



Single-Family Activities
Committee Meeting

June 11, 2025

Bond Finance &
Home Ownership

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Bond Finance & Home Ownership



Purpose

Assist Texas families and individuals of low to moderate income obtain home ownership.

Bond Finance

Scott Fletcher – Director of Bond Finance
Heather Hodnett – Manager of S.F. Finance
Mark Fugina – Senior Financial Analyst
Erick Soriano – Senior Financial Analyst
Eric Luna – Senior Financial Analyst
Elvia Tagle – Financial Analyst

Homeownership

Lisa Johnson – Director of Homeownership
Diana Velez – Program Manager
Dyann Galaviz – Program Specialist
Rosa Liscano – Marketing & Development Specialist
Candace Christiansen – Loan Servicing Coordinator

TDHCA Programs



Bond Finance administers the Department's **Mortgage Revenue Bond (MRB)** and **Mortgage Lending Programs** and is responsible for managing the **Bond Indentures**.



TDHCA finances below-market rate mortgage loans to qualified Texas buyers through the **issuance of Mortgage Revenue Bonds (MRBs)** and by **selling mortgage loans in the TBA market** (TBA = To Be Announced) through the Department's Taxable Mortgage Program (TMP).



All TDHCA mortgage loans, regardless of funding source, provide borrowers with some level of **Down Payment Assistance (DPA)**. Our 'unassisted' 0% DPA Bond loans are essentially a rate buydown.

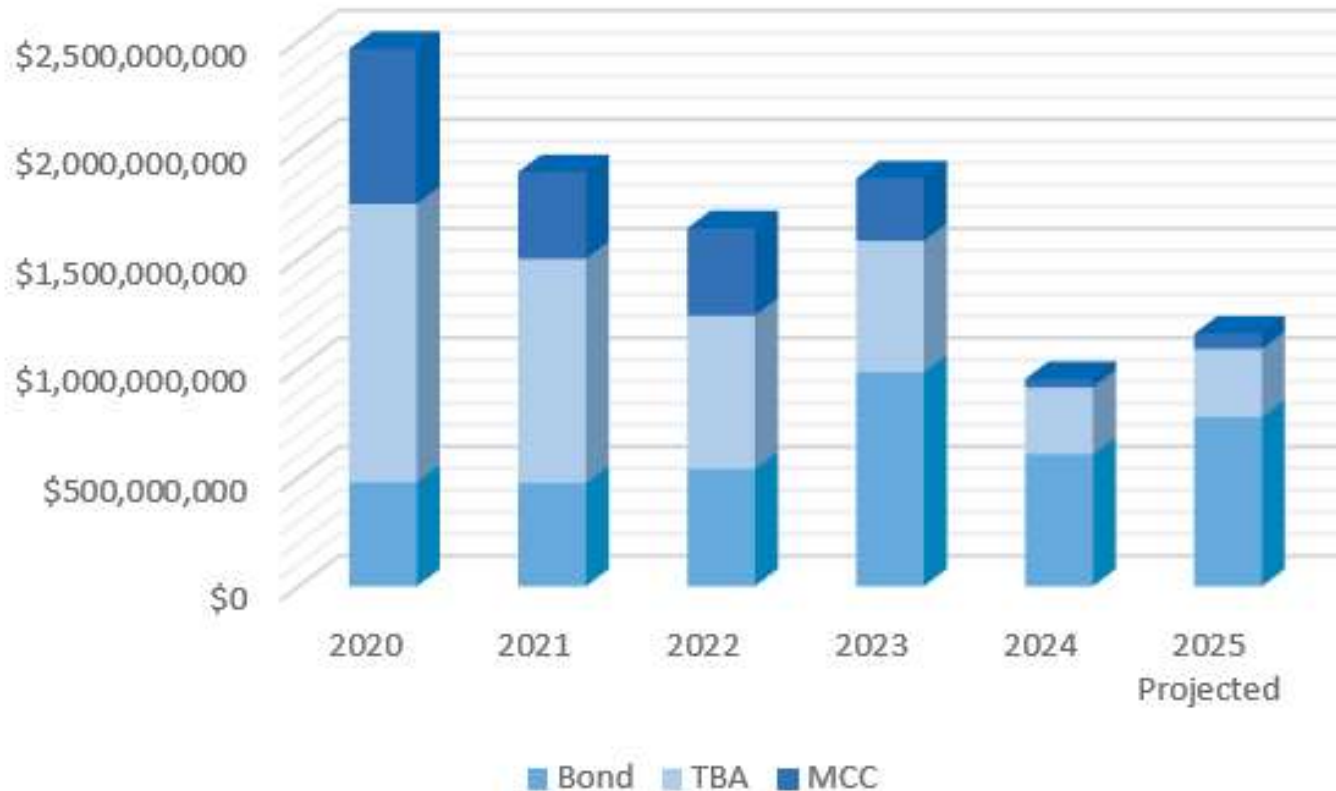


Mortgage Credit Certificates (MCCs) are a homebuyer assistance program designed to help lower-income families afford homeownership by allowing a **dollar-for-dollar tax credit** for some portion of mortgage interest paid per year.



Homeownership manages the loan level interface and **relationships with lenders**, realtors, and borrowers in partnership with the Program Administrator and Master Servicer. Homeownership is responsible for **marketing TDHCA's mortgage programs** throughout the State of Texas.

TDHCA Production by year



Program	2020	2021	2022	2023	2024	2025 Projected
Bond	\$478,337,371	\$473,923,346	\$538,053,306	\$982,587,963	\$606,329,665	\$776,738,380
TBA	\$1,274,614,008	\$1,027,454,063	\$703,235,037	\$601,529,698	\$306,170,503	\$311,106,393
MCC	\$711,244,322	\$397,776,977	\$400,465,444	\$286,756,288	\$38,538,669	\$71,263,516
Total	\$2,464,195,701	\$1,899,154,386	\$1,641,753,787	\$1,870,873,949	\$951,038,837	\$1,159,108,289



Mortgage loan volume tends to be interest rate dependent. TDHCA loan demand is no exception.

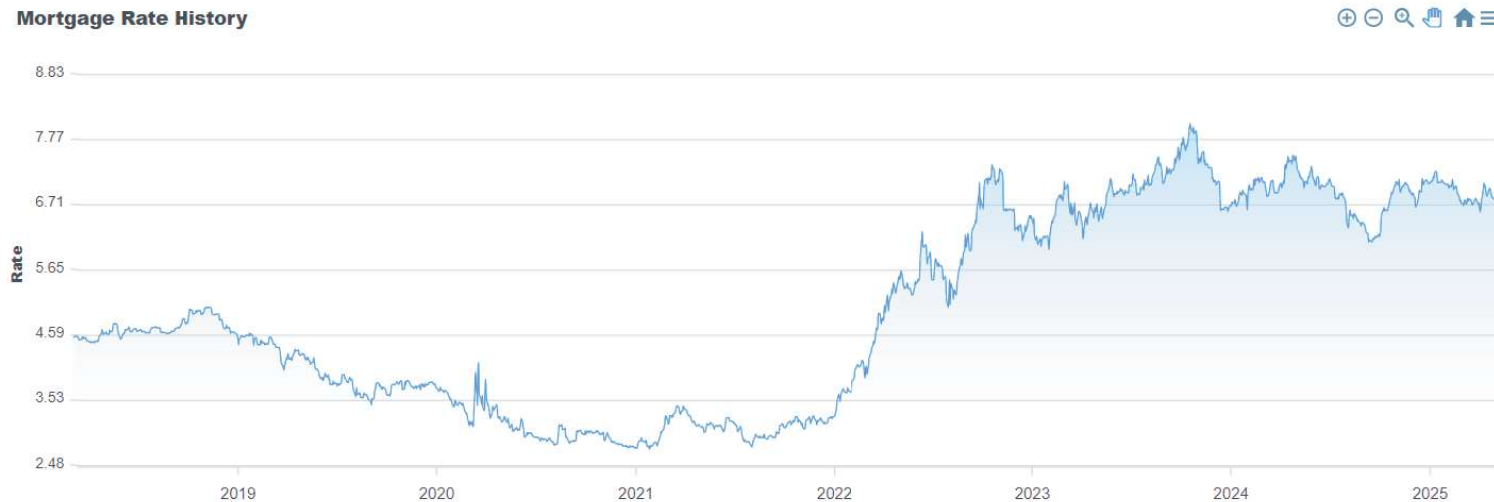
Overall loan volume has trended lower in recent years as rising interest rates have negatively impacted affordability.

**Bond Finance &
Home Ownership**

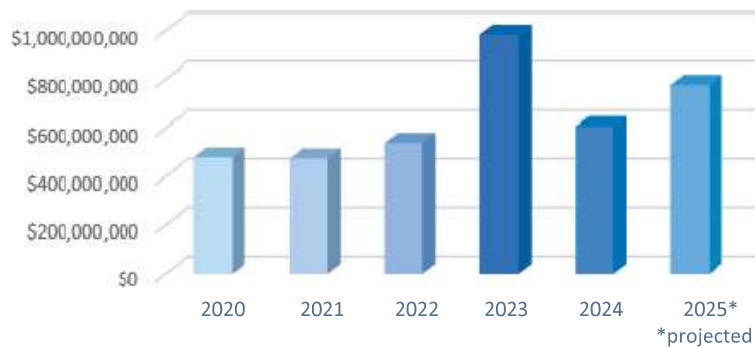
Historic Mortgage Rates & TDHCA Production

30 Year Mortgage History

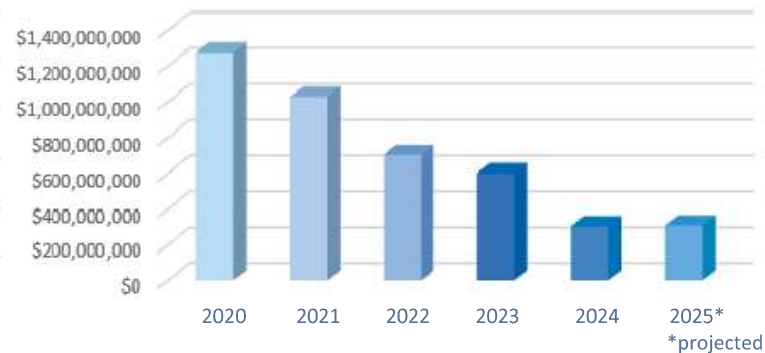
Mortgage Rate History



Bond Loans



TBA Loans



Borrower demand for TBA loans is strong in lower interest rate environments, while Bond Loans become more attractive as rates rise.

Bond Finance & Home Ownership

Current TDHCA Mortgage Rates



May 30, 2025

Repayable DPA	0% (Unassisted)	2%	3%	4%	5%
Bond Funded Loan FHA/VA	6.000%	Not Available	6.500%	6.750%	Not Available
Targeted Area Bond Funded Loan	6.250%	Not Available	6.250%	6.500%	Not Available
MCC Combo Loan	0% (Unassisted)	2%	3%	4%	5%
Repayable DPA	Not Available	6.625%	6.875%	7.125%	7.500%
Forgivable DPA	Not Available	6.875%	7.125%	7.375%	7.625%



Repayable DPA	2%	3%	4%	5%
FHA	6.625%	6.875%	7.125%	7.500%
Conventional Under 80% AMI	7.000%	7.125%	7.375%	7.750%
Conventional Over 80% AMI	7.125%	7.250%	7.500%	7.875%
Forgivable DPA	2%	3%	8%	5%
FHA	6.875%	7.125%	7.375%	7.625%
Conventional Under 80% AMI	7.125%	7.250%	7.625%	7.875%
Conventional Over 80% AMI	7.250%	7.375%	7.750%	8.000%



Bond Finance &
Home Ownership






The
Texas
Homebuyer
Program

Texas Homeownership Division Activity Report



Equal Housing Opportunity

Texas Homebuyer Mortgage Loan Programs

<div>  <div> Texas Department of Housing & Community Affairs </div> </div>			<div>  <div> My First Texas Home By The Texas Homebuyer Program </div> </div>	<div>  <div> My Choice Texas Home By The Texas Homebuyer Program </div> </div>
Program Name			My First Texas Home	My Choice Texas Home
TDHCA Loan Type			Bond Loans or Combo Loans	TBA Loans
Funding Source			Issuance of MRBs	Sold in Market
Mortgage Type			FHA VA USDA	FHA VA Conventional
Down Payment Assistance			Yes	Yes
DPA Type			Repayable	Repayable or Forgivable
MCC Eligible			Yes	No
First-Time Buyer or Veteran			Required	Not Required
Income Limits			Yes	Yes
Property Value Limits			Yes	Yes
Minimum FICO			Yes	Yes
Home Buyer Education Required			Yes	Yes

Mortgage Loans

30-Year Fixed Rate

Down Payment Assistance

Repayable

30-Year, 0%, Non-Amortizing 2nd Lien

Forgivable

3-Year, 0%, Non-Amortizing 2nd Lien

Mortgage Credit Certificates

Offered as Combo only
with 20% Credit

Texas Homebuyer Program at a Glance

April 2024 – May 2025



\$109 Million

**Average Funds Reserved
Per Month**



458

**Average # of Loans
Per Month**



\$7,626

Average DPA Amount



\$1,486,500

Total Gift Funds



98 %

First-Time Homebuyers

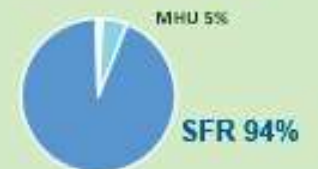
Loan Type



Existing vs New Construction



Property Type

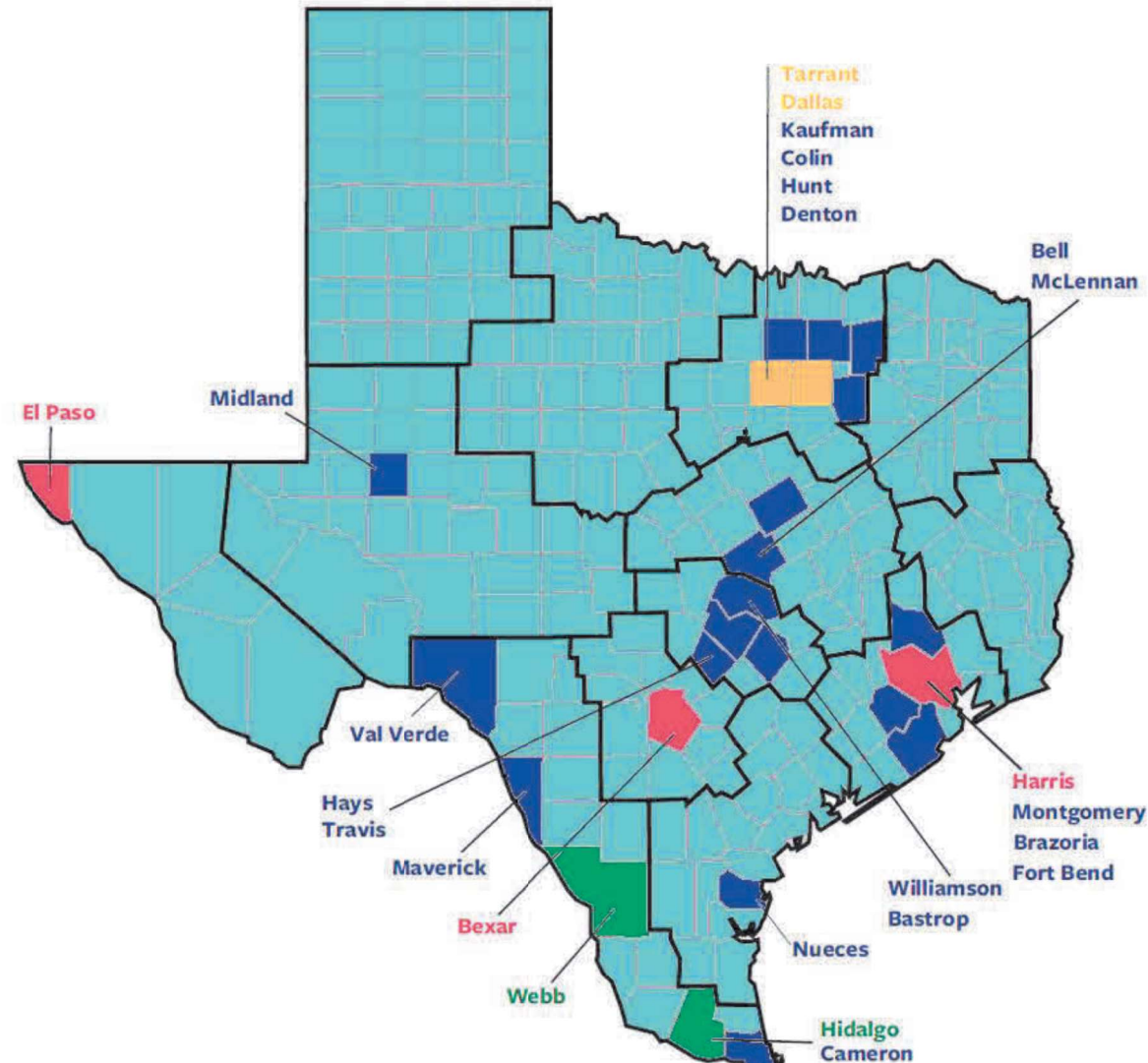


Single Family Loans Geographic Distribution

April 2024 – May 2025



Top 25 Counties by Loan Volume

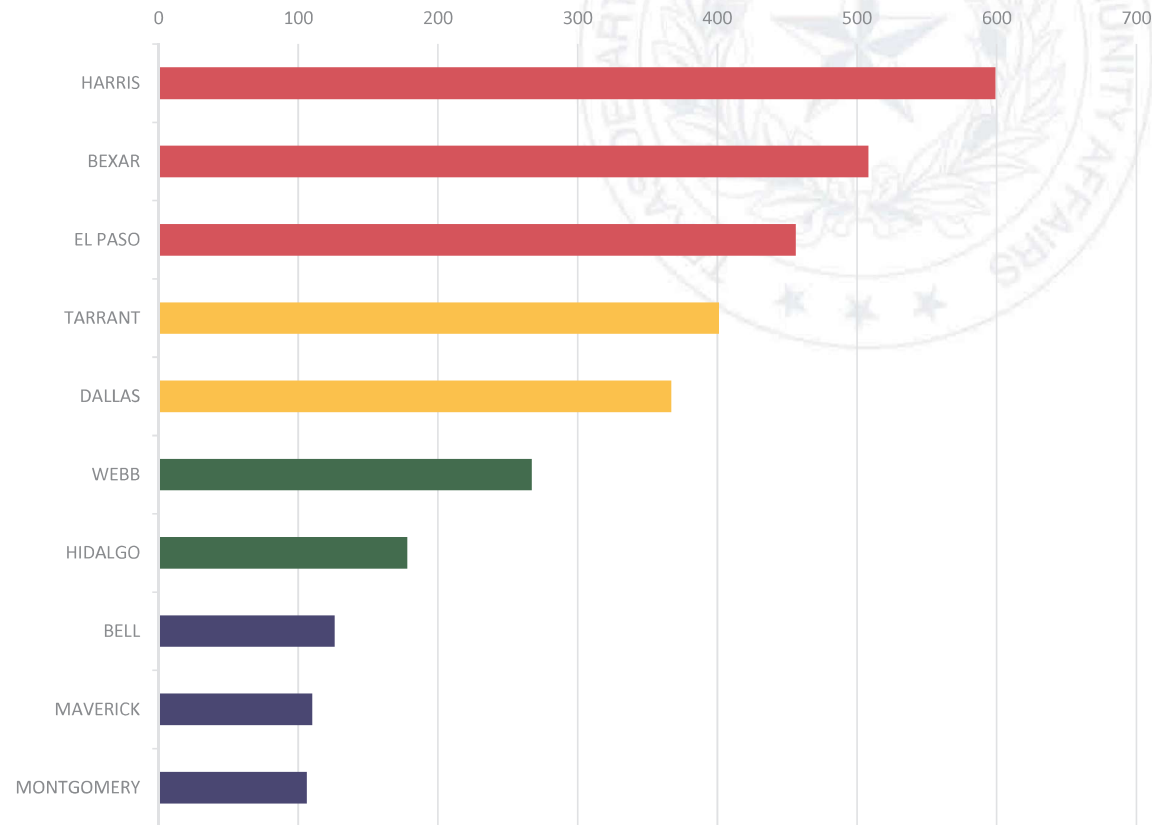


Single Family Loans Geographic Distribution

April 2024 – May 2025



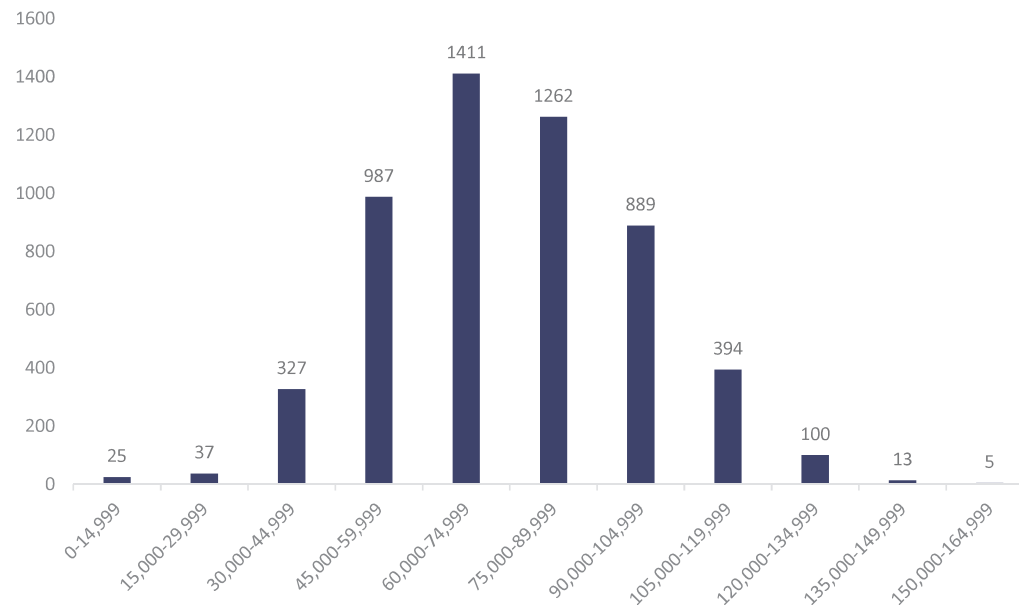
Top 10 Counties by Loan Volume



Texas Homebuyer Program at a Glance

April 2024 – May 2025

Household Income



FTHB Program Income Limits Range \$98,800 - \$138,320

FTHB Purchase Price Limit Range \$544,232 - \$665,173

Average Household Income

\$75,364

Average Purchase Price

\$243,711.30



Equal Housing Opportunity

TDHCA Participating Lender Partners

Approved Lenders: 127
 New Since TMS Transition: 7
 Pending Approvals: 12

Top 10 Performing Lenders

CMG Mortgage Inc. dba CMG Home Loans

Fairway Independent Mortgage Corporation

Everett Financial dba Supreme Lending

American Portfolio Mortgage Corporation

New American Funding LLC

Prime Lending, A Plains Capital Company

Gateway Mtg, a div of Gateway First Bank

Guild Mortgage Company LLC

DAS Acquisition Co, LLC

Directions Equity, LLC

CMG FINANCIAL

FAIRWAY
 INDEPENDENT MORTGAGE CORPORATION
INTEGRITY

E
 EVERETT FINANCIAL GROUP

AMERICAN
 PORTFOLIO MORTGAGE

na newamerican
 FUNDING

PrimeLending
 A PlainsCapital Company.

Gateway
 MORTGAGE

Guild
 mortgage

DAS Acquisition Company, LLC.

Directions
 Home Loan

Texas Housing Finance Corporation Partnerships

The Texas Homebuyer Program is proud to partner with certain local Housing Finance Corporations (HFC) that assign Bond Cap to TDHCA.

In some cases, HFC funds supplement their Bond Cap Assignment with additional Gift Funds, expanding the Department's capacity to further reach and assist future homebuyers. The partnership is an asset to all Texans and expanding every month into new regions!



Neighborhood Partners Support you in Buying your Texas Home!

The Texas Homebuyer Program is proud to partner with local Housing Finance Agencies in certain eligible counties in Texas to offer additional Bond funds to be used in conjunction with the TDHCA Down Payment Assistance Programs that can help you qualify to buy a home, sooner, rather than later.

You've worked hard to build your credit and qualify for a mortgage. The Texas Homebuyer Program and your local Housing Finance Corporations are working hand in hand to help you to the finish line with the necessary funds to realize your dream of homeownership.

Search Below for qualifying areas in Texas and more information about how your towns, counties and community leaders are supporting your home buying mission!

Current HFC Partners

City of Arlington
Cameron County
Capital Area HFC
City of Dallas
Fort Bend County
City of Grand Prairie
Harris County
City of McKinney
City of Rowlett
Tarrant County
Travis County

Pending HFC Partners

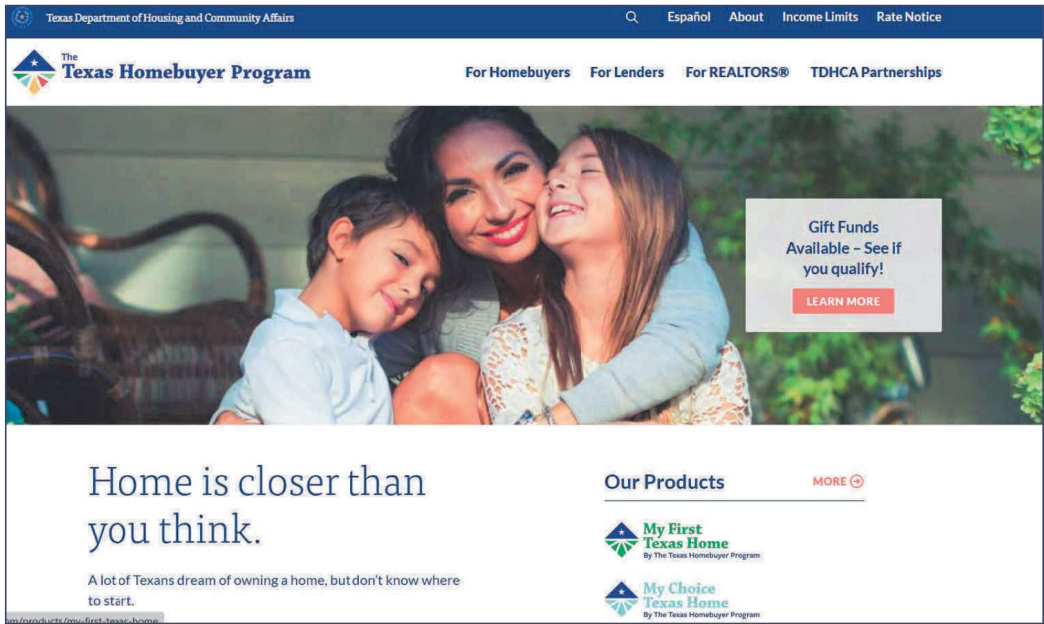
East Texas
City of Houston
Northeast Texas
Jefferson County
Collin County
Denton County

Past HFC Partners

City of El Paso
North Central Texas

Texas Homebuyer Program Marketing Mission

Website



New Homebuyer Informational Funnel



Texas Homebuyer Program Marketing Mission

First Time Homebuyer Guide



First Time Homebuying Guide

Welcome to your new beginning!

Buying your first home is a big step. And it should be an exciting one! But the process is complex: new terms to learn, documents to sign, steps to follow, and schedules to keep. It's easy to feel overwhelmed, especially if you don't have the right people in your corner from the start.

The good news? You don't have to manage it alone. The Texas Homebuyer Program is proud to help Texans make their home-owning dream a reality. And we're here to share our expertise, tips, and offer down payment assistance—so you can move through this life-changing journey with confidence and excitement!

TheTexasHomebuyerProgram.com/program

The Texas Homebuyer Program
Down Payment Assistance

The Homebuying Process: Step by Step

Follow this guide for a smooth homebuying journey. And jot down your notes along the way!

- Step 1**
Evaluate Your Financial Situation
Review your income and expenses. Check your credit through your bank or via a soft-pull service such as Credit Karma that won't impact your credit score. Knowing where you stand helps you set a realistic budget you can be confident in as you begin your journey.
TIP Take a [Homebuyer Education course](#) to learn all the ins-and-outs of the homebuying process.
- Step 2**
Get Pre-Approved for a Mortgage
Find an [approved loan officer](#). A lender will review your financials and let you know how much you're able to borrow. Pre-approval makes you a strong buyer when you're ready to make an offer.
TIP Your lender will likely require [Homeowners Insurance](#), so start shopping now. Your Loan Officer can provide referrals.
- Step 3**
Find a Real Estate Agent
A real estate agent is a great resource for finding homes, scheduling tours, and negotiating with sellers. They're your advocate and expert in the real estate market.

Banking/lending institution _____ End-date of Pre-approval _____
Realtor Contact Info _____

The Texas Homebuyer Program
Down Payment Assistance

- Step 4**
Start Your House Hunt
Let the fun begin! Visit open houses, tour homes, and explore neighborhoods. Keep your mind, and understand your must-haves and home priorities.
TIP Ask if there are [Home Owners Association Fees](#) for the neighborhoods you're in.
- Step 5**
Submit Offers(s)
Once you've found the right home, your real estate agent will help you make an offer: the price you're willing to pay for the home, as well as any conditions or requests for the price.
- Step 6**
Submit Earnest & Option Money
These payments show the seller that you're a serious buyer. Earnest money is a non-refundable deposit that's held in escrow, and contributes toward your down payment—usually 1% of the purchase price. Option money is a smaller non-refundable fee that gives you the right to contract during a certain period of time, often during inspections.
- Step 7**
Home Inspection & Appraisal
A home inspection helps you learn about the property's condition and the appraisal confirms its market value for the Lender. Both are key to protecting your investment. **Note:** Appraisals and inspections are often required at the time of the service.
TIP Get the full report to consider for future maintenance and repairs.
- Step 8**
Final Walkthrough & Closing
Before closing on your home, you'll do one last walkthrough to make sure the home is in the condition you agreed upon. Then you'll sign your final paperwork and **officially become a homeowner!**

Open House Time & Date _____
Open House Time & Date _____

The Texas Homebuyer Program
Down Payment Assistance

Things a Homebuyer Needs to Know

Terms to Know
Closing Costs
Paid in addition to the down payment on closing day. Include attorney fees, loan origination fee, application fee, document preparation, escrow fee, survey and recording fees, tax escrow, flood zone certification, and potentially private mortgage insurance premium.

Credit Score
This number tells lenders how reliable you are at paying back borrowed money. A higher score can help you get better loan terms, and we work with a wide range of scores.

Down Payment
The difference between the mortgage and the final purchase price. The minimum down payment is 3.5% on most loans.

Private Mortgage Insurance (PMI)
Lenders require that the borrower purchase PMI to protect the lender against default on loans with less than a 20% down payment.

Qualifying
A buyer must qualify for a loan. Typically, the monthly payment cannot exceed 28% of the buyer's gross monthly income. And all monthly debt cannot exceed 36% of higher monthly income.

Mythbusters
Myth You must have 20% saved for a down payment.
Busted While 20% is often mentioned, it's not a requirement. Many first-time buyers put down far less. However, if your down payment is less than 20% of the purchase price, your lender will require PMI, which adds to your monthly payment.
TIP TDHCA can even help with down payment assistance.

What is a Real Estate Agent?
A [licensed agent](#) helps you search for homes, schedule showings, and handle paperwork. They advise you and negotiate on your behalf.

Mortgage Programs
Through the [Texas Homebuyer Program](#), you may qualify for a 30-year fixed-rate mortgage with options for down payment and closing cost assistance.
TIP Check if you [prequalify](#)!

Your Lender and Real Estate Agent are your partners during the home buying process. Along with the TDHCA, you've got a great team on your side!

The Texas Homebuyer Program
Down Payment Assistance

Texas Homebuyer Program Marketing Mission

Eligibility Quick Check Tool

Texas Department of Housing and Community Affairs

The Texas Homebuyer Program

[Home](#) / [Eligibility Quick Check](#)

Prequalification

Step 1 of 2

Please tell us your name.

First Name

☐ Yes ☐ No

Have you taken and completed a Homebuyer's Education Course?

The Texas Homebuyer Program offers a free Homebuyer's Education Course.

Is your household income \$163,800 or less?

☐ Yes ☐ No

Is your credit score 620 or higher?

☐ Yes ☐ No

Will the home be your primary residence?

☐ Yes ☐ No

Let us find out if you're eligible for any of our housing programs.

[VIEW ELIGIBILITY](#)

Texas Department of Housing and Community Affairs

The Texas Homebuyer Program

[Home](#) / [Eligibility Quick Check](#)

Prequalification

Step 2 of 2

Page Title That Can Go On for 80 Characters No More For SEO and Readability

[Home](#) / [Eligibility Quick Check](#)

Congrats! We May Be Able to Assist You in Purchasing Your Dream Home.

Please tell us a little more about yourself so our team of homeownership experts can be ready to best assist you.

Have you owned a home in the last three years?

☐ Yes ☐ No

Are you or your spouse a veteran?

☐ Yes ☐ No

How many adults will live in the home?

☐ 1-2 ☐ 3+

How many units does your desired home have?

Homes with up to two units may qualify for support from the Texas Homebuyer Program.

☐ 1 ☐ 2 ☐ 3+

What is the value of the home you wish to purchase?

Select a method to identify where your desired home is located.

☒ Address ☐ County

There are certain tracts within some counties that are designated as Targeted Areas. All other regions of the county are Non-Targeted Areas. Homebuyers in Targeted Areas benefit from higher limits on income and purchase price than other Targeted Areas in the same county and need not be first-time home buyers to use the FirstHome program.

Street Address

City

Enter your email.

We need this so we can send you your results. You'll also be subscribed to our newsletter which contains resources and opportunities to make the most of any program. You can unsubscribe at any time. See our [Privacy Policy](#).

Email Address

☐ I consent to sharing my email address with one of the Texas Homebuyer Program lending partners.

By unchecking this box you are opting out of being contacted by a Texas Homebuyer Program lending partner.

Let's find out what programs will work for you!

Texas Department of Housing and Community Affairs

My First Texas Homebuyer Program

Directory

LOGIN

Eligibility Results

[Home](#) / [Eligibility Quick Check](#)

Congratulations! Based on your answers you may be eligible for several of our programs.

With your permission, we've also sent your contact information and your eligibility information into a qualified loan officer that will be able to help you take the next step.

Address: 355 State St Tomball, TX 77355	Residence: Rtl	Income: Yes	Adult Resident: 1-2	Units: 1	Home Value: \$241,000
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My First Texas Home (MFTH) Repayable + Mortgage Credit Certificate (MCC)

Income Limit: \$110,000	Price Limit: \$110,000	Loan Term: 30 Years	Loan Type: Repayable
----------------------------	---------------------------	------------------------	-------------------------

[View Interest Rates](#)

20% MCC Credit Rate. Considers income of all persons who will sign the deed of the Fee Waiver.

My First Texas Home (MFTH) Forgivable + Mortgage Credit Certificate (MCC)

Income Limit: \$110,000	Price Limit: \$110,000	Loan Term: 30 Years	Loan Type: Forgivable
----------------------------	---------------------------	------------------------	--------------------------

[View Interest Rates](#)

20% MCC Credit Rate. Considers income of all persons who will sign the deed of the Fee Waiver.

My Choice Texas Home (MCTH) Forgivable

Income Limit: \$110,000	Price Limit: \$110,000	Loan Term: 3 Years	Loan Type: Forgivable
----------------------------	---------------------------	-----------------------	--------------------------

[View Interest Rates](#)

Not Subject to Recapture Law

My Choice Texas Home (MCTH) Repayable

Income Limit: \$110,000	Price Limit: \$110,000	Loan Term: 30 Years	Loan Type: Repayable
----------------------------	---------------------------	------------------------	-------------------------

[View Interest Rates](#)

Not Subject to Recapture Law

We've matched you with an Ambassador Loan Officer

They'll reach out to you with more information about which Texas Homebuyer Programs are right for you and answer any questions you may have about how to take the next step.

Firstname Lastname

Loan Officer
Bank of America

Phone Number
★★★★★

Phone
(555-555-5555)

Email
Email Me


[VIEW ALL QUALIFIED LOAN OFFICERS](#)

Texas Homebuyer Program Marketing Mission

Lender and Realtor Website Profiles

5

State Department of Housing and Community Affairs

The Texas Homebuyer Program

Directory

LOGIN

Directory

[Home](#)

Find a Loan Officer or Realtor

No matter where you are in Texas, there's a qualified loan officer and realtor that can help you get access to downpayment assistance as well as any of our other programs.

Find a Loan Officer

Find a Realtor

Search by Lender Name

Entry

Search by Institution

Entry

SEARCH

Clear Search

Location

Street Address, City

Language


Placeholder Entry Left

View

Ambarasodong

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

24 Results Found



Firstname Lastname

Lender

Bank of America

Loan Volume


★★★★★

Phone

(555-555-5555)

Email

Email Me



Firstname Lastname

Lender

Bank of America

Loan Volume


★★★★★

Phone

(555-555-5555)

Email

Email Me



Firstname Lastname

Lender

Bank of America





Loan Volume

★★★★★

Address

5555 State St, Suite 5
Cityville, ST 55555

Social Media




Language

English, Spanish

NMLS #

55555555



Firstname Lastname

Gender

Male

Bank of America

Loan Volume

★★★★★

Phone

(555-555-5555)

Email

Email Me

Address

5555 State St. Suite 5
Cityville, ST 55555

Social Media

Facebook

Twitter

LinkedIn


Instagram

Language

English, Spanish

XMLID #

55555555



Firstname Lastname

Gender

Male

Bank of America

Loan Volume


★★★★★

Phone

(555-555-5555)

Email

Email Me



Firstname Lastname

Gender

Male

Bank of America

Loan Volume


★★★★★

Phone

(555-555-5555)

Email

Email Me



Firstname Lastname

Gender

Male

Bank of America

Loan Volume


★★★★★

Phone

(555-555-5555)

Email

Email Me



Firstname Lastname

Gender

Male

Bank of America

Loan Volume

★★★★★

Phone

(555-555-5555)

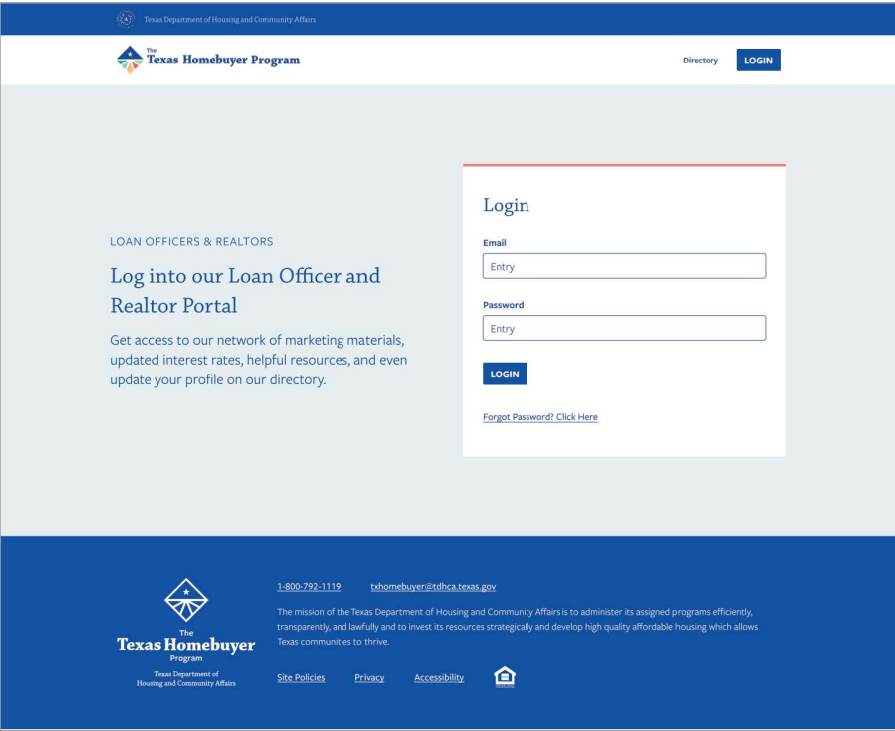
Email

Email Me

LOAD MORE

Texas Homebuyer Program Marketing Mission

Lender and Realtor Portal



Texas Homebuyer Program Marketing Mission

Lender Profile Management and Lead Dashboard

Texas Homebuyer Program Marketing Mission

What are we doing to stay competitive?

- Always being responsive and available to solve problems for Lenders, Realtors, and Homeowners
- Cross Marketing with The Money Source, Freddie Mac, Fannie Mae
- DPA One, HFA One, Down Payment Resource, ICE Mortgage Technology, Optimal Blue
- Provide Marketing Materials for Lenders and Realtors
- Lender and Realtor Group or One-on-One Trainings
- Virtual Video Library for Lenders
- Participate in Speaking Engagements and Homebuyer Fairs
- Corporate Lunch & Learns
- Host Homebuyer Webinars
- Market to State of Texas Employees through Lunch & Learns
- Public Relations with DPPA
- New Marketing Firm Utilizes Targeted Electronic Marketing Technology driven by data
- Developing an Ambassador Level Lender Status that serves as advisory panel and are routed leads through the Homebuyer Eligibility Tool.



Texas Homebuyer Program Marketing Mission

How are we ensuring sustainable Homeownership?

- Education First Program
- State-wide Partnerships with Regional HUD Certified Counselors
- FHLB Grant awarded \$120,000 to TDHCA for Homebuyer Education
- New Homebuyer Course: Finally Home
 - Financial Literacy Course
 - Follows the Homeowner through the Life of the Loan
 - Scholarships Provided by TDHCA



Equal Housing Opportunity



Bond Finance

Bond Finance Introduction

TDHCA's Bond Finance Division is entirely self funded, receiving no funds from Federal, State, or Local Governments. Bond Finance makes quarterly contributions to TDHCA to fund the Department's portion of expenses and shared services.

Bond Finance:

- manages over \$3 billion dollars Bond Indenture Assets & Liabilities
- issues \$750 million annually in Mortgage Revenue Bonds
- finances over \$1 billion mortgage loans for low-to-moderate income Texans annually
- funds over \$50 million in Down Payment Assistance annually
- oversees an \$8.7 billion MSR book

It is imperative that each program, not only supports our mission, but is financially viable and sustainable. Bond Finance is resolute on enhancing our partnerships and modernizing our approach to optimize our portfolio, create sustainable growth, and expand our impact.

Indenture Summary

TDHCA Indenture Balance Sheets as of February 28, 2025



	Single Family Mortgage Revenue Bond Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Combined Totals
PARITY COMPARISON:			
PARITY ASSETS			
Cash Investments	\$ 116,386,493	\$ 144,294,078	\$ 260,680,571
Mortgage Backed Securities	\$ 1,406,473,876	\$ 1,416,512,681	\$ 2,822,986,557
Loans Receivable			\$ -
Accrued Interest Receivable	\$ 6,889,817	\$ 6,034,474	\$ 12,924,291
TOTAL PARITY ASSETS	\$ 1,529,750,186	\$ 1,566,841,233	\$ 3,096,591,419
PARITY LIABILITIES			
Notes Payable		\$ 10,000,000	\$ 10,000,000
Bonds Payable	\$ 1,436,354,493	\$ 1,500,665,584	\$ 2,937,020,077
Accrued Interest Payable	\$ 25,922,780	\$ 6,749,518	\$ 32,672,298
TOTAL PARITY LIABILITIES	\$ 1,462,277,273	\$ 1,517,415,102	\$ 2,979,692,375
PARITY DIFFERENCE	\$ 67,472,913	\$ 49,426,131	\$ 116,899,044
PARITY (without DPA)	104.61%	103.26%	103.92%
DPA	\$ 205,293,836	\$ 166,205,137	\$ 371,498,973
PARITY (with DPA)	118.65%	114.21%	116.39%

NOTE: Investments, MBS, and Bonds Payable shown at par value not fair value

A Bond Indenture is a contractual agreement between the issuer and the trustee for the benefit of the bondholders.

It outlines the terms and conditions of the bonds.

It serves to protect the interests of bondholders by clearly defining their rights and the issuer's commitments.

RMRB Indenture Snapshot








	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
PARITY ASSETS						
Mortgage Backed Securities	\$ 258,928,053	\$ 231,451,564	\$ 288,717,337	\$ 506,999,311	\$ 1,044,912,323	\$ 1,363,451,912
Acquisition Funds	\$ -	\$ -	\$ -	\$ 92,989,573	\$ 2,370,757	\$ 152,461,892
Revenue & Reserve Funds	\$ 6,786,901	\$ 8,357,827	\$ 6,233,681	\$ 9,520,230	\$ 19,487,260	\$ 24,522,754
Surplus	\$ 6,924,103	\$ 6,088,541	\$ 27,883,172	\$ 28,135,620	\$ 12,752,686	\$ 21,262,754
TOTAL PARITY ASSETS	\$ 272,639,057	\$ 245,897,932	\$ 322,834,190	\$ 637,644,734	\$ 1,079,523,026	\$ 1,561,699,312
PARITY LIABILITIES						
Long-Term Fixed Rate Bonds	\$ 245,790,000	\$ 223,415,000	\$ 283,162,670	\$ 584,293,200	\$ 1,038,293,034	\$ 1,500,665,548
Subordinate Note (DPA Funding)	\$ 10,271,929	\$ 10,338,596	\$ 10,438,596	\$ 10,538,596	\$ 10,638,596	\$ 10,738,595
TOTAL LIABILITIES	\$ 256,061,929	\$ 233,753,596	\$ 293,601,266	\$ 594,831,796	\$ 1,048,931,630	\$ 1,511,404,143
EQUITY	\$ 16,577,128	\$ 12,144,336	\$ 29,232,924	\$ 42,812,938	\$ 30,591,396	\$ 50,295,169
PARITY	106.47%	105.20%	109.96%	107.20%	102.92%	103.33%
DPA Loans	\$ 91,995,554	\$ 139,461,541	\$ 128,480,020	\$ 127,011,669	\$ 160,079,290	\$ 170,818,243
EQUITY INCLUDING DPA	\$ 108,572,682	\$ 151,605,877	\$ 157,712,944	\$ 169,824,607	\$ 190,670,686	\$ 221,113,412

SFMRB Indenture Snapshot



	9/1/2019	9/1/2020	9/1/2021	9/1/2022	9/1/2023	9/1/2024
PARITY ASSETS						
Mortgage Backed Securities	\$ 438,457,352	\$ 559,254,026	\$ 643,410,370	\$ 760,246,575	\$ 996,019,500	\$ 1,434,473,907
Acquisition Funds	\$ 12,949,125	\$ 176,901,672	\$ 160,601,597	\$ 119,995,225	\$ 267,729,554	\$ 630,199
Revenue & Reserve Funds	\$ 181,654,362	\$ 23,592,623	\$ 26,771,151	\$ 25,161,568	\$ 19,457,286	\$ 25,325,945
Surplus	\$ 9,031,873	\$ 12,499,717	\$ 29,273,735	\$ 31,692,334	\$ 33,118,150	\$ 48,453,537
TOTAL PARITY ASSETS	\$ 642,092,712	\$ 772,248,038	\$ 860,056,853	\$ 937,095,702	\$ 1,316,324,490	\$ 1,508,883,588
PARITY LIABILITIES						
Sr Lien Long-Term Fixed Rate Bonds	\$ 519,886,564	\$ 654,733,172	\$ 761,156,209	\$ 844,976,595	\$ 1,220,431,122	\$ 1,412,926,276
Sr Lien T/E Floating/Swap to Fixed	\$ 66,405,000	\$ 55,505,000	\$ 20,705,000	\$ 14,720,000	\$ 10,995,000	\$ 7,685,000
Jr Lien Long-Term Fixed Rate Bonds		\$ -	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Jr Lien Unhedged Floating Rate Bonds	\$ 3,855,000	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinate Note (DPA Funding)	\$ 12,071,342	\$ 12,071,148	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 602,217,906	\$ 722,309,320	\$ 811,861,209	\$ 889,696,595	\$ 1,261,426,122	\$ 1,450,611,276
EQUITY	\$ 39,874,806	\$ 49,938,718	\$ 48,195,644	\$ 47,399,107	\$ 54,898,368	\$ 58,272,312
SR LIEN PARITY	109.52%	108.73%	110.00%	109.00%	106.89%	106.21%
JR LIEN PARITY	106.62%	106.91%	105.94%	105.33%	104.35%	104.02%
DPA Loans	\$ 79,749,348	\$ 83,250,755	\$ 153,423,318	\$ 192,594,191	\$ 200,019,166	\$ 215,072,469
EQUITY INCLUDING DPA	\$ 119,624,154	\$ 133,189,473	\$ 201,618,962	\$ 239,993,298	\$ 254,917,534	\$ 273,344,780

Bond Finance Highlights

-  Market Value of Indenture Assets total \$3.2 billion
-  DPA Portfolio totals \$372 million
-  Mortgage Servicing Rights on \$8.7 billion in mortgage loans generating around 1.6 million in monthly revenue
-  10 Bond issues over the past three (3) years totaling over \$2.4 billion
-  All future issuance will be in the Residential Mortgage Revenue Bond (RMRB) Indenture
-  Bond Finance is winding down Single Family MRB Indenture.
-  Variable Rate Debt & Swaps down to \$6 million



Market Value of Assets

RMRB	\$ 1,726,429,676
SFRMB	\$ 1,490,146,303
TMP/TBA	<u>\$ 7,306,765</u>
	\$ 3,223,882,744

DPA Portfolio







\$ 371,498,974

Mortgage Servicing Rights

MSR \$ 8.67 billion

TDHCA receives monthly fees on MSR portfolio

Bond Finance Accomplishments






-  Expanded the Texas Local HFC partnership program
-  Transitioned to continuous lending in bond program
-  Initiated Volume Cap Recycling
-  Established new Financial Advisor relationship
-  Established new Master Servicer relationship
-  Started Servicer Oversight Initiative



**One Billion
in Volume Cap**
assigned to TDHCA by
Local HFCs since 2020

TDHCA has recycled
\$60 million
in volume cap since
January 2025

Bond Finance Initiatives

-  Enhance and optimize TBA program
-  Improve internal data & reporting
-  Expand & leverage FHLB Relationship
-  DPA securitization & alternative funding methods
-  Identify CRA lending opportunities
-  Secondary Market Execution to optimize cross calling
-  Expand investor base and direct placement sources



TDHCA
will be a
best-in-class
State Housing
Finance Agency



Mortgage Revenue Bonds

Mortgage Revenue Bond Program Flow of Funds



TDHCA issues Mortgage Revenue Bonds (MRBs) to finance below market-rate mortgage loans for qualified, low-to-moderate income, first-time Texas homebuyers and veterans.



Participating Mortgage Lenders originate qualifying mortgage loans which are pooled into GNMA MBS pass-through Certificates (US Govt. Guaranteed) by the Master Servicer.

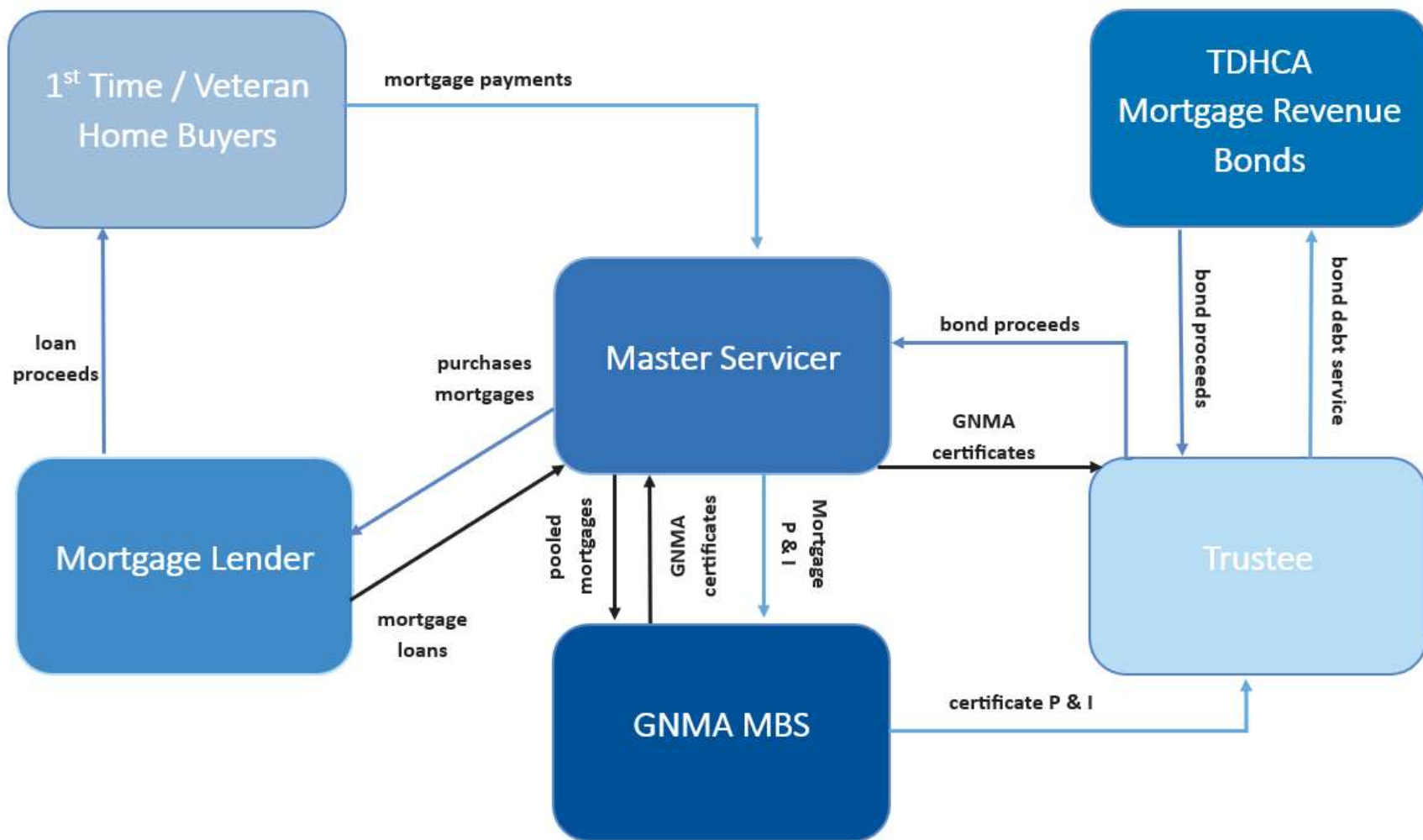


The GNMA certificates are purchased into the indenture by the Trustee using bond proceeds.



GNMA certificates are the collateral for the Mortgage Revenue Bonds. Cashflows from mortgage principal and interest payments flow through the GNMA certificates to make debt service payments on the bonds.

MRB Program Flow of Funds



MRB Economics \$250,000,000 TDHCA RMRB Series 2025 BC

SOURCES OF FUNDS

Par Amount of Bonds
Par Amount of Bonds from Recycled Volume Cap
Bond Premium
Issuer Contribution ⁽¹⁾
TOTAL

2025B	2025C	TOTAL
164,845,000.00	62,500,000.00	227,345,000.00
22,655,000.00	-	22,655,000.00
5,995,815.00	1,116,558.00	7,112,373.00
4,145,141.46	710,328.80	4,855,470.26
197,640,956.46	64,326,886.80	261,967,843.26

USES OF FUNDS

MBS Certificates - 3% DPA
MBS Certificates - 4% DPA
MBS Certificates - No DPA
Second Mortgage Loans
Lender Compensation
Servicing of Seconds
Underwriter Compensation
Costs of Issuance
TOTAL

2025B	2025C	TOTAL
101,250,000.00	33,750,000.00	135,000,000.00
9,375,000.00	3,125,000.00	12,500,000.00
76,875,000.00	25,625,000.00	102,500,000.00
4,550,000.00	-	4,550,000.00
3,750,000.00	1,250,000.00	5,000,000.00
73,750.00	-	73,750.00
1,229,506.46	407,111.80	1,636,618.26
537,700.00	169,775.00	707,475.00
197,640,956.46	64,326,886.80	261,967,843.26

Loan Summary

MBS Certificates - 3% DPA
MBS Certificates - 4% DPA
MBS Certificates - No DPA
MBS Certificates - 3% DPA Targeted Area
MBS Certificates - 4% DPA Targeted Area
MBS Certificates - No DPA Targeted Area

Expected Loan Rate	2025B	2025C	TOTAL
6.49%	84,375,000.00	28,125,000.00	112,500,000.00
6.69%	7,500,000.00	2,500,000.00	10,000,000.00
6.15%	67,500,000.00	22,500,000.00	90,000,000.00
6.34%	16,875,000.00	5,625,000.00	22,500,000.00
6.55%	1,875,000.00	625,000.00	2,500,000.00
6.00%	9,375,000.00	3,125,000.00	12,500,000.00
6.34%	187,500,000.00	62,500,000.00	250,000,000.00

(1) Additional amount not to exceed \$10,000,000 may be used for capitalized interest.

Loan Assumptions

Expected MBS Purchases for Series 2025BC (P111)

		Non-Targeted Area			Targeted Area				
Date		Repayable DPA	Repayable DPA	Unassisted	Repayable DPA	Repayable DPA	Unassisted	Total	
DPA		3.00%	4.00%	0.00%	3.00%	4.00%	0.00%	1.820%	
Share of Originations		45%	4%	36%	9%	1%	5%	100%	
Assumed Rates		6.490%	6.690%	6.150%	6.340%	6.550%	6.000%	6.338%	
7/1/2025		\$ 22,500,000	\$ 2,000,000	\$ 18,000,000	\$ 4,500,000	\$ 500,000	\$ 2,500,000	\$ 50,000,000	
8/1/2025		22,500,000	2,000,000	18,000,000	4,500,000	500,000	2,500,000	50,000,000	
9/1/2025		22,500,000	2,000,000	18,000,000	4,500,000	500,000	2,500,000	50,000,000	
10/1/2025		22,500,000	2,000,000	18,000,000	4,500,000	500,000	2,500,000	50,000,000	
11/1/2025		22,500,000	2,000,000	18,000,000	4,500,000	500,000	2,500,000	50,000,000	
Total	8/31/2025	\$ 112,500,000	\$ 10,000,000	\$ 90,000,000	\$ 22,500,000	\$ 2,500,000	\$ 12,500,000	\$ 250,000,000	
DPA	1.82%	3,375,000	400,000	-	675,000	100,000	-	4,550,000	
Lender Comp	2.00%	2,250,000	200,000	1,800,000	450,000	50,000	250,000	5,000,000	
DPA Servicing	0.05%	56,250	5,000	-	11,250	1,250	-	73,750	
Total Cost		\$ 118,181,250	\$ 10,605,000	\$ 91,800,000	\$ 23,636,250	\$ 2,651,250	\$ 12,750,000	\$ 259,623,750	

Yield Assumptions

Yield Summary

DPA

Created as Separate Loan Portfolios

Repayable: Non-interest bearing, due on sale, refi of payoff; repayment is added to loan receipts

Expected annual loss of 0.50% is subtracted from loan receipts

GNMA guaranty fee of .06% is subtracted from loan receipts

Taxable Mortgage Rate

7.07%

	Yield Assumptions		
	Tax-Exempt	Taxable	Aggregate
Weighted Average Maturity	10.5414	7.9601	9.8961
Mortgage loan yield	5.7505%	6.8515%	6.0215%
Bond arbitrage yield	4.6287%	5.5449%	4.8246%
Spread	1.1218%	1.3066%	1.1969%

Loan Product		Participations*					
		Principal	Interest Rate	2025B Tax-Exempt Principal	2025B Tax-Exempt Interest	2025C Taxable Principal	2025C Taxable Interest
25BC	3 Point Repayable DPA	112,500,000	6.490%	75%	72.11%	25%	27.89%
25BC	4 Point Repayable DPA	10,000,000	6.690%	75%	72.11%	25%	27.89%
25BC	Unassisted Loans	90,000,000	6.150%	75%	72.11%	25%	27.89%
25BC	3 Point TA Loans	22,500,000	6.340%	75%	72.11%	25%	27.89%
25BC	4 Point TA Loans	2,500,000	6.550%	75%	72.11%	25%	27.89%
25BC	Unassisted TA Loans	12,500,000	6.000%	75%	72.11%	25%	27.89%
Totals		250,000,000	6.338%				

* Zero participation loans with a future bond series to be determined and finalized (if necessary) upon actual origination.

TDHCA Recent Bond Deals

Issue	Dated Date	Par Amount
RMRB 2022 B	October 19, 2022	\$150,000,000
SFMRB 2022 B	December 21, 2023	\$190,000,000
RMRB 2023 A	March 29, 2023	\$230,000,000
SFMRB 2023 AB	July 12, 2023	\$250,000,000
RMRB 2023 BC	September 27, 2023	\$250,000,000
SFMRB 2024 CD	December 20, 2023	\$250,000,000
RMRB 2024 AB	April 10, 2024	\$250,000,000
RMRB 2024 CD	July 18, 2024	\$250,000,000
RMBR 2025 A	February 12, 2025	\$175,000,000
RMRB 2025 BC	June 10, 2025	\$250,000,000
		\$2,245,000,000

TDHCA Top Bond Holders Tax-Exempt

Firm	Par Amount
Capital Group Companies	\$308,367,000
Fidelity Management & Research	\$107,052,000
Vanguard Group	\$104,428,000
BlackRock	\$74,820,000
Charles Schwab Corporation	\$60,040,000
TIAA-CREF/Nuveen	\$53,455,000
Olive Street Investment Advisors	\$47,167,000
Brown Brothers Harriman & Co.	\$41,945,000
Massachusetts Financial Services	\$30,043,000
RW Baird & Company	\$29,798,000
Franklin Resources	\$29,554,000
New York Life Group	\$26,276,000
Federated Hermes Inc.	\$26,153,000
Invesco Senior Secured Management Inc.	\$23,246,000
Eaton Vance Corp	\$21,037,000



TDHCA Top Bond Holders Taxable

Firm	Par Amount
Metlife Investment Management LLC	\$17,445,000
Penn Mutual Asset Management LLC	\$11,000,000
Fort Washington Investment Advisors	\$9,258,000
Community Capital Management Inc.	\$9,034,000
BlackRock	\$7,877,000
New Jersey Manufacturers Group	\$7,115,000
40/86 Advisors Inc.	\$5,380,000
American Money Management Corp.	\$4,996,000
DNB (Norway)	\$4,500,000
Schroders Plc	\$3,940,000
Wellington Management Group LLP	\$3,500,000
Amica Mutual Insurance Company	\$3,436,000
Allianz SE	\$2,855,000
Northwestern Mutual Investment Services	\$2,845,000
Kohlberg Kravis Roberts & Co LP (KKR)	\$2,845,000



TDHCA RMRB Ratings Moody's: Aa1 S&P: AA+

MOODY'S RATINGS

Rating Action: Moody's Ratings assigns Aaa to TDHCA's Residential Mortgage Revenue Bonds Series 2025B&C; outlook negative

11 Apr 2025

New York, April 11, 2025 -- Moody's Ratings (Moody's) has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' (TDHCA) \$187.5 million Residential Mortgage Revenue Bonds, Series 2025B (Tax-Exempt)(Non-AMT) and \$62.5 million Residential Mortgage Revenue Bonds, Series 2025C (Taxable). We also maintain Aaa ratings on all outstanding parity debt issued under the Residential Mortgage Revenue Bonds (RMRB) Indenture. The outlook is negative.

RATINGS RATIONALE

The Aaa rating reflects that the RMRB Indenture's solid financial performance will continue, as evidenced by its 1.14x (1.03x excluding all second lien loans) program asset-to-debt ratio (PADR), solid though variable margins (8% in fiscal year 2024), and a first lien loan portfolio consisting of high quality Government National Mortgage Association (Ginnie Mae) and Federal National Mortgage Association (Fannie Mae; Aaa negative) mortgage-backed securities (MBS). The strong credit quality is further supported by the RMRB Indenture's sound legal structure, cash flow projections that demonstrate sufficiency under all Moody's stress case scenarios and solid management. The active issuance in the RMRB program will likely result in future PADR dilution and pressure on margins, however, the full-spread MBS previously added to the portfolio will boost income.

RATING OUTLOOK

The negative outlook mirrors that of the US Government rating, highlighting the RMRB program's reliance on the US Government as a counterparty for its first lien loan portfolio and the program's 1.03x PADR excluding second lien loans.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

Texas Department of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

Credit Profile

US\$187.5 mil residential mtg rev bonds ser 2025 B due 06/01/2056		
Long Term Rating	AA+/Stable	New
US\$62.5 mil residential mtg rev bonds ser 2025 C due 06/01/2056		
Long Term Rating	AA+/Stable	New
Texas Dept of Hsg & Community Affairs single fam mtg rev mtg bonds ser 2020B due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Community Affairs Texas Dept of Hsg & Community Affairs solid mtg rev bonds ser 08A		
Long Term Rating	AA+/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' rating to Texas Department of Housing & Community Affairs' (TDHCA) \$187.5 million series 2025B and \$62.5 million series 2025C residential mortgage revenue bonds (RMRBs).
- At the same time, S&P Global Ratings affirmed its 'AA+' rating on TDHCA's parity debt under the RMRB indenture.
- The outlook is stable.

Security

Bonds issued within the RMRB indenture are limited obligations of TDHCA, payable solely from revenue, assets, and money pledged under the master indenture on a parity basis with parity obligations outstanding under the master indenture.

Pledged assets include revenue, mortgages, mortgage loans, investment securities, money held in the funds (excluding the rebate fund), and other property held under the trust estate. The trust estate currently includes mortgage certificates purchased with prior bond proceeds, guaranteed by Ginnie Mae or Fannie Mae.

According to preliminary transaction documents, TDHCA will use bond proceeds to purchase mortgage-backed securities (MBS), fund loans for down payment and closing cost assistance, pay lender compensation related to mortgage loans, and repay Federal Home Loan Bank of Dallas advances to provide funds for the purchase of MBS and down-payment assistance loans. Ginnie Mae will guarantee the MBS as to timely principal and interest payments.

The bonds will bear interest payable semiannually on Jan. 1 and July 1, starting Jan. 1, 2026. Bonds are subject to special, optional, and mandatory sinking fund redemptions, as described in transaction documents.

Credit overview

The rating reflects our view of the program's:

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APRIL 11, 2025 2

Moody's Downgrade

Moody's downgraded RMRB from Aaa to Aa1 on May 21, 2025 in sympathy with their downgrade of US Sovereign debt.

SFMRB retained Moody's Aaa rating due to the strength of the Parity Ratio.

This ratings downgrade affected 31 US HFA Issuers.

S&P downgraded the US Sovereign Debt on August 5, 2011. TDHCA's RMRB and SFMRB ratings were accordingly downgraded as well.

MOODY'S RATINGS

Press Release

Moody's downgrades ratings and changes outlooks on 31 Aaa obligors under the US HFA Single-Family and Multifamily Housing Methodologies

Moody's Ratings (Moody's) has downgraded ratings and changed the outlooks on 31 Aaa obligors pursuant to the US HFA Single-Family and Multifamily Housing Methodologies. A summary of the rating changes can be found in the list below.

- To Aa1 stable from Aaa negative
- To Aa1(sf) stable from Aaa(sf) negative
- To Aa1 from Aaa

The rating and outlook changes are driven by the downgrade of the United States government rating to Aa1 with a stable outlook from Aaa with a negative outlook. The programs have a very high proportion of federally guaranteed, federally insured loans or mortgage-backed securities (MBS) collateral along with a relatively lower net program assets-to-debt ratio (PADR) compared to other Aaa-rated peers. Generally, the net PADRs for these programs are between 1.00x - 1.06x or have a downward PADR trajectory towards this range. Any short-term ratings associated with these programs included in this action remain unchanged.

Please click on this link [XXX](#) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

Please click on this link [XXX](#) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Principal Methodologies and Models Used
- State of Obligors



Taxable Mortgage Program (TMP) or
To-Be-Announced (TBA) Program

TDHCA TBA Process



TBA Provider quotes the lock-price for Mortgage-Backed Securities (MBS) to be delivered by the Department in the future



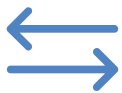
Department uses quoted prices to set mortgage rates and originates loans



Lenders originate loans through the Program Administrator and sell first and second mortgage loans to the Master Servicer



Several times each month, mortgage loans are pooled into MBS

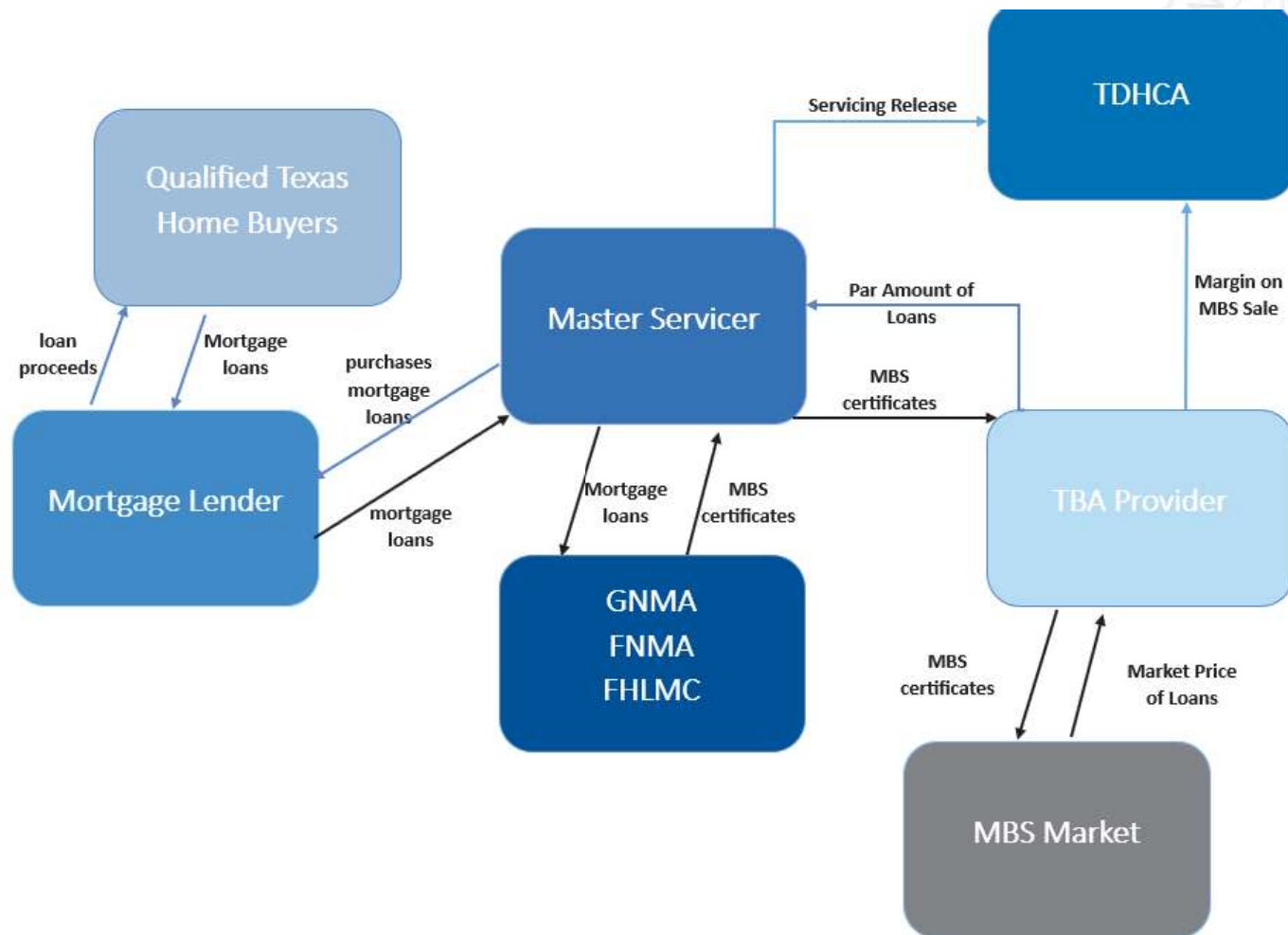


TBA provider purchases the MBS from the Master Servicer and sells the MBS in the market.



TDHCA is paid the margin on the sales proceeds and upfront servicing release from the Master Servicer.

TDHCA TBA Process



TDHCA TBA Economics

Loan Amount: \$200,000
 Loan Rate: 6.625%
 Repayable DPA: 2%

	Price or Percentage	Dollars	
Loan Amount	100.00000	\$200,000.00	TBA Loan Purchased
45 Day Lock Price of 6% MBS	100.59764	\$201,195.28	
PayUp for 2% Texas DPA Mortgages	1.02344	\$2,046.88	
Hilltop Mark up	-0.125	-\$250.00	
Adjusted 45 Day Rate Lock Price	101.49608	\$202,992.16	TBA Loan Sold
		\$2,992.16	Loan Margin

TDHCA Flow of Funds at Settlement			
TBA Loan Sale Margin	1.49608	\$2,992.16	
Service Release Premium	2.045	\$4,090.00	
2% DPA Assistance	2%	-\$4,000.00	
2% Lender Comp	2%	-\$4,000.00	
Loan Admin Fee	0.05%	-\$100.00	
Net at Settlement		-\$1,017.84	TDHCA Funds
Present Value Return of DPA	54%	\$2,160.00	
Present Value	0.5711%	\$1,142.16	TDHCA Nets

TBA Loan Comparison

Loan Amount: \$200,000

Repayable DPA: 2%

Loan Rate: 6.500%

6.625%

6.750%

	Price or Percentage	Dollars	Price or Percentage	Dollars	Price or Percentage	Dollars
Loan Amount	100.00000	\$200,000.00	100.00000	\$200,000.00	100.00000	\$200,000.00
45 Day Lock Price of 6% MBS	100.59764	\$201,195.28	100.59764	\$201,195.28	102.00391	\$204,007.82
PayUp for 2% Texas DPA Mortgag	1.02344	\$2,046.88	1.02344	\$2,046.88	1.96094	\$3,921.88
Hilltop Mark up	-0.125	-\$250.00	-0.125	-\$250.00	-0.125	-\$250.00
Adjusted 45 Day Rate Lock Price	101.49608	\$202,992.16	101.49608	\$202,992.16	103.83985	\$207,679.70
		\$2,992.16		\$2,992.16		\$7,679.70
TDHCA Flow of Funds at Settlement						
TBA Loan Sale Margin	1.49608	\$2,992.16	1.49608	\$2,992.16	3.83985	\$7,679.70
Service Release Premium	1.515	\$3,030.00	2.045	\$4,090.00	0.288	\$576.00
2% DPA Assistance	2%	-\$4,000.00	2%	-\$4,000.00	2%	-\$4,000.00
2% Lender Comp	2%	-\$4,000.00	2%	-\$4,000.00	2%	-\$4,000.00
Loan Admin Fee	0.05%	-\$100.00	0.05%	-\$100.00	0.05%	-\$100.00
Net at Settlement		-\$2,077.84		-\$1,017.84		\$155.70
Present Value Return of DPA	54%	\$2,160.00	54%	\$2,160.00	54%	\$2,160.00
Present Value		\$82.16		\$1,142.16		\$2,315.70

TBA Loan Comparison

Loan Amount: \$200,000
 Repayable DPA: 2% 5%
 Loan Rate: 6.625% 7.375%

	Price or Percentage	Dollars	Price or Percentage	Dollars
Loan Amount	100.00000	\$200,000.00	100.00000	\$200,000.00
45 Day Lock Price of 6% MBS	100.59764	\$201,195.28	102.65625	\$205,312.50
PayUp for 2% Texas DPA Mortgag	1.02344	\$2,046.88	2.95313	\$5,906.26
Hilltop Mark up	-0.125	-\$250.00	-0.125	-\$250.00
Adjusted 45 Day Rate Lock Price	101.49608	\$202,992.16	105.48438	\$210,968.76
		\$2,992.16		\$10,968.76

TDHCA Flow of Funds at Settlement				
TBA Loan Sale Margin	1.49608	\$2,992.16	5.48438	\$10,968.76
Service Release Premium	2.045	\$4,090.00	0.808	\$1,616.00
2% DPA Assistance	2%	-\$4,000.00	5%	-\$10,000.00
2% Lender Comp	2%	-\$4,000.00	2%	-\$4,000.00
Loan Admin Fee	0.05%	-\$100.00	0.05%	-\$100.00
Net at Settlement		-\$1,017.84		-\$1,515.24
Present Value Return of DPA	54%	\$2,160.00	54%	\$5,400.00
Present Value		\$1,142.16		\$3,884.76

TDHCA TBA Economics

Loan Amount: \$200,000
 Loan Rate: 6.875%
 Forgivable DPA: 2%

	Price or Percentage	Dollars	
Loan Amount	100.00000	\$200,000.00	TBA Loan Purchased
45 Day Lock Price of 6% MBS	102.00391	\$204,007.82	
PayUp for 2% Texas DPA Mortgag	1.86719	\$3,734.38	
Hilltop Mark up	-0.125	-\$250.00	
Adjusted 45 Day Rate Lock Price	103.7461	\$207,492.20	TBA Loan Sold
		\$7,492.20	Loan Margin

TDHCA Flow of Funds at Settlement

TBA Loan Sale Margin	3.74610	\$7,492.20	
Service Release Premium	0.878	\$1,756.00	
2% DPA Assistance	2%	-\$4,000.00	
2% Lender Comp	2%	-\$4,000.00	
Loan Admin Fee	0.05%	-\$100.00	
Net at Settlement		\$1,148.20	TDHCA Receives
Present Value Return of DPA	12.500%	\$500.00	
Present Value		\$1,648.20	TDHCA Nets



Current TDHCA TBA Model Summary

Benefits

Requires no volume cap
Limited Financial Risk
Reasonable profitability

Drawbacks

Cash out at origination (liquidity)
Increased volume sustainability

Risks

Concentration Risk:
Delinquency Risk:
Foreclosure Risk:
Market Risk:

\$8.7 billion currently being serviced by IHFA*
Delinquencies negatively impact excess servicing revenue*
Foreclosures eliminate ongoing excess servicing & 2nd Lien repayment*
Due to impact of prepayment speeds on excess servicing revenue*

Bond Finance is analyzing bringing Mortgage Loan pipeline management in-house.

Benefits

No volume cap
Trade mark-up savings (estimated at \$750,000 annually)
Ability to shop pay-ups in market
More competitive TBA rates
Enhanced pipeline management (TBA and Bond Pipeline)
Enhanced liquidity
Enhanced profitability

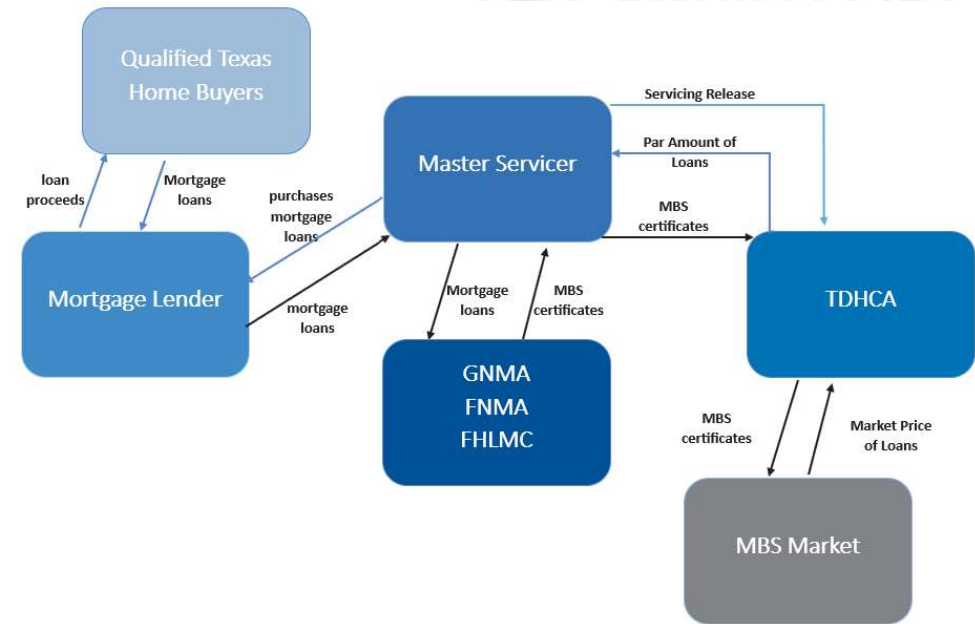
Drawbacks

Systems, Process, Policy & Procedures need to be built out

Risks

Significantly more market risk

Contemplated TBA Model





Down Payment Assistance

Down Payment Assistance

Down Payment Assistance is designed to help homebuyers cover some of the upfront costs associated with purchasing a home and provide a path to homeownership sooner rather than later.

DPA also provides an opportunity to supplement other funding sources and ultimately lower the borrower's monthly payment, supporting sustainability.

DPA funding sources include:

- Indenture excess revenue
- DPA repayments
- Excess servicing income and Mortgage Servicing Release
- Premium on MRB Issuance
- Premium received selling TBA Loans

TDHCA's 'unassisted' or 0% DPA Bond Loans as essentially a rate buy-down. Unassisted loans provide a path to lower interest rates for a generally more qualified homebuyer benefiting them with a lower payment and enhanced sustainability.

TDHCA DPA Programs

Repayable DPA

30-Years | 0% | Non-Amortizing

Forgivable DPA

3-Year | 0% | Non-Amortizing

TDHCA Second Liens are due
upon Refinance or
Repayment of the first lien.



Mortgage Credit Certificates (MCCs)

Mortgage Credit Certificates



Mortgage Credit Certificates are a homebuyer assistance program designed to help low-to-moderate income families afford homeownership.



The program allows homebuyers to claim a **dollar-for-dollar tax credit** for some portion of mortgage interest paid per year. Remaining mortgage interest paid may still be taken as an itemized deduction.



To be eligible, individuals must be a first-time homebuyer or qualified veteran, meet the program's income and purchase price restrictions, and use the home as their primary residence. MCCs generally are subject to the same eligibility and targeted area requirements as Mortgage Revenue Bonds (MRBs).



TDHCA offers MCC only on Combo-Loans provided by the Department.

Mortgage Credit Certificates

MCC Homeowner Calculation

Loan Amount :	\$200,000
Mortgage Interest Rate:	7.125%
Annual Mortgage Interest:	\$14,250
TDHCA MCC Program Credit Rate:	20%
$\$14,250 \times 20\% = \$2,850$	
MCC Tax Credit for Homeowner:	\$2,850

TDHCA typically uses a 20% Credit Rate as MCCs with a Credit Rate higher than 20% cap the Tax Credit for the Homeowner at \$2,000 per year.

TDHCA Benefits

Combo Loans provide TBA Revenue & MCC Fee Revenue

TDHCA Drawbacks

MCC revenue is less than revenue from bond issuance

Sufficiency of Volume Cap

Borrower Benefits

Tax Credit lowers borrowers net interest rate

Helps borrowers qualify for mortgage

Borrower Drawbacks

Borrowers must claim tax credit on tax returns annually

Risks

Changes in Tax Law & Tax Rates

MCC Volume Cap usage

MRB Private Activity Bond Volume Cap is converted to MCC Authority on four-to-one basis ...for each \$1,000,000 of volume cap, \$250,000 of authority can be used.

The tax credit rate utilized determines the dollar amount of loans that can receive the MCC.

At a 25% tax credit rate, MCCs can be issued dollar-for-dollar to the amount of volume cap converted. MCCs can be issued against a greater par amount of loans with a smaller tax credit rate (minimum is 10%) or against a lesser par amount of loans with a higher tax credit rate (maximum is 50%).

MCC Volume Cap Calculation		
Volume Cap	Credit Rate	MCC Authority
\$250,000,000	10%	\$625,000,000
\$250,000,000	15%	\$416,666,667
\$250,000,000	20%	\$312,500,000
\$250,000,000	25%	\$250,000,000
\$250,000,000	30%	\$208,333,333



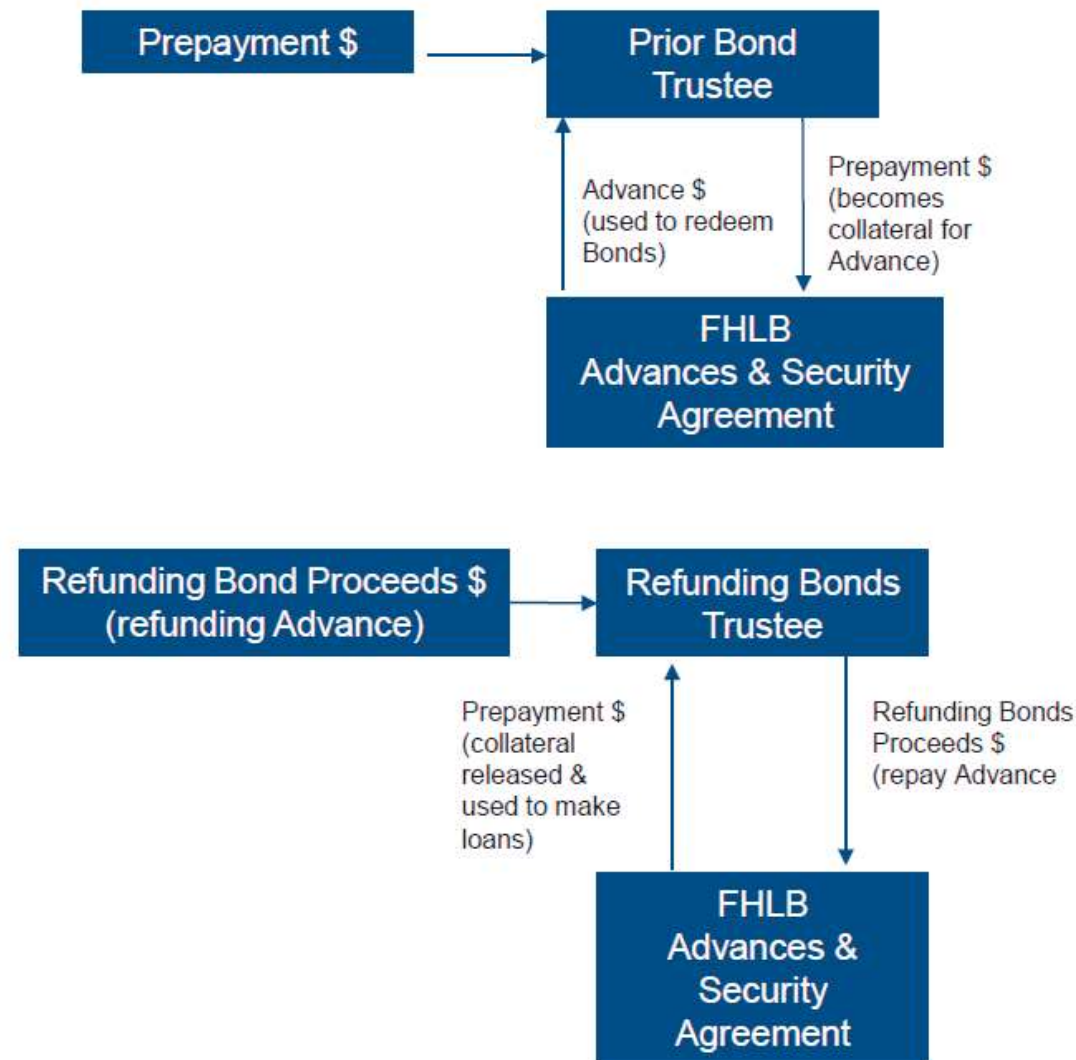
Volume Cap Recycling

Volume Cap Recycling

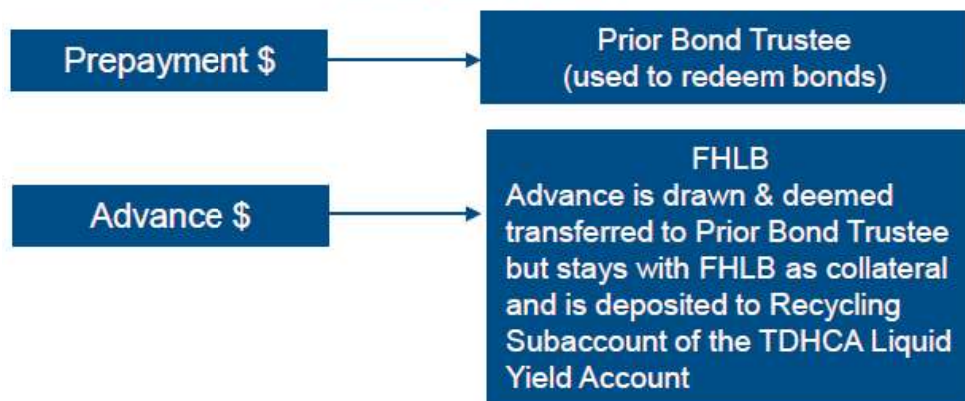
is a way to preserve and recycle prior years tax-exempt private activity bond volume cap which would otherwise expire upon repayment of the financing, resulting in redemption of the bonds.

In a traditional recycling program, mortgage loan repayments and prepayments are deposited into an investment, and a like amount of funds are borrowed to redeem bonds.

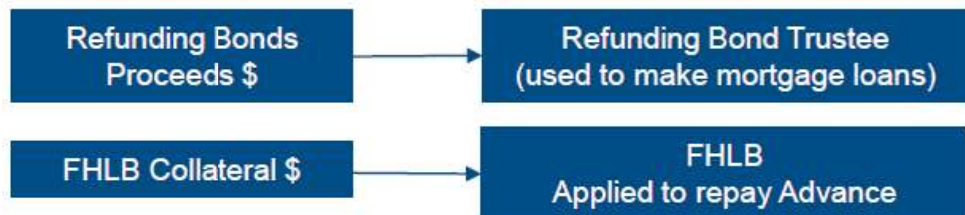
At a later date, tax exempt bonds are issued to repay the borrowed funds, and the funds invested are released to originate new loans.



1. On or before date prepayments are used to redeem bonds



2. On date Refunding Bonds are issued



Both 1 and 2 are deemed transfers. In 1 prepayments held by the Trustee are deemed transferred to FHLB and the Advance from FHLB is deemed transferred to the Trustee to redeem bonds. In 2 Refunding Bond proceeds are deemed transferred from the Trustee to FHLB to repay the Advance in 1 and the amounts in the Recycling Subaccount of the TDHCA Liquid Yield Account are deemed transferred to the Trustee to be used to make mortgage loans.

Volume Cap Recycling

Deemed Transfer

To facilitate the ease of execution and avoid the risk of failed/delayed wires or bond redemptions, TDHCA has adopted a “deemed transfer approach.

Under this approach, funds will be borrowed from FHLB through an advance and immediately deposited into a CD with FHLB, and funds will be “deemed” to transfer back and forth between FHLB and BNY.

Funds will be held in the CD until bonds are issued, at which time the CD matures and is used to repay the advance, and new bond proceeds are deposited into the mortgage loan fund to originate mortgage loans.


As such, funds will have been “deemed” to transfer back and forth between FHLB and BNY.

The cost to TDHCA will be 10 basis points = the spread between the advance and CD interest rates.



TDHCA Third Party Partners

TDHCA Third Party Partners & Providers



Bond Counsel	Bracewell LLP
Tax Counsel	Bracewell LLP
Disclosure Counsel	McCall, Parkhurst & Horton LLP
Financial Advisor	CSG Advisors
Trustee	BNY Mellon
Senior Underwriters	Jefferies RBC Capital Markets
Co-Underwriters	Morgan Stanley Ramirez & Co. JP Morgan Wells Fargo Piper Sandler Loop Capital Markets
Underwriter's Counsel	Chapman and Cutler LLP
Master Servicer	The Money Source (TMS)
Program Administrator	Hilltop Securities
TBA Provider	Hilltop Securities

BRACEWELL

Bracewell, as Bond Counsel, is a key TDHCA partner, providing legal services to the Department in connection with the issuance of bonds and the protection of assets pledged to bond indentures, as well as providing ongoing legal services related to the Program.

Bond Counsel has responsibility for drafting the supplemental bond indentures, bond resolutions, tax certificates, and other bond-related documents. They are responsible for rendering the opinion relating to tax-exemption of the bonds.

Elizabeth Rippy Bowes
Andrew T. Prihoda
Rachel M. Koerner
Kiera Hoogendam
John Martinez

Bond Counsel

BRACEWELL

Tax Counsel, provides expertise with respect to tax law on bond transactions and ongoing Department activities.

Services provided include:

- Specialized legal advice regarding IRS code as it applies to bond financing activities and to the programs funded with proceeds of bonds.
- Tax opinions evidencing compliance of each bond issue with applicable provisions of the IRS Code and adequacy of program documents, policies, and procedures to reasonably assure compliance with such Code provisions.
- Review and approval of Bond Yields and Mortgage Yields associated with each issuance and bond-financed loan program. Prepare the Arbitrage Certificate relating to each bond issue.
- Assist Department on 10-year and 32-year rule analysis, matters related to federal recapture tax, cross calling and universal cap.
- Prepare and file required IRS and State forms.

Victoria N. Ozimek

Tax Counsel



McCall Parkhurst & Horton assists TDHCA with disclosure documents related to public bond issuance. This includes drafting official statement or portions thereof and continuing disclosure agreements (CDAs).

In addition to document preparation, disclosure counsel assists with the due diligence process leading up to the issuance of the bonds including a review of past compliance with continuing disclosure agreements and the Annual Comprehensive Financial Report, website, and other information to ensure consistency and appropriateness of information provided to the market.

Disclosure counsel assists with ongoing management of agreed upon post-issuance compliance responsibilities, including compliance with CDAs and material event filings.

As needed, disclosure counsel also drafts and reviews policies and procedures related to post-issuance compliance.

Mark Malveaux
Bonnie Mola

Disclosure Counsel

CSG is a full-service, independent financial advisory firm with a focus on State and Local Housing Finance Agencies.

The Financial Advisor assists in structuring bond issues and represents the issuer on matters relating to evaluation of proposed financing plans, selection of underwriters and other service providers, financial integrity of the bonds, control of transaction costs, timing of the bond sale and pricing of the bonds.

Additional services include:

- Strategic and Long-Term Planning
- Cash Flow Analysis & Quantitative Services
- Risk Management
- Operations & Financial Management

David Jones
Joanie Monaghan
Patrick Johnson
Adam Cray
Emma Slonim
Jayanth Kumar

Financial Advisor



The Bank of New York acts as Trustee for both TDHCA indentures.

BNY corporate trust department serves in a fiduciary capacity for TDHCA holders.

They perform duties and responsibilities assigned by the bond trust indenture such as:

- Depository for all pledged assets/revenues
- Registrar to record and transfer ownership of bonds
- Paying Agent to disburse principal and interest payments on bonds

Mary Jo Wagener
Richard Dillard
Letha Glover

Trustee

The Underwriting Team

TDHCA's underwriting team consists of licensed investment banking firms experienced in structuring, underwriting and marketing State Housing Finance Authority bonds.

The role of the bond underwriter is to:

- Assist in structuring the bonds
- Commit capital to underwrite/purchase the bonds
- Resell the bonds to third party investors
- Make a “secondary market” in the bonds after issuance

Jefferies



Capital
Markets

Morgan Stanley



J.P.Morgan



PIPER | SANDLER



LOOP CAPITAL

Robert Foggio
Vikram Shah

Jeffery Sula

Geoff Proulx

Lorry Palacios
Robin Redford

Jeffrey D. Gertz

Ben Killion

Melanie Johnson

Peter Weiss

Underwriting Team



TDHCA's underwriting team typically retains Chapman and Cutler as their counsel.

Chapman assists the underwriters in meeting their legal responsibilities in the bond transaction.

This includes drafting the bond purchase agreement, Blue Sky memoranda, and the agreement among underwriters.

Additionally, Chapman reviews the official statement and disclosure documents.

Chapman will review various aspects of the bond transaction to assist the underwriters in meeting their due diligence obligation.

Ryan J. Bowen
Nora O'Brien

Underwriter's Counsel



In February 2025, TDHCA began working with The Money Source (TMS) as Master Servicer. Idaho Housing Finance Association (IHFA) had been the Department's Servicer since 2016.

The Servicer is responsible for purchasing mortgage loans from lenders and pooling those loans into MBS for sale either to the market or to the Bond Indenture.

The Servicer is responsible for:

- Accepting and recording mortgage payments
- Paying taxes and insurance from borrower escrow accounts
- Negotiating workouts and modifications of mortgages upon default
- Conducting or supervising the foreclosure process when necessary
- Collecting borrowers' payments and responding to inquiries
- Ensuring proper entities are paid, including owner of mortgage note and parties to be paid from escrow accounts

Tom Gillis
Mark Suderman
Ameen Rouhani

Master Servicer



Hilltop Securities is the Program Administrator for TDHCA's Homeownership programs.

Hilltop is responsible for providing, managing, and maintaining the mortgage loan reservation system used by TDHCA lenders.

Their role is to oversee the mortgage application process from submission to final approval.

Additional responsibilities include:

- Managing Lender Relationships
- Compliance review for adherence with TDHCA guidelines
- Managing and tracking funds
- Reporting
- Administering the TDHCA MCC program.

Mike Awadis
Tonya Todd
Sharon Gonzalez
Lori Wood
Nick R. Cendejas
Al Iglesias

Program Administrator



The TBA Administrator provides mortgage loan pricing daily to enable TDHCA to set mortgage rates.

Hilltop tracks TDHCA TBA loan reservations and takes on the pipeline risk by agreeing to purchase MBS from TDHCA at predetermined prices. As such, the TBA Administrator takes on all risk associated with the TBA program, including market risk, extension risk, fallout risk, etc.

Specific Duties include:

- Publish daily mortgage rate sheet
- Monitor reservations, manage hedges, recommend timing for pooling, sale, and deliveries of MBS
- Coordinate with Master Servicer to maintain compliance with program guidelines
- Submit monthly reports to TDHCA detailing pool purchase commitment and deliverables.
- Maintain program files and provide quarterly reports to TDHCA.

Ishdeep Singh
Nilesh Panandikar

TBA Administrator



Private Activity Bond Volume Cap

Private Activity Bond (PAB) Volume Cap Overview

Tax-exempt financing of “private activities” has been limited by federal law since the passage of the Tax Reform Act of 1986. The IRS establishes a volume cap that limits the amount of Private Activity Bond (PAB) issuance that can take place in a given calendar year. Volume Cap is assigned to each state based on population. Unused volume cap may be carried forward for up to three years.

The 2025 Texas PAB Ceiling amount is \$4,067,808,030. The State of Texas divides its volume cap allocation across five different activities or subceilings as follows:

2025 State Ceiling	Percentage	Volume Cap
Subceiling 1 (MRBs)	32.25%	\$1,311,868,090
Subceiling 2 (State Voted)	10%	\$406,780,803
Subceiling 3 (IDBs)	2%	\$81,356,161
Subceiling 4 (Multifamily)	26.25%	\$1,067,799,608
Subceiling 5 (All Other)	29.50%	\$1,200,003,369
Total	100.00%	\$4,067,808,030

Subceiling 1 – Mortgage Revenue Bonds

Texas allocates 32.25% of volume cap, or \$1,311,868,090 to **‘Sub-Ceiling 1 - Mortgage Revenue Bonds (MRBs)**, which supports Single Family Home Ownership activities. This volume cap is divided among the Texas Department of Housing & Community Affairs (TDHCA), the Texas State Affordable Housing Corporation (TSAHC) and the various Local Housing Finance Corporations (HFCs) as follows:

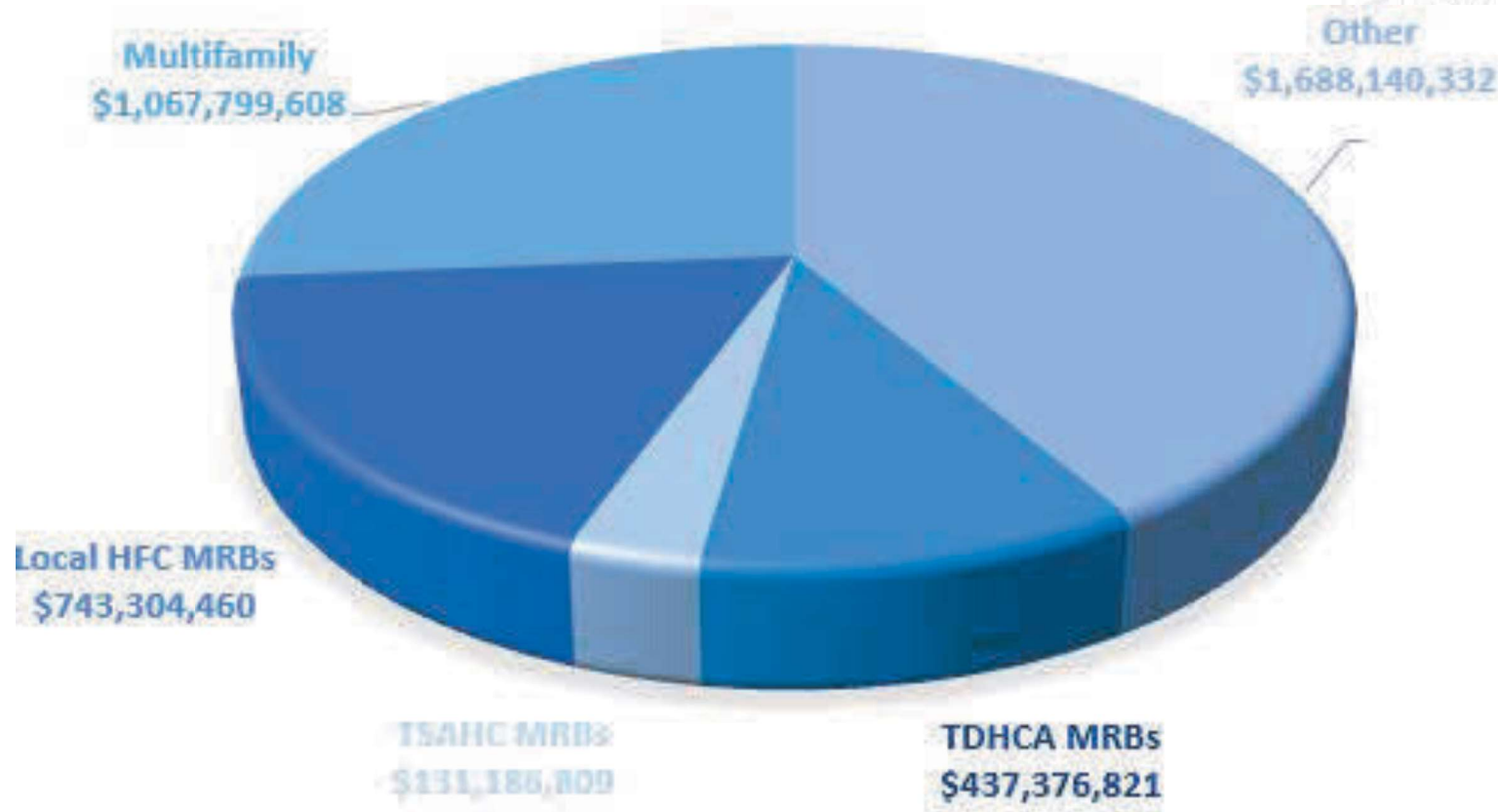
Entity	Percentage	Volume Cap
TDHCA	33.34%	\$437,376,821
TSAHC	10%	\$131,186,809
Local HFCs	56.66%	\$743,304,460
Total	100.00%	\$1,311,868,090

Single Family or MRB volume cap can be used to issue Mortgage Revenue Bonds where bond proceeds are used to fund low-cost mortgage loans to first-time homebuyers and veterans.

MRB volume cap can also be used to fund Mortgage Credit Certificates (MCCs). MCCs are a federal income tax credit for lower-income borrowers which allow a dollar-for-dollar tax credit on some portion of mortgage interest paid.

Texas Private Activity Bond Allocation

The State of Texas will receive \$4,067,808,030 in 2025



Local HFC Volume Cap Assignments

Texas Local Government Code, Chapter 394 (the “Act”) authorizes local HFCs to issue bonds for the purpose of obtaining funds to finance home mortgage loans for persons of low and moderate incomes, however due to the complexity, financial risk, administrative burdens, compliance requirements, and expense of a running a bond program, most opt not to do so.

Section 394.032(e) authorizes HFCs to delegate to TDHCA the authority to act on their behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, within and outside the jurisdiction of the housing finance corporation, including its authority to issue bonds for those purposes.

Texas Government Code, Chapter 1372, allows HFCs to reserve a portion of the State Ceiling and Section 1372.044 of the Allocation Act authorizes the HFCs to assign their reservation to TDHCA to issue private activity bonds on behalf of the HFC.



Since 2020, numerous local HFCs have assigned their MRB volume cap to TDHCA to ensure that volume cap allocated to their community is utilized as effectively and efficiently as possible within their communities.



Local HFC Partnership Program



2025 HFC Partnership Program

Single Family Private Activity Bond Volume Cap Assignments

The Partnership

Active Partners

HFC Benefits

Your HFC

Key Dates

Timelines, Process & Documents

My First Texas Home Program

On-Going Marketing

Quarterly Reporting

Term Sheet

The Partnership



Local Housing Finance Corporations' (HFCs) mission under State law is to facilitate the financing of housing for low- and moderate-income residents within their jurisdiction.



HFCs may promote single-family homeownership by issuing Mortgage Revenue Bonds, where proceeds are used to provide mortgage loans to low- and moderate-income homebuyers at below-market interest rates.



Mortgage Revenue Bond programs are an important part of the mission, however they are difficult to establish, costly to administer, and arduous to maintain.

The Partnership

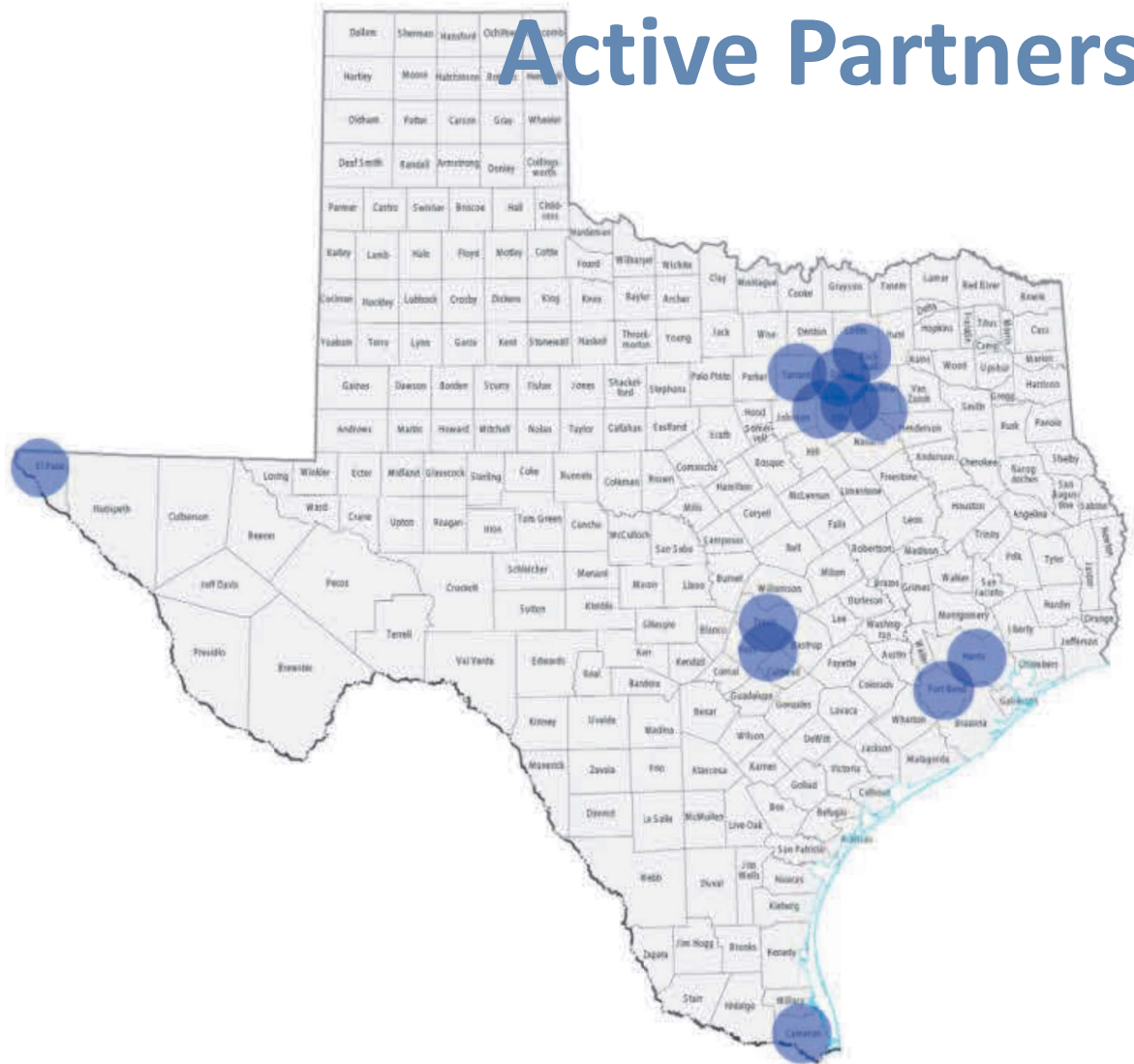
Many Local Texas HFCs have concluded that the most effective way to promote Single-Family Home Ownership in their jurisdiction is to partner with the Texas Department of Housing and Community Affairs (TDHCA) through the *assignment of Private Activity Bond Volume Cap*.

TDHCA has an established and extensive Mortgage Revenue Bond program, issuing nearly \$1 Billion in bonds annually to fund My First Texas Home Mortgage Loans and Mortgage Credit Certificates for eligible first-time homebuyers and veterans.

TDHCA's Bond Indentures are approaching \$3 Billion. The Department works hand-in-hand with each HFC to determine the projected loan demand in their jurisdictions and appropriate Volume Cap Assignment amount to ensure *Volume Cap assigned to your HFC is used where it was intended... in your community.*

Active Partners

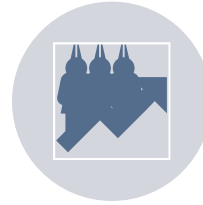
City of Arlington HFC
 Cameron County HFC
 Capital Area HFC
 City of Dallas HFC
 Fort Bend County HFC
 City of Grand Prairie HFC
 Harris County HFC
 City of McKinney HFC
 City of Rowlett
 Tarrant County HFC
 Travis County HFC



HFC Benefits



Ensures State-assigned Volume Cap intended for your community is utilized in your community.



Leverages TDHCA's economies of scale to provide efficient, effective, and meaningful use of your volume cap.



Below market-rate mortgage loans for qualified first-time homebuyers and veterans in your community.



Your HFC receives an ongoing fee (4.75 basis points) on all loans originated within your jurisdiction.

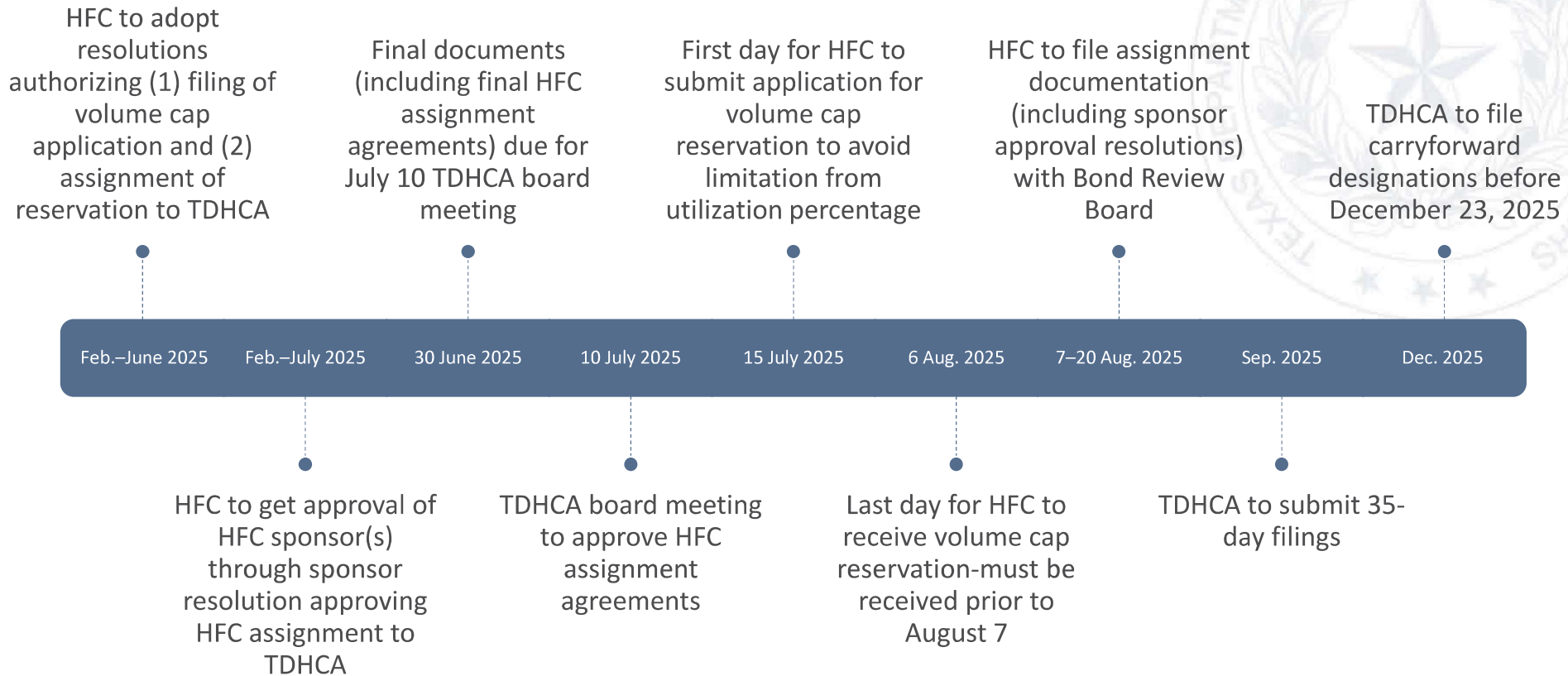


TDHCA will work with you to estimate how much volume cap is needed to fund mortgage loans and MCCs for eligible first-time buyers and veterans within your jurisdiction.



TDHCA will work with you to secure HFC governing body and sponsoring entity approvals for volume cap assignments.

Key Dates



Process, Timeline, & Documents



February to June 2025

HFC adopts resolutions authorizing:

Filing of Volume Cap application



Form HFC Resolution Authorizing Filing Application.docx

Assigning Volume Cap reservation to TDHCA



Form HFC Resolution Delegating Volume Cap to TDHCA.docx



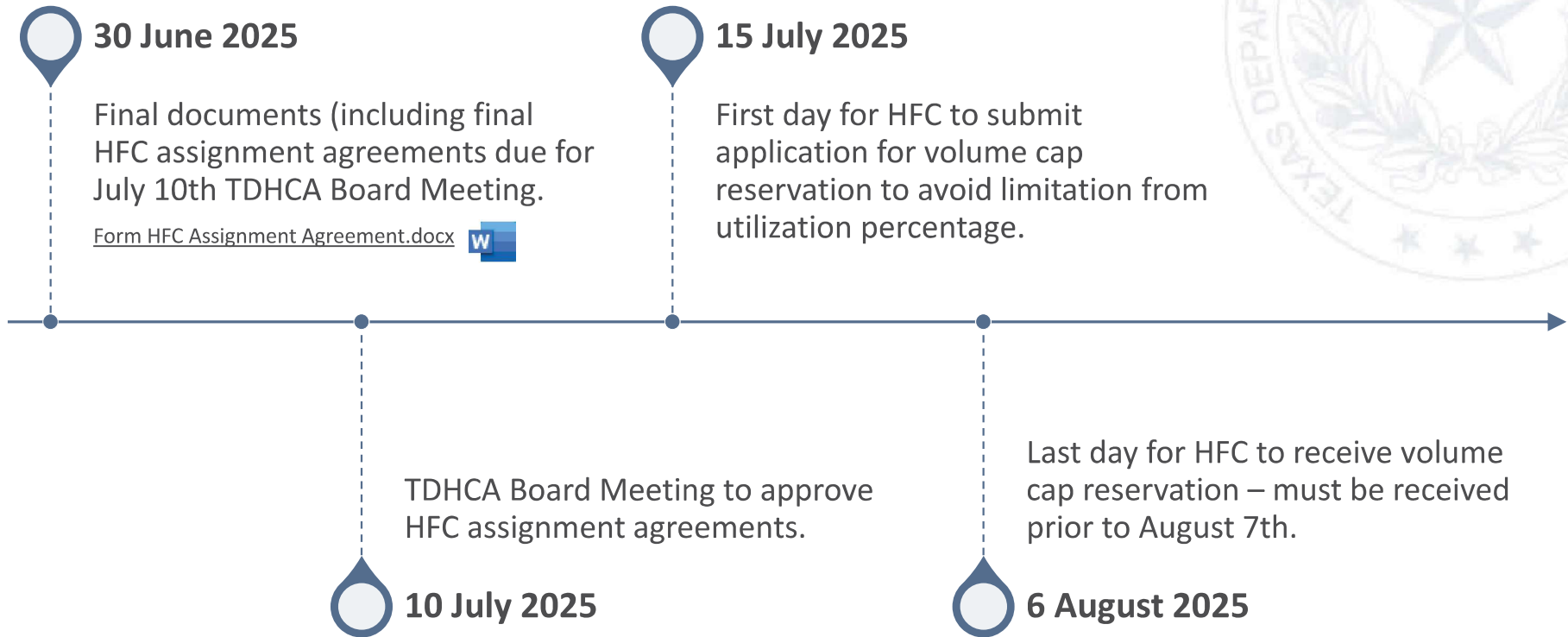
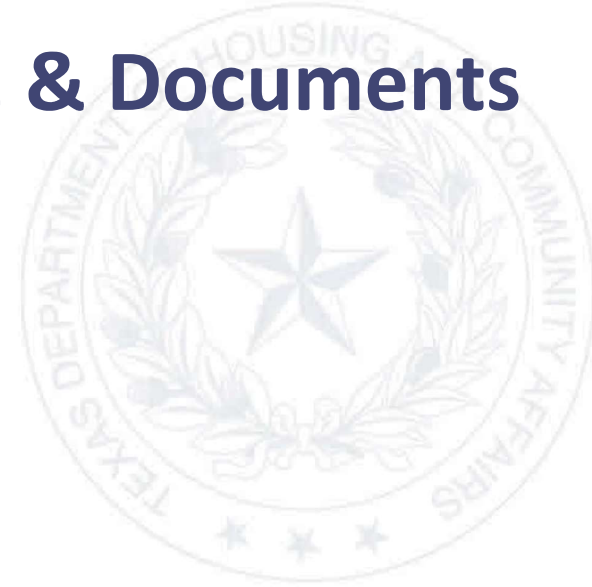
February to July 2025

HFC secures **sponsor(s) approval** through sponsor resolution approving HFC assignment to TDHCA

Form Sponsor Resolution Approving Delegation of Volume Cap to TDHCA.docx



Process, Timeline, & Documents



Process, Timeline, & Documents





My First Texas Home

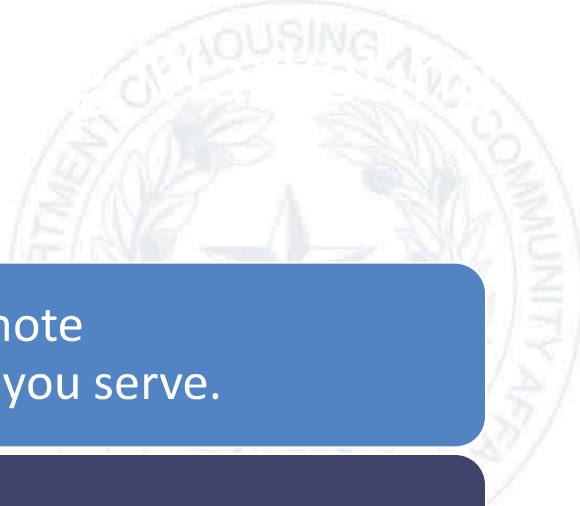
By The Texas Homebuyer Program



First time homebuyers and qualified veterans only.

- 30-year, below-market interest rate mortgages.
- Down payment assistance and/or closing cost assistance options of up to 5% of mortgage loan.
- Assistance options to the borrower in the form of a 0% interest, deferred, repayable 2nd lien.
- Combine with Mortgage Credit Certificate (MCC) Option.
- Borrowers must meet income and property value limits.





TDHCA will work in partnership with you to promote
Single Family Home Ownership within the jurisdictions you serve.

Marketing partnership includes:

- TDHCA Homeownership Team and HFC schedule Introductory Marketing Meeting after execution of assignment agreement.
- Review with HFC on jurisdiction specific boundaries and objectives.
- TDHCA & HFC Resources for Co-Branding for Partnership Landing Pages.
- Cross promote events and programs on joint websites.
- TDHCA to provide direct marketing to Realtors & Lenders within applicable jurisdiction.
- TDHCA to provide electronic marketing to homebuyers promoting HFC partnership and homeownership in the HFC's jurisdiction.

Optional HFC Gift Fund Participation



Participating HFC Assignment partners have seen material increases in program utilization within their jurisdictions by providing various levels of HFC gift funds to a TDHCA Bond Loan.



Gift funds provided by the HFC enable more homebuyers to qualify by supplementing TDHCA Down Payment Assistance.



An optional, but beneficial, addition to a TDHCA Bond Assignment.



For more information, please see:

<https://thetexashomebuyerprogram.com/additional-grant-down-payment-assistance>



Reporting

Participating HFC Assignment partners receive quarterly reporting outlining:

- Original Assignment Amount
- Percentage Utilized to Date
- Loan Detail Report
 - (loan count, loan amount, city, zip code, etc.)
- Loan Type
- Loan Status
- Demographic Details (Age, Ethnicity & AMI information)
- Comprehensive Lender Report
- Fees Due to HFC
- Other information & Customized Board Reporting are available upon request

