/01/2014
2005 Single Family Series A	100,000,000.00	VAR - Weekly		2007	09/01/2036	03/01/2006
2005 Single Family Series B	25,495,000.00	4.38%	4.38%	2006	09/01/2026	03/01/2006
2005 Single Family Series C	8,970,000.00	VAR - Weekly		2017	09/01/2017	03/01/2006
2005 Single Family Series D	3,730,000.00	5.00%	5.00%	2025	09/01/2035	03/01/2006
2006 Single Family Series A	59,555,000.00	5.00%	5.00%	2008	09/01/2037	09/01/2006
2006 Single Family Series B	70,485,000.00	5.00%	5.00%	2008	09/01/2034	09/02/2006
2006 Single Family Series C	105,410,000.00	5.13%	5.13%	2008	09/01/2037	09/03/2006
2006 Single Family Series D	29,685,000.00	4.50%	4.50%	2018	09/01/2028	09/04/2006
2006 Single Family Series E	17,295,000.00	4.06%	4.06%	2007	09/01/2017	09/05/2006
2006 Single Family Series F	81,195,000.00	4.65%	5.75%	2008	03/01/2038	03/01/2016
2006 Single Family Series G	15,000,000.00	3.75%	4.60%	2012	09/01/2019	03/01/2016
2006 Single Family Series H	36,000,000.00	VAR - Weekly		2016	09/01/2037	03/01/2016
2007 Single Family Series A	143,005,000.00	VAR - Weekly		2008	09/01/2038	03/01/2008 (e)
2007 Single Family Series B	157,060,000.00	3.90%	5.63%	2008	09/01/2039	03/01/2008
2013 Single Family Series A	42,500,000.00	2.80%	2.80%	2013	03/01/2036	09/01/2020
2003 RMRB Series A	73,630,000.00	1.70%	5.00%	2005	07/01/2034	01/01/2013
2009 RMRB Series A	80,000,000.00	5.13%	5.13%	2011	07/01/2039	01/01/2019
2009 RMRB Series B	22,605,000.00	4.72%	4.72%	2010	07/01/2022	01/01/2019
2009 RMRB Series C	300,000,000.00	VAR - Weekly		2010	07/01/2041	12/31/2011
2009 RMRB Series C-1	89,030,000.00	0.70%	3.57%	2029	07/01/2041	04/01/2011
2009 RMRB Series C-2	60,080,000.00	0.60%	2.48%	2034	07/01/2041	11/01/2011
2009 RMRB Series C-3	72,820,000.00	0.60%	2.49%	2013	07/01/2041	02/01/2012
2009 RMRB Series C-4	78,070,000.00	0.69%	2.63%	2013	07/01/2041	01/01/2013
2011 RMRB Series A	60,000,000.00	0.70%	5.05%	2012	07/01/2029	01/01/2021
2011 RMRB Series B	87,955,000.00	0.30%	4.45%	2012	01/01/2034	01/01/2021
1992 Coll Home Mtg Rev Bonds, Series C	72,700,000.00	3.48%	10.27%	2024	07/01/2024	05/04/1995
TOTAL SINGLE FAMILY & RMRB BONDS	\$ 2,278,095,000					
1996 MF Series A/B (Brighton's Mark Development)	10,174,000.00	6.13%	6.13%	2026	04/01/2026	01/01/2003
1998 MF Series A (Pebble Brook Apartments Project)	10,900,000.00	4.95%	5.60%	2001	12/01/2030	06/01/2001
1998 MF Series A-C (Residence at the Oaks Projects)	8,200,000.00	5.98%	7.18%	2001	11/01/2030	05/01/2001
1998 MF Series A/B (Greens of Hickory Trial Apartments)	13,500,000.00	5.20%	6.03%	2001	09/01/2030	09/01/2008
1999 MF Series A-C (Mayfield Apartments)	11,445,000.00	5.70%	7.25%	2001	05/01/2031	05/01/2002
2000 MF Series A (Timber Point Apartments)	8,100,000.00	VAR - Weekly		2003	09/01/2032	07/01/2000 (a)
2000 MF Series A/B (Oaks at Hampton Apartments)	10,060,000.00	7.20%	9.00%	2002	03/01/2040	03/01/2017 (a)
2000 MF Series A (Deerwood Apartments)	6,435,000.00	5.25%	6.40%	2003	12/01/2032	06/01/2010
2000 MF Series A (Creek Point Apartments)	7,200,000.00	VAR - Weekly		2004	10/01/2032	07/01/2000 (a)
2000 MF Series A/B (Parks at Westmoreland Apartments)	9,990,000.00	7.20%	9.00%	2002	07/01/2040	07/01/2017 (a)
2000 MF Series A-C (Highland Meadow Village Apartments)	13,500,000.00	6.75%	8.00%	2004	11/01/2033	05/01/2019
2000 MF Series A/B (Greenbridge at Buckingham Apartments)	20,085,000.00	7.40%	10.00%	2003	10/01/2040	03/01/2014
2000 MF Series A-C (Collingham Park Apartments)	13,500,000.00	6.72%	7.72%	2004	11/01/2033	05/01/2019
2000 MF Series A/B (Williams Run Apartments)	12,850,000.00	7.65%	9.25%	2002	11/01/2040	01/01/2011
2001 MF Series A (Bluffview Apartments)	10,700,000.00	7.65%	7.65%	2003	05/01/2041	05/01/2018
2001 MF Series A (Knollwood Apartments)	13,750,000.00	7.65%	7.65%	2003	05/01/2041	05/01/2018
2001 MF Series A (Skyway Villas Apartments)	13,250,000.00	6.00%	6.50%	2005	12/01/2034	12/01/2011
2001 MF Series A (Greens Road Apartments)	8,375,000.00	5.30%	5.40%	2004	06/01/2034	12/01/2011
2001 MF Series A/B (Meridian Apartments)	14,310,000.00	5.45%	6.85%	2004	12/01/2034	12/01/2011
2001 MF Series A/B (Wildwood Apartments)	14,365,000.00	5.45%	6.75%	2004	12/01/2034	12/01/2011
2001 MF Series A-C (Fallbrook Apartments)	14,700,000.00	6.06%	6.78%	2005	12/01/2034	01/01/2012

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2013

Description of Issue	Bonds Issued To Date	Range Of Interest Rates		Scheduled Mat.		
				First Year	Final Maturity Date	First Call Date
2001 MF Series A (Oak Hollow Apartments)	\$ 8,625,000.00	7.00%	7.90%	2003	12/01/2041	11/01/2018
2001 MF Series A/B (Hillside Apartments)	12,900,000.00	7.00%	9.25%	2003	12/01/2041	11/01/2018
2002 MF Series A (Millstone Apartments)	12,700,000.00	5.35%	5.86%	2005	06/01/2035	06/01/2012
2002 MF Series A (Park Meadows Apartments)	4,600,000.00	6.53%	6.53%	2004	06/01/2034	05/01/2012
2002 MF Series A (Clarkridge Villas Apartments)	14,600,000.00	7.00%	7.00%	2004	09/01/2042	08/01/2019
2002 MF Series A (Hickory Trace Apartments)	11,920,000.00	7.00%	7.00%	2004	11/01/2042	12/01/2019
2002 MF Series A (Green Crest Apartments)	12,500,000.00	7.00%	7.00%	2004	11/01/2042	11/01/2019
2002 MF Series A/B (Ironwood Crossing)	16,970,000.00	5.50%	8.75%	2005	11/01/2042	10/01/2027
2002 MF Series A (Woodway Village)	9,100,000.00	4.95%	5.20%	2006	07/01/2023	01/01/2013
2003 MF Series A/B (Reading Road)	12,200,000.00	VAR-Weekly		2007	07/01/2036	01/01/2004 (a)
2003 MF Series A/B (North Vista Apartments)	14,000,000.00	4.10%	5.41%	2006	06/01/2036	06/01/2013
2003 MF Series A/B (West Virginia Apartments)	9,450,000.00	4.15%	5.41%	2006	06/01/2036	06/01/2013
2003 MF Series A/B (Primrose Houston School)	16,900,000.00	5.50%	8.00%	2006	07/01/2036	07/01/2003 (a)
2003 MF Series A/B (Timber Oaks Apartments)	13,200,000.00	6.75%	8.75%	2005	11/01/2038	06/01/2020
2003 MF Series A/B (Ash Creek Apartments)	16,375,000.00	5.60%	15.00%	2006	04/01/2036	10/01/2003 (a)
2003 MF Series A/B (Peninsula Apartments)	12,400,000.00	4.25%	5.30%	2007	10/01/2024	10/01/2013
2003 MF Series A/B (Arlington Villas)	17,100,000.00	6.75%	8.00%	2007	12/01/2036	01/01/2007 (a)
2003 MF Series A/B (Parkview Townhomes)	16,600,000.00	6.60%	8.50%	2006	04/01/2041	12/01/2020
2003 MF Series A (NHP Foundation-Asmara Proj Refunding)	31,500,000.00	VAR - Weekly		2007	07/01/2033	07/01/2007 (a)
2004 MF Series A/B (Timber Ridge II Apartments)	7,500,000.00	5.75%	8.00%	2007	08/01/2036	03/01/2007 (a)
2004 MF Series A/B (Century Park Townhomes)	13,000,000.00	5.75%	5.75%	2007	06/01/2037	05/01/2007 (a)
2004 MF Series A/B (Providence at Veterans Memorial)	16,300,000.00	6.60%	8.50%	2006	01/01/2041	03/01/2006 (a)
2004 MF Series A (Providence at Rush Creek II)	10,000,000.00	5.38%	6.70%	2006	01/01/2044	03/01/2021
2004 MF Series A (Humble Parkway Townhomes)	11,700,000.00	6.60%	6.60%	2007	01/01/2041	07/01/2021
2004 MF Series A (Chisholm Trail Apartments)	12,000,000.00	VAR - Weekly (b)		2006	04/15/2037	10/15/2006 (a)
2004 MF Series A (Evergreen at Plano Parkway)	14,750,000.00	5.25%	6.55%	2007	05/01/2044	06/01/2021
2004 MF Series A (Montgomery Pines Apartments)	12,300,000.00	VAR - Weekly		2006	06/15/2037	12/15/2006 (a)
2004 MF Series A (Bristol Apartments)	12,625,000.00	VAR - Weekly		2007	06/15/2037	06/15/2007 (a)
2004 MF Series A (Pinnacle Apartments)	14,500,000.00	VAR - Weekly (c)		2007	06/15/2037	09/01/2007 (a)
2004 MF Series A (Tranquility Bay Apartments)	14,350,000.00	6.50%	6.50%	2007	06/01/2044	06/01/2021 (d)
2004 MF Series A (Churchill at Pinnacle Park)	10,750,000.00	5.25%	6.55%	2007	07/01/2044	09/01/2021 (d)
2004 MF Series A (Providence at Village Fair)	14,100,000.00	5.00%	6.50%	2007	12/01/2044	12/01/2021
2005 MF Series A (Homes at Pecan Grove)	14,030,000.00	5.00%	6.50%	2007	01/01/2045	01/01/2022
2005 MF Series A (Providence at Prairie Oaks)	11,050,000.00	4.75%	6.50%	2007	01/01/2045	01/01/2022
2005 MF Series A (Port Royal Homes)	12,200,000.00	5.00%	6.50%	2007	02/01/2045	02/01/2022
2005 MF Series A (Mission Del Rio Homes)	11,490,000.00	5.00%	6.50%	2007	02/01/2045	02/01/2022
2005 MF Series A (Atascocita Pines Apartments)	11,900,000.00	VAR - Weekly (c)		2007	04/15/2038	(e)
2005 MF Series A (Tower Ridge Apartments)	15,000,000.00	VAR - Weekly (b)		2009	04/01/2038	(e)
2005 MF Series A (Prairie Ranch Apartments)	12,200,000.00	4.85%	4.85%	2007	06/20/2045	12/20/2015
2005 MF Series A (St Augustine Estate Apartments)	7,650,000.00	VAR - Weekly		2009	09/15/2038	n/a
2005 MF Series A (Park Manor Senior Community)	10,400,000.00	5.00%	6.40%	2008	07/01/2045	09/01/2022
2005 MF Series A (Providence at Mockingbird Apartments)	14,360,000.00	6.40%	6.40%	2007	08/01/2040	08/01/2022
2005 MF Series A (Plaza at Chase Oaks Apartments)	14,250,000.00	5.05%	5.05%	2007	08/01/2035	(g)
2005 MF Series A/B (Canal Place Apartments)	16,100,000.00	3.45%	8.00%	2019	05/01/2039	(h)
2005 MF Series A (Coral Hills Apartments)	5,320,000.00	5.05%	5.05%	2038	08/01/2026	08/01/2015
2006 MF Series A (Harris Branch Apartments)	15,000,000.00	VAR - Weekly		2009	03/15/2039	(i)
2006 MF Series A (Bella Vista Apartments)	6,800,000.00	6.15%	6.15%	2008	04/01/2046	04/01/2016
2006 MF Series A (Village Park Apartments)	13,660,000.00	4.75%	5.13%	2009	12/1/2026	06/01/2021
2006 MF Series A (Oakmoor Apartments)	14,635,000.00	5.50%	6.00%	2008	03/01/2046	03/01/2023
2006 MF Series A (The Residences at Sunset Pointe)	15,000,000.00	VAR - Weekly		2039	07/15/2039	(h)
2006 MF Series A (Hillcrest Apartments)	12,435,000.00	5.25%	5.25%	2009	04/01/2027	04/01/2021
2006 MF Series A (Pleasant Village)	6,000,000.00	6.00%	6.00%	2008	03/01/2023	(j)
2006 MF Series A (Grove Village)	6,180,000.00	6.00%	6.00%	2008	02/28/2023	(j)
2006 MF Series A (Red Hills Villas)	5,015,000.00	VAR - Weekly		2036	09/15/2036	(i)
2006 MF Series A (Champion Crossing Apartments)	5,125,000.00	VAR - Weekly		2036	09/15/2036	(i)
2006 MF Series A (Stonehaven Apartments)	11,300,000.00	5.80%	5.80%	2008	10/01/2026	(g)
2006 MF Series A (Center Ridge Apartments)	8,325,000.00	5.00%	5.00%	2009	05/01/2039	05/01/2021
2006 MF Series A (Meadowlands Apartments)	13,500,000.00	6.00%	6.00%	2009	09/01/2046	09/01/2023

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2013

Description of Issue	Bonds Issued To Date	Range Of Interest Rates	Scheduled Mat.		First Call Date
			First Year	Final Maturity Date	
2006 MF Series A (East Tex Pines)	\$ 13,500,000.00	4.95% 4.95%	2010	10/01/2046	(k)
2006 MF Series A (Villas at Henderson)	7,200,000.00	VAR - Weekly	2010	11/01/2023	(l)
2006 MF Series A (Aspen Park)	9,800,000.00	5.00% 5.00%	2010	07/01/2027	07/01/2021
2006 MF Series A (Idlewilde)	14,250,000.00	VAR - Weekly	2010	06/15/2040	(i)
2007 MF Series A (Lancaster)	14,250,000.00	VAR - Weekly	2010	07/15/2040	(i)
2007 MF Series A (Park Place at Loyola)	15,000,000.00	5.80% 5.80%	2010	02/01/2047	03/01/2024
2007 MF Series A (Terrace at Cibolo)	8,000,000.00	VAR - Weekly	2010	05/01/2040	(l)
2007 MF Series A (Santora Villas)	13,072,000.00	5.80% 5.80%	2010	05/01/2047	06/01/2024
2007 MF Series A (Villas at Mesquite Creek)	16,860,000.00	5.00% 5.81%	2010	01/20/2047	01/20/2017
2007 MF Series A (Summit Point)	11,700,000.00	4.80% 5.25%	2009	06/20/2047	06/20/2017
2007 MF Series A (Costa Rialto)	12,385,000.00	5.35% 5.35%	2010	07/01/2047	08/01/2025
2007 MF Series A (Windshire)	14,000,000.00	VAR - Weekly	2010	01/15/2041	(i)
2007 MF Series A (Residences at Onion Creek)	15,000,000.00	VAR - Weekly	2011	12/15/2040	(i)
2008 MF Series A (West Oaks Apartments)	13,125,000.00	VAR - Weekly	2011	07/01/2041	(m)
2008 MF Series A (Costa Ibiza Apartments)	13,900,000.00	VAR - Weekly	2011	08/01/2041	(e)
2008 MF Series A (Addison Park Apartments)	14,000,000.00	VAR - Weekly	2008	01/01/2044	(m)
2008 MF Series A (Alta Cullen Apartments Refunding)	14,000,000.00	VAR - Weekly	2011	03/01/2045	(m)
2009 MF Series A (Costa Mariposa Apartments)	13,690,000.00	VAR - Weekly	2012	05/01/2042	(m)
2009 MF Series A (Woodmont Apartments)	15,000,000.00	VAR - Weekly	2012	06/01/2042	(m)
TOTAL MULTIFAMILY BONDS	\$ 1,210,561,000				
TOTAL BONDS ISSUED	\$ 3,488,656,000				

FOOTNOTES:

- (a) The taxable bonds shall be subject to redemption prior to maturity in whole or any part on any interest payment date after the completion date from the proceeds of an optional prepayment of the loan by the borrower.
- (b) Variable rate not to exceed the maximum rate permitted by applicable law.
- (c) Variable rate could change to fixed rate provided the conversion option is exercised.
- (d) 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.
- (e) The Bonds shall be subject to redemption prior to maturity, after giving the required notice, as follows: During the variable interest rate period the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (f) The Series bonds are subject to redemption prior to maturity, after giving notice as provided in the Trust Indenture, as follows:
During a daily interest rate period or weekly interest rate period for the Series bonds, the bonds shall be subject to optional redemption by the Department, in whole or in part on any business day, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date.
- (g) The bonds are subject to redemption at the option of the Issuer, at the direction of the Borrower, in whole or in part on the first day of any month, in the event and to the extent the trustee receives funds from the Borrower representing an optional prepayment of the principal of the note, at a redemption price equal to the principal thereof, plus accrued interest to the redemption date plus any premium remitted therewith as required by the note.
- (h) Bonds are subject to redemption if and to the extent the Borrower is entitled to make, or is required to make, a prepayment pursuant to the loan agreement.

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-A (Continued)

MISCELLANEOUS BOND INFORMATION

For the fiscal year ended August 31, 2013

- (i) The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower.
- (j) The Bonds are subject to optional redemption at the direction of the Borrower on any interest payment date, in whole or in part, at the redemption price (as calculated by the sole bondholder) calculated in accordance with the Exhibit H in the bond documents plus accrued and unpaid interest, redemption if any, to the date. Optional redemptions may be made only in denominations of \$100,000 plus integral multiples of \$5,000 or for the entire amount of the bonds outstanding.
- (k) The Bonds shall be subject to redemption prior to maturity in whole but not in part on any Bond Payment Date on or after fifteen years from Conversion Date, from the proceeds of an optional prepayment of the Loan by the Borrower at a redemption price equal to the principal amount plus accrued and unpaid interest to the date fixed for redemption.
- (l) The Bonds may be redeemed by the Trustee at the option of the Issuer, but only upon the written request of the Borrower pursuant of the Loan Agreement, and with the prior written consent of the Bank, in whole or in part, at a redemption price equal to the principal amount, without premium, plus accrued interest to the date of redemptions.
- (m) With the prior Written consent of the Credit Facility Provider, the Bonds are subject to optional redemption, in whole or in part, upon optional prepayments on the Bond Mortgage Loan in accordance with the prepayment restrictions set forth in the Bond Mortgage Note and Financing Agreement.

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-B

MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS

For the fiscal year ended August 31, 2013

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	Amounts Due Within One Year
2002 Single Family Series A	\$ 29,670,000.00	\$	\$	\$ 29,670,000.00	\$	\$ -
2002 Single Family Series B	14,530,000.00		15,000.00	14,515,000.00	-	-
2002 Single Family Series C	6,635,000.00		1,035,000.00	5,600,000.00	-	-
2002 Single Family Series D	890,000.00		890,000.00	-	-	-
2004 Single Family Series A	46,410,000.00		1,815,000.00	15,010,000.00	29,585,000.00	1,705,000.00
2004 Single Family Series B	53,000,000.00				53,000,000.00	-
2004 Single Family Series A (Jr. Lien)	3,855,000.00				3,855,000.00	-
2004 Single Family Series C	13,005,000.00			7,905,000.00	5,100,000.00	-
2004 Single Family Series D	35,000,000.00				35,000,000.00	-
2004 Single Family Series E	1,870,000.00		645,000.00	780,000.00	445,000.00	269,163.48
2005 Single Family Series A	67,475,000.00			9,975,000.00	57,500,000.00	-
2005 Single Family Series B	8,220,000.00		450,000.00	1,345,000.00	6,425,000.00	376,195.18
2005 Single Family Series C	4,290,000.00			465,000.00	3,825,000.00	-
2005 Single Family Series D	3,040,000.00			205,000.00	2,835,000.00	-
2006 Single Family Series A	34,935,000.00		430,000.00	7,985,000.00	26,520,000.00	386,763.04
2006 Single Family Series B	38,645,000.00		1,055,000.00	8,725,000.00	28,865,000.00	904,802.80
2006 Single Family Series C	59,820,000.00		1,115,000.00	13,605,000.00	45,100,000.00	1,050,460.24
2006 Single Family Series D	11,405,000.00			1,895,000.00	9,510,000.00	(25,258.80)
2006 Single Family Series E	9,890,000.00		1,480,000.00		8,410,000.00	1,494,716.52
2006 Single Family Series F	35,775,000.00		210,000.00	15,580,000.00	19,985,000.00	141,270.06
2006 Single Family Series G	5,035,000.00		705,000.00	1,705,000.00	2,625,000.00	520,000.00
2006 Single Family Series H	36,000,000.00				36,000,000.00	-
2007 Single Family Series A	94,820,000.00			16,120,000.00	78,700,000.00	(7,892.61)
2007 Single Family Series B	106,685,000.00		1,600,000.00	25,935,000.00	79,150,000.00	1,213,365.84
2013 Single Family Series A		42,500,000.00		835,000.00	41,665,000.00	(2,413.08)
2003 RMRB Series A	39,840,000.00		530,000.00	39,310,000.00	-	-
2009 RMRB Series A	53,670,000.00		390,000.00	12,480,000.00	40,800,000.00	401,272.32
2009 RMRB Series B	15,310,000.00		1,015,000.00	1,445,000.00	12,850,000.00	1,036,080.44
2009 RMRB Series C	78,070,000.00	(78,070,000.00)			-	-
2009 RMRB Series C-1	88,280,000.00			8,910,000.00	79,370,000.00	(7,236.48)
2009 RMRB Series C-2	59,760,000.00			2,310,000.00	57,450,000.00	(4,760.28)
2009 RMRB Series C-3	72,660,000.00			72,660,000.00	-	-
2009 RMRB Series C-4		78,070,000.00	150,000.00	77,920,000.00	-	-
2011 RMRB Series A	57,195,000.00		2,235,000.00	5,675,000.00	49,285,000.00	2,256,273.68
2011 RMRB Series B	86,820,000.00		2,790,000.00	3,305,000.00	80,725,000.00	2,895,066.08
1992 Coll Home Mtg Rev Bonds, Series C	5,600,000.00			1,200,000.00	4,400,000.00	5,875.67
Total Single Family Bonds	\$ 1,278,105,000.00	\$ 42,500,000.00	\$ 18,555,000.00	\$ 403,070,000.00	\$ 898,980,000.00	\$ 14,608,744.10
1996 MF Series A/B (Brighton's Mark Development)	\$ 8,075,000.00	\$	\$	\$	8,075,000.00	\$ -
1998 MF Series A (Pebble Brook Apartments Project)	8,780,000.00		255,000.00		8,525,000.00	275,000.00
1998 MF Series A-C (Residence at the Oaks Projects)	6,560,000.00		202,000.00		6,358,000.00	-
1998 MF Series A/B (Greens of Hickory Trail Apartments)	10,965,000.00		335,000.00		10,630,000.00	355,000.00
1999 MF Series A-C (Mayfield Apartments)	9,230,000.00		279,000.00		8,951,000.00	294,000.00
2000 MF Series A (Timber Point Apartments)	6,970,000.00			100,000.00	6,870,000.00	-
2000 MF Series A/B (Oaks at Hampton Apartments)	9,308,358.00		111,258.00		9,197,100.00	119,538.00
2000 MF Series A (Deerwood Apartments)	5,545,000.00		125,000.00		5,420,000.00	135,000.00
2000 MF Series A (Creek Point Apartments)	5,960,000.00			100,000.00	5,860,000.00	-
2000 MF Series A/B (Parks at Westmoreland Apartments)	9,269,993.00		108,055.00		9,161,938.00	116,097.00
2000 MF Series A-C (Highland Meadow Village Apts)	7,867,000.00		170,000.00		7,697,000.00	182,000.00
2000 MF Series A/B (Greenbridge at Buckingham Apts)	19,474,075.00				19,474,075.00	853,490.23
2000 MF Series A-C (Collingham Park Apartments)	11,820,000.00		274,000.00		11,546,000.00	291,000.00
2000 MF Series A/B (Williams Run Apartments)	12,341,442.79		219,419.09		12,122,023.70	487,038.97
2001 MF Series A (Bluffview Apartments)	10,141,757.77		86,671.21		10,055,086.56	93,492.56
2001 MF Series A (Knollwood Apartments)	13,032,632.69		111,376.55		12,921,256.14	120,142.31
2001 MF Series A (Skyway Villas Apartments)	6,910,000.00		150,000.00		6,760,000.00	160,000.00
2001 MF Series A (Greens Road Apartments)	7,375,000.00		80,000.00	7,295,000.00	-	-
2001 MF Series A/B (Meridian Apartments)	8,254,000.00		84,000.00		8,170,000.00	94,000.00
2001 MF Series A/B (Wildwood Apartments)	6,385,000.00		72,000.00		6,313,000.00	72,000.00
2001 MF Series A-C (Fallbrook Apartments)	13,061,000.00		283,000.00		12,778,000.00	302,000.00
2001 MF Series A (Oak Hollow Apartments)	6,150,181.06		56,590.15		6,093,590.91	60,681.08
2001 MF Series A/B (Hillside Apartments)	12,341,818.43		63,729.15		12,278,089.28	68,336.09
2002 MF Series A (Millstone Apartments)	9,640,000.00		105,000.00	9,535,000.00	-	-
2002 MF Series A (Park Meadows Apartments)	3,980,000.00		85,000.00		3,895,000.00	90,000.00
2002 MF Series A (Clarkridge Villas Apartments)	13,322,366.97		114,831.71		13,207,535.26	123,132.89
2002 MF Series A (Hickory Trace Apartments)	11,016,529.72		94,340.66		10,922,189.06	101,160.54
2002 MF Series A (Green Crest Apartments)	10,968,568.10		93,929.92		10,874,638.18	100,720.12

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
Supplementary Bond Schedules
SCHEDULE 2-B (Continued)
MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)
For the fiscal year ended August 31, 2013

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	Amounts Due Within One Year
2002 MF Series A/B (Ironwood Crossing)	\$ 16,415,002.86	\$	\$ 112,638.91	\$	\$ 16,302,363.95	\$ 122,899.85
2002 MF Series A (Woodway Village)	6,970,000.00		140,000.00	6,830,000.00	-	-
2003 MF Series A/B (Reading Road)	11,150,000.00		30,000.00	200,000.00	10,920,000.00	30,000.00
2003 MF Series A/B (North Vista Apartments)	11,820,000.00		250,000.00		11,570,000.00	260,000.00
2003 MF Series A/B (West Virginia Apartments)	8,535,000.00		180,000.00		8,355,000.00	190,000.00
2003 MF Series A/B (Primrose Houston School)	16,084,998.00		118,161.00		15,966,837.00	128,120.00
2003 MF Series A/B (Timber Oaks Apartments)	12,759,850.31		90,759.63		12,669,090.68	95,165.83
2003 MF Series A/B (Ash Creek Apartments)	15,807,447.00		119,212.00		15,688,235.00	129,237.00
2003 MF Series A/B (Peninsula Apartments)	11,220,000.00		200,000.00	20,000.00	11,000,000.00	205,000.00
2003 MF Series A/B (Arlington Villas)	16,614,793.00		110,951.00		16,503,842.00	120,219.00
2003 MF Series A/B (Parkview Townhomes)	13,499,022.49		100,598.74		13,398,423.75	105,482.60
2003 MF Series A (NHP Foundation-Asmara Proj Refunding)	19,155,000.00		480,000.00		18,675,000.00	500,656.80
2004 MF Series A/B (Timber Ridge II Apartments)	6,470,705.00		48,399.00		6,422,306.00	51,881.00
2004 MF Series A/B (Century Park Townhomes)	11,710,000.00		210,000.00		11,500,000.00	230,000.00
2004 MF Series A/B (Providence at Veterans Memorial)	6,859,980.93		51,873.15		6,808,107.78	54,391.49
2004 MF Series A (Providence at Rush Creek II)	8,539,341.94		68,277.90		8,471,064.04	72,995.65
2004 MF Series A (Humble Parkway Townhomes)	11,040,000.00		135,000.00		10,905,000.00	145,000.00
2004 MF Series A (Chisholm Trail Apartments)	11,200,000.00			200,000.00	11,000,000.00	-
2004 MF Series A (Evergreen at Plano Parkway)	14,281,487.42		110,407.85		14,171,079.57	117,860.60
2004 MF Series A (Montgomery Pines Apartments)	11,700,000.00			200,000.00	11,500,000.00	-
2004 MF Series A (Bristol Apartments)	11,900,000.00			200,000.00	11,700,000.00	-
2004 MF Series A (Pinnacle Apartments)	13,765,000.00			100,000.00	13,665,000.00	-
2004 MF Series A (Tranquility Bay Apartments)	13,770,491.14		116,504.93		13,653,986.21	124,307.49
2004 MF Series A (Churchill at Pinnacle Park)	9,710,460.58		93,062.68		9,617,397.90	99,344.64
2004 MF Series A (Providence at Village Fair)	13,594,016.20		110,227.29		13,483,788.91	117,609.42
2005 MF Series A (Homes at Pecan Grove)	13,535,351.33		89,966.14		13,445,385.19	135,518.11
2005 MF Series A (Providence at Prairie Oaks)	10,660,419.13		85,918.40		10,574,500.73	91,672.00
2005 MF Series A (Port Royal Homes)	11,777,502.72		94,349.04		11,683,153.68	100,668.00
2005 MF Series A (Mission Del Rio Homes)	11,092,104.94		58,591.05		11,033,513.89	125,092.61
2005 MF Series A (Atascocita Pines Apartments)	11,400,000.00			210,000.00	11,190,000.00	-
2005 MF Series A (Tower Ridge Apartments)	15,000,000.00				15,000,000.00	-
2005 MF Series A (Prairie Ranch Apartments)	11,550,000.00		140,000.00		11,410,000.00	150,000.00
2005 MF Series A (St Augustine Estate Apartments)	6,280,000.00			100,000.00	6,180,000.00	-
2005 MF Series A (Park Manor Senior Community)	10,400,000.00				10,400,000.00	-
2005 MF Series A (Providence at Mockingbird Apts)	13,904,337.42		83,993.94	2,895,443.19	10,924,900.29	83,412.15
2005 MF Series A (Plaza at Chase Oaks Apartments)	13,112,244.38		267,156.38		12,845,088.00	280,964.49
2005 MF Series A/B (Canal Place Apartments)	15,582,950.00		31,274.00	15,551,676.00	-	-
2005 MF Series A (Coral Hills Apartments)	4,750,000.00		35,000.00	50,000.00	4,665,000.00	65,000.00
2006 MF Series A (Harris Branch Apartments)	14,290,000.00			300,000.00	13,990,000.00	-
2006 MF Series A (Bella Vista Apartments)	6,600,000.00		55,000.00		6,545,000.00	55,000.00
2006 MF Series A (Village Park Apartments)	10,110,000.00		170,000.00		9,940,000.00	175,000.00
2006 MF Series A (Oakmoor Apartments)	14,119,607.29		112,937.39		14,006,669.90	119,903.13
2006 MF Series A (The Residences at Sunset Pointe)	15,000,000.00				15,000,000.00	-
2006 MF Series A (Hillcrest Apartments)	10,690,000.00		160,000.00		10,530,000.00	170,000.00
2006 MF Series A (Pleasant Village)	5,645,792.77		62,783.81		5,583,008.96	132,522.91
2006 MF Series A (Grove Village)	5,815,166.70		64,667.28		5,750,499.42	136,498.06
2006 MF Series A (Red Hills Villas)	4,815,000.00			100,000.00	4,715,000.00	-
2006 MF Series A (Champion Crossing Apartments)	4,780,000.00			105,000.00	4,675,000.00	-
2006 MF Series A (Stonehaven Apartments)	10,992,314.00		110,143.83	924,499.94	9,957,670.23	153,772.45
2006 MF Series A (Center Ridge Apartments)	8,325,000.00			8,325,000.00	-	-
2006 MF Series A (Meadowlands Apartments)	12,157,419.45		92,447.83		12,064,971.62	98,149.82
2006 MF Series A (East Tex Pines)	13,325,000.00		105,000.00		13,220,000.00	110,000.00
2006 MF Series A (Villas at Henderson)	6,925,000.00			100,000.00	6,825,000.00	-
2006 MF Series A (Aspen Park)	9,455,000.00		110,000.00		9,345,000.00	110,000.00
2006 MF Series A (Idlewilde)	13,830,000.00			105,000.00	13,725,000.00	-
2007 MF Series A (Lancaster)	13,830,000.00			120,000.00	13,710,000.00	-
2007 MF Series A (Park Place at Loyola)	14,150,000.00		84,522.22		14,065,477.78	97,465.45
2007 MF Series A (Terrace at Cibolo)	5,000,000.00				5,000,000.00	-
2007 MF Series A (Santora Villas)	12,026,555.55		81,563.74		11,944,991.81	86,422.28
2007 MF Series A (Villas at Mesquite Creek)	16,330,000.00		175,000.00		16,155,000.00	185,000.00
2007 MF Series A (Summit Point)	9,270,000.00		100,000.00		9,170,000.00	100,000.00
2007 MF Series A (Costa Rialto)	10,551,219.38		80,355.44		10,470,863.94	84,761.45
2007 MF Series A (Windshire)	13,700,000.00			100,000.00	13,600,000.00	-
2007 MF Series A (Residences at Onion Creek)	15,000,000.00				15,000,000.00	-
2008 MF Series A (West Oaks Apartments)	12,635,000.00			110,000.00	12,525,000.00	-
2008 MF Series A (Costa Ibiza Apartments)	13,450,000.00			130,000.00	13,320,000.00	-

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
Supplementary Bond Schedules
SCHEDULE 2-B (Continued)
MISCELLANEOUS BOND INFORMATION - CHANGES IN BOND INDEBTEDNESS (Continued)
For the fiscal year ended August 31, 2013

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued and Accretions	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	Amounts Due Within One Year
2008 MF Series A (Addison Park Apartments)	\$ 13,435,000.00	\$	\$	\$ 230,000.00	\$ 13,205,000.00	\$
2008 MF Series A (Alta Cullen Apartments Refunding)	12,500,000.00			100,000.00	12,400,000.00	-
2009 MF Series A (Costa Mariposa Apartments)	13,690,000.00			110,000.00	13,580,000.00	-
2009 MF Series A (Woodmont Apartments)	15,000,000.00			120,000.00	14,880,000.00	
Total Multifamily Bonds	\$ 1,075,805,305.46	\$ -	\$ 8,885,946.01	\$ 54,566,619.13	\$ 1,012,352,740.32	\$ 10,240,824.07
	\$ 2,353,910,305.46	\$ 42,500,000.00	\$ 27,440,946.01	\$ 457,636,619.13	\$ 1,911,332,740.32	\$ 24,849,568.17

FOOTNOTES:

(a) Bonds Outstanding balance at 8/31/13 does not include unamortized premium or discounts.

Bonds Outstanding per schedule	\$ 1,911,332,740.32
Unamortized (Discount)/Premium:	
Single Family	3,212,865.85
RMRB	2,729,407.72
CHMRB	63,682.87
Multi-Family	(185,307.40)
Unamortized Deferred Gain/(Loss) on Refunding:	
Single Family	(788,127.17)
RMRB	(344,638.90)
Bonds Outstanding per Exhibit III	\$ 1,916,020,623.29

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2004 Single Family, Series A	Principal	1,705,000.00	1,025,000.00	865,000.00	865,000.00
2004 Single Family, Series A	Interest	1,332,789.74	1,272,552.24	1,232,602.20	1,195,733.52
2004 Single Family, Series A (Junior Lien)	Principal	-	-	-	-
2004 Single Family, Series A (Junior Lien)	Interest	6,168.03	5,397.04	5,409.39	5,384.64
2004 Single Family, Series B	Principal	-	895,000.00	1,840,000.00	1,905,000.00
2004 Single Family, Series B	Interest	48,571.16	37,099.97	36,239.69	34,777.51
2004 Single Family, Series C	Principal	-	150,000.00	150,000.00	145,000.00
2004 Single Family, Series C	Interest	236,517.43	234,905.10	228,455.10	222,005.10
2004 Single Family, Series D	Principal	-	1,125,000.00	1,185,000.00	1,245,000.00
2004 Single Family, Series D	Interest	33,178.05	24,307.42	23,562.83	22,617.56
2004 Single Family, Series E	Principal	270,000.00	30,000.00	30,000.00	35,000.00
2004 Single Family, Series E	Interest	15,985.03	7,202.70	5,912.70	4,622.70
2005 Single Family, Series A	Principal	-	-	-	-
2005 Single Family, Series A	Interest	66,999.18	51,749.94	51,868.47	51,631.44
2005 Single Family, Series B	Principal	400,000.00	400,000.00	435,000.00	485,000.00
2005 Single Family, Series B	Interest	303,502.29	286,002.54	268,066.38	246,230.16
2005 Single Family, Series C	Principal	-	-	-	-
2005 Single Family, Series C	Interest	6,293.98	5,355.02	5,367.29	5,342.74
2005 Single Family, Series D	Principal	-	-	-	-
2005 Single Family, Series D	Interest	141,749.90	141,749.64	141,749.64	141,749.64
2006 Single Family, Series A	Principal	370,000.00	365,000.00	375,000.00	400,000.00
2006 Single Family, Series A	Interest	1,321,374.89	1,302,874.74	1,284,624.78	1,265,499.78
2006 Single Family, Series B	Principal	880,000.00	910,000.00	940,000.00	985,000.00
2006 Single Family, Series B	Interest	1,432,249.89	1,387,999.92	1,341,999.90	1,294,749.96
2006 Single Family, Series C	Principal	940,000.00	995,000.00	1,050,000.00	1,105,000.00
2006 Single Family, Series C	Interest	2,299,459.49	2,250,643.62	2,198,881.14	2,144,428.08
2006 Single Family, Series D	Principal	-	-	-	-
2006 Single Family, Series D	Interest	446,860.45	446,860.32	446,860.32	446,860.32
2006 Single Family, Series E	Principal	1,545,000.00	1,605,000.00	1,675,000.00	1,755,000.00
2006 Single Family, Series E	Interest	325,066.20	260,476.20	191,578.74	118,252.50
2006 Single Family, Series F	Principal	120,000.00	135,000.00	140,000.00	140,000.00
2006 Single Family, Series F	Interest	1,020,262.76	1,013,218.80	1,005,312.48	997,262.40
2006 Single Family, Series G	Principal	520,000.00	555,000.00	455,000.00	340,000.00
2006 Single Family, Series G	Interest	111,002.43	88,382.40	63,653.70	46,529.94
2006 Single Family, Series H	Principal	-	-	410,000.00	860,000.00
2006 Single Family, Series H	Interest	32,991.88	25,200.11	25,257.86	24,708.80
2007 Single Family, Series A	Principal	-	-	-	-
2007 Single Family, Series A	Interest	91,701.60	70,829.92	70,992.21	70,667.76
2007 Single Family, Series B	Principal	1,170,000.00	1,245,000.00	1,310,000.00	1,365,000.00
2007 Single Family, Series B	Interest	4,105,873.91	4,050,816.60	3,990,678.42	3,926,445.84
2013 Single Family, Series A	Principal	-	-	-	-
2013 Single Family, Series A	Interest	884,686.83	1,166,619.96	1,166,619.96	1,166,619.96
TOTAL SINGLE FAMILY BONDS		22,183,285.12	23,565,244.20	24,645,693.20	25,062,120.35

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
865,000.00	5,065,000.00	6,180,000.00	7,210,000.00	5,805,000.00	-	-	29,585,000.00
1,159,077.42	5,148,036.54	3,898,969.38	2,307,700.86	488,330.16	-	-	18,035,792.06
-	-	-	-	3,855,000.00	-	-	3,855,000.00
5,397.04	26,985.15	26,997.50	26,972.75	18,916.71	-	-	127,628.25
1,980,000.00	11,110,000.00	13,420,000.00	16,305,000.00	5,545,000.00	-	-	53,000,000.00
33,511.85	145,446.96	103,116.61	51,701.94	3,914.89	-	-	494,380.58
145,000.00	1,085,000.00	1,175,000.00	1,350,000.00	900,000.00	-	-	5,100,000.00
215,877.66	955,538.40	690,838.20	405,167.64	73,320.00	-	-	3,262,624.63
1,315,000.00	7,730,000.00	8,130,000.00	9,615,000.00	4,655,000.00	-	-	35,000,000.00
21,786.00	93,891.96	65,245.15	35,564.10	4,136.50	-	-	324,289.57
40,000.00	40,000.00	-	-	-	-	-	445,000.00
3,010.14	1,290.06	-	-	-	-	-	38,023.33
-	-	16,550,000.00	22,420,000.00	18,530,000.00	-	-	57,500,000.00
51,749.94	258,749.73	230,432.67	140,473.14	34,049.22	-	-	937,703.73
490,000.00	2,740,000.00	1,475,000.00	-	-	-	-	6,425,000.00
222,950.16	746,148.12	106,697.58	-	-	-	-	2,179,597.23
3,825,000.00	-	-	-	-	-	-	3,825,000.00
2,699.52	-	-	-	-	-	-	25,058.55
-	-	1,660,000.00	775,000.00	400,000.00	-	-	2,835,000.00
141,749.64	708,748.20	600,123.12	208,123.20	29,999.70	-	-	2,255,742.68
405,000.00	2,600,000.00	3,365,000.00	4,535,000.00	14,105,000.00	-	-	26,520,000.00
1,245,499.86	5,872,749.54	5,142,499.80	4,180,875.54	1,963,375.62	-	-	23,579,374.55
1,045,000.00	5,845,000.00	7,435,000.00	9,150,000.00	1,675,000.00	-	-	28,865,000.00
1,244,624.94	5,397,499.98	3,766,125.18	1,708,000.32	71,125.02	-	-	17,644,375.11
1,165,000.00	6,820,000.00	8,835,000.00	11,280,000.00	12,910,000.00	-	-	45,100,000.00
2,087,156.22	9,463,184.16	7,488,393.48	4,960,103.16	1,709,699.94	-	-	34,601,949.29
315,000.00	3,435,000.00	4,155,000.00	1,605,000.00	-	-	-	9,510,000.00
446,860.32	1,818,863.22	939,208.80	39,723.78	-	-	-	5,032,097.53
1,830,000.00	-	-	-	-	-	-	8,410,000.00
40,260.00	-	-	-	-	-	-	935,633.64
145,000.00	2,570,000.00	4,045,000.00	5,355,000.00	7,335,000.00	-	-	19,985,000.00
989,212.32	4,677,329.40	3,825,275.88	2,654,819.82	1,074,274.08	-	-	17,256,967.94
360,000.00	395,000.00	-	-	-	-	-	2,625,000.00
30,589.92	15,064.92	-	-	-	-	-	355,223.31
910,000.00	5,450,000.00	7,290,000.00	9,750,000.00	11,330,000.00	-	-	36,000,000.00
24,154.87	110,257.61	88,473.08	59,217.32	20,299.87	-	-	410,561.40
-	-	20,190,000.00	27,980,000.00	29,930,000.00	600,000.00	-	78,700,000.00
70,829.92	354,149.73	330,550.05	202,749.55	76,694.84	272.20	-	1,339,437.78
2,020,000.00	8,490,000.00	11,085,000.00	15,130,000.00	26,965,000.00	10,370,000.00	-	79,150,000.00
3,858,660.84	18,000,905.64	15,496,978.50	12,178,352.58	6,766,257.00	566,229.30	-	72,941,198.63
-	-	-	-	41,665,000.00	-	-	41,665,000.00
1,166,619.96	5,833,099.80	5,833,099.80	5,833,099.80	3,499,859.88	-	-	26,550,325.95
29,917,278.54	123,002,939.12	163,623,024.78	177,452,645.50	201,439,253.43	11,536,501.50	-	802,427,985.74

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2009 Residential Mtg Revenue Bonds, Series A	Principal	375,000.00	380,000.00	380,000.00	380,000.00
2009 Residential Mtg Revenue Bonds, Series A	Interest	2,117,513.69	2,106,823.68	2,094,829.92	2,081,458.62
2009 Residential Mtg Revenue Bonds, Series B	Principal	1,050,000.00	1,115,000.00	1,130,000.00	1,225,000.00
2009 Residential Mtg Revenue Bonds, Series B	Interest	625,172.66	576,412.68	522,412.68	469,120.20
2009 Residential Mtg Revenue Bonds, Series C-1	Principal	-	-	-	-
2009 Residential Mtg Revenue Bonds, Series C-1	Interest	2,281,887.64	2,281,887.60	2,281,887.60	2,281,887.60
2009 Residential Mtg Revenue Bonds, Series C-2	Principal	-	-	-	-
2009 Residential Mtg Revenue Bonds, Series C-2	Interest	1,424,760.01	1,424,760.00	1,424,760.00	1,424,760.00
2011 Residential Mtg Revenue Bonds, Series A	Principal	2,210,000.00	2,260,000.00	2,330,000.00	2,435,000.00
2011 Residential Mtg Revenue Bonds, Series A	Interest	2,113,651.54	2,069,392.74	2,012,196.48	1,943,274.00
2011 Residential Mtg Revenue Bonds, Series B	Principal	2,810,000.00	2,865,000.00	2,920,000.00	3,000,000.00
2011 Residential Mtg Revenue Bonds, Series B	Interest	2,924,640.28	2,892,867.78	2,851,115.28	2,794,117.80
TOTAL RESIDENTIAL MTG REVENUE BONDS		17,932,625.82	17,972,144.48	17,947,201.96	18,034,618.22
1992 Coll Home Mtg Rev Bonds, Series C	Principal	-	-	-	-
1992 Coll Home Mtg Rev Bonds, Series C	Interest	320,220.43	291,109.46	320,220.40	291,109.46
TOTAL COLL HOME MTG REV BONDS		320,220.43	291,109.46	320,220.40	291,109.46
1996 MF Series A/B (Brighton's Mark Development)	Principal	-	-	-	-
1996 MF Series A/B (Brighton's Mark Development)	Interest	494,997.50	494,997.50	494,997.50	494,997.50
1998 MF Series A (Pebble Brook Apartments Project)	Principal	275,000.00	295,000.00	315,000.00	335,000.00
1998 MF Series A (Pebble Brook Apartments Project)	Interest	470,565.06	455,165.04	438,665.04	421,065.06
1998 MF Series A/B (Greens of Hickory Trail Apts)	Principal	355,000.00	370,000.00	395,000.00	425,000.00
1998 MF Series A/B (Greens of Hickory Trail Apts)	Interest	552,540.30	533,820.24	514,190.28	493,260.24
1998 MF Series A-C (Residence at the Oaks Projects)	Principal	-	-	-	-
1998 MF Series A-C (Residence at the Oaks Projects)	Interest	381,108.36	381,108.36	381,108.36	381,108.36
1999 MF Series A-C (Mayfield Apartments)	Principal	294,000.00	312,000.00	329,000.00	349,000.00
1999 MF Series A-C (Mayfield Apartments)	Interest	506,074.50	489,060.00	471,048.00	452,010.00
2000 MF Series A (Creek Point Apartments)	Principal	-	-	-	-
2000 MF Series A (Creek Point Apartments)	Interest	6,325.62	6,446.02	6,453.38	6,438.62
2000 MF Series A (Deerwood Apartments)	Principal	135,000.00	145,000.00	155,000.00	170,000.00
2000 MF Series A (Deerwood Apartments)	Interest	314,686.74	334,832.58	325,540.08	315,617.58
2000 MF Series A/B (Oaks at Hampton Apartments)	Principal	119,538.00	128,436.00	137,994.00	148,265.00
2000 MF Series A/B (Oaks at Hampton Apartments)	Interest	658,295.59	649,399.19	639,840.54	629,570.40
2000 MF Series A (Timber Point Apartments)	Principal	-	-	-	-
2000 MF Series A (Timber Point Apartments)	Interest	6,117.11	6,182.98	6,190.08	6,175.91
2000 MF Series A/B (Greenbridge at Buckingham Apts)	Principal	853,490.23	198,367.94	213,555.41	229,905.68
2000 MF Series A/B (Greenbridge at Buckingham Apts)	Interest	1,449,925.08	1,371,284.39	1,356,097.00	1,339,746.61
2000 MF Series A/B (Parks at Westmoreland Apts)	Principal	116,097.00	124,738.00	134,023.00	143,995.00
2000 MF Series A/B (Parks at Westmoreland Apts)	Interest	655,877.77	647,237.35	637,953.73	627,979.29
2000 MF Series A/B (Williams Run Apartments)	Principal	487,038.97	144,010.81	155,422.25	167,737.92
2000 MF Series A/B (Williams Run Apartments)	Interest	895,670.05	885,096.49	873,685.05	861,369.42
2000 MF Series A-C (Collingham Park Apartments)	Principal	291,000.00	308,000.00	327,000.00	348,000.00
2000 MF Series A-C (Collingham Park Apartments)	Interest	771,052.80	751,228.80	730,228.80	707,918.40

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
390,000.00	1,990,000.00	9,170,000.00	9,935,000.00	10,855,000.00	6,945,000.00	-	40,800,000.00
2,066,826.06	10,188,870.90	8,802,426.66	6,222,897.18	3,576,076.14	345,496.92	-	39,603,219.77
1,435,000.00	6,895,000.00	-	-	-	-	-	12,850,000.00
408,195.24	860,809.32	-	-	-	-	-	3,462,122.78
-	-	-	23,145,000.00	33,900,000.00	22,325,000.00	-	79,370,000.00
2,281,887.60	11,409,438.00	11,409,438.00	10,198,416.36	5,984,672.40	1,068,278.34	-	51,479,681.14
-	-	-	-	30,400,000.00	27,050,000.00	-	57,450,000.00
1,424,760.00	7,123,800.00	7,123,800.00	7,123,800.00	5,662,583.76	1,301,627.88	-	35,459,411.65
2,555,000.00	15,080,000.00	19,270,000.00	3,145,000.00	-	-	-	49,285,000.00
1,863,186.48	7,629,347.64	3,492,140.46	104,000.04	-	-	-	21,227,189.38
3,065,000.00	17,150,000.00	21,425,000.00	24,820,000.00	2,670,000.00	-	-	80,725,000.00
2,724,745.32	12,162,695.46	8,523,840.96	3,528,835.32	56,737.50	-	-	38,459,595.70
18,214,600.70	90,489,961.32	89,216,646.08	88,222,948.90	93,105,069.80	59,035,403.14	-	510,171,220.42
-	-	4,400,000.00	-	-	-	-	4,400,000.00
320,220.46	1,513,769.33	259,503.31	-	-	-	-	3,316,152.85
320,220.46	1,513,769.33	4,659,503.31	-	-	-	-	7,716,152.85
-	-	8,075,000.00	-	-	-	-	8,075,000.00
494,997.50	2,474,987.50	1,484,992.50	-	-	-	-	6,434,967.50
350,000.00	2,145,000.00	2,950,000.00	1,860,000.00	-	-	-	8,525,000.00
402,365.04	1,688,211.48	997,527.18	159,179.82	-	-	-	5,032,743.72
455,000.00	2,710,000.00	3,650,000.00	2,270,000.00	-	-	-	10,630,000.00
470,900.22	1,963,574.82	1,146,863.28	182,043.96	-	-	-	5,857,193.34
-	-	-	6,358,000.00	-	-	-	6,358,000.00
381,108.36	1,905,541.80	1,905,541.80	857,493.81	-	-	-	6,574,119.21
369,000.00	2,196,000.00	2,914,000.00	2,188,000.00	-	-	-	8,951,000.00
429,865.50	1,812,856.50	1,099,843.50	223,411.50	-	-	-	5,484,169.50
-	-	-	5,860,000.00	-	-	-	5,860,000.00
6,446.02	32,230.06	32,237.42	26,858.37	-	-	-	123,435.51
180,000.00	1,105,000.00	1,565,000.00	1,965,000.00	-	-	-	5,420,000.00
304,750.08	1,333,420.20	918,719.64	328,799.70	-	-	-	4,176,366.60
159,298.00	992,987.00	1,421,750.00	2,035,643.00	2,914,605.00	1,138,584.00	-	9,197,100.00
618,536.09	2,896,186.96	2,467,427.28	1,853,535.39	974,569.74	68,230.46	-	11,455,591.64
-	-	-	6,870,000.00	-	-	-	6,870,000.00
6,182.98	30,914.93	30,922.03	25,255.65	-	-	-	117,941.67
247,507.74	1,552,519.12	2,245,083.43	3,246,594.26	4,694,869.64	5,992,181.55	-	19,474,075.00
1,322,144.55	6,295,742.22	5,603,177.96	4,601,668.08	3,153,394.00	763,032.41	-	27,256,212.30
154,715.00	964,404.00	1,380,825.00	1,977,049.00	2,829,710.00	1,336,382.00	-	9,161,938.00
617,262.43	2,895,470.99	2,479,049.97	1,882,826.80	1,029,377.41	95,227.49	-	11,568,263.23
181,029.48	1,144,447.44	1,675,661.83	2,453,446.65	3,592,253.71	2,120,974.64	-	12,122,023.70
848,077.90	4,001,089.80	3,469,874.97	2,692,089.30	1,553,281.58	194,506.06	-	16,274,740.62
370,000.00	2,226,000.00	3,037,000.00	4,161,000.00	478,000.00	-	-	11,546,000.00
684,163.20	3,009,484.80	2,146,435.20	965,731.20	16,060.80	-	-	9,782,304.00

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2000 MF Series A-C (Highland Meadow Village Apts)	Principal	182,000.00	194,000.00	207,000.00	221,000.00
2000 MF Series A-C (Highland Meadow Village Apts)	Interest	516,511.14	504,023.64	490,726.14	476,517.30
2001 MF Series A (Bluffview Apartments)	Principal	93,492.56	100,850.82	108,788.17	117,350.25
2001 MF Series A (Bluffview Apartments)	Interest	760,974.83	753,616.69	745,679.53	737,117.37
2001 MF Series A (Knollwood Apartments)	Principal	120,142.31	129,598.01	139,797.90	150,800.55
2001 MF Series A (Knollwood Apartments)	Interest	977,887.33	968,431.64	958,231.74	947,229.18
2001 MF Series A (Oak Hollow Apartments)	Principal	60,681.08	65,067.71	69,771.48	74,815.25
2001 MF Series A (Oak Hollow Apartments)	Interest	424,629.37	420,242.60	415,538.84	410,494.83
2001 MF Series A (Skyway Villas Apartments)	Principal	160,000.00	170,000.00	180,000.00	195,000.00
2001 MF Series A (Skyway Villas Apartments)	Interest	376,932.90	367,923.60	358,369.26	348,257.16
2001 MF Series A/B (Hillside Apartments)	Principal	68,336.09	73,276.09	78,573.25	84,253.33
2001 MF Series A/B (Hillside Apartments)	Interest	857,302.47	852,362.48	847,065.14	841,385.00
2001 MF Series A/B (Meridian Apartments)	Principal	94,000.00	96,000.00	105,000.00	108,000.00
2001 MF Series A/B (Meridian Apartments)	Interest	487,664.76	481,919.76	475,979.76	469,529.76
2001 MF Series A/B (Wildwood Apartments)	Principal	72,000.00	81,000.00	84,000.00	89,000.00
2001 MF Series A/B (Wildwood Apartments)	Interest	376,800.00	372,300.00	367,290.00	362,200.00
2001 MF Series A-C (Fallbrook Apartments)	Principal	302,000.00	320,000.00	339,000.00	360,000.00
2001 MF Series A-C (Fallbrook Apartments)	Interest	769,832.10	751,288.50	731,593.50	710,716.80
2002 MF Series A (Clarkridge Villas Apartments)	Principal	123,132.89	132,034.19	141,578.94	151,813.70
2002 MF Series A (Clarkridge Villas Apartments)	Interest	920,626.79	911,725.64	902,180.97	891,946.20
2002 MF Series A (Green Crest Apartments)	Principal	100,720.12	108,001.17	115,808.59	124,180.42
2002 MF Series A (Green Crest Apartments)	Interest	758,033.27	750,752.30	742,944.90	734,573.14
2002 MF Series A (Hickory Trace Apartments)	Principal	101,160.54	108,473.45	116,315.02	124,723.45
2002 MF Series A (Hickory Trace Apartments)	Interest	761,347.38	754,034.34	746,192.85	737,784.36
2002 MF Series A (Park Meadows Apartments)	Principal	90,000.00	95,000.00	105,000.00	105,000.00
2002 MF Series A (Park Meadows Apartments)	Interest	252,874.44	246,997.32	240,630.60	233,610.90
2002 MF Series A/B (Ironwood Crossing)	Principal	122,899.85	134,095.52	146,311.05	159,639.39
2002 MF Series A/B (Ironwood Crossing)	Interest	1,159,105.97	1,147,910.05	1,135,694.62	1,122,366.25
2003 MF Series A/B (Ash Creek Apartments)	Principal	129,237.00	140,101.00	151,881.00	164,649.00
2003 MF Series A/B (Ash Creek Apartments)	Interest	1,040,388.76	1,029,693.44	1,018,023.53	1,005,411.67
2003 MF Series A/B (North Vista Apartments)	Principal	260,000.00	275,000.00	290,000.00	310,000.00
2003 MF Series A/B (North Vista Apartments)	Interest	584,197.20	571,339.68	557,103.96	542,107.92
2003 MF Series A/B (Peninsula Apartments)	Principal	205,000.00	210,000.00	235,000.00	250,000.00
2003 MF Series A/B (Peninsula Apartments)	Interest	578,189.70	568,126.02	557,698.62	545,237.40
2003 MF Series A/B (Primrose Houston School)	Principal	128,120.00	138,921.00	150,631.00	163,327.00
2003 MF Series A/B (Primrose Houston School)	Interest	1,047,718.07	1,037,078.11	1,025,541.42	1,013,032.19
2003 MF Series A/B (Reading Road)	Principal	30,000.00	40,000.00	40,000.00	40,000.00
2003 MF Series A/B (Reading Road)	Interest	125,410.16	123,181.23	120,488.55	117,773.88
2003 MF Series A/B (Timber Oaks Apartments)	Principal	95,165.83	99,785.89	104,630.31	109,709.88
2003 MF Series A/B (Timber Oaks Apartments)	Interest	886,761.66	878,250.84	869,326.74	859,969.55
2003 MF Series A/B (West Virginia Apartments)	Principal	190,000.00	195,000.00	205,000.00	215,000.00
2003 MF Series A/B (West Virginia Apartments)	Interest	421,883.58	412,413.24	402,374.16	391,835.10
2004 MF Series A (Bristol Apartments)	Principal	-	-	-	-
2004 MF Series A (Bristol Apartments)	Interest	8,234.89	8,190.01	8,198.53	8,181.49
2004 MF Series A (Chisholm Trail Apartments)	Principal	-	-	-	-

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
237,000.00	1,456,000.00	2,030,000.00	2,831,000.00	339,000.00	-	-	7,697,000.00
461,329.74	2,038,841.46	1,465,393.86	665,922.36	11,441.28	-	-	6,630,706.92
126,586.18	799,011.14	1,166,982.42	1,704,416.82	2,489,357.72	3,348,250.48	-	10,055,086.56
727,881.54	3,473,327.02	3,105,357.52	2,567,920.96	1,782,978.05	521,102.73	-	15,175,956.24
162,669.17	1,026,766.59	1,499,626.97	2,190,255.30	3,198,941.00	4,302,658.34	-	12,921,256.14
935,360.63	4,463,381.79	3,990,522.08	3,299,895.01	2,291,210.63	669,641.55	-	19,501,791.58
80,223.65	496,961.51	704,505.17	998,724.40	1,415,817.20	2,127,023.46	-	6,093,590.91
405,086.43	1,929,589.32	1,722,046.73	1,427,827.36	1,010,735.62	358,791.36	-	8,524,982.46
205,000.00	1,210,000.00	1,640,000.00	2,200,000.00	800,000.00	-	-	6,760,000.00
337,289.52	1,500,409.14	1,110,412.38	581,739.60	45,354.00	-	-	5,026,687.56
90,343.98	559,653.96	793,379.63	1,124,715.01	1,594,424.41	7,811,133.53	-	12,278,089.28
835,294.36	4,068,537.91	3,834,810.80	3,503,473.31	3,033,763.05	1,667,736.06	-	20,341,730.58
119,000.00	776,000.00	993,000.00	5,879,000.00	-	-	-	8,170,000.00
462,774.76	2,185,797.66	1,923,730.54	623,595.86	229.96	-	-	7,111,222.82
96,000.00	571,000.00	770,000.00	4,545,000.00	5,000.00	-	-	6,313,000.00
356,580.00	1,687,515.00	1,488,395.00	225,375.00	400.00	-	-	5,236,855.00
383,000.00	2,296,000.00	3,095,000.00	4,170,000.00	1,513,000.00	-	-	12,778,000.00
688,567.50	3,059,512.20	2,260,834.50	1,184,427.00	92,596.80	-	-	10,249,368.90
162,788.34	1,008,425.01	1,429,568.73	2,026,592.74	2,872,949.07	5,158,651.65	-	13,207,535.26
880,971.57	4,210,373.74	3,789,229.49	3,192,204.74	2,345,847.90	1,046,075.14	-	19,091,182.18
133,157.44	824,870.44	1,169,357.16	1,657,710.26	2,350,011.95	4,290,820.63	-	10,874,638.18
725,596.27	3,468,899.45	3,124,413.16	2,636,059.30	1,943,757.81	895,014.38	-	15,780,043.98
133,739.72	828,951.00	1,174,470.57	1,664,959.19	2,360,288.20	4,309,107.92	-	10,922,189.06
728,768.19	3,484,041.27	3,137,906.35	2,647,418.76	1,952,089.85	898,785.66	-	15,848,369.01
120,000.00	715,000.00	980,000.00	1,360,000.00	325,000.00	-	-	3,895,000.00
226,591.20	1,004,967.42	734,461.80	361,762.56	15,998.58	-	-	3,317,894.82
174,181.87	1,128,828.02	1,619,532.27	2,295,889.88	3,254,711.49	7,266,274.61	-	16,302,363.95
1,107,823.67	5,281,197.68	4,790,494.97	4,114,137.52	3,155,316.14	1,633,341.47	-	24,647,388.34
178,399.00	1,099,675.00	1,538,902.00	2,153,568.00	10,131,823.00	-	-	15,688,235.00
991,916.08	4,756,626.22	4,326,519.20	3,724,622.18	1,660,822.83	-	-	19,554,023.91
325,000.00	1,900,000.00	2,500,000.00	3,265,000.00	2,445,000.00	-	-	11,570,000.00
526,226.76	2,361,550.38	1,813,681.80	1,095,619.08	222,192.30	-	-	8,274,019.08
265,000.00	1,665,000.00	8,170,000.00	-	-	-	-	11,000,000.00
531,854.94	2,417,197.32	633,879.90	-	-	-	-	5,832,183.90
177,095.00	1,113,094.00	1,553,698.00	2,163,492.00	10,378,459.00	-	-	15,966,837.00
999,468.59	4,777,174.91	4,346,721.14	3,749,785.89	1,821,981.48	-	-	19,818,501.80
40,000.00	270,000.00	375,000.00	525,000.00	9,560,000.00	-	-	10,920,000.00
115,081.23	526,298.70	420,835.86	272,657.19	68,292.77	-	-	1,890,019.57
115,036.05	664,575.55	580,187.17	-	-	10,900,000.00	-	12,669,090.68
850,158.25	4,086,116.02	3,773,964.19	3,678,750.00	3,678,750.00	183,937.50	-	19,745,984.75
235,000.00	1,370,000.00	1,805,000.00	2,375,000.00	1,765,000.00	-	-	8,355,000.00
380,660.76	1,709,875.86	1,313,979.66	793,355.16	160,988.82	-	-	5,987,366.34
-	-	-	-	11,700,000.00	-	-	11,700,000.00
8,190.01	40,950.05	40,958.57	40,941.53	31,391.30	-	-	195,236.38
-	-	-	-	11,000,000.00	-	-	11,000,000.00

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2004 MF Series A (Chisholm Trail Apartments)	Interest	7,742.14	7,699.95	7,708.02	7,691.97
2004 MF Series A (Churchill at Pinnacle Park)	Principal	99,344.64	106,050.65	113,209.34	120,851.27
2004 MF Series A (Churchill at Pinnacle Park)	Interest	626,991.97	620,285.91	613,126.95	605,485.01
2004 MF Series A (Evergreen at Plano Parkway)	Principal	117,860.60	125,816.47	134,309.40	143,375.64
2004 MF Series A (Evergreen at Plano Parkway)	Interest	924,709.91	916,754.03	908,261.08	899,194.76
2004 MF Series A (Humble Parkway Townhomes)	Principal	145,000.00	155,000.00	165,000.00	180,000.00
2004 MF Series A (Humble Parkway Townhomes)	Interest	717,420.00	707,685.00	697,290.00	686,070.00
2004 MF Series A (Montgomery Pines Apartments)	Principal	-	-	-	-
2004 MF Series A (Montgomery Pines Apartments)	Interest	8,094.15	8,050.04	8,058.37	8,041.64
2004 MF Series A (Pinnacle Apartments)	Principal	-	-	-	-
2004 MF Series A (Pinnacle Apartments)	Interest	8,251.39	8,198.97	8,207.51	8,190.45
2004 MF Series A (Providence at Rush Creek II)	Principal	72,995.65	78,039.36	83,431.61	89,196.39
2004 MF Series A (Providence at Rush Creek II)	Interest	565,346.40	560,302.84	554,910.73	549,145.74
2004 MF Series A (Tranquility Bay Apartments)	Principal	124,307.49	132,632.58	141,515.24	150,992.78
2004 MF Series A (Tranquility Bay Apartments)	Interest	883,849.37	875,524.23	866,641.54	857,163.91
2004 MF Series A/B (Century Park Townhomes)	Principal	230,000.00	245,000.00	255,000.00	275,000.00
2004 MF Series A/B (Century Park Townhomes)	Interest	616,912.74	604,244.10	590,901.60	576,885.36
2004 MF Series A/B (Timber Ridge II Apartments)	Principal	51,881.00	55,616.00	59,619.00	63,909.00
2004 MF Series A/B (Timber Ridge II Apartments)	Interest	431,922.59	428,306.52	424,430.25	420,274.90
2004 MF Series A/B (Providence at Veterans Memorial)	Principal	54,391.49	57,032.10	59,800.87	62,704.07
2004 MF Series A/B (Providence at Veterans Memorial)	Interest	447,704.09	444,035.08	440,187.87	436,153.91
2003 MF Series A/B (Parkview Townhomes)	Principal	105,482.60	110,603.54	115,973.10	121,603.35
2003 MF Series A/B (Parkview Townhomes)	Interest	881,131.99	874,016.52	866,555.64	858,732.56
2003 MF Series A/B (Arlington Villas)	Principal	120,219.00	130,262.00	141,142.00	152,933.00
2003 MF Series A/B (Arlington Villas)	Interest	1,128,463.55	1,118,483.19	1,107,669.00	1,095,951.66
2003 MF Series A (NHP Fndtn-Asmara Proj Refunding)	Principal	510,000.00	540,000.00	570,000.00	610,000.00
2003 MF Series A (NHP Fndtn-Asmara Proj Refunding)	Interest	11,112.50	10,871.47	10,558.15	10,190.18
2004 MF Series A (Providence at Village Fair)	Principal	117,609.42	125,485.94	133,889.97	142,856.82
2004 MF Series A (Providence at Village Fair)	Interest	872,984.31	865,107.85	856,703.88	847,736.91
2005 MF Series A (Homes at Pecan Grove)	Principal	135,518.11	124,190.28	132,507.50	141,381.78
2005 MF Series A (Homes at Pecan Grove)	Interest	869,280.72	861,485.55	853,168.22	844,294.05
2005 MF Series A (Providence at Prairie Oaks)	Principal	91,672.00	97,812.00	104,364.00	111,353.00
2005 MF Series A (Providence at Prairie Oaks)	Interest	684,644.26	678,504.68	671,953.99	664,964.66
2005 MF Series A (Port Royal Homes)	Principal	100,668.00	107,408.00	114,604.00	122,279.00
2005 MF Series A (Port Royal Homes)	Interest	756,441.36	749,699.72	742,506.35	734,831.18
2005 MF Series A (Mission Del Rio Homes)	Principal	125,092.61	101,159.00	107,933.00	115,161.00
2005 MF Series A (Mission Del Rio Homes)	Interest	735,536.61	706,068.09	699,293.31	692,064.89
2005 MF Series A (Atascocita Pines Apartments)	Principal	-	-	-	-
2005 MF Series A (Atascocita Pines Apartments)	Interest	7,875.82	7,832.90	7,841.10	7,824.79
2005 MF Series A (Tower Ridge Apartments)	Principal	-	-	-	-
2005 MF Series A (Tower Ridge Apartments)	Interest	16,500.03	16,500.03	16,517.18	16,482.85
2005 MF Series A (Prairie Ranch Apartments)	Principal	150,000.00	160,000.00	165,000.00	175,000.00
2005 MF Series A (Prairie Ranch Apartments)	Interest	551,566.10	544,169.77	536,288.55	528,164.81

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
7,699.95	38,499.84	38,507.91	38,491.86	28,226.21	-	-	182,267.85
129,009.03	788,040.15	1,092,428.50	1,514,389.90	2,099,338.10	2,910,228.32	644,508.00	9,617,397.90
597,327.44	2,843,641.86	2,539,254.45	2,117,293.72	1,532,345.43	721,456.62	21,299.16	12,838,508.52
153,053.88	934,915.90	1,296,036.44	1,796,643.40	2,490,614.80	3,452,639.57	3,525,813.47	14,171,079.57
889,516.49	4,277,936.14	3,916,815.16	3,416,208.25	2,722,237.07	1,760,211.60	159,744.61	20,791,589.10
190,000.00	1,165,000.00	1,625,000.00	2,225,000.00	3,085,000.00	1,970,000.00	-	10,905,000.00
674,025.00	3,160,410.00	2,710,950.00	2,091,705.00	1,237,005.00	200,145.00	-	12,882,705.00
-	-	-	-	11,500,000.00	-	-	11,500,000.00
8,050.04	40,250.13	40,258.46	40,241.73	30,854.74	-	-	191,899.30
-	-	-	-	13,665,000.00	-	-	13,665,000.00
8,198.97	40,994.87	41,003.41	40,986.35	31,425.66	-	-	195,457.58
95,359.53	585,223.03	817,345.00	1,141,536.45	1,594,312.31	2,226,677.97	1,686,946.74	8,471,064.04
542,982.66	2,606,488.95	2,374,366.42	2,050,174.29	1,597,398.81	965,034.45	44,636.17	12,410,787.46
161,105.06	982,565.14	1,358,708.10	1,878,845.11	2,598,099.59	3,592,697.12	2,532,518.00	13,653,986.21
847,051.62	4,058,216.99	3,682,072.54	3,161,937.20	2,442,683.19	1,448,085.27	119,793.74	19,243,019.60
290,000.00	1,715,000.00	2,290,000.00	3,050,000.00	3,150,000.00	-	-	11,500,000.00
561,775.38	2,552,629.14	2,024,517.96	1,319,752.80	394,484.64	-	-	9,242,103.72
68,509.00	423,989.00	600,169.00	849,544.00	4,249,070.00	-	-	6,422,306.00
415,820.56	2,000,222.53	1,829,606.97	1,588,098.42	796,750.26	-	-	8,335,433.00
65,748.23	379,834.41	481,432.81	610,206.76	773,425.26	4,263,531.78	-	6,808,107.78
431,924.20	2,088,638.65	1,947,460.75	1,768,532.00	1,541,742.86	611,520.08	-	10,157,899.49
127,506.97	736,621.16	933,653.05	1,183,387.17	1,499,920.29	8,463,672.52	-	13,398,423.75
850,529.71	4,114,970.24	3,841,200.37	3,494,202.05	3,054,388.87	1,344,251.16	-	20,179,979.11
165,710.00	1,059,491.00	1,520,119.00	2,144,267.00	11,069,699.00	-	-	16,503,842.00
1,083,255.41	5,187,117.31	4,735,186.31	4,124,600.17	2,290,549.67	-	-	21,871,276.27
640,000.00	3,850,000.00	5,155,000.00	6,800,000.00	-	-	-	18,675,000.00
9,834.38	42,863.46	29,782.83	12,238.10	-	-	-	137,451.07
152,424.20	929,621.55	1,285,496.79	1,777,607.20	2,458,106.00	3,399,111.65	2,961,579.37	13,483,788.91
838,169.33	4,023,346.78	3,667,472.76	3,175,360.59	2,494,860.88	1,553,853.58	212,328.13	19,407,925.00
150,850.38	920,022.95	1,272,223.68	1,759,252.93	2,432,725.46	3,364,014.82	3,012,697.30	13,445,385.19
834,825.42	4,008,355.77	3,656,154.72	3,169,124.78	2,495,650.63	1,564,361.37	227,592.83	19,384,294.06
118,810.00	724,610.00	1,002,000.00	1,385,584.00	1,916,008.00	2,649,489.00	2,372,798.73	10,574,500.73
657,507.22	3,156,972.92	2,879,577.72	2,495,992.97	1,965,567.60	1,232,086.52	179,251.79	15,267,024.33
130,468.00	795,708.00	1,100,319.00	1,521,544.00	2,104,017.00	2,909,469.00	2,676,669.68	11,683,153.68
726,641.90	3,489,836.47	3,185,224.42	2,764,001.55	2,181,527.74	1,376,073.70	212,405.83	16,919,190.22
122,874.00	749,406.00	1,036,285.00	1,432,997.00	1,981,569.00	2,740,148.00	2,520,889.28	11,033,513.89
684,352.43	3,286,733.25	2,999,849.33	2,603,142.11	2,054,567.83	1,295,989.98	200,043.81	15,957,641.64
-	-	-	-	11,190,000.00	-	-	11,190,000.00
7,832.90	39,164.59	39,172.79	39,156.48	36,546.47	-	-	193,247.84
-	-	-	-	15,000,000.00	-	-	15,000,000.00
16,500.03	82,500.12	82,517.27	82,482.94	76,352.16	-	-	406,352.61
180,000.00	1,070,000.00	1,400,000.00	1,760,000.00	2,220,000.00	2,810,000.00	1,320,000.00	11,410,000.00
519,677.29	2,454,462.98	2,159,462.22	1,781,768.57	1,307,923.85	708,221.16	80,873.82	11,172,579.12

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2005 MF Series A (St Augustine Estate Apartments)	Principal	-	-	-	-
2005 MF Series A (St Augustine Estate Apartments)	Interest	4,349.68	4,325.97	4,330.50	4,321.48
2005 MF Series A (Park Manor Senior Community)	Principal	-	-	-	-
2005 MF Series A (Park Manor Senior Community)	Interest	665,600.04	665,600.04	665,600.04	665,600.04
2005 MF Series A (Providence at Mockingbird Apts)	Principal	83,412.15	88,029.55	92,902.61	98,045.39
2005 MF Series A (Providence at Mockingbird Apts)	Interest	587,901.70	583,284.18	578,411.16	573,268.08
2005 MF Series A (Plaza at Chase Oaks Apartments)	Principal	280,964.49	295,486.25	310,758.58	326,820.26
2005 MF Series A (Plaza at Chase Oaks Apartments)	Interest	642,232.68	627,711.16	612,438.80	596,376.96
2005 MF Series A (Coral Hills Apartments)	Principal	65,000.00	90,000.00	100,000.00	100,000.00
2005 MF Series A (Coral Hills Apartments)	Interest	235,077.78	231,163.92	226,492.56	221,442.48
2006 MF Series A (Harris Branch Apartments)	Principal	-	-	-	-
2006 MF Series A (Harris Branch Apartments)	Interest	9,846.61	9,792.95	9,803.22	9,782.81
2006 MF Series A (Bella Vista Apartments)	Principal	55,000.00	60,000.00	65,000.00	70,000.00
2006 MF Series A (Bella Vista Apartments)	Interest	402,517.44	399,135.00	395,445.00	391,447.44
2006 MF Series A (Village Park Apartments)	Principal	175,000.00	185,000.00	195,000.00	205,000.00
2006 MF Series A (Village Park Apartments)	Interest	500,937.60	492,506.34	483,600.12	474,218.94
2006 MF Series A (Oakmoor Apartments)	Principal	119,903.13	127,298.50	135,149.96	143,485.73
2006 MF Series A (Oakmoor Apartments)	Interest	837,139.10	829,743.51	821,891.94	813,556.16
2006 MF Series A (The Residences at Sunset Pointe)	Principal	-	-	-	-
2006 MF Series A (The Residences at Sunset Pointe)	Interest	16,500.03	16,500.03	16,517.18	16,482.85
2006 MF Series A (Hillcrest Apartments)	Principal	170,000.00	185,000.00	195,000.00	210,000.00
2006 MF Series A (Hillcrest Apartments)	Interest	550,593.90	541,537.74	531,693.90	521,193.84
2006 MF Series A (Pleasant Village)	Principal	132,522.91	106,909.56	112,693.44	120,647.55
2006 MF Series A (Pleasant Village)	Interest	438,074.41	328,630.98	322,847.27	314,893.20
2006 MF Series A (Grove Village)	Principal	136,498.06	110,116.80	116,074.19	124,266.90
2006 MF Series A (Grove Village)	Interest	461,519.39	338,490.84	332,533.43	324,340.71
2006 MF Series A (Red Hills Villas)	Principal	-	-	-	-
2006 MF Series A (Red Hills Villas)	Interest	6,129.37	6,129.37	6,136.19	6,123.22
2006 MF Series A (Champion Crossing Apartments)	Principal	-	-	-	100,000.00
2006 MF Series A (Champion Crossing Apartments)	Interest	6,077.53	6,077.53	6,084.04	5,952.47
2006 MF Series A (Stonehaven Apartments)	Principal	153,772.45	162,932.19	172,637.59	182,921.06
2006 MF Series A (Stonehaven Apartments)	Interest	573,499.81	564,339.98	554,634.68	544,351.21
2006 MF Series A (Meadowlands Apartments)	Principal	98,149.82	104,203.47	110,630.52	117,453.97
2006 MF Series A (Meadowlands Apartments)	Interest	721,229.33	715,175.61	708,748.43	701,924.77
2006 MF Series A (East Tex Pines)	Principal	110,000.00	110,000.00	125,000.00	125,000.00
2006 MF Series A (East Tex Pines)	Interest	763,570.14	757,190.10	750,375.06	743,125.02
2006 MF Series A (Villas at Henderson)	Principal	-	-	-	-
2006 MF Series A (Villas at Henderson)	Interest	4,801.82	4,777.50	4,782.51	4,772.56
2006 MF Series A (Aspen Park)	Principal	110,000.00	120,000.00	125,000.00	135,000.00
2006 MF Series A (Aspen Park)	Interest	465,874.86	460,249.80	454,249.80	447,874.86
2006 MF Series A (Idlewilde)	Principal	-	-	-	-
2006 MF Series A (Idlewilde)	Interest	9,660.17	9,607.52	9,617.50	9,597.52
2007 MF Series A (Lancaster)	Principal	-	-	-	-
2007 MF Series A (Lancaster)	Interest	9,649.51	9,596.92	9,606.96	9,586.96

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
-	-	-	-	-	6,180,000.00	-	6,180,000.00
4,325.97	21,629.89	21,634.42	21,625.40	21,629.89	367.41	-	108,540.61
-	-	-	-	-	-	10,400,000.00	10,400,000.00
665,600.04	3,328,000.20	3,328,000.20	3,328,000.20	3,328,000.20	3,328,000.20	1,275,733.41	21,243,734.61
103,472.87	609,893.90	798,455.61	1,045,315.12	1,368,496.53	6,636,876.56	-	10,924,900.29
567,840.73	2,746,673.53	2,558,110.68	2,311,249.04	1,988,066.98	683,301.01	-	13,178,107.09
343,712.10	2,004,124.50	2,578,421.78	3,317,288.35	3,387,511.69	-	-	12,845,088.00
579,485.03	2,611,861.26	2,037,564.50	1,298,699.74	267,042.40	-	-	9,273,412.53
100,000.00	625,000.00	3,585,000.00	-	-	-	-	4,665,000.00
216,392.40	996,237.84	513,837.48	-	-	-	-	2,640,644.46
-	-	-	-	-	13,990,000.00	-	13,990,000.00
9,792.95	48,964.88	48,975.15	48,954.74	48,964.88	5,687.96	-	250,566.15
70,000.00	440,000.00	590,000.00	810,000.00	1,095,000.00	1,495,000.00	1,795,000.00	6,545,000.00
387,142.44	1,863,449.76	1,710,314.40	1,503,674.40	1,221,697.08	839,167.20	264,142.44	9,378,132.60
220,000.00	1,310,000.00	7,650,000.00	-	-	-	-	9,940,000.00
464,243.88	2,147,859.60	1,285,093.74	-	-	-	-	5,848,460.22
152,335.62	914,753.54	1,233,865.58	1,664,299.78	2,244,890.87	3,028,021.54	4,242,665.65	14,006,669.90
804,706.05	3,870,455.16	3,551,341.30	3,120,905.69	2,540,315.01	1,757,185.40	514,692.39	19,461,931.71
-	-	-	-	-	15,000,000.00	-	15,000,000.00
16,500.03	82,500.12	82,517.27	82,482.94	82,500.12	15,098.66	-	427,599.23
225,000.00	1,325,000.00	8,220,000.00	-	-	-	-	10,530,000.00
510,037.50	2,358,825.48	1,601,643.72	-	-	-	-	6,615,526.08
128,195.08	4,982,040.42	-	-	-	-	-	5,583,008.96
307,345.66	1,298,391.35	-	-	-	-	-	3,010,182.87
132,040.84	5,131,502.63	-	-	-	-	-	5,750,499.42
316,566.84	1,336,606.84	-	-	-	-	-	3,110,058.05
-	100,000.00	700,000.00	1,000,000.00	2,915,000.00	-	-	4,715,000.00
6,129.37	30,528.54	27,740.46	21,652.77	9,352.29	-	-	119,921.58
100,000.00	500,000.00	700,000.00	1,000,000.00	2,275,000.00	-	-	4,675,000.00
5,828.53	27,192.98	23,579.69	17,493.76	6,785.03	-	-	105,071.56
193,817.09	1,156,645.40	7,934,944.45	-	-	-	-	9,957,670.23
533,455.16	2,479,716.11	1,377,192.67	-	-	-	-	6,627,189.62
124,698.26	748,795.34	1,010,012.74	1,362,355.80	1,837,613.84	2,478,665.70	4,072,392.16	12,064,971.62
694,680.52	3,348,098.40	3,086,881.13	2,734,539.11	2,259,281.06	1,618,227.99	584,103.22	17,172,889.57
135,000.00	810,000.00	1,065,000.00	1,420,000.00	1,875,000.00	2,490,000.00	4,955,000.00	13,220,000.00
735,585.00	3,545,830.08	3,275,694.96	2,917,690.14	2,443,104.96	1,813,950.24	793,004.94	18,539,120.64
-	-	6,825,000.00	-	-	-	-	6,825,000.00
4,777.50	23,887.57	1,020.94	-	-	-	-	48,820.40
140,000.00	845,000.00	7,870,000.00	-	-	-	-	9,345,000.00
440,999.82	2,088,749.10	1,500,624.60	-	-	-	-	5,858,622.84
-	-	-	-	-	13,725,000.00	-	13,725,000.00
9,607.52	48,037.58	48,047.56	48,027.58	48,037.58	17,623.77	-	257,864.30
-	-	-	-	-	13,710,000.00	-	13,710,000.00
9,596.92	47,984.68	47,994.72	47,974.72	47,984.68	18,391.02	-	258,367.09

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-C

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST)

August 31, 2013

DESCRIPTION		2014	2015	2016	2017
2007 MF Series A (Park Place at Loyola)	Principal	97,465.45	103,271.16	109,422.68	115,940.69
2007 MF Series A (Park Place at Loyola)	Interest	813,235.01	807,429.22	801,277.73	794,759.78
2007 MF Series A (Terrace at Cibolo)	Principal	-	-	-	-
2007 MF Series A (Terrace at Cibolo)	Interest	3,519.17	3,499.99	3,504.02	3,496.00
2007 MF Series A (Santora Villas)	Principal	86,422.28	91,570.18	97,024.73	102,804.21
2007 MF Series A (Santora Villas)	Interest	690,537.23	685,389.16	679,934.55	674,155.08
2007 MF Series A (Villas at Mesquite Creek)	Principal	185,000.00	195,000.00	210,000.00	220,000.00
2007 MF Series A (Villas at Mesquite Creek)	Interest	814,490.87	803,597.08	791,977.06	779,630.92
2007 MF Series A (Summit Point)	Principal	100,000.00	110,000.00	110,000.00	110,000.00
2007 MF Series A (Summit Point)	Interest	472,537.92	467,617.92	462,337.92	457,057.92
2007 MF Series A (Costa Rialto)	Principal	84,761.45	89,409.04	94,311.50	99,482.74
2007 MF Series A (Costa Rialto)	Interest	558,134.93	553,487.23	548,584.60	543,413.51
2007 MF Series A (Windshire)	Principal	-	-	-	-
2007 MF Series A (Windshire)	Interest	9,572.20	9,520.03	9,529.90	9,510.10
2007 MF Series A (Residences at Onion Creek)	Principal	-	-	-	-
2007 MF Series A (Residences at Onion Creek)	Interest	16,500.03	16,500.03	16,517.18	16,482.85
2008 MF Series A (Addison Park Apartments)	Principal	-	-	-	-
2008 MF Series A (Addison Park Apartments)	Interest	14,474.84	14,525.49	14,542.12	14,508.84
2008 MF Series A (Costa Ibiza Apartments)	Principal	-	-	-	-
2008 MF Series A (Costa Ibiza Apartments)	Interest	7,940.90	7,991.99	8,001.16	7,982.84
2008 MF Series A (West Oaks Apartments)	Principal	-	-	-	-
2008 MF Series A (West Oaks Apartments)	Interest	7,563.04	7,514.99	7,523.61	7,506.39
2009 MF Series A (Costa Mariposa Apartments)	Principal	-	-	-	-
2009 MF Series A (Costa Mariposa Apartments)	Interest	8,095.91	8,147.99	8,157.33	8,138.66
2009 MF Series A (Woodmont Apartments)	Principal	-	-	-	-
2009 MF Series A (Woodmont Apartments)	Interest	8,870.94	8,928.02	8,938.24	8,917.79
2008 MF Series A (Alta Cullen Apartments Refunding)	Principal	-	-	-	-
2008 MF Series A (Alta Cullen Apartments Refunding)	Interest	9,872.43	9,919.99	9,931.35	9,908.63
TOTAL MULTI-FAMILY BONDS		54,609,320.84	53,255,214.85	53,308,233.75	53,456,405.34
Total		95,045,452.21	95,083,712.99	96,221,349.31	96,844,253.37
Less Interest		70,430,284.94	69,310,620.77	68,251,363.11	67,053,621.95
Total Principal		24,615,167.27	25,773,092.22	27,969,986.20	29,790,631.42

-UNAUDITED-

DEBT SERVICE REQUIREMENTS (PRINCIPAL & INTEREST) Continued
August 31, 2013

2018	2019-23	2024-28	2029-33	2034-38	2039-43	2044-48	REQUIRED
122,846.90	733,115.36	979,071.33	1,307,544.08	1,746,217.53	2,332,063.42	6,418,519.18	14,065,477.78
787,853.41	3,820,386.31	3,574,429.15	3,245,954.41	2,807,279.39	2,221,431.10	1,103,615.66	20,777,651.17
-	-	-	-	-	5,000,000.00	-	5,000,000.00
3,499.99	17,499.99	17,504.02	17,496.00	17,499.99	6,124.22	-	93,643.39
108,927.93	650,050.91	868,139.23	1,159,394.94	1,548,365.18	2,067,832.74	5,164,459.48	11,944,991.81
668,031.46	3,234,746.88	3,016,658.42	2,725,401.33	2,336,428.48	1,816,960.23	919,013.90	17,447,256.72
235,000.00	1,370,000.00	1,755,000.00	2,245,000.00	2,880,000.00	3,680,000.00	3,180,000.00	16,155,000.00
766,703.74	3,631,320.50	3,246,375.15	2,755,500.08	2,125,874.94	1,319,500.39	326,000.20	17,360,970.93
115,000.00	710,000.00	910,000.00	1,200,000.00	1,585,000.00	2,090,000.00	2,130,000.00	9,170,000.00
451,777.92	2,161,264.71	1,962,815.16	1,698,520.38	1,345,231.12	872,682.95	259,088.22	10,610,932.14
104,937.52	617,571.14	806,496.65	1,053,217.66	1,375,414.84	1,796,177.53	4,349,083.87	10,470,863.94
537,958.80	2,596,908.16	2,407,979.57	2,161,258.09	1,839,058.53	1,418,294.71	734,982.25	13,900,060.38
-	-	-	-	-	13,600,000.00	-	13,600,000.00
9,520.03	47,600.09	47,609.96	47,590.16	47,600.09	23,030.59	-	261,083.15
-	-	-	-	-	15,000,000.00	-	15,000,000.00
16,500.03	82,500.12	82,517.27	82,482.94	82,500.12	38,517.21	-	451,017.78
-	-	-	-	-	-	13,205,000.00	13,205,000.00
14,525.49	72,627.43	72,644.06	72,610.78	72,627.43	72,627.43	6,088.77	441,802.68
-	-	-	-	-	13,320,000.00	-	13,320,000.00
7,991.99	39,959.97	39,969.14	39,950.82	39,959.97	23,975.99	-	223,724.77
-	-	-	-	-	12,525,000.00	-	12,525,000.00
7,514.99	37,574.97	37,583.59	37,566.37	37,574.97	21,906.73	-	209,829.65
-	-	-	-	-	13,580,000.00	-	13,580,000.00
8,147.99	40,739.96	40,749.30	40,730.63	40,739.96	30,538.23	-	234,185.96
-	-	-	-	-	14,880,000.00	-	14,880,000.00
8,928.02	44,640.09	44,650.31	44,629.86	44,640.09	34,219.99	-	257,363.35
-	-	-	-	-	-	12,400,000.00	12,400,000.00
9,919.99	49,599.95	49,611.31	49,588.59	49,599.95	49,599.95	15,681.74	313,233.88
53,495,467.02	276,904,706.86	310,968,637.09	263,874,403.71	304,783,926.14	325,281,483.39	103,820,657.94	1,853,758,456.93
101,947,566.72	491,911,376.63	568,467,811.26	529,549,998.11	599,328,249.37	395,853,388.03	103,820,657.94	3,174,073,815.94
65,825,383.61	307,211,665.42	254,364,657.17	188,254,720.95	118,679,612.69	45,105,027.98	8,254,117.03	1,262,741,075.62
36,122,183.11	184,699,711.21	314,103,154.09	341,295,277.16	480,648,636.68	350,748,360.05	95,566,540.91	1,911,332,740.32

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2013

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2013				
	Net Available for Debt Service		Debt Service		
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest	
2002 Single Family Series A	\$ 30,822,439.92	\$ 40,609.11	\$ -	\$ 1,159,046.04	
2002 Single Family Series B	15,048,154.20	18,787.02	15,000.00	547,173.29	
2002 Single Family Series C	5,816,190.15	7,618.00	1,035,000.00	219,179.98	
2002 Single Family Series D	-	-	890,000.00	-	
2004 Single Family Series A	16,586,607.15	82,216.40	1,815,000.00	1,677,234.68	
2004 Single Family Series A (Jr. Lien)	97.30	2,752.08	-	7,870.67	
2004 Single Family Series B	2,824,410.32	147,286.44	-	1,880,006.47	
2004 Single Family Series C	8,177,580.01	19,698.80	-	425,124.06	
2004 Single Family Series D	1,870,647.14	135,187.83	-	1,258,775.31	
2004 Single Family Series E	803,783.94	1,718.82	645,000.00	40,608.70	
2005 Single Family Series A	12,816,091.37	187,775.54	-	2,426,399.36	
2005 Single Family Series B	1,664,393.73	27,623.27	450,000.00	340,071.37	
2005 Single Family Series C	655,144.91	16,444.98	-	8,635.97	
2005 Single Family Series D	345,930.93	12,188.63	-	147,708.17	
2006 Single Family Series A	9,740,194.88	23,668.20	430,000.00	1,526,500.04	
2006 Single Family Series B	10,635,395.94	25,761.03	1,055,000.00	1,668,666.60	
2006 Single Family Series C	16,589,890.24	40,250.22	1,115,000.00	2,665,554.28	
2006 Single Family Series D	2,524,408.12	8,487.35	-	479,639.95	
2006 Single Family Series E	556,605.92	7,505.64	1,480,000.00	356,352.48	
2006 Single Family Series F	16,897,175.54	45,071.22	210,000.00	1,368,180.83	
2006 Single Family Series G	1,878,009.05	5,920.04	705,000.00	158,300.86	
2006 Single Family Series H	2,372,695.49	81,189.08	-	1,282,844.21	
2007 Single Family Series A	20,388,609.66	255,112.30	-	3,347,328.60	
2007 Single Family Series B	30,924,048.92	74,170.56	1,600,000.00	4,659,200.29	
2013 Single Family Series A	1,478,830.24	684,328.93	-	305,468.35	
Total Single Family Bonds	\$ 211,417,335.07	\$ 1,951,371.49	\$ 11,445,000.00	\$ 27,955,870.56	
2003 RMRB Series A	39,895,955.99	7,736.63	530,000.00	640,099.17	
2009 RMRB Series A	14,814,728.20	281,457.29	390,000.00	2,264,180.71	
2009 RMRB Series B	2,180,324.94	88,645.25	1,015,000.00	689,627.29	
2009 RMRB Series C	(31,930.84)	-	-	3,234.54	
2009 RMRB Series C-1	12,361,463.79	697,430.91	-	2,878,124.30	
2011 RMRB Series A	7,818,195.07	433,071.47	2,235,000.00	2,281,777.26	
2009 RMRB Series C-2	4,407,473.74	59,642.24	-	1,457,268.68	
2011 RMRB Series B	6,252,233.55	83,805.39	2,790,000.00	3,016,780.13	
2009 RMRB Series C-3	72,867,351.40	251,818.89	-	150,582.75	
2009 RMRB Series C-4	78,723,193.18	8,068.17	150,000.00	369,249.41	
Total Residential Mtg Revenue Bonds	\$ 239,288,989.02	\$ 1,911,676.24	\$ 7,110,000.00	\$ 13,750,924.24	
1992 CHMRB Series C	\$ 1,663,390.27	\$ 192.68	\$ -	\$ 355,739.53	
Total 1992 CHMRB	\$ 1,663,390.27	\$ 192.68	\$ -	\$ 355,739.53	
1996 MF Series A/B (Brighton's Mark Development)	\$ 508,437.27	\$ 6,126.00	\$ -	\$ 501,873.27	
1998 MF Series A (Pebble Brook Apartments Project)	481,358.75	-	255,000.00	481,358.75	
1998 MF Series A-C (Residence at the Oaks Projects)	386,211.28	-	202,000.00	386,211.28	
1998 MF Series A/B (Greens of Hickory Trail Apartments)	561,379.95	-	335,000.00	561,379.95	
1999 MF Series A-C (Mayfield Apartments)	516,904.50	-	279,000.00	516,904.50	
2000 MF Series A (Creek Point Apartments)	109,027.57	-	-	9,029.23	
2000 MF Series A (Deerwood Apartments)	349,579.79	-	125,000.00	349,579.75	
2000 MF Series A (Timber Point Apartments)	110,561.69	-	-	10,563.63	
2000 MF Series A/B (Greenbridge at Buckingham Apartments)	1,441,081.56	-	-	1,441,081.56	
2000 MF Series A/B (Oaks at Hampton Apartments)	665,910.31	-	111,258.00	665,910.31	
2000 MF Series A/B (Parks at Westmoreland Apartments)	663,271.57	-	108,055.00	663,271.57	
2000 MF Series A/B (Williams Run Apartments)	1,007,531.93	-	219,419.09	1,007,531.93	
2000 MF Series A-C (Collingham Park Apartments)	783,630.40	-	274,000.00	783,630.40	
2000 MF Series A-C (Highland Meadow Village Apartments)	524,362.50	-	170,000.00	524,362.50	
2001 MF Series A (Bluffview Apartments)	767,246.91	-	86,671.21	767,246.91	
2001 MF Series A (Knollwood Apartments)	985,948.15	-	111,376.55	985,948.15	
2001 MF Series A (Oak Hollow Apartments)	\$ 428,389.87	\$ -	\$ 56,590.15	\$ 428,389.87	

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)
Supplementary Bond Schedules
SCHEDULE 2-D (Continued)
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS
For the Fiscal Year Ended August 31, 2013

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2013			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2001 MF Series A (Greens Road Apartments)	7,392,802.76	-	80,000.00	98,901.41
2001 MF Series A (Skyway Villas Apartments)	383,166.00	-	150,000.00	383,166.00
2001 MF Series A/B (Hillside Apartments)	861,536.67	-	63,729.15	861,536.67
2001 MF Series A/B (Meridian Apartments)	492,510.00	-	84,000.00	492,510.00
2001 MF Series A/B (Wildwood Apartments)	380,760.00	-	72,000.00	380,760.00
2001 MF Series A-C (Fallbrook Apartments)	782,997.45	-	283,000.00	782,997.45
2002 MF Series A (Clarkridge Villas Apartments)	928,258.08	-	114,831.71	928,258.08
2002 MF Series A (Park Meadows Apartments)	257,200.35	-	85,000.00	257,200.35
2002 MF Series A (Green Crest Apartments)	764,276.25	-	93,929.92	764,276.25
2002 MF Series A (Hickory Trace Apartments)	767,618.14	-	94,340.66	767,618.14
2002 MF Series A (Millstone Apartments)	9,725,992.18	-	105,000.00	190,991.64
2002 MF Series A (Woodway Village)	7,082,923.47	-	140,000.00	298,479.93
2002 MF Series A/B (Ironwood Crossing)	1,168,545.26	-	112,638.91	1,168,545.26
2003 MF Series A (NHP Foundation-Asmara Proj Refunding)	34,531.30	-	480,000.00	25,188.65
2003 MF Series A/B (Reading Road)	334,517.67	-	30,000.00	134,523.50
2003 MF Series A/B (Arlington Villas)	1,136,934.49	-	110,951.00	1,136,934.49
2003 MF Series A/B (Ash Creek Apartments)	1,049,493.56	-	119,212.00	1,049,493.56
2003 MF Series A/B (North Vista Apartments)	592,253.05	-	250,000.00	592,253.05
2003 MF Series A/B (Parkview Townhomes)	638,633.98	-	100,598.74	638,633.98
2003 MF Series A/B (Peninsula Apartments)	604,410.38	-	200,000.00	584,410.38
2003 MF Series A/B (Primrose Houston School)	1,056,742.79	-	118,161.00	1,056,742.79
2003 MF Series A/B (Timber Oaks Apartments)	603,774.64	-	90,759.63	603,774.64
2003 MF Series A/B (West Virginia Apartments)	427,793.42	-	180,000.00	427,793.42
2004 MF Series A (Bristol Apartments)	217,618.23	-	-	17,618.23
2004 MF Series A (Chisholm Trail Apartments)	216,568.23	-	-	16,570.56
2004 MF Series A (Churchill at Pinnacle Park)	632,766.22	-	93,062.68	632,766.22
2004 MF Series A (Evergreen at Plano Parkway)	931,559.35	-	110,407.85	931,559.35
2004 MF Series A (Humble Parkway Townhomes)	725,010.00	-	135,000.00	725,010.00
2004 MF Series A (Montgomery Pines Apartments)	217,332.76	-	-	17,335.77
2004 MF Series A (Pinnacle Apartments)	119,093.06	-	-	19,095.76
2004 MF Series A (Providence at Rush Creek II)	569,683.26	-	68,277.90	569,683.26
2004 MF Series A (Tranquility Bay Apartments)	891,020.60	-	116,504.93	891,020.60
2004 MF Series A (Providence at Village Fair)	879,768.56	-	110,227.29	879,768.56
2004 MF Series A/B (Century Park Townhomes)	625,335.84	-	210,000.00	625,335.84
2004 MF Series A/B (Timber Ridge II Apartments)	435,021.81	-	48,399.00	435,021.81
2004 MF Series A/B (Providence at Veterans Memorial)	324,524.11	-	51,873.15	324,524.11
2005 MF Series A (Atascocita Pines Apartments)	226,849.00	-	-	16,848.99
2005 MF Series A/B (Canal Place Apartments)	15,851,929.79	-	31,274.00	300,253.72
2005 MF Series A (Mission Del Rio Homes)	718,296.94	-	58,591.05	718,296.94
2005 MF Series A (Park Manor Senior Community)	665,600.04	-	-	665,600.04
2005 MF Series A (Homes at Pecan Grove)	875,995.01	-	89,966.14	875,995.01
2005 MF Series A (Plaza at Chase Oaks Apartments)	654,916.78	-	267,156.38	654,916.78
2005 MF Series A (Port Royal Homes)	762,248.67	-	94,349.04	762,248.67
2005 MF Series A (Providence at Prairie Oaks)	689,932.12	-	85,918.40	689,932.12
2005 MF Series A (Prairie Ranch Apartments)	557,138.34	-	140,000.00	557,138.34
2005 MF Series A (Providence at Mockingbird Apartments)	3,525,924.12	-	83,993.94	630,481.76
2005 MF Series A (St Augustine Estate Apartments)	109,296.44	-	-	9,297.89
2005 MF Series A (Tower Ridge Apartments)	26,563.01	-	-	26,563.01
2006 MF Series A (Aspen Park)	470,458.32	-	110,000.00	470,458.32
2006 MF Series A (Bella Vista Apartments)	404,490.65	-	55,000.00	404,490.65
2006 MF Series A (Center Ridge Apartments)	8,351,438.50	-	-	26,438.50
2006 MF Series A (Champion Crossing Apartments)	114,317.37	-	-	9,318.34
2005 MF Series A (Coral Hills Apartments)	288,381.04	-	35,000.00	238,381.04
2006 MF Series A (East Tex Pines)	767,267.50	-	105,000.00	767,267.50
2006 MF Series A (Grove Village)	348,121.92	-	64,667.28	348,121.92
2006 MF Series A (Harris Branch Apartments)	319,621.55	-	-	19,621.55
2006 MF Series A (Hillcrest Apartments)	\$ 555,625.00	\$ -	\$ 160,000.00	\$ 555,625.00
2006 MF Series A (Idlewilde)	125,556.37	-	-	20,556.37

-UNAUDITED-

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-D (Continued)

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE - REVENUE BONDS

For the Fiscal Year Ended August 31, 2013

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2013			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	Principal	Interest
2006 MF Series A (Meadowlands Apartments)	726,468.07	-	92,447.83	726,468.07
2006 MF Series A (Oakmoor Apartments)	843,539.56	-	112,937.39	843,539.56
2006 MF Series A (Pleasant Village)	337,982.42	-	62,783.81	337,982.42
2006 MF Series A (Red Hills Villas)	109,471.14	-	-	9,472.45
2006 MF Series A (Stonehaven Apartments)	1,539,238.89	-	110,143.83	614,738.95
2006 MF Series A (The Residences at Sunset Pointe)	26,563.01	-	-	26,563.01
2006 MF Series A (Village Park Apartments)	507,021.94	-	170,000.00	507,021.94
2006 MF Series A (Villas at Henderson)	110,326.57	-	-	10,327.57
2007 MF Series A (Villas at Mesquite Creek)	823,645.78	-	175,000.00	823,645.78
2007 MF Series A (Costa Rialto)	562,180.62	-	80,355.44	562,180.62
2007 MF Series A (Lancaster)	141,226.22	-	-	21,226.21
2007 MF Series A (Park Place at Loyola)	818,267.81	-	84,522.22	818,268.06
2007 MF Series A (Santora Villas)	695,000.39	-	81,563.74	695,000.39
2007 MF Series A (Summit Point)	476,390.84	-	100,000.00	476,390.84
2007 MF Series A (Terrace at Cibolo)	7,499.18	-	-	7,499.17
2007 MF Series A (Windshire)	120,410.23	-	-	20,410.24
2007 MF Series A (Residences at Onion Creek)	26,563.01	-	-	26,563.01
2008 MF Series A (West Oaks Apartments)	127,526.66	-	-	17,526.65
2008 MF Series A (Costa Ibiza Apartments)	147,084.34	-	-	17,087.33
2008 MF Series A (Addison Park Apartments)	253,630.20	-	-	23,630.22
2008 MF Series A (Alta Cullen Apartments Refunding)	118,317.06	-	-	18,324.73
2009 MF Series A (Costa Mariposa Apartments)	127,352.21	-	-	17,355.10
2009 MF Series A (Woodmont Apartments)	138,991.85	-	-	18,995.00
Total Multifamily Bonds	\$ 99,738,474.40	\$ 6,126.00	\$ 8,885,946.01	\$ 45,202,643.05
Total	\$ 552,108,188.76	\$ 3,869,366.41	\$ 27,440,946.01	\$ 87,265,177.38

- UNAUDITED -

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (332)

Supplementary Bond Schedules

SCHEDULE 2-F

EARLY EXTINGUISHMENT AND REFUNDING

For the fiscal year ended August 31, 2013

Description of Issue	Category	Amount Extinguished or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Business-Type Activities					
2002 Single Family Series A	Early Extinguishment	\$ 3,055,000.00	\$	\$	\$
2002 Single Family Series A	Refunding	26,615,000.00	26,615,000.00	6,014,728.89	8,905,082.71
2002 Single Family Series B	Early Extinguishment	2,205,000.00			
2002 Single Family Series B	Refunding	12,310,000.00	12,310,000.00	2,782,848.34	4,120,134.94
2002 Single Family Series C	Early Extinguishment	610,000.00			
2002 Single Family Series C	Refunding	4,990,000.00	4,990,000.00	1,128,337.35	1,670,555.33
2004 Single Family Series A	Early Extinguishment	15,010,000.00			
2004 Single Family Series C	Early Extinguishment	7,905,000.00			
2004 Single Family Series E	Early Extinguishment	780,000.00			
2005 Single Family Series A	Early Extinguishment	9,975,000.00			
2005 Single Family Series B	Early Extinguishment	1,345,000.00			
2005 Single Family Series C	Early Extinguishment	465,000.00			
2005 Single Family Series D	Early Extinguishment	205,000.00			
2006 Single Family Series A	Early Extinguishment	7,985,000.00			
2006 Single Family Series B	Early Extinguishment	8,725,000.00			
2006 Single Family Series C	Early Extinguishment	13,605,000.00			
2006 Single Family Series D	Early Extinguishment	1,895,000.00			
2006 Single Family Series F	Early Extinguishment	15,580,000.00			
2006 Single Family Series G	Early Extinguishment	1,705,000.00			
2007 Single Family Series A	Early Extinguishment	16,120,000.00			
2007 Single Family Series B	Early Extinguishment	25,935,000.00			
2013 Single Family Series A	Early Extinguishment	835,000.00			
2003 RMRB Series A	Early Extinguishment	39,310,000.00			
2009 RMRB Series A	Early Extinguishment	12,480,000.00			
2009 RMRB Series B	Early Extinguishment	1,445,000.00			
2009 RMRB Series C-1	Early Extinguishment	8,910,000.00			
2009 RMRB Series C-2	Early Extinguishment	2,310,000.00			
2009 RMRB Series C-3	Early Extinguishment	72,660,000.00			
2009 RMRB Series C-4	Early Extinguishment	77,920,000.00			
2011 RMRB Series A	Early Extinguishment	5,675,000.00			
2011 RMRB Series B	Early Extinguishment	3,305,000.00			
1992 Coll Home Mtg Rev Bonds, Series C	Early Extinguishment	1,200,000.00			
2000 MF Series A (Timber Point Apartments)	Early Extinguishment	100,000.00			
2000 MF Series A (Creek Point Apartments)	Early Extinguishment	100,000.00			
2001 MF Series A (Greens Road Apartments)	Early Extinguishment	7,295,000.00			
2002 MF Series A (Millstone Apartments)	Early Extinguishment	9,535,000.00			
2002 MF Series A (Woodway Village)	Early Extinguishment	6,830,000.00			
2003 MF Series A/B (Reading Road)	Early Extinguishment	200,000.00			
2003 MF Series A/B (Peninsula Apartments)	Early Extinguishment	20,000.00			
2004 MF Series A (Chisholm Trail Apartments)	Early Extinguishment	200,000.00			
2004 MF Series A (Montgomery Pines Apartments)	Early Extinguishment	200,000.00			
2004 MF Series A (Bristol Apartments)	Early Extinguishment	200,000.00			
2004 MF Series A (Pinnacle Apartments)	Early Extinguishment	100,000.00			
2005 MF Series A (Atascocita Pines Apartments)	Early Extinguishment	210,000.00			
2005 MF Series A (St Augustine Estate Apartments)	Early Extinguishment	100,000.00			
2005 MF Series A (Providence at Mockingbird Apartments)	Early Extinguishment	2,895,443.19			
2005 MF Series A/B (Canal Place Apartments)	Early Extinguishment	15,551,676.00			
2005 MF Series A (Coral Hills Apartments)	Early Extinguishment	50,000.00			
2006 MF Series A (Harris Branch Apartments)	Early Extinguishment	300,000.00			
2006 MF Series A (Red Hills Villas)	Early Extinguishment	100,000.00			
2006 MF Series A (Champion Crossing Apartments)	Early Extinguishment	105,000.00			
2006 MF Series A (Stonehaven Apartments)	Early Extinguishment	924,499.94			
2006 MF Series A (Center Ridge Apartments)	Early Extinguishment	8,325,000.00			
2006 MF Series A (Villas at Henderson)	Early Extinguishment	100,000.00			
2006 MF Series A (Idlewild)	Early Extinguishment	105,000.00			
2007 MF Series A (Lancaster)	Early Extinguishment	120,000.00			
2007 MF Series A (Windshire)	Early Extinguishment	100,000.00			
2008 MF Series A (West Oaks Apartments)	Early Extinguishment	110,000.00			
2008 MF Series A (Costa Ibiza Apartments)	Early Extinguishment	130,000.00			
2008 MF Series A (Addison Park Apts)	Early Extinguishment	230,000.00			
2008 MF Series A (Alta Cullen Apartments Refunding)	Early Extinguishment	100,000.00			
2009 MF Series A (Costa Mariposa Apartments)	Early Extinguishment	110,000.00			
2009 MF Series A (Woodmont Apartments)	Early Extinguishment	120,000.00			
Total Business-Type Activities		\$ 457,636,619.13	\$ 43,915,000.00	\$ 9,925,914.58	\$ 14,695,772.98

-UNAUDITED-

**Texas Department of Housing and Community Affairs (332)
Schedule 3 GR Reconciliation for 2013**

GR Internet Project - FY 2013 Fund Type 01	Line #	Direct Strategy	OASI Appn 91142	Retirement 90327, 94327
Legislative Appropriations (PY Ending Asset Balance)	100100	\$ 2,806,346.44	\$ 117,858.21	\$ 85,960.45
Committed Legislative Appropriation Revenue	100300	6,608,025.00		
Riders Increasing Budget	100400	-		
Riders Decreasing Budget	100500			
Total Original Appropriation Revenue		6,608,025.00		
Additional Legislative Appn Revenue:				
Payroll Related Revenue:				
OASI Appropriation	200100		419,648.32	
Retirement Appropriation	200200			357,337.23
Insurance Appropriation	200400			
BRP Appropriation	200600			
Salary/Longevity Increase	200700			
APS 001 - (Other MOF - Fed Funds Etc)	200800			
Other Revenue Adjustments :				
Budget Revisions	300100			
Unexpended Balance Forward	300200			
Payments on Behalf of Agency				
Retirement Contribution Agy=ERS(327)	400100			
Unemployment Contribution (TWC)	400300			
Total Additional Legislative Appn Revenue (lines 14 through 31)		-	419,648.32	357,337.23
Appropriation Legislative Transfers				
BRP transfers within the agency	500100	25,134.25		
Salary/Longevity Increase transfers within the agency	500200			
Committed Budget Transfers In	500300	6,549,697.80		
Committed Budget Transfers Out	500400	(6,549,697.80)		
Other Line Adjustments (FRS entry only)	590000			
Committed Appropriations Lapsed	600100	(7,730.57)		
Appropriated Net Change in Cash (Column B through I Activity)	600200	(6,364,954.01)	(429,630.05)	(355,375.82)
Unappropriat Net Change in Cash (Appn 00000, 99906-8)	600300			
EFF-Earned Federal Funds (Appn 70000)	600400			
Other Net Change in Cash (Appn 90822-3, 94992)	600500			
Total transfers and adjustments		(6,347,550.33)	(429,630.05)	(355,375.82)
Computed Leg Appn for Balance Sheet (Asset Bal 8/31)		3,066,821.11	107,876.48	87,921.86
Calculation II				
Legislative Appn Balance - at August 31	700100	3,066,821.11		
OASI Payable at 8/31	700200		107,876.48	
Retirement Payable at 8/31	700300			87,921.86
Insurance Payable at 8/31	700400			
Group Insurance Program (GIP) payable at 8/31	700500			
BRP Appropriation Adjustment	700600			
Salary/Longevity Increase Adjustment	700800			
Other-APS 001 Adjustments	700900			
Unappropriation Net Change in Cash (Appn 00000, 99906-8)	701000			
Earned Fed Funds Net Change in Cash (Appn 70000)	701100			
Other Net Changes in Cash (Appn 90822-3, 94992)	701200			
Other Line Adjustments (FRS only)	900000			
Computed Leg Appn FYCY (Asset Bal 8/31)		\$ 3,066,821.11	\$ 107,876.48	\$ 87,921.86
Difference between Calc I and Calc II		-	0.00	0.00

-UNAUDITED-

Schedule 3 GR Reconciliation for 2013 (Continued)

Insurance 98327, 99327	BRP Appn 23102	Other	Calc Per Source	Adjustments	Amount as Adjusted
\$ 79,244.94			\$ 3,089,410.04		\$ 3,089,410.04
			6,608,025.00		6,608,025.00
			0.00		0.00
			0.00		0.00
		0.00	6,608,025.00		6,608,025.00
			419,648.32		419,648.32
			357,337.23		357,337.23
577,220.04			577,220.04		577,220.04
	25,134.25		25,134.25		25,134.25
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
0.00			0.00		0.00
		0.00	0.00		0.00
577,220.04	25,134.25	0.00	1,379,339.84	0.00	1,379,339.84
	(25,134.25)		0.00		0.00
			0.00		0.00
			6,549,697.80	(6,549,697.80)	0.00
			(6,549,697.80)	6,549,697.80	0.00
			0.00		0.00
			(7,730.57)		(7,730.57)
(595,062.81)			(7,745,022.69)		(7,745,022.69)
			0.00		0.00
			0.00		0.00
			0.00		0.00
(595,062.81)	(25,134.25)	0.00	(7,752,753.26)	0.00	(7,752,753.26)
61,402.17	0.00	0.00	3,324,021.62	0.00	3,324,021.62
			3,066,821.11		3,066,821.11
			107,876.48		107,876.48
			87,921.86		87,921.86
61,402.17			61,402.17		61,402.17
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
			0.00		0.00
\$ 61,402.17	\$ -	\$ -	\$ 3,324,021.62	\$ -	\$ 3,324,021.62
0.00	0.00	0.00	0.00	0.00	0.00

ADDENDUM

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MISSION STATEMENT

The mission of the Texas Department of Housing and Community Affairs is to administer its assigned programs efficiently, transparently, and lawfully; to invest its resources strategically; and to develop high quality affordable housing which allows Texas communities to thrive.

PHILOSOPHY

The Department's philosophy is one of openness to input, consideration of new methods that brings about improvement, and balanced adherence to laws, rules, and policy provided from state leadership as articulated by its Governing Board. This philosophy embraces:

- A trained and committed staff that improves processes and efficiencies, collaborates with other agencies, and exhibits the utmost integrity.
- Operations that are continually assessed and improved based on principles of enterprise wide risk management, adherence to documented operating procedures, transparency, and prudent use of the taxpayer resources.
- Respect for customers and stakeholders built on a continuous understanding of their needs and which have at their core a constant and open dialogue to develop effective responses to those needs.

The Department's key words are:

- Compliance
- Adaptability
- Collaboration
- Respect
- Simplicity
- Accountability
- Transparency

State resources entrusted to the Department are limited and cannot accommodate every need or demand. Therefore, the Department's ultimate objective is to provide unassailable QUALITY in all we do such that our programs and services command universal respect.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
FY 2013 BOARD MEMBERS**

The Texas Department of Housing and Community Affairs' enabling legislation, *Texas Government Code, Chapter 2306*, provides guidelines for the creation of the Department's Board. Subchapter B of that statute requires that the seven member policy making body be appointed by the Governor with the advice and consent of the Texas Senate. The following are the current Board Members.

J. Paul Oxer, Chairperson and Member
McDaniell, Hunter & Prince Inc.
Sugar Land, Texas
(Term expires 1/31/2017)

Dr. Juan Sanchez Muñoz, Vice Chair and Member
Texas Tech University
Lubbock, Texas
(Term expires 1/31/2017)

Tom H. Gann, Member
Gann Medford Real Estate
Lufkin, Texas
(Term expires 1/31/2015)

Leslie Bingham-Escareño, Member
Valley Baptist Medical Center
Brownsville, Texas
(Term expires 1/31/2019)

J. Mark McWatters, Member
SMU Dedman School of Law
Dallas, Texas
(Term expires 1/31/2015)

Robert D. Thomas, Member
Thomas Consulting Group
Austin, Texas
(Term expires 1/31/2019)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MANUFACTURED HOUSING DIVISION
FY 2013 BOARD MEMBERS**

Manufactured Housing Division of the Texas Department of Housing and Community Affairs' enabling legislation, *Texas Government Code, Chapter 2306*, provides guidelines for the creation of the Department's Board. Subchapter AA of that statute requires that the five member policy making body be appointed by the Governor with the advice and consent of the Texas Senate. For the period September 1, 2012 through August 31, 2013, the following individuals served as Board members:

Michael H. Bray, Chairperson and Member
EXIT West Realty
El Paso, Texas
(Term Expires: 01/31/2017)

Anthony Burks, Member
Vendigm Companies
Fort Worth, Texas
(Term Expires: 01/ 31/ 2017)

Sheila M. Valles-Pankratz, Member
Hollis Rutledge & Associates
Mission, Texas
(Term Expires: 01/31/2015)

Donnie W. Wisenbaker, Member
Wisenbaker, Inc.
Sulphur Springs, Texas
(Term Expires: 01/31/2019)

Bob R. McCarn, Member
Rancher, Port Lavaca, Texas
(Term Expires: 01/31/2019)

Department Overview

Historical Perspective

In 1991, the 72nd Legislature created the Department by combining the following:

- Texas Housing Agency;
- Community Development Block Grant (CDBG) Program from the Texas Department of Commerce; and
- Texas Department of Community Affairs.

On September 1, 1992, two additional programs were transferred to TDHCA from the Texas Department of Human Services:

- The Low Income Home Energy Assistance Program (LIHEAP); and
- The Emergency Nutrition and Temporary Emergency Relief Program (ENTERP).

Finally, effective September 1, 1995, the regulation of the state's manufactured housing industry was transferred to the Department from the Texas Department of Licensing and Regulation.

In accordance with House Bill 7 from the 77th Texas Legislative Session, the Community Development Block Grant and Local Government Services programs were transferred to the newly created Office of Rural Community Affairs (ORCA), effective September 1, 2001.

Effective September 1, 2002, in accordance with Senate Bill 322 from the 77th Texas Legislative Session, the Manufactured Housing Division became a division within TDHCA with its own Board of Directors appointed by the Governor. The Executive Director is hired by the Board.

Main Functions

The Department serves as a "one-stop shop" agency with programs that address a wide spectrum of needs ranging from homelessness to homeownership. Its mission is to administer its assigned programs efficiently, transparently, and lawfully; to invest its resources strategically; and to develop high quality affordable housing which allows Texas communities to thrive.

To achieve this goal, TDHCA programs focus on the following:

- Alleviation of homelessness;
- Emergency relief for individuals or families in crisis poverty;
- Expansion and preservation of safe, decent affordable housing for low income households;
- Expansion of homeownership opportunities for low and moderate income families.

TDHCA is also responsible for the regulation and enforcement within the Manufactured Housing industry. This regulatory role is fulfilled through the Manufactured Housing Division – an independent entity within the Department which is administratively attached, but has its own Executive Director and Board.

The Department distributes program funds to local providers, including qualifying units of local government, nonprofit and for profit organizations, community based organizations, private sector organizations, real estate developers, and local lenders. These organizations are selected based on local need and administrative capacity through fair and non-discriminatory processes. TDHCA distributes most funds through competitive regional awards. In the administration of its programs the Department defines policy direction, ensures equity, promotes the leveraging of federal, state, and local resources, prevents discrimination or exploitation, and ensures the stability and continuity of services.

Below is an overview of the primary programs the Department has developed to achieve TDHCA's goals and objectives.

Alleviation of Homelessness

The *Emergency Solutions Grants Program (ESG)*, previously known as the Emergency Shelter Grants Program (ESGP), receives funding from the U.S. Department of Housing and Urban Development (HUD) and awards grants to units of local government and private nonprofit entities that provide homeless persons, as well as those at risk of homelessness, the services necessary to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG funds may also be used for renovation and rehabilitation of existing shelters.

The *Homeless Housing and Services Program (HHSP)* assists the state's eight largest urban areas in providing services to homeless individuals and families, including case management and housing placement and retention. Eligible cities include Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio. TDHCA administers these funds by subcontracting with either the cities themselves or a nonprofit organization. In either case, the entity serves their community by focusing assistance on homeless individuals and families with appropriate services targeted towards eliminating or preventing the condition of homelessness.

The *Section 8 Housing Assistance Program* provides rental subsidy vouchers to very low income families, including the elderly and persons with disabilities. The statewide program is specifically designed for families in small cities and rural communities not served by a local or regional housing authority.

Through the *HOME Investment Partnerships (HOME) Program*, TDHCA makes *Tenant-Based Rental Assistance (TBRA)* funds available to local units of government, public housing authorities and nonprofits to provide similar assistance. TBRA funds provide rental subsidies to qualified extremely low, very low, and low income individuals and

families for a period of two years, during which the consumer follows a formal self-sufficiency plan. Like all HOME funds, TBRA primarily serves rural communities. TDHCA distributes HOME TBRA funds through a reservation system whereby pre-approved local contractors draw down funds once a household's eligibility for assistance has been determined. Without the rental subsidy provided by Section 8 and HOME TBRA, most of the individuals and families served would fall into homelessness.

Additionally, the Department's *HOME* and *Housing Tax Credit Program (HTC)* can and have been used to support Single Room Occupancy (SRO) developments. SROs provide permanent supportive housing to individuals facing homelessness. They provide supportive services to individuals with special needs and disabilities, and an alternative to transitional or short-term housing solutions.

Emergency Relief for Individuals or Families in Crisis Poverty

The *Community Services Block Grant Program (CSBG)* makes funds available to community action agencies throughout the state to serve persons at or below federal poverty guidelines. This funding assists these agencies in providing essential services such as: access to childcare and health and human services for children, families, and the elderly. It also helps with nutrition, transportation, housing, substance abuse prevention, migrant assistance, job training and employment services.

Comprehensive Energy Assistance Program (CEAP) provides case management, consumer education, and financial assistance to help extremely low and very low income consumers reduce their utility bills to an affordable level. Priority is given to the elderly, persons with disabilities, and to households with children under the age of six. Further priority is given to households with the highest energy costs and the lowest incomes.

The *Weatherization Assistance Program (WAP)* helps extremely low and very low income consumers control their energy costs through the installation of weatherization measures, the repair or replacement of inefficient appliances, and energy conservation education. Again, priority is given to the elderly, persons with disabilities, and to households with children under the age of six. Like CSBG, CEAP and WAP are available statewide through local subcontractors.

Creating and Preserving Affordable Housing

Multifamily Housing

The *Housing Tax Credit (HTC) Program* is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing. There are two types of Tax Credits: Competitive (9%) and Non-Competitive (4%). The 9% Housing Tax Credit Program is highly competitive and awarded based on a Regional Allocation Formula (RAF) with additional set asides for developments at risk of losing affordability and subsidy, developments financed through USDA, and those with nonprofit owners. Applications are scored and ranked within their region or set-aside and in accordance with rules and laws outlined in the Qualified Allocation Plan (QAP). The Non-Competitive (4%) Housing Tax Credit Program is coupled with the Multifamily Bond Program when the bonds finance at least 50% of the cost of the land and buildings in the Development. There are a variety of bond issuers in the State from which to select, with some limitations on the location of the development.

The Department is a conduit issuer for the State of Texas with authority to issue tax-exempt and taxable Multifamily Mortgage Revenue Bonds statewide. The bonds are used to fund loans to for-profit and nonprofit developers for the acquisition and rehabilitation or new construction of affordable rental developments. The Multifamily Bond Program is coupled with the Non-competitive (4%) Housing Tax Credit Program when the bonds finance at least 50% of the cost of the land and buildings in the Development. Bond pre-applications are accepted on a monthly basis for those seeking to have the Department serve as the bond issuer.

HOME Program Rental Housing Development funds are available to nonprofit entities, Community Housing Development Organizations (CHDOs), for profit entities and eligible units of local government for the acquisition, rehabilitation, reconstruction, or new construction of affordable rental housing units. Owners are required to make the units available to low, very low, and extremely low income families and must meet long-term rent restrictions. As with other HOME funds, the program serves primarily rural areas. Most HOME rental development awards are provided in conjunction with HTC awards.

Single Family Housing

HOME Program Home Rehabilitation Assistance (HOME HRA) funds serve extremely low, very low, and low income owners in repairing or rebuilding their existing owner-occupied single family homes. The *Amy Young Barrier Removal Program (AYBR)* offers low income persons with disabilities barrier removal assistance. AYBR is funded through the state Housing Trust. TDHCA distributes both HOME HRA and the AYBR through a reservation system.

The *Neighborhood Stabilization Program (NSP)* provides funds to units of local government or eligible nonprofits for the acquisition, clearance, rehabilitation, and redevelopment of foreclosed or abandoned homes for affordable housing. Funding may also be used to create finance mechanisms for homebuyer assistance for extremely low and very low income Texans, as well as eligible land bank activities.

Homeownership Opportunities

My First Texas Home Program (MFTH) provides competitive rate loans to qualified very low to moderate income individuals who have not owned a home in three years. Funds are made available through participating lenders statewide. The program provides “assisted” financing that provide the buyer with down-payment and closing cost assistance. The *Mortgage Credit Certificate Program* provides federal tax credits to low to moderate low income households who have not owned a home in three years. The tax credits reduce the amount of federal income tax a homebuyer must pay by up to \$2,000 per year. As a result, participating families have more disposable income and can better qualify for a home loan. Families participating in the MCC program can use this in conjunction with a MFTH loan.

HOME Program Homebuyer Assistance (HOME HRA) funds are available to qualifying units of local government, public housing authorities, community housing development organizations (CHDOs), and nonprofit organizations. These organizations in turn offer assistance to eligible first-time homebuyers for down payment and closing cost assistance ranging from \$5,000 to \$10,000 per home buyer based on an area’s median family income. Recapture provisions ensure the long term use of funds to assist future first-time homebuyers. Additionally, the HOME program offers funding for the acquisition, rehabilitation or new construction of affordable homeownership units through the HOME Single Family Development program. TDHCA distributes these funds through a reservation system.

The *Texas Bootstrap Loan Program* is a self-help construction program. The program was created to provide very low-income families an opportunity to help themselves through the form of sweat equity. Participants under this program are required to provide at least 65 percent of the labor necessary to build or rehabilitate the home. Nonprofit organizations can combine these funds with other sources; however, all combined loans cannot exceed \$90,000 per unit. The program is administered through TDHCA's Colonia Self-help Centers and State Certified Owner-Builder Housing Programs across the state. TDHCA distributes these funds through a reservation system.

The *Contract for Deed Conversion Initiative* provides a means for colonia residents to convert their contracts for deed into conventional mortgages. It is currently funded through HOME, therefore home repair or reconstruction is provided concurrently with the conversion to ensure that federal standards are met. TDHCA distributes these funds through a reservation system.

The Department's Office of Colonia Initiatives (OCI) oversees single family homeownership activities that are focused along the Texas/Mexico border. This includes administration of *Colonia Self-Help Centers (SHCs)* and the previously mentioned Texas Bootstrap Loan Program. SHC's provide on-site technical assistance to low and very low-income individuals / families on housing, and community development activities, infrastructure improvements, and outreach and education. Operation is carried out through a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the ability to carry out the functions of a SHC.

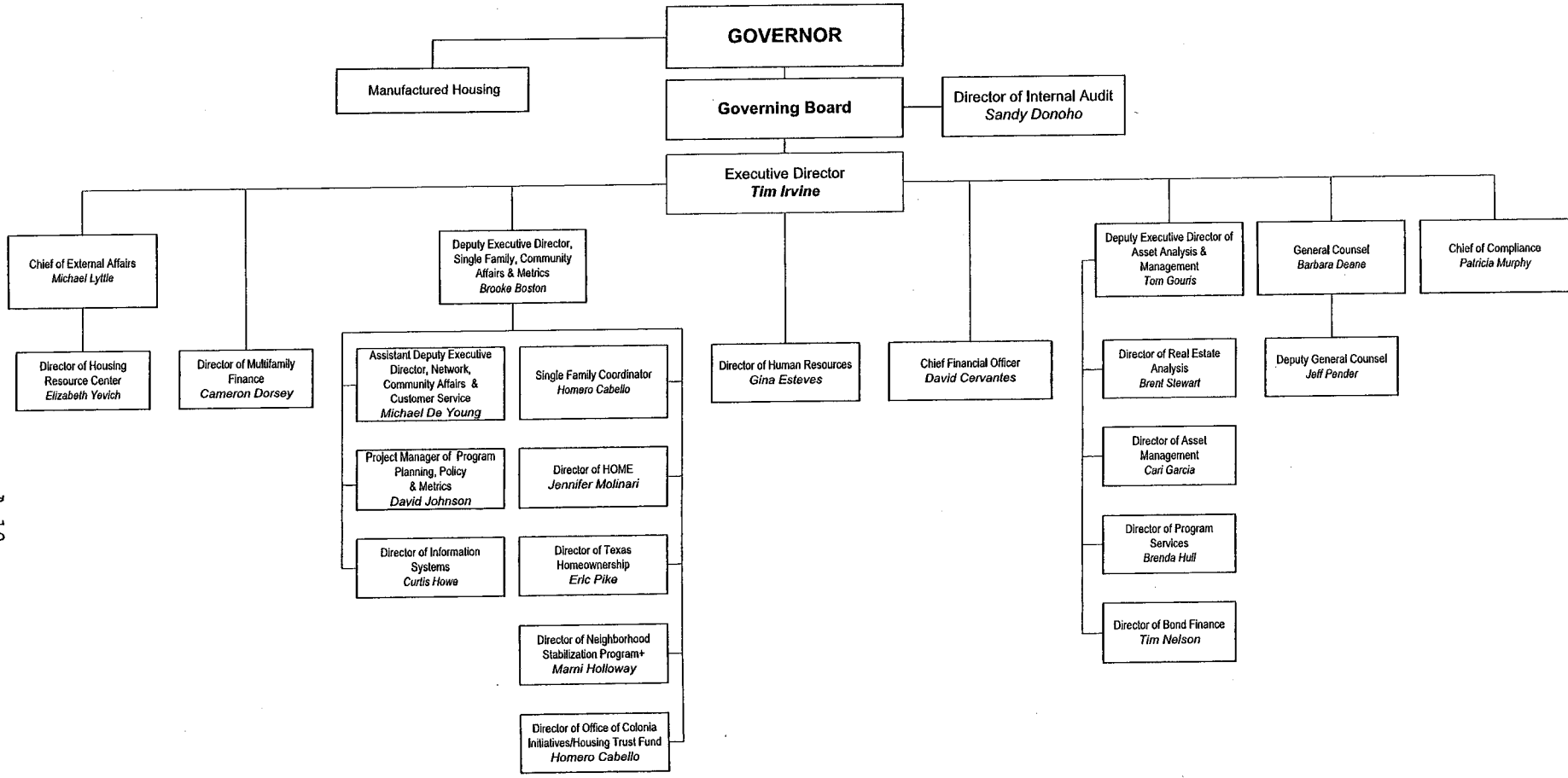
To ensure that consumers understand the process of buying a home, *the Texas Statewide Homebuyer Education Program (TSHEP)* offers training to homebuyer education providers interested in providing homebuyer education classes at the local level. TDHCA partners with the Texas State Affordable Housing Corporation to provide this service.

Regulation of the Manufactured Housing Industry

The Manufactured Housing Division administers the Texas Manufactured Housing Standards Act (Texas Act) which ensures that manufactured homes are well-constructed and safe, are installed correctly, that consumers are provided fair and effective remedies, and that measures are taken to provide economic stability for the Texas manufactured housing industry. Services include: issuing Statements of Ownership and Location (SOLs), industry licensing, installation inspection, consumer protection, issuances and cancellations of titles; title research; training and license issuances to individuals for manufactured housing manufacturing, retailing, rebuilding and installations, broker, or sales; records and releases on tax and mortgage liens; consumer complaints; and federal oversight under a cooperative agreement with the U.S. Department of Housing and Urban Development (HUD).

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TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS



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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
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