

RESOLUTION NO. 24-009

RESOLUTION APPROVING USE OF ADVANCES AGREEMENT FOR RECYCLING PREPAYMENTS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, in order to implement the various phases of the Department's single family mortgage purchase program (the "Program") by providing funds to make and acquire qualifying mortgage loans (including participations therein) through the purchase of mortgage-backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association (referred to herein as "Mortgage Loans"), the Department has issued and anticipates that it will continue to issue bonds pursuant to any or all of the following: (i) the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, between the Department, as successor to the Texas Housing Agency (the "Agency"), and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as supplemented and amended (the "RMRB Indenture"), (ii) the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as supplemented and amended (the "Single Family Indenture"), and (iii) any new trust indenture under which the bonds will be rated in one of the four highest rating categories for a long-term debt instrument (the "New Trust Indenture"); and

WHEREAS, pursuant to Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Department is authorized to enter into "credit agreements" as defined in Chapter 1371; and

WHEREAS, pursuant to Resolution No 17-004, dated September 8, 2016 (the "2016 Resolution"), the Board authorized the execution and delivery of an Advances and Security Agreement (including the letter agreement thereto, the "Advances Agreement") with the Federal Home Loan Bank of Dallas ("FHLB"), to provide funds to assist the Department's servicer for the Program in the purchase of Mortgage Loans from the participating lenders in the Program; and

WHEREAS, the Board determined that the Advances Agreement was a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended; and

WHEREAS, the Board desires to approve the use of amounts advanced pursuant to the Advances Agreement for the additional purpose of redeeming certain bonds issued by the Department to purchase Mortgage Loans and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

ARTICLE I

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1--Authority to Use Advances Under Advances Agreement. The Authorized Representatives are hereby authorized and empowered, in accordance with Chapter 1371, to use amounts advanced pursuant to the Advances Agreement, in addition to the purposes identified in the 2016 Resolution, to redeem and prepay bonds issued under the RMRB Indenture, the Single Family Indenture or the New Indenture and subject to mandatory redemption as a result of the receipt of prepayments.

Section 1.2--Execution and Delivery of Other Documents. The Authorized Representatives are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.4--Authorized Representatives. The following persons and each of them are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

Section 1.5--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Board are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the Advances Agreement and all other Department activities.

Section 1.6--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Advances Agreement are hereby ratified and confirmed.

ARTICLE II GENERAL PROVISIONS

Section 2.1--Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with § 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 26th day of October, 2023.