

RESOLUTION NO. 25-004

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS SINGLE FAMILY MORTGAGE REVENUE BONDS OR RESIDENTIAL MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES AND INSTALLMENTS; PROVIDING FOR HEDGE AGREEMENTS; APPROVING THE FORM AND SUBSTANCE OF RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (“Chapter 2306”), for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in Chapter 2306 as determined by the Governing Board of the Department (the “Board”) from time to time) at prices they can afford; and

WHEREAS, Chapter 2306 authorizes the Department: (a) to issue revenue bonds, to provide money to (i) make and acquire mortgage loans or participations therein, (ii) fund or increase the Department’s reserves or funds (iii) pay the costs and expenses of issuing the bonds and (iv) pay interest on the bonds; and (b) to pledge all or part of the revenues, income or resources of the Department, including the revenues to be received by the Department from the mortgage loans or participations therein, to secure the payment of the principal, interest or redemption premium on the bonds; and

WHEREAS, the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “RMRB Trustee”), have executed and delivered that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019 (as amended and supplemented from time to time, the “RMRB Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds; and

WHEREAS, the Department, the RMRB Trustee and the Comptroller of Public Accounts of the State of Texas, acting by and through the Texas Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (together with its successors in such capacity, the “Trust Company”) have entered into that certain Second Amended and Restated Depository Agreement, dated as of November 1, 1998 (as amended and supplemented from time to time, the “RMRB Depository Agreement”), relating to the Department’s Residential Mortgage Revenue Bonds; and

WHEREAS, the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “SFMRB Trustee”, and collectively with the RMRB Trustee, the “Trustee”), have executed and delivered that certain Amended and Restated Single Family Mortgage Revenue

Bond Trust Indenture dated as of June 1, 2017 (as amended and supplemented from time to time, the “Single Family Indenture”, and collectively with the RMRB Indenture, the “Indentures”), providing for the issuance from time to time by the Department of one or more series of its Single Family Mortgage Revenue Bonds (collectively with the Residential Mortgage Revenue Bonds, the “Bonds”); and

WHEREAS, the Department, the SFMRB Trustee and the Trust Company have entered into that certain Amended and Restated Depository Agreement, dated as of August 1, 1991 (as amended and supplemented from time to time, the “SFMRB Depository Agreement” and together with the RMRB Depository Agreement, the “Depository Agreements”), relating to the Department’s Single Family Mortgage Revenue Bonds; and

WHEREAS, the Department has a single family mortgage purchase program (the “Program”) to fund all or a portion of the Department’s single family loan production; and

WHEREAS, Article III of the RMRB Indenture and Article III of the SFMRB Indenture each authorize the issuance of additional Bonds under the respective Indenture for the purposes of making or acquiring mortgage loans to be originated under the Program (the “Mortgage Loans”) or participations therein, payment of costs of issuance, funding of reserves, payments of certain Department expenses and refunding Bonds; and

WHEREAS, the Board has determined to authorize the issuance of Bonds from time to time in one or more series or subseries and installments on a taxable or tax-exempt basis pursuant to the RMRB Indenture or the SFMRB Indenture for the purpose of providing funds to make and acquire qualifying Mortgage Loans or participations therein through the purchase of mortgage backed securities (“Mortgage Certificates”), to provide down payment and closing cost assistance, to pay lender compensation related to Mortgage Loans, to pay capitalized interest on the Bonds, to pay or repay the Department’s operation and maintenance expenses incurred in connection with administration of the Program, to fund, increase, or restore any depletions of any reserve fund established or required under the Indentures, and to pay a portion of the costs of issuance related thereto (“Eligible Project Costs”); and

WHEREAS, with respect to each issue of Bonds pursuant to this Resolution, the Board desires to authorize the execution and delivery of a separate Supplemental Residential Mortgage Revenue Bond Trust Indenture or Supplemental Single Family Mortgage Revenue Bond Trust Indenture, as appropriate (each, a “Supplemental Indenture” and, collectively, “Supplemental Indentures”), in substantially the forms attached hereto as exhibits; and

WHEREAS, the Board has determined to authorize the investment of all or a portion of the proceeds of the Bonds and any other amounts held under the Indentures with respect to the Bonds in one or more guaranteed investment contracts (collectively, “GICs”) on or after the closing date or in such other investments as the authorized representatives named herein may approve; and

WHEREAS, pursuant to Section 2306.351(b), Texas Government Code, as amended, in connection with or incidental to issuing and selling its bonds, the Department may enter into contracts (collectively, "Contracts") that the Board considers necessary or appropriate for the Department's obligation, as represented by the bonds and incidental contracts, to be placed, in whole or in part, on the basis desired by the Board, and on the terms and conditions approved by the Board; and

WHEREAS, the types of Contracts permitted under Section 2306.351(b) include, without limitation, contracts (i) commonly known as interest rate swap agreements, currency swap agreements, or forward payment conversion agreements; (ii) providing for payments based on levels of or changes in interest rates or currency exchange rates; (iii) to exchange cash flows or a series of payments; (iv) that include options, puts or calls to hedge payment, currency, rate, spread, or similar exposure (such Contracts are defined collectively as, "Hedge Agreements"); and

WHEREAS, the Board has determined that Hedge Agreements can be necessary or appropriate to manage potential payment and/or spread exposure relating to interest rate risk on Mortgage Loans to be originated or Mortgage Certificates to be acquired with proceeds of the Bonds issued under this Resolution and desires to approve the execution of one or more Hedge Agreements with the counterparty named therein in accordance with the terms and conditions set forth in this Resolution or in a Supplemental Indenture; and

WHEREAS, the Board desires to approve the use of an amount not to exceed for any series of Bonds \$10,000,000 of Department funds for any purpose authorized under Chapter 2306 and the Indentures, including to provide down payment and closing cost assistance, to make and acquire qualifying Mortgage Loans, including payment of lender compensation, through the purchase of Mortgage Certificates and to pay a portion of the costs of issuance; and

WHEREAS, the Board desires to authorize the use of an amount not to exceed for any series of Bonds \$10,000,000 of funds on deposit under the Indentures to fund capitalized interest on any series of Bonds issued hereunder; and

WHEREAS, Chapter 1371, Texas Government Code, as amended ("Chapter 1371") and Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorize the Department to take certain actions described in this Resolution related to the issuance of the Bonds; and

WHEREAS, the Board desires to approve the form of the Supplemental Indentures, and finds the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to further its programs in accordance with such documents by authorizing the issuance of the Bonds, the execution and delivery of such documents 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 GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND FINDINGS

Section 1.1 Definitions. Unless expressly provided otherwise herein or unless the context shall indicate a contrary meaning or intent, the terms and expressions defined below, when used in this Resolution, shall have the meanings set forth below for all purposes of this Resolution, except as modified in a respective Supplemental Indenture.

“Acts” means, collectively, Chapter 1207, Chapter 1371, and Chapter 2306.

“Additional Parity Bonds and Notes” means the additional parity bonds and the additional parity notes permitted to be issued pursuant to this Resolution and the Indentures.

“Approved Swap Agreement” means each agreement authorized by the Department constituting a “credit agreement” under Chapter 1371 in relation to the payment or exchange of payments on Outstanding Parity Bonds.

“Assumed Rate” means, with respect to any Refunded Bonds that bear interest at a Variable Rate, the average interest rate on such Refunded Bonds for the most recently completed sixty (60) month period or the period such Refunded Bonds have been outstanding if it is less than sixty (60) months; provided, that if the Department has entered into an Approved Swap Agreement with respect to all or a portion of any such Refunded Bonds pursuant to which the Board is obligated to make payments calculated at a fixed interest rate on the notional amount of such Approved Swap Agreement, the fixed interest rate used to calculate the amounts payable by the Department under the Approved Swap Agreement shall be assumed to be the interest rate on such Refunded Bonds outstanding during the term of the Approved Swap Agreement if the notional amount under the Approved Swap Agreement is equal to or greater than the outstanding principal amount of such Refunded Bonds.

“Attorney General” means the Attorney General of the State.

“Authorized Representative” has the meaning given to such term in Section 2.14 of this Resolution.

“Bond” or *“Bonds”* means any one or more, as the case may be, of the bonds of each Series authorized by this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution.

“Bond Counsel” means Bracewell LLP or any other attorney or firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers and appointed by the Board.

“Bond Purchase Contract” means the Board’s agreement with Underwriters providing for the sale of a Series of Bonds, as authorized by Section 2.4 hereof; provided that two or more Series of Bonds may be sold to the same Underwriters pursuant to the terms of a single Bond Purchase Contract.

"Chapter 1207" has the meaning given to such term in the recitals to this Resolution.

"Chapter 1371" has the meaning given to such term in the recitals to this Resolution.

"Chapter 2306" has the meaning given to such term in the recitals to this Resolution.

"Counterparty" shall mean a counterparty to a Hedge Agreement.

"Depository Agreements" has the meaning given to such term in the recitals to this Resolution.

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

"Eligible Project Costs" has the meaning ascribed to it in the recitals to this Resolution.

"Escrow Agent" means each Escrow Agent selected pursuant to Section 2.5 hereof or any successor thereto.

"Escrow Agreement" means each Escrow Agreement between the Board and an Escrow Agent, as authorized by Section 2.5 hereof, as each such agreement may be amended from time to time in accordance with the terms thereof.

"FHLB Advances" means any advance pursuant to the Advances and Security Agreement, dated November 1, 2016, between the Department and Federal Home Loan Bank of Dallas, as amended, and the side letters executed pursuant thereto.

"Fixed Rate" means a rate of interest on a Bond that is fixed for the remaining term of the Bond.

"Fixed Rate Bonds" means the Bonds of a Series bearing interest at a Fixed Rate.

"Hedge Agreement" has the meaning ascribed to it in the recitals to this Resolution. To the extent permitted by law, the Department may enter into one or more Hedge Agreements in anticipation of, simultaneously with, or subsequent to the authorization and issuance of any Bonds benefiting from such Hedge Agreements.

"Hedge Agreement Payment Obligation" shall mean the obligation of the Department pursuant to a Hedge Agreement to make payments to a Counterparty under a Hedge Agreement. The term does not include collateral postings, termination payments or similar payments and does not include fees or expenses under the Hedge Agreement.

"Indentures" has the meaning given to such term in the recitals to this Resolution.

"Issuance Date" means the date of initial delivery of any Series of Bonds in exchange for the purchase price thereof.

“Maximum Rate” means the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended, or such other maximum interest rate permitted to be borne by Bonds by then applicable law.

“Mortgage Certificates” has the meaning given to such term in the recitals to this Resolution.

“Outstanding Parity Bonds” means, collectively, the Outstanding RMRB Parity Bonds and the Outstanding SFMRB Parity Bonds.

“Outstanding RMRB Parity Bonds” means the Department’s Residential Mortgage Revenue Bonds, Series 2019A, Residential Mortgage Revenue Bonds, Series 2021A (Social Bonds), Residential Mortgage Revenue Refunding Bonds, Series 2021B (Taxable), Residential Mortgage Revenue Bonds, Series 2022A (Social Bonds), Residential Mortgage Revenue Bonds, Series 2022B (Social Bonds), Residential Mortgage Revenue Bonds, Series 2023A, Residential Mortgage Revenue Bonds, Series 2023B, Residential Mortgage Revenue Bonds, Taxable Series 2023C, Residential Mortgage Revenue Bonds, Series 2024A, Residential Mortgage Revenue Bonds, Taxable Series 2024B, Residential Mortgage Revenue Bonds, Series 2024C, and Residential Mortgage Revenue Bonds, Taxable Series 2024D.

“Outstanding SFMRB Parity Bonds” means the Department’s Single Family Mortgage Revenue Bonds, 2005 Series A, Single Family Mortgage Revenue Bonds, 2007 Series A, Single Family Mortgage Revenue Refunding Bonds, 2015 Series A (Taxable), Single Family Mortgage Revenue Bonds, 2015 Series B, Single Family Mortgage Revenue Bonds, 2016 Series A, Single Family Mortgage Revenue Refunding Bonds, 2016 Series B (Taxable), Single Family Mortgage Revenue Bonds, 2017 Series A, Single Family Mortgage Revenue Refunding Bonds, 2017 Series B (Taxable), Single Family Mortgage Revenue Bonds, 2017 Series C (Taxable), Single Family Mortgage Revenue Bonds, 2018 Series A, Single Family Mortgage Revenue Bonds, 2019 Series A, Single Family Mortgage Revenue Bonds, 2020 Series A, Single Family Mortgage Revenue Refunding Bonds, 2020 Series B (Taxable), Single Family Mortgage Revenue Bonds, 2021 Series A (Social Bonds), Single Family Mortgage Revenue Refunding Bonds, 2021 Series B (Taxable), Single Family Mortgage Revenue Bonds, 2022 Series A (Social Bonds), Single Family Mortgage Revenue Bonds, 2022 Series B, Single Family Mortgage Revenue Bonds, 2023 Series A, Single Family Mortgage Revenue Bonds, 2023 Series B (Taxable), Single Family Mortgage Revenue Bonds, 2023 Series C and Single Family Mortgage Revenue Bonds, 2023 Series D (Taxable).

“Pricing Certificate” means the certificate executed by the Authorized Representative in connection with each Series of Bonds that establishes the terms of such Series of Bonds pursuant to Section 2.4 hereof in connection with the initial issuance and delivery thereof. Each Pricing Certificate is hereby incorporated in and made a part of this Resolution and shall be filed in the minutes of the Board as a part of this Resolution.

“Refunded Bonds” means the particular Outstanding Parity Bonds that an Authorized Representative, acting for and on behalf of the Board pursuant to Sections 2.4 and 2.5 hereof,

determines shall be refunded by a Series of Bonds. The Refunded Bonds shall be specified in the Pricing Certificate.

“Repaid FHLB Advances” means the particular FHLB Advances that the Authorized Representative, acting for and on behalf of the Board, pursuant to Sections 2.4 and 2.5 hereof, determines shall be repaid from proceeds of a Series of Bonds. The Repaid FHLB Advances shall be specified in the Pricing Certificate.

“Resolution” means this resolution authorizing the Bonds, as the same may be amended from time to time in accordance with the terms hereof.

“Series” means any designated series of Bonds issued pursuant to this Resolution.

“Supplemental Indenture” or *“Supplemental Indentures”* has the meaning given to such term in the recitals to this Resolution.

“Tax-Exempt Bond” shall mean any Bond, the interest on which is excludable from gross income for federal income tax purposes.

“Taxable Bond” shall mean any Bond, the interest on which is not excludable from gross income for federal income tax purposes.

“Trustee” has the meaning given to such term in the recitals to this Resolution.

“Trust Company” has the meaning given to such term in the recitals to this Resolution.

“Underwriters” means the investment banking firm or firms that contract to purchase the Bonds of a Series, pursuant to a Bond Purchase Contract in accordance with Section 2.4 of this Resolution; provided that the same Underwriters may contract to purchase two or more Series of such Bonds pursuant to a single Bond Purchase Contract.

“Variable Rate” means a rate of interest that is not fixed, but is variable or adjustable by any formula, agreement or otherwise.

“Variable Rate Bonds” means Bonds that bear interest at Variable Rate, as set forth in the Pricing Certificate or Bond Purchase Contract for such Bonds.

ARTICLE 2 AUTHORIZATION AND TERMS OF THE BONDS

Section 2.1 Authorization and Authorized Amount. Pursuant to authority conferred by and in accordance with the provisions of the laws of the State, particularly the Acts, the Bonds are hereby authorized to be issued, in the maximum aggregate principal amount (calculated without regard to premium or discount affecting the sale price) of \$1,100,000,000 in one or more Series (as Tax-Exempt Bonds, Taxable Bonds, or any combination thereof) from time to time for the purpose of obtaining funds to refund the Refunded Bonds, to repay the FHLB Advances and

to finance Eligible Project Costs, all in accordance with and subject to the terms, conditions and limitations contained herein; provided that, the authority conferred by this Resolution to (i) act on behalf of the Board in connection with the initial sale of any Series of Bonds and (ii) execute one or more Bond Purchase Contracts(s) pursuant to this Resolution shall expire at 11:59 p.m. Austin, Texas time on October 9, 2025. Any Series of Bonds sold pursuant to a Bond Purchase Contract executed on or before the date and time specified in the immediately preceding sentence may be issued and delivered after such date. The Bonds are Additional Parity Bonds permitted to be issued under the Indentures and this Resolution on a parity and in all respects of equal dignity with the applicable Outstanding Parity Bonds.

The Bonds herein authorized, unless otherwise indicated, may be issued in the form of Fixed Rate Bonds or Variable Rate Bonds, all as provided in Section 2.2 hereof, the Pricing Certificate and in the Supplemental Indenture.

Section 2.2 Issuance, Designation, Execution and Delivery of the Bonds. The issuance of the Bonds from time to time in one or more series or subseries and on a taxable or tax-exempt basis is hereby authorized, all under and in accordance with the applicable Indenture; that such Bonds are to be designated as Residential Mortgage Revenue Bonds, Series 202[4][5] _____, or Single Family Mortgage Revenue Bonds, 202[4][5] Series _____ with such appropriate insertion or modification to differentiate separate series or subseries of Bonds, as determined by an Authorized Representative and referenced in the applicable Supplemental Indenture; and that, upon execution and delivery of the applicable Supplemental Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds, which signatures and seal may be manual or facsimile, and to deliver the Bonds to the Attorney General of Texas (the "Attorney General") for approval, the Comptroller of Public Accounts of the State of Texas (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Bonds to or upon the order of the Underwriters.

Section 2.3 Maturity; Redemption Prior to Maturity. (a) The Bonds of each Series shall mature on the dates and in the amounts set forth in the Pricing Certificate; provided that, the final maturity of the Bonds of a Series shall not be later than 40 years from their Issuance Date as set forth in the Pricing Certificate executed in connection with the initial issuance and delivery thereof.

(b) Subject to the notice provisions set forth in the Indentures and in the Supplemental Indentures, each Series of Bonds shall be subject to redemption by the Board prior to maturity as provided in the related Supplemental Indenture, which may be modified in the related Pricing Certificate.

Section 2.4 Issuance and Sale of Bonds; Delegation of Authority. (a) The Authorized Representatives are hereby severally authorized to act for and on behalf of the Board in connection with the issuance and sale of the Bonds. In that capacity, the Authorized Representative, acting for and on behalf of the Board, shall determine: the dated date of such Bonds and the Issuance Date thereof; the principal amount of Bonds of such Series to be issued

and sold; whether the Bonds shall be issued as Tax-Exempt Bonds or Taxable Bonds; the Series designation for such Bonds and any additional or different designation or title by which the Bonds of each Series shall be known; the authorized denominations applicable for the Bonds; the price at which the Bonds of such Series shall be sold; the principal amortization schedule for such Bonds; the redemption features of such Bonds; the rate or rates of interest to be borne by each maturity of such Bonds, or for Variable Rate Bonds the manner of determining such rate or rates; the Interest Payment Dates for such Bonds; the particular Outstanding Parity Bonds to be refunded, or Repaid FHLB Advances to be repaid, as appropriate, by any series of Bonds and the redemption date(s) thereof, as appropriate, the Eligible Project Costs to be financed by any Series of Bonds; and all other matters relating to the issuance, sale and delivery of the Bonds of each Series and the refunding of the Refunded Bonds or repayment of the Repaid FHLB Advances, as appropriate; all of which shall be specified in each Pricing Certificate; provided that (i) the aggregate principal amount of Bonds issued hereunder shall not exceed the amount authorized in Section 2.1 of this Resolution, (ii) the maturity date of any Series of Bonds shall not exceed the maximum maturity set forth in Section 2.3 of this Resolution, and (iii) each Series of Bonds must be sold on terms that produce (A) interest rates that do not exceed the Maximum Rate and (B) a sales price for the Bonds of such Series to the initial purchaser(s) thereof of not less than 95 percent and not more than 108 percent of the par amount thereof (plus accrued interest from the dated date of such Bonds to the Issuance Date). Interest on Variable Rate Bonds shall be computed as set forth in the related Bond Purchase Contract or Pricing Certificate. In addition, each Series of Bonds issued to refund Refunded Bonds must be sold on terms that produce a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Pricing Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code. Notwithstanding the foregoing and any other provision of this Resolution to the contrary, a Series of Bonds issued to refund Refunded Bonds may be sold on terms that do not satisfy the present value savings requirement set forth in the immediately preceding sentence if an Authorized Representative determines that such refunding of Refunded Bonds is in the best interest of the Department; provided that the maximum amount by which the aggregate amount of payments to be made under such Series of Bonds may not exceed 3 percent of the aggregate amount of payments that would have been made under the terms of the Refunded Bonds being refunded thereby. For purposes of performing the foregoing calculations, if the Refunded Bonds bear interest at a Variable Rate, then such Refunded Bonds shall be deemed to bear interest at all times to their maturity or due date at the Assumed Rate.

All Bonds sold to refund or refinance Refunded Bonds are hereby deemed to be "refunding bonds" and therefore may be sold in the manner deemed by an Authorized Representative to be most economically advantageous to the Board. If an Authorized Representative determines that any Series of Bonds shall be sold on a negotiated basis, such Authorized Representative is authorized to approve, execute and deliver a Bond Purchase Contract with the Underwriters of each such Series of Bonds. Notwithstanding the foregoing, the Authorized Representative may determine to sell two or more Series of such Bonds to the same

Underwriters pursuant to the terms of a single Bond Purchase Contract. The Authorized Representative's approval of a Bond Purchase Contract shall be conclusively evidenced by said Authorized Representative's execution thereof. The Authorized Representative, acting for and on behalf of the Board, may designate the senior managing Underwriter for each such Series of Bonds to be sold on a negotiated basis. It is further provided, however, that notwithstanding the foregoing provisions, the Bonds of any Series issued under this Section 2.4 to finance Eligible Project Costs shall not be delivered unless prior to delivery, such Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations for Bonds as required by Chapter 1371.

(b) The Authorized Representatives, acting for and on behalf of the Board, are severally authorized and directed to provide for and oversee the preparation of a preliminary official statement to be prepared for distribution (which may be made electronically) and to be used in the offering and sale of Bonds. The Authorized Representatives, acting for and on behalf of the Board, are hereby severally authorized to approve the form of the preliminary official statement and to deem the preliminary official statement to be final as of its date, except for such omissions as are permitted by Rule 15c2-12. The Authorized Representatives, acting for and on behalf of the Board, are hereby severally directed to cause a final official statement to be prepared and provided in compliance with Rule 15c2-12. Notwithstanding the foregoing, the Authorized Representatives may prepare one preliminary official statement and one final official statement with respect to multiple Series of Bonds so sold.

(c) Following the execution of each Pricing Certificate in connection with the initial issuance and delivery of a Series of Bonds, the Authorized Representative shall notify the Trustee in writing of the identity of the respective initial purchasers and of the following terms for the related Series of Bonds: Series designation; dated date and Issuance Date; principal amount; purchase price; maturities; redemption provisions; initial rate or rates of interest; and the Interest Payment Dates. The Authorized Representative shall deliver the Initial Bonds of such Series to the respective initial purchasers against payment therefore; provided that delivery of any Bond shall be expressly conditioned upon satisfaction of all applicable requirements in Section 302 of the Single Family Indenture or Section 302 of the RMRB Indenture, as applicable, and in the Supplemental Indenture related to the particular Series of Bonds.

Section 2.5 Refunding of Refunded Bonds; Escrow Agreements. (a) As provided in Section 2.4 above, the Authorized Representatives shall determine the particular Outstanding Parity Bonds to be refunded by a Series of Bonds subject, in the case of the related Refunded Bonds, to the requirements of Section 2.4.

(b) Subject to the execution of an Pricing Certificate and the determination by an Authorized Representative of the Refunded Bonds to be refunded by a Series of Bonds, the Board irrevocably calls the particular Outstanding Parity Bonds constituting Refunded Bonds for redemption prior to maturity on the first optional redemption date following delivery of the Bonds of such Series, for which all of the notice requirements for redemption can reasonably be met, at a redemption price of par (plus accrued interest to the date fixed for redemption).

Upon execution of the respective Pricing Certificate, the Authorized Representatives, acting for and on behalf of the Board, shall provide for notice of such redemption to be given in accordance with the supplemental indenture authorizing the Refunded Bonds.

(c) Concurrently with the delivery of each Series of Bonds issued for the purpose of refunding Refunded Bonds, the Authorized Representatives, acting for and on behalf of the Board, are hereby authorized to designate one or more escrow agents (each, an “Escrow Agent”) in connection therewith, to approve the form and substance of an escrow agreement (each, an “Escrow Agreement”) in connection therewith cause to be deposited from the proceeds from the sale of the Bonds of such Series, together with the other legally available funds with the appropriate Escrow Agent, in an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with Chapter 1207. The discharge and defeasance of the Refunded Bonds shall be effected pursuant to the terms and provisions of the respective Escrow Agreement with the respective Escrow Agent. Notwithstanding anything to the contrary contained in this Section 2.5, the Authorized Representatives, acting for and on behalf of the Board, may (i) determine to approve, execute and deliver for and on behalf of the Board a single Escrow Agreement with the same Escrow Agent for Refunded Bonds, and (ii) accomplish the refunding thereof without executing an Escrow Agreement by making a deposit directly with the paying agent therefor.

(d) If an Authorized Representative determines to execute an Escrow Agreement relating to the Refunded Bonds, to assure the purchase of the “Escrowed Securities” referred to in the Escrow Agreement for the Refunded Bonds, such Authorized Representative, acting for and on behalf of the Board, is hereby authorized to subscribe for, agree to purchase and purchase “Government Obligations,” as defined in the supplemental indenture authorizing the Refunding Bonds, in such amounts and maturities and bearing interest at such rates as may be provided for in such Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and is authorized to create and fund the “Escrow Fund” contemplated by such Escrow Agreement through the use of the proceeds of the Series of Bonds issued to refund the Refunded Bonds, the moneys and investments held in the fund securing the Refunded Bonds, and other lawfully available moneys of the Board.

(e) To satisfy in a timely manner all of the Board’s obligations under this Resolution and the Escrow Agreement(s), the Authorized Representatives and all other appropriate officers and agents of the Board are hereby severally authorized and directed for and on behalf of the Board to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Bonds, including, without limitation, executing and delivering for and on behalf of the Board all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the Board’s obligations under the Escrow Agreement(s) and this Resolution and to direct the transfer and application of funds of the Board consistent with the provisions of such Escrow Agreement(s) and this Resolution.

(f) It is hereby found and determined that (i) the refunding of the Refunded Bonds is advisable and necessary in order to restructure the debt service requirements of the Department

and (ii) the manner in which the refunding of the Refunded Bonds is being executed does not make it practicable to make the determination required by Section 1207.008(a)(2) of the Government Code.

Section 2.6 Application of Bond Proceeds. Proceeds from the sale of the Bonds of each Series shall, promptly upon receipt thereof, be applied by the Authorized Representative as provided in the respective Indenture and the Supplemental Indenture with respect to the particular Series of Bonds.

Section 2.7 Indenture Funds. The Authorized Representatives are further authorized and directed to apply and there is hereby appropriated such moneys on deposit under the applicable Indenture as are necessary (i) to pay the costs of issuance of the Bonds incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds (including the redemption or purchase for cancellation of Refunded Bonds, to the extent not paid from Bond proceeds); (ii) to make the deposits described in the applicable Indenture in amounts sufficient, together with the proceeds of the Bonds, to provide for the defeasance of the Refunded Bonds and the repayment of the Repaid FHLB Advances, as appropriate, on the date of delivery of the Bonds.

Section 2.8 Additional Agreements. The Authorized Representatives are hereby authorized and directed to execute any supplemental document with the Trustee or DTC as may be necessary to consummate the transactions contemplated by this Resolution, any such document to be subject to the approval of each of the foregoing parties.

Section 2.9 Further Procedures. Each Authorized Representative and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, attest, affix the Department's seal to and deliver, in the name and under the seal and on behalf of the Board, all such agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, and to take such other acts, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Indentures, the Depository Agreements, the Bonds, the preliminary official statement and the official statement for any Bonds, any continuing disclosure agreement, any Escrow Agreement, any Bond Purchase Contract or any Supplemental Indenture.

In addition, the Authorized Representatives, the General Counsel to the Board and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Resolution, any technical amendments to this Resolution as may be required by any bond rating agency as a condition to the granting of a rating on any Series of Bonds, as may be required by the office of the Texas Attorney General as a condition to the approval of the Bonds and as may be required to assist Underwriters in complying with Rule 15c2-12.

Section 2.10 Approval, Execution and Delivery of the Supplemental Indentures. That the form and substance of the Supplemental Indentures are hereby approved and that the Authorized Representatives are hereby severally authorized to execute, and if requested, attest and affix the Department's seal to each applicable Supplemental Indenture and to deliver such Supplemental Indenture to the Trustee.

Section 2.11 Approval of GIC Broker; Approval of Investment in GICs. That the Authorized Representatives are each hereby authorized to select a GIC broker, if any, and that the investment of funds held under the Indentures in connection with the Bonds in GICs is hereby approved and that the Authorized Representatives are hereby authorized to complete arrangements for such investment in GICs or such other investments as the Authorized Representatives may approve.

Section 2.12 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each 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, or in the opinion of Bond Counsel, 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 2.13 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A-1 – Tax-Exempt Supplemental Indenture (SFMRB)
- Exhibit A-2 – Taxable Supplemental Indenture (SFMRB)
- Exhibit B-1 – Tax-Exempt Supplemental Indenture (RMRB)
- Exhibit B-2 – Taxable Supplemental Indenture (RMRB)

Section 2.14 Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Resolution: 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 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 2.15 Department Contribution. That the contribution of Department funds in an amount not to exceed \$10,000,000 per Series of Bonds to be used for any purpose authorized under Chapter 2306 and the applicable Indenture, including to provide down payment and closing cost assistance, to make and acquire qualifying Mortgage Loans, including payment of

lender compensation, through the purchase of Mortgage Certificates and to pay all or a portion of the costs of issuance of the Bonds is hereby authorized.

Section 2.16 Use of Indenture Funds. That the use of an amount not to exceed \$10,000,000 per Series of Bonds of funds on deposit under the applicable Indenture to fund capitalized interest on the Bonds is hereby authorized.

ARTICLE 3 AUTHORIZATION AND TERMS OF HEDGE AGREEMENTS

Section 3.1 Authorization of Hedge Agreements. Pursuant to authority conferred by and in accordance with the provisions of the laws of the State, particularly Section 2306.351, Texas Government Code, the Department reserves and shall have the right and authority to execute and deliver Hedge Agreements (subject to Section 3.2 below) with respect to any or all of the Bonds for any purpose authorized by law pursuant to the provisions of this Resolution and any Supplemental Indenture on the terms conditions set forth in Article III of this Resolution; provided that, the authority conferred by this Resolution to execute any such Hedge Agreement shall expire at 11:59 p.m. Austin, Texas time on October 9, 2025.

Section 3.2 Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Department in accepting and executing a Hedge Agreement when, in such person's judgment, the execution of such Hedge Agreement is consistent with this Resolution and the Department's Interest Rate Swap Policy and Investment Policy, to the extent applicable, and the transaction is in the best interests of the Department given the market conditions at that time.

- (a) Determination as Hedge Agreement. The Board hereby determines that any such Hedge Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Department's obligations with respect to its outstanding Bonds or Bonds anticipated to be issued in the future, and any Mortgage Loans or Mortgage Certificates, on the interest rate, currency, cash flow or other basis set forth in such Hedge Agreement as approved and executed on behalf of the Department by an Authorized Representative. Each Hedge Agreement constitutes a "contract" under Section 2306.351(b) of Chapter 2306.
- (b) Maximum Term. The maximum term of each Hedge Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Bonds or the related Bonds anticipated to be issued in the future, as applicable.
- (c) Notional Amount. The notional amount of any Hedge Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Bonds or related Bonds

anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Hedge Agreements relating to the same Bonds may exceed the principal amount of the related Bonds if such Hedge Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Hedge Agreements for the same purpose otherwise satisfies the foregoing requirements.

- (d) Early Termination. No Hedge Agreement entered into pursuant to this Resolution shall contain early termination provisions at the option of the Counterparty except upon the occurrence of an event of default or a termination event, as prescribed in the applicable Hedge Agreement. In addition to subsections (a) and (b) of Section 3 hereof, each Authorized Representative is hereby severally authorized to terminate any Hedge Agreement in whole or in part when, in such person's judgment, such termination is in the best interests of the Department given the market conditions at that time.
- (e) Maximum Rate. No Hedge Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.
- (f) Source of Payment. Hedge Agreement Payment Obligations may be made from lawfully available funds of the Department, including (i) with respect to a Hedge Agreement executed in connection with Single Family Mortgage Revenue Bonds, funds available for such purpose and on deposit in the Surplus Revenues Account held under the Single Family Indenture, or (ii) with respect to a Hedge Agreement executed in connection with Residential Mortgage Revenue Bonds, funds available for such purpose and on deposit in the Residual Revenues Fund held under the RMRB Indenture.

ARTICLE 4

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 4.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of an application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of each series of Bonds in accordance with Chapter 1231, Texas Government Code.

Section 4.2 Submission to the Attorney General of Texas. That the Board hereby approves the submission by Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of each Series of Bonds, and as applicable, execution of a Hedge Agreement.

Section 4.3 Engagement of Other Professionals. That the Authorized Representatives are each authorized to engage an accounting firm or firms to perform such functions, audits, yield calculations, verifications and subsequent investigations as necessary or appropriate to comply with a Bond Purchase Contract and the requirements of the purchasers of the Bonds and Bond Counsel, provided such engagement is done in accordance with applicable State law.

Section 4.4 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 issuance of the Bonds and all other Department activities.

Section 4.5 Approval of Requests for Rating from Rating Agencies. That the Authorized Representatives and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc.

Section 4.6 Ratifying Other Actions. That all other actions taken or to be taken by the Authorized Representatives and the Department's staff in connection with the issuance of the Bonds are hereby ratified and confirmed.

Section 4.7 Authorized to Invest Funds. That pursuant to Section 1371.102, Texas Government Code, and Chapter 2306, the Authorized Representatives are each hereby authorized to undertake all appropriate actions required under the applicable Indenture and the Depository Agreements and to provide for investment and reinvestment of all funds held under each Indenture in accordance with such Indenture.

Section 4.8 No Gain Allowed. That, in accordance with Section 2306.498, Texas Government Code, no member of the Board or employee of the Department may purchase the Notes in the secondary open market for municipal securities.

ARTICLE 5 CERTAIN FINDINGS AND DETERMINATIONS

Section 5.1 Purpose of Bonds. That the Board hereby determines that the purpose for which the Department may issue the Bonds constitutes "public works" as contemplated by Chapter 1371.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under each Indenture to secure payment of the bonds issued under such Indenture and payment of the Department's costs and expenses for its single family mortgage revenue bond program thereunder and under such Indenture, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 6.2 Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 6.3 Purposes of Resolution. That the Board has expressly determined and hereby confirms that the issuance of the Bonds and the furtherance of the purposes contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State.

Section 6.4 Notice of Meeting. That 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 Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 6.5 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 10th day of October, 2024.

EXHIBITS

ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE BONDS.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[NUMBER] SUPPLEMENTAL SINGLE FAMILY MORTGAGE
REVENUE BOND TRUST INDENTURE

AUTHORIZING

\$(PRINCIPAL]
SINGLE FAMILY MORTGAGE REVENUE [REFUNDING] BONDS
202[4][5] SERIES [__]

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

Dated as of [DOC DATE]

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[NUMBER] SUPPLEMENTAL SINGLE FAMILY
MORTGAGE REVENUE BOND TRUST INDENTURE

AUTHORIZING

\$(PRINCIPAL)
SINGLE FAMILY MORTGAGE REVENUE [REFUNDING] BONDS
202[4][5] SERIES []

THIS [NUMBER] SUPPLEMENTAL SINGLE FAMILY MORTGAGE REVENUE BOND TRUST INDENTURE dated as of [DOC DATE] (this “202[4][5] [] Supplemental Indenture”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (together with any successor to its rights, duties, and obligations hereunder, the “Department”), a public and official agency duly created, organized and existing under the laws of the State of Texas, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee (together with any successor trustee hereunder, the “Trustee”), a national banking association.

RECITALS

WHEREAS, the Department and the Trustee have executed and delivered that certain Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2017, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Single Family Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

[WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and]

[WHEREAS, the Department is authorized under the Act and Chapter 1207, Texas Government Code, as amended, to issue bonds to refund its outstanding obligations and is authorized under the Indenture to issue bonds to refund Bonds issued under the Indenture; and

WHEREAS, Section 1207.002, Texas Government Code, authorizes the Department to issue refunding bonds to refund all or any part of the Department’s outstanding bonds, notes or other general or special obligations; and]

WHEREAS, Sections 1001 and 1002 of the Indenture authorize the Department to adopt and file with the Trustee, a supplemental indenture, authorizing Bonds of a Series and, among other things, to include any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture, to add to the covenants and agreements of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Department has determined to issue its Single Family Mortgage Revenue [Refunding]

Bonds, 202[4][5] Series [] (the “Series 202[4][5] [] Bonds”) in an aggregate principal amount of \$[PRINCIPAL] pursuant to the Indenture and this 202[4][5] [] Supplemental Indenture for the purpose of [refunding its Outstanding Single Family Mortgage Revenue Bonds, [] ([collectively,] the “Refunded Bonds”)] [obtaining funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State and occupied by persons and families of low and very low income and families of moderate income, providing down payment and closing cost assistance with respect to Assisted Mortgage Loans (as hereinafter defined), paying lender compensation related to the 202[4][5] [] Mortgage Loans and paying costs of issuance of the Series 202[4][5] [] Bonds], all under and in accordance with the Constitution and laws of the State; and

[WHEREAS, concurrently with the execution of this 202[4][5] [] Series Supplement, the Department and the Trustee are also entering into that certain [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “202[4][5] [] Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue [Refunding] Bonds, [Taxable] Series 202[4][5] [] (the “Series 2024D Bonds”, and together with the Series 202[4][5] [] Bonds, the “Series 202[4][5] [] Bonds”) for the purposes described in the 202[4][5] [] Series Supplement; and]

WHEREAS, the execution and delivery of this 202[4][5] [] Supplemental Indenture and the issuance of the Series 202[4][5] [] Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 202[4][5] [] Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 202[4][5] [] Supplemental Indenture have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 202[4][5] [] Supplemental Indenture, a valid, binding and legal instrument for the security of the Series 202[4][5] [] Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 202[4][5] [] Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 202[4][5] [] Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit (except to the extent that such benefit is not equal and proportionate pursuant to the terms of the Indenture and any supplemental indenture thereunder) of the respective holders from time to time of the Bonds, including the Series 202[4][5] [] Bonds as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1 Supplemental Indenture. This 202[4][5] [] Supplemental Indenture is supplemental to, and is adopted in accordance with, Articles III and X of the Indenture.

Section 1.2 Definitions.

(a) Unless defined in subsection (b) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture, shall have the same meanings in this 202[4][5] [] Supplemental Indenture (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture.

(b) As used in this 202[4][5] [] Supplemental Indenture (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the special trust accounts pertaining to the Series 202[4][5] [] Bonds created and established in Section 502 of the Indenture and Section 2.12 hereof.

“Assisted Mortgage Loans” shall mean 202[4][5] [] Mortgage Loans that include a related DPA Loan to provide down payment and closing cost assistance.

“Authorized Denomination” shall mean \$[5,000] principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean the [Chair or Vice Chair of the Board of the Department, 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] or any officer or employee of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 2.11 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 202[4][5] [] Mortgage Certificate which represents the number of days of interest on such 202[4][5] [] Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 202[4][5] [] Mortgage Certificate, the date of

purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [____], but which may be extended to a date no later than [____], in accordance with Section 2.17 of this 202[4][5] [____] Supplemental Indenture.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Computation Date” shall mean each Installment Computation Date and the Final Computation Date.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Department” shall mean the Texas Department of Housing and Community Affairs, a public and official agency of the State, and its successors and assigns.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any successor depository appointed pursuant to Section 601 of the Indenture.

“Depository Agreement” shall mean the Amended and Restated Depository Agreement dated as of August 1, 1991, among the Department, the Trustee and the Depository, relating to the Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“DPA Loan” means a subordinated, no stated interest loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to a 202[4][5] [____] Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are due on sale, refinance, or repayment of the first mortgage and have a thirty year term. DPA Loans are not considered Mortgage Loans.

“Favorable Opinion of Bond Counsel” shall mean, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Series 202[4][5] [] Bonds under existing law (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon original issuance of the Series 202[4][5] [] Bonds or other customary exceptions acceptable to the recipient thereof).

“Final Computation Date” shall mean the date on which final payment in full of the Series 202[4][5] [] Bonds is made.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 202[4][5] [] Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“Gross Proceeds” shall mean any Proceeds and any Replacement Proceeds.

“IHFA” means the Idaho Housing and Finance Association, an Idaho independent public body corporate and politic.

“Indenture” shall mean, the Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2017, between the Department and the Trustee as supplemented and amended from time to time.

“Initial Bond” means the Series 202[4][5] [] Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

“Installment Computation Date” shall mean the last day of the fifth Tax Bond Year and each succeeding fifth Tax Bond Year.

[NEW MONEY]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, each March 1 and September 1, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

[REFUNDING]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, the first day of each month, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

“Investment Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 202[4][5] [] Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of such Series 202[4][5] [] Bonds.

“Letter of Instructions” shall mean, with respect to the Series 202[4][5] [] Bonds, a written directive and

authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

“Mortgage Loan Principal Payments” shall mean all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the 202[4][5] [] [Transferred] Mortgage Certificates.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Net Proceeds” means Sale Proceeds, less the portion of any Sale Proceeds invested in a reasonably required reserve or replacement.

“Nonpurpose Investment” shall mean any “investment property,” within the meaning of Section 148(b) of the Code, that is not a purpose investment acquired to carry out the governmental purpose of the Series 202[4][5] [] Bonds.

“Optional Redemption Date” shall mean [OPTIONAL REDEMPTION DATE].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean, the Pass-Through Rates for each 202[4][5] [] Mortgage Certificate, which will equal the mortgage rate of the 202[4][5] [] Mortgage Loans backing the 202[4][5] [] Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Proceeds” shall mean any Sale Proceeds, Investment Proceeds and Transferred Proceeds.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters, providing for the purchase of the Series 202[4][5] [] Bonds by the Underwriters.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Investors Service, Inc. and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Rebate Amount” has the meaning set forth in Section 1.148-3(b) of the Regulations and generally means the excess, as of any date, of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments all as determined in accordance with Section 1.148-3 of the Regulations.

“Rebate Analyst” shall mean a person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code, (b) chosen by the Department, and (c) engaged for the purpose of determining the amount of required deposits, if any, to the Rebate Fund.

“Record Date” means the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding such Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 202[4][5] [] Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 202[4][5] [] Bond or the Indentures.

[“Refunded Bonds” shall mean all of the Outstanding [] Bonds.]

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

“Representative” shall mean [REPRESENTATIVE].

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 202[4][5] [] Mortgage Certificates, including any payments received from Ginnie Mae pursuant to its guaranty of the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 202[4][5] [] Mortgage Certificates and all other net proceeds of such 202[4][5] [] Mortgage Certificates.

“Sale Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

“Series 202[4][5] [] Bonds” shall mean the Department’s Single Family Mortgage Revenue [Refunding] Bonds, 202[4][5] Series [] to be issued under the Indenture and this 202[4][5] [] Supplemental Indenture.

“Servicer” shall mean (i) IHFA, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

“Servicing Agreement” shall mean (i) with respect to IHFA, the Mortgage Acquisition, Pooling and Servicing Agreement dated as of October 1, 2021, by and between the Department and IHFA, as amended pursuant to that certain First Addendum to Mortgage Acquisition, Pooling and Servicing Agreement dated as of June 1, 2023; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

“Sinking Fund Installment” means the principal amount of the Series 202[4][5] [] Bonds subject to scheduled mandatory redemption on the respective redemption date set forth in Section 2.6(d) hereof.

“State” shall mean the State of Texas.

“Subaccount” or “Subaccounts” shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 202[4][5] [] Bonds created in certain Accounts pursuant to Section 2.12 hereof.

“Supplemental Indenture” shall mean this [NUMBER] Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of [DOC DATE], by and between the Department and the Trustee, together with any amendments hereto.

“Tax Bond Year” shall mean each one-year period that ends at the close of business on the day selected by the Department. The first and last Tax Bond Years may be short periods. If no day is selected by the Department before the earlier of the date the last Series 202[4][5] [] Bond is discharged or the date that is five years after the Issuance Date, Tax Bond Years end on each anniversary of the Issuance Date and on the date the last Series 202[4][5] [] Bond is discharged.

“Transferred Proceeds” shall mean the amounts described in Section 1.148-9 of the Regulations.

“202[4][5] [] Administrative Subaccount” shall mean the 202[4][5] [] Administrative Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.12 hereof.

“202[4][5] [] Capitalized Interest Subaccount” shall mean the 202[4][5] [] Capitalized Interest Subaccount within the 202[4][5] [] Revenue Account established pursuant to Section 2.12 hereof.

“202[4][5] [] Costs of Issuance Account” shall mean the 202[4][5] [] Costs of Issuance Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Down Payment Assistance Subaccount” shall mean the 202[4][5] [] Down Payment Assistance Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.12 hereof.

“202[4][5] [] Interest Subaccount” shall mean the 202[4][5] [] Subaccount within the Interest Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Mortgage Certificates” shall mean Mortgage Certificates that are purchased by the Trustee on the Issuance Date and on any future date from the proceeds of the Series 202[4][5] [] Bonds and pledged by the Department to the Trustee pursuant to the Indenture and this 202[4][5] [] Supplemental Indenture as described in any Letter of Instructions to the Trustee described in Section 2.17(a) hereof.

“202[4][5] [] Mortgage Loans” shall mean the Mortgage Loans allocated to Proceeds of the Series 202[4][5] [] Bonds.

“202[4][5] [] Mortgage Loan Account” shall mean the 202[4][5] [] Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Principal Subaccount” shall mean the 202[4][5] [] Subaccount within the Principal Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Proceeds Account” shall mean the 202[4][5] [] Proceeds Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Rebate Account” shall mean the 202[4][5] [] Rebate Account of the Expense Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Redemption Subaccount” shall mean the 202[4][5] [] Subaccount within the Redemption Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Revenue Account” shall mean the 202[4][5] [] Account of the Revenue Fund established pursuant to Section 2.12 hereof.

“Underwriters” shall mean the Representative, and the other underwriters named on the schedule attached to the Purchase Agreement.

“Yield” shall mean (i) with respect to the Series 202[4][5] [] Bonds, yield as determined in accordance with Section 143(g)(2)(C) of the Code and (ii) with respect to the 202[4][5] [] Mortgage Loans, the effective rate of mortgage interest as determined in accordance with Section 143(g)(2)(B) of the Code.

Section 1.3 Authority for this 202[4][5] [] Supplemental Indenture. This 202[4][5] [] Supplemental Indenture is adopted pursuant to the provisions of the Act and the Indenture.

Section 1.4 Rules of Construction.

(a) For all purposes of this 202[4][5] [] Supplemental Indenture, unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 202[4][5] [] Supplemental Indenture.

(b) Except where the context otherwise requires, terms defined in this 202[4][5] [] Supplemental Indenture to impart the singular number shall be considered to include the plural number and vice versa.

(c) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

(d) This 202[4][5] [] Supplemental Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 202[4][5] [] Supplemental Indenture and the Indenture which it supplements.

Section 1.5 Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 202[4][5] [] Supplemental Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7 Indenture to Remain in Force. Except as amended by this 202[4][5] [] Supplemental Indenture, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8 Successors and Assigns. All covenants and agreements in this 202[4][5] [] Supplemental Indenture by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause. In case any provision in this 202[4][5] [] Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Supplemental Indenture. Nothing in this 202[4][5] [] Supplemental Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 202[4][5] [] Supplemental Indenture.

Section 1.11 Governing Law. This 202[4][5] [] Supplemental Indenture shall be construed in accordance with and governed by the laws of the State.

Section 1.12 Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of such other Person.

Section 1.13 Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the Holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the 202[4][5] [] Mortgage Certificates, all amounts that may be received with respect to the 202[4][5] [] Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the 202[4][5] [] Mortgage Certificates, to bring actions and proceedings under the 202[4][5] [] Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 202[4][5] [] Mortgage Certificates, and the Holders of the Bonds are by such pledge and assignment afforded a beneficial interest in the 202[4][5] [] Mortgage Certificates.

[End of Article I]

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 202[4][5] [] BONDS

Section 2.1 Authorization, Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 202[4][5] [] Supplemental Indenture, one Series of Single Family Mortgage Revenue [Refunding] Bonds is hereby authorized to be issued in the initial aggregate principal amount of \$[PRINCIPAL]. The Department hereby determines that the issuance of the Series 202[4][5] [] Bonds in the initial amount authorized hereby is necessary to provide funds to be used and expended for the purposes set forth in the Indenture and this 202[4][5] [] Supplemental Indenture. Each Bond of this Series of Bonds shall be entitled "Single Family Mortgage Revenue Bond, 202[4][5] Series []." The terms of the Series 202[4][5] [] Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2 Purposes. The Series 202[4][5] [] Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purposes of [(i) the acquisition or refinancing of Mortgage Loans, or participations therein, through the purchase of 202[4][5] [] Mortgage Certificates, including the payment of legal, financing and other expenses incidental thereto and including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans; (ii) the making of deposits in amounts, if any, required by the Indenture or this 202[4][5] [] Series Supplement to be paid into one or more Funds or Accounts from the proceeds of such Series of Bonds; (iii) payment of Cost of Issuance; and (iv) the payment of Department's Expenses, including paying lender compensation related to the 202[4][5] [] Mortgage Loans][the refunding of the Refunded Bonds].

Section 2.3 Registered Bonds Only: Dates, Denominations, Numbers, and Letters.

(a) The Series 202[4][5] [] Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

(b) The Series 202[4][5] [] Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on the Series 202[4][5] [] Bonds shall be in default, the registered Series 202[4][5] [] Bonds issued in lieu of Series 202[4][5] [] Bonds surrendered for the transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 202[4][5] [] Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date, the Series 202[4][5] [] Bonds shall be dated as of the Issuance Date.

(c) The Series 202[4][5] [] Bonds shall be issued in Authorized Denominations.

(d) Unless the Department shall direct otherwise, each Series 202[4][5] [] Bond within a maturity of the Series 202[4][5] [] Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letters R, the letter M or S depending on whether the maturity is March or September, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TR-1.

Section 2.4 Interest Payment Dates, Interest Rates and Maturities of the Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall bear interest from the Issuance Date until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 202[4][5] [] Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 202[4][5] [] Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.6 and Section 2.7 of this 202[4][5] [] Supplemental Indenture and Article IV of the Indenture.

Maturity Date

Principal Amount (\$)

Interest Rate

[INSERT VARIABLE RATE PROVISIONS, AS APPLICABLE]

Section 2.5 Conditions to Issuance of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be executed by the Department and, except for the Initial Bond shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

(a) A certificate of an Authorized Representative of the Department to the effect that, on the basis of all facts and estimates and circumstances (including covenants of the Department contained in the Indenture) reasonably expected to be in existence on the Issuance Date, it is not expected that the Proceeds of the Series 202[4][5] [] Bonds will be used in a manner that would cause the Series 202[4][5] [] Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code, and the applicable regulations promulgated thereunder, and such certificate shall set forth such facts, estimates, and circumstances (including covenants of the Department contained in the Indenture), which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized Representative of the Department there are no other facts, estimates, or circumstances that would materially change such expectation;

(b) The amounts specified in this 202[4][5] [] Supplemental Indenture to be deposited in the Accounts and Subaccounts as required herein; and

(c) Written confirmation from each Rating Agency that issuance of the Series 202[4][5] [] Bonds will not cause the rating on any Outstanding Bonds (determined without regard to any bond insurance or similar credit enhancement) to be lower than Aaa by Moody's Investors Service and AA+ by S&P Global Ratings or their equivalents, as applicable.

Section 2.6 Special Redemption.

[REDEMPTION PROVISIONS TO COME]

Section 2.7 Optional Redemption.

[REDEMPTION PROVISIONS TO COME]

Section 2.8 Notice of Redemption; Selection of Series 202[4][5] [] Bonds to Be Redeemed.

(a) The Trustee shall give notice, in the name of the Department, of the redemption of the Series 202[4][5] [] Bonds to the holders thereof, which notice shall specify the Series 202[4][5] [] Bonds to be redeemed, the redemption date, and the place or places where amounts due upon such redemption will be payable, and if less than all of the Series 202[4][5] [] Bonds are to be redeemed, the letters and CUSIP numbers or other distinguishing marks, principal amounts, maturity dates and interest rates of such Series 202[4][5] [] Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable on each Series 202[4][5] [] Bonds to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of Series 202[4][5] [] Bonds to be redeemed in part only, together with interest accrued to, but not including, the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. If applicable, such notice shall provide that redemption of the Series 202[4][5] [] Bonds is conditioned upon moneys being available for such purpose on the redemption date.

(b) The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than 30 days prior to the redemption date, nor more than 60 days to the holders of any Series 202[4][5] [] Bonds or portions thereof which are to be redeemed, at the address shown on the registration books maintained by the Trustee.

(c) If the Series 202[4][5] [] Bonds are registered in the name of the nominee of the Bond Depository, the Trustee shall deliver, by overnight delivery service, facsimile or such other means as may be requested by the Bond Depository in accordance with its procedures, notice of a redemption in the manner and in substantially the form described above which will allow the Series 202[4][5] [] Bonds to be timely redeemed on the redemption date.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 202[4][5] [] Bonds receives the notice.

(e) A second notice of redemption shall be given promptly after the 60th day after the redemption date in the manner required above to the registered owners of redeemed Series 202[4][5] [] Bonds that have not been presented for payment by the 60th day after the redemption date.

(f) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given upon mailing or being sent by facsimile to the latest known facsimile address, as applicable, whether or not the registered owner or other intended recipient thereof receives such notice.

(g) Except as specified in Section 2.6(b) and Section 2.6(c) hereof, the Series 202[4][5] [] Bonds to be redeemed in part shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. A portion of any Series 202[4][5] [] Bond may be redeemed, but only in an Authorized Denomination. While the Series 202[4][5] [] Bonds are held by the Bond Depository, Series 202[4][5] [] Bonds shall be selected for redemption as described in Section 2.11 hereof.

Section 2.9 Form of Series 202[4][5] [] Bonds.

(a) Each Series 202[4][5] [] Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this 202[4][5] [] Supplemental Indenture, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 202[4][5] [] Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 202[4][5] [] Bonds or as contained in any notice of redemption. There may be printed on or attached to each Series 202[4][5] [] Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the principal amount thereof which shall have been paid and the portion of the principal amount thereof which remains Outstanding and unpaid.

(b) Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, except that the form of the single fully-registered Initial Bond shall be modified as follows:

(i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. TR-1

Dated Date: [CLOSING DATE]

[\$[PRINCIPAL]

Registered Owner: [REPRESENTATIVE]

Principal Amount: [] MILLION DOLLARS”

(ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, acknowledges itself indebted to and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates

per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [INITIAL INTEREST DATE], and each September 1 and March 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

[Insert maturity schedule from Section 2.4 of the Supplemental Indenture.]

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.10 Paying Agent; Method and Place of Payment.

(a) The Trustee is hereby appointed as Paying Agent for the Series 202[4][5] [] Bonds and the Trustee hereby accepts such appointment. The Series 202[4][5] [] Bonds shall be payable with respect to interest and principal of and the Redemption Price in any coin or currency of the United States of America which at the time is legal tender for the payment of public and private debts. The interest on each Series 202[4][5] [] Bond shall be payable by check or draft mailed on each Interest Payment Date to the Person in whose name such Series 202[4][5] [] Bond is registered as of the Record Date, at the address of such Person as shown on the registry books of the Department kept and maintained by the Trustee. The principal, Redemption Price of and interest on the Series 202[4][5] [] Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 202[4][5] [] Bonds as permitted by the Indenture.

(b) Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive registered owner of the Series 202[4][5] [] Bonds and for owners of not less than \$1,000,000 in aggregate principal amount of the Series 202[4][5] [] Bonds, and except for the final payment of principal of the Series 202[4][5] [] Bonds at maturity the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such owners to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 202[4][5] [] Bonds pursuant to written instructions from the registered owner.

Section 2.11 Bond Depository; Book-Entry System.

(a) The Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 202[4][5] [] Bonds. In accordance with the Letter of Representations, the Department shall cause the initial Series 202[4][5] [] Bonds to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered to the Bond Depository on the Issuance Date.

(b) With respect to Series 202[4][5] [] Bonds registered in the registry books of the Department required to be maintained by the Trustee pursuant to Section 308 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 202[4][5] [] Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 202[4][5] [] Bond as the holder and absolute owner of such Series 202[4][5] [] Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 202[4][5] [] Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 202[4][5] [] Bond, for the purpose of registering transfers and exchanges with respect to such Series 202[4][5] [] Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the

Series 202[4][5] [] Bonds only to or upon the order of the respective registered owners of the Series 202[4][5] [] Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 202[4][5] [] Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond as shown in the registry books required to be kept and maintained pursuant to Section 308 of the Indenture, of any notice with respect to the Series 202[4][5] [] Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond, of any amount with respect to any Series 202[4][5] [] Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 202[4][5] [] Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

(c) In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 202[4][5] [] Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds is not in the best interest of such owners of beneficial interests in the Series 202[4][5] [] Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 202[4][5] [] Bonds, if one is available satisfactory to the Department, and the ownership of all Series 202[4][5] [] Bonds shall be transferred on the registry books required to be kept and maintained pursuant to Section 308 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee, in writing, to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 202[4][5] [] Bonds, of the availability of Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 202[4][5] [] Bonds and, upon surrender to the Trustee of the Outstanding Series 202[4][5] [] Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 202[4][5] [] Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 202[4][5] [] Bonds as of the date of the termination of the existing book-entry ownership system for the Series 202[4][5] [] Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 202[4][5] [] Bonds, all of the Series 202[4][5] [] Bonds must be held under such book-entry system. Prior to any transfer of the Series 202[4][5] [] Bonds outside the Book-Entry Only system (including, but not limited to, the initial transfer outside the Book-Entry Only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(d) Notwithstanding any other provisions in Article II of this 202[4][5] [] Supplemental Indenture, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.12 Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

(a) Pursuant to the provisions of subsection 4 of Section 713 of the Indenture, there is established by this Section 2.12, for the Series 202[4][5] [] Bonds, an Account in each Fund and a Subaccount in each Account established by Section 502 of the Indenture. Each such Account and Subaccount shall be known and designated as the 202[4][5] [] Account or Subaccount followed by the appropriate reference to the Fund or the Account within the Fund to which such Account or Subaccount relates. In addition, there are hereby established for the Series 202[4][5] [] Bonds the following additional Funds, Accounts and Subaccounts:

(i) (A) within the Mortgage Loan Fund, (1) a temporary Account to be known and designated as the 202[4][5] [] Proceeds Account, and (2) a temporary Account to be known and designated as the 202[4][5] [] Costs of Issuance Account, and (B) within the 202[4][5] [] Mortgage Loan Account, (1) the 202[4][5] [] Down Payment Assistance Subaccount; and (2) the 202[4][5] [] Administrative Subaccount;

(ii) within the 202[4][5] [] Revenue Account, a 202[4][5] [] Capitalized Interest Subaccount; and

(iii) within the Expense Fund held by the Department, an additional Account designated as the 202[4][5] [] Rebate Account.

(b) Unless an Event of Default shall have occurred and be continuing, Revenues from the 202[4][5] [] Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account or Subaccount for the Series 202[4][5] [] Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Loans or other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts and Subaccounts described in this Section shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts and Subaccounts as required by this Section 2.12 is for the purpose of making the calculations required by Sections 143(g) and 148 of the Code, and is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

(c) The Costs of Issuance incurred by the Department in connection with the issuance of the Series 202[4][5] [] Bonds shall be payable from amounts deposited in the 202[4][5] [] Costs of Issuance Account.

(d) Deposits to and Transfers from the 202[4][5] [] Revenue Account.

(i) In accordance with Section 504 of the Indenture, all payments received with respect to the 202[4][5] [] Mortgage Certificates shall be deposited in the 202[4][5] [] Revenue Account.

(ii) Pursuant to subsection 2 of Section 505 of the Indenture, the Trustee shall transfer from the Revenue Fund amounts on deposit therein in the following order of priority:

(1) First, on each Interest Payment Date or any other date for the redemption of the Series 202[4][5] [] Bonds, to the 202[4][5] [] Interest Subaccount, to the extent required so that the balance in said account equals the amount of interest which will be due and payable on the Series 202[4][5] [] Bonds on such Interest Payment Date or redemption date;

(2) Second, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Principal Subaccount, one-sixth of the amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 202[4][5] [] Bonds on the next Interest Payment Date; and

(3) Third, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Redemption Subaccount, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.6(b) hereof.

(iii) On or after each Interest Payment Date and pursuant to a Letter of Instructions, the Trustee shall transfer to the 202[4][5] [] Redemption Subaccount from the 202[4][5] [] Revenue Account the amount in such Account after taking into account (1) the provision for payment of Debt Service on the Series 202[4][5] [] Bonds on such Interest Payment Date, (2) the required transfers of the amounts to the 202[4][5] [] Redemption Subaccount and the 202[4][5] [] Principal Subaccount pursuant to Section 2.12(d)(ii) of this 202[4][5] [] Supplemental Indenture, and (3) the payment of Department Expenses in accordance

with subsection 1 of Section 505 of the Indenture, and such excess revenues shall be used to redeem Series 202[4][5] [] Bonds in accordance with Section 2.6(c) hereof.

Section 2.13 Initial Deposits and Transfers into Accounts and Subaccounts. The proceeds of the Series 202[4][5] [] Bonds initially shall be deposited by the Trustee in the 202[4][5] [] Proceeds Account. There shall be deposited, out of the proceeds of the Series 202[4][5] [] Bonds, the amounts specified in the Letter of Instructions to the Trustee authorizing the authentication and delivery of the Series 202[4][5] [] Bonds, into the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 202[4][5] [] Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 202[4][5] [] Costs of Issuance Account shall be transferred to the Surplus Revenues Account pursuant to a Letter of Instructions.

Section 2.14 Transfer of and Representations and Covenants Relating to [] Transferred Mortgage Certificates. All [] Transferred Mortgage Certificates are hereby allocated to the [] Mortgage Loan Account. The Department represents and covenants that each of the [] Transferred Mortgage Certificates is a Mortgage Loan that, at the date of acquisition, met the requirements set forth in Section 705 of the Indenture.

Section 2.15 202[4][5] [] Rebate Account.

(a) At the beginning of each Tax Bond Year, the Department shall calculate the estimated Rebate Amount that will be payable on the next occurring Computation Date, as set forth in Section 3.6(a)(ii) hereof. In calculating the Rebate Amount, the Department may rely upon a Counsel's Opinion or an opinion of a Rebate Analyst that the method of calculation utilized by the Department complies with the requirements of Section 148 of the Code and Section 1.148-3 of the Regulations. If, in making such calculations, the Department determines that there is an insufficient amount currently on deposit in the 202[4][5] [] Rebate Account to make the payment required by Section 3.6(a)(ii) hereof, then the Department shall (i) immediately transfer the amount of such deficiency from any other account in the Expense Fund or (ii) instruct the Trustee to transfer such amount to the 202[4][5] [] Rebate Account from the Revenue Fund and the Trustee shall transfer from the 202[4][5] [] Revenue Account to the 202[4][5] [] Rebate Account the amounts so specified, all in accordance with Section 505(1) of the Indenture. If, in making such calculations, the Department determines that there is a negative Rebate Amount, then the Department may direct the Trustee in writing to transfer from the 202[4][5] [] Rebate Account to the Revenue Fund the amount then on deposit in the 202[4][5] [] Rebate Account.

(b) All earnings resulting from the investment of amounts on deposit in the 202[4][5] [] Rebate Account shall be credited to the 202[4][5] [] Rebate Account.

(c) No later than 55 days after each Computation Date for the Series 202[4][5] [] Bonds, the Department shall deliver the items set forth in Section 3.6(a) to the Trustee. Not later than 60 days after each Computation Date for the Series 202[4][5] [] Bonds, the Trustee shall withdraw from the 202[4][5] [] Rebate Account the amounts described in Section 3.6(a)(ii) hereof and remit to the United States of America the amounts required to be paid to the United States of America in accordance with written instructions from the Department, which shall be in compliance with Sections 1.148-1 through 1.148-8 of the Regulations or any successor regulation.

(d) If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 3.6(a)(ii) hereof has not been paid to the United States of America pursuant hereto as required or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department, shall immediately transfer any amounts due as set forth in Section 3.6(b) hereof and shall deliver to the Trustee any documents required pursuant Section 3.6(b) hereof. Upon receipt of such amount and documentation relating thereto, the Trustee shall withdraw from the 202[4][5] [] Rebate Account the amounts described in Section 3.6(b) hereof and remit to the United States of America the amounts required to be paid in accordance with written instructions from the Department, which shall be in compliance with Regulations Sections 1.148-1 through 1.148-8 or any successor regulation.

(e) Each payment required to be made to the United States of America pursuant to this Section shall be submitted to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 or such other address as provided

by law or regulation and shall be accompanied by Internal Revenue Service Form 8038-T properly completed by the Department with respect to the Series 202[4][5] [] Bonds.

Section 2.16 202[4][5] [] Mortgage Loan Account. The 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.12(a) hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, 202[4][5] [] Mortgage Certificates. On [], unless the Certificate Purchase Period is extended in accordance with Section 2.17 hereof, unexpended Proceeds of the Series 202[4][5] [] Bonds shall be transferred from the 202[4][5] [] Mortgage Loan Account to the 202[4][5] [] Redemption Subaccount in accordance with Section 2.6(a) hereof.

Section 2.17 202[4][5] [] Mortgage Certificate Acquisition.

(a) As instructed by the Department, the Trustee shall use amounts on deposit in the 202[4][5] [] Mortgage Loan Account to acquire the 202[4][5] [] Mortgage Certificates as more particularly described in a Letter of Instructions.

(b) The purchase of the 202[4][5] [] Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 202[4][5] [] Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 202[4][5] [] Mortgage Certificate. Following the purchase of any 202[4][5] [] Mortgage Certificate, all payments received by the Trustee with respect thereto shall be deemed to be payments of principal and interest with respect to the 202[4][5] [] Mortgage Loans included in the Mortgage Pool pertaining to such 202[4][5] [] Mortgage Certificate.

(c) On each applicable Certificate Purchase Date, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificates Purchase Price, from amounts available in the 202[4][5] [] Mortgage Loan Account in accordance with this subsection (c) unless otherwise instructed by the Department in a Letter of Instructions.

(d) Each 202[4][5] [] Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

(i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary" (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules

(the “Rules”) in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

(ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

Section 2.18 Transfer of Unexpended Proceeds. Upon receipt by the Trustee of a certification from the Department as described in Section 2.6(a) hereof, the Trustee shall transfer the amounts set forth in such certification to the 202[4][5] [] Redemption Subaccount to redeem Series 202[4][5] [] Bonds pursuant to Section 2.6(a) hereof. Any amounts in the 202[4][5] [] Mortgage Loan Account remaining unexpended for acquisition of 202[4][5] [] Mortgage Certificates on the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), as such date may be extended as provided herein, shall be transferred to the 202[4][5] [] Redemption Subaccount and applied to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.6(a) hereof. The Certificate Purchase Period for amounts in the 202[4][5] [] Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee, but not later than [], upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

- (a) a Favorable Opinion of Bond Counsel; and
- (b) confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 202[4][5] [] Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

[End of Article II]

ARTICLE III

FEDERAL INCOME TAX MATTERS

Section 3.1 General Tax Covenant. The Department covenants not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the interest on the Series 202[4][5] [] Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Department covenants to comply with Section 103 and 141, 143, and 146 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Department in connection with the Series 202[4][5] [] Bonds. The Department and the Trustee may amend this 202[4][5] [] Supplemental Indenture to reflect the deletion or substitution of any such requirement specified in this Article III in the manner provided in Section 1002 of the Indenture. The Department will not be required to comply with any of the federal tax covenants set forth in this Article III if the Department has received a Favorable Opinion of Bond Counsel regarding such noncompliance.

Section 3.2 Use of Proceeds. The Department covenants that (a) all of the Proceeds of the Series 202[4][5] [] Bonds (other than amounts used to pay Costs of Issuance of the Series 202[4][5] [] Bonds) will be used to finance owner-occupied residences; (b) the Proceeds of the Series 202[4][5] [] Bonds will not be used in a way that would cause the Series 202[4][5] [] Bonds to meet the private business use tests set forth in Section 141(b) of the Code; (c) all Proceeds of the Series 202[4][5] [] Bonds that are to be used to finance owner-occupied residences (i) will be used for such purpose within the 42-month period beginning on the Issuance Date of the Series 202[4][5] [] Bonds or (ii) to the extent not so used, will be used to redeem Series 202[4][5] [] Bonds within such period; and (d) no portion of the Proceeds of the Series 202[4][5] [] Bonds will be used to finance any Mortgage Loan or acquire any Mortgage Certificate after the close of such period.

Section 3.3 Mortgage Eligibility Requirements.

(a) The Department covenants: (i) to attempt in good faith to meet, with respect to each 202[4][5] [] Mortgage Loan, before the execution thereof, the mortgage eligibility requirements of Section 143(c), (d), (e), (f) and (i) of the Code (as more fully described in subsections (b), (c), (d), (e) and (f), respectively, of this Section 3.3), by placing restrictions in the Program Agreement or other similar agreements that permit the origination and purchase of 202[4][5] [] Mortgage Loans only in accordance with such requirements and by establishing reasonable procedures to ensure compliance with such requirements, including investigation by the Mortgage Lenders and the Servicer or the Department (or its agent) to determine that each 202[4][5] [] Mortgage Loan meets such requirements; (ii) to use all due diligence to assure that all of the Proceeds of the Series 202[4][5] [] Bonds that are applied to the financing of 202[4][5] [] Mortgage Loans are applied to finance 202[4][5] [] Mortgage Loans that, as of the date of execution thereof, meet all such requirements; and (iii) to correct any failure to meet such requirements within a reasonable period after such failure is first discovered by causing the non-qualifying 202[4][5] [] Mortgage Loan to be accelerated or to be replaced with a 202[4][5] [] Mortgage Loan that meets such requirements if the non-qualifying 202[4][5] [] Mortgage Loan defect cannot be cured within such reasonable period. The Department covenants that each Mortgage Lender selected for participation in the Program that services Mortgage Loans under the Program shall be required to enter into an agreement or agreements containing, in addition to servicing requirements relating to the Mortgage Loans set forth in Section 710 of the Indenture, that each Mortgage Lender shall represent and warranty that it: (i) maintains an Office of Foreign Assets Control (“OFAC”) compliance program, and (ii) is responsible for and best positioned to conduct OFAC scanning of all relevant data with respect to the serviced portfolio (including borrower names/addresses) in accordance with its OFAC compliance program. As used herein, “OFAC compliance program” shall refer to those programs, policies, procedures and measures designed to ensure compliance with, and prevent violations of, all economic sanctions, laws, rules, regulations, executive orders and requirements administered by OFAC, or any other applicable authority with jurisdiction over such Mortgage Lender. Each Mortgage Lender shall agree to, among other things: (i) perform effective and timely OFAC scanning in accordance with such Mortgage Lender’s OFAC compliance program of all relevant data with respect to the portfolio of assets serviced pursuant to the Indenture; (ii) if a Borrower at any time becomes or is otherwise determined to be an OFAC sanctions target that requires blocking or rejection of a portfolio asset held by the Trustee under or in connection with the Indenture, take all actions required by OFAC regulations, including, without limitation (a) conducting all necessary investigations and communications with OFAC (including reporting) concerning the portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions, (b) blocking the assets of any OFAC sanctions target in such portfolio serviced by such Mortgages Lender (including any related payments from

the same), and (c) obtain any licenses from OFAC necessary for such Mortgages Lender and the Trustee to perform their respective services under the Indenture with respect to sanctioned assets and/or borrowers; and (iii) promptly provide notice in writing to the Trustee of any portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions and consult with the Trustee on the action plan to handle those assets.

(b) The Department covenants to require, and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(c) of the Code, the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan is a single-family residence located within the State that the Borrower reasonably expects to occupy as his or her principal residence within a reasonable time (e.g., 60 days) after the financing is provided.

(c) The Department covenants to require, and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(d) of the Code, the Borrower has not had, within the three-year period ending on the date of execution of the applicable 202[4][5] [] Mortgage Loan, a present ownership interest in a principal residence; provided, however, that (i) the Department may purchase 202[4][5] [] Mortgage Loans that do not satisfy the foregoing requirement, so long as such purchase does not cause less than 95% of the Net Proceeds of the Series 202[4][5] [] Bonds to have been used to finance such non-conforming loans; (ii) financings with respect to targeted area residences will be treated as meeting such requirement; (iii) financings described in the Contract For Deed Exception will be treated as meeting such requirement; and (iv) financings of any residence for any veteran (as defined in Section 101 of Title 38, United States Code), if such veteran has not previously qualified for and received financing pursuant to the exception, will be treated as meeting such requirement.

(d) The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(e) of the Code, the acquisition cost of the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan does not exceed 90% of the average area purchase price applicable to such residence (110% in the case of a targeted area residence).

(e) The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(f) of the Code, the Borrower's family income does not exceed: (i) for an individual or a family of two persons, 100% of the applicable median family income (120% in the case of a Borrower acquiring a targeted area residence); or (ii) for a family of three or more persons, 115% of the applicable median family income (140% in the case of a Borrower acquiring a targeted area residence).

(f) The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(i) of the Code, the 202[4][5] [] Mortgage Loan is not made for the purpose of acquiring or replacing an existing mortgage (i.e., that the Borrower does not have an existing mortgage (whether or not paid off) on the residence securing the 202[4][5] [] Mortgage Loan at any time prior to the execution of the 202[4][5] [] Mortgage Loan), except for a mortgage falling within the Contract for Deed Exception or a mortgage securing a construction period loan, a bridge loan or other similar temporary initial financing having a term of 24 months or less. The Department further covenants not to permit the assumption of any 202[4][5] [] Mortgage Loan unless the requirements described in subsection (b), (c), (d) and (e), respectively, of this Section 3.3 are met with respect to such assumption. Borrowers described in the Contract for Deed Exception shall be treated as meeting the requirements of this paragraph (f).

(g) The Department covenants to require and the Program Agreement requires, that each 202[4][5] [] Mortgage Loan include provisions for acceleration in the event that the Department discovers that any of such mortgage eligibility requirements have not been met with respect to such 202[4][5] [] Mortgage Loan.

(h) The following terms used in this Section 3.3 shall have the respective meanings set forth in Section 143 of the Code and the Regulations promulgated thereunder: acquisition cost, applicable median family income, average area purchase price, family income, mortgage, present ownership interest, principal residence, residence, single family residence, and targeted area residence.

Section 3.4 Targeted Area Residences. The Department covenants that an amount equal to at least 20% of the proceeds of the Series 202[4][5] [] Bonds that are made available for the purchase of 202[4][5] [] Mortgage Loans has been or will be made available for at least one year after the date on which owner-financing was first made available with respect to targeted area residences (within the meaning of Section 143(j) of the Code). The Department will attempt with reasonable diligence to use such proceeds to purchase mortgage loans pertaining to such targeted area residences by conducting an advertising campaign reasonably designed to inform the general public of the availability of such proceeds, and shall take such other and further actions to assure that, to the maximum extent practicable, such proceeds are used for such purpose.

Section 3.5 Mortgage Rate. The Department will take all actions necessary to ensure that the blended Yield on the 202[4][5] [] Mortgage Loans properly allocable under Sections 1.148-1 through 1.148-10 of the Regulations to the Series 202[4][5] [] Bonds will not exceed the Yield on the Series 202[4][5] [] Bonds (all as computed by or on behalf of the Department in accordance with Section 143(g) of the Code and Sections 1.148-1 and 1.148-10 of the Regulations) by more than 1.125%. To the extent that the Yield on the 202[4][5] [] Mortgage Loans exceeds the Yield on the Series 202[4][5] [] Bonds by more than 1.125%, the Department will make yield reduction payments ("Yield Reduction Payments") to the federal government as set forth in Section 1.148-5(c) of the Regulations and as set forth below.

Section 3.6 Rebate Requirement. The Department covenants to comply with the requirement that "rebateable arbitrage earnings" on the investment of the Gross Proceeds of the Series 202[4][5] [] Bonds, within the meaning of Section 148(f) of the Code, be rebated to the federal government.

(a) Delivery of Documents and Money on Computation Dates. The Department will deliver to the Trustee, within 55 days after each Computation Date for the Series 202[4][5] [] Bonds,

(i) a statement, signed by an Authorized Representative of the Department, stating the Rebate Amount for the Series 202[4][5] [] Bonds as of such Computation Date and the amount of any Yield Reduction Payment due;

(ii) (A) if such Computation Date is an Installment Computation Date, an amount which, together with any amount then held in the 202[4][5] [] Rebate Account, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any "previous rebate payments" (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 202[4][5] [] Bonds and Yield Reduction Payments, or (B) if such Computation Date is a Final Computation Date, an amount which, together with any amount then held for the credit of the 202[4][5] [] Rebate Account is equal to the Rebate Amount as of such Final Computation Date, less any "previous rebate payments" (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 202[4][5] [] Bonds and Yield Reduction Payments; and

(iii) an Internal Revenue Service Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate ("Form 8038-T") properly signed and completed as of such Computation Date.

(b) Correction of Underpayments. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 3.6(a)(ii) above has not been paid as required pursuant to Section 2.14 hereof or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department will (i) deliver to the Trustee (for deposit to the 202[4][5] [] Rebate Account) and cause the Trustee to pay to the United States of America from the 202[4][5] [] Rebate Account (A) the Rebate Amount or Yield Reduction Payments that the Department failed to pay, plus any interest specified in Section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50 percent penalty required by Section 1.148-3(h)(1) of the Regulations, and (ii) deliver to the Trustee and the Department a Form 8038-T completed as of such date. If such Rebate Amount or Yield Reduction Payments, together with any penalty and/or interest due, is not paid to the United States of America

in the amount and manner and by the time specified in the Regulations, the Department will take such steps as are necessary to prevent the Series 202[4][5] [] Bonds from becoming an “arbitrage bond” within the meaning of Section 148 of the Code. The Trustee shall not be liable for any penalties incurred with respect to the calculation and payment of the Rebate Amount or Yield Reduction Payments.

(c) Records. The Department will retain all of its accounting records relating to the Funds, Accounts and Subaccounts and all calculations made in preparing the statements described in this Section 3.6 for at least three years after the later of (i) the final maturity of the Series 202[4][5] [] Bonds or (ii) the first date on which no Series 202[4][5] [] Bonds are Outstanding.

(d) Fees and Expenses. The Department agrees to pay all of the fees and expenses of a nationally recognized bond counsel, a certified public accountant and any Arbitrage Analyst or other necessary consultant employed by the Department or the Trustee in connection with computing the Yield Reduction Payments and Rebate Amount.

(e) No Diversion of Rebatable Arbitrage. The Department will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 202[4][5] [] Bonds that is not purchased at fair market value (as defined in Section 1.148-5(d)(6)(iii) of the Regulations) or includes terms that the Department would not have included if the Series 202[4][5] [] Bonds were not subject to Section 148(f) of the Code.

(f) Rebate Not Required in Certain Circumstances.

(i) Notwithstanding the foregoing, the Department will not be required to perform the obligations set forth in this Section 3.6, except for the obligation to retain accounting records and the payment of expenses as described herein, if (A) the Yield on the Mortgage Loans does not exceed the Yield on the Bonds by more than 1.125% or (B) the Department has not earned any “rebatale arbitrage earnings” and, therefore, is not subject to the rebate obligation set forth in Section 148(f) of the Code. To the extent that the Department will not be required to perform such obligations, the Department will send written notice to the Trustee within 55 days after the applicable Computation Date.

(ii) Notwithstanding anything to the contrary in this 202[4][5] [] Supplemental Indenture requiring a payment to be made based on the Rebate Analyst’s calculations showing a rebate being due, no payment will be made by the Trustee to the United States of America if the Department furnishes to the Trustee a Favorable Opinion of Bond Counsel.

Section 3.7 No-Arbitrage Covenant. The Department covenants that it will make such use of the Gross Proceeds of the Series 202[4][5] [] Bonds and related Revenues, regulate investments of proceeds of the Series 202[4][5] [] Bonds and related Revenues, and take such other and further action as may be required so that the Series 202[4][5] [] Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code. The Department hereby expressly reserves the right to direct the Trustee or any Depository to make specific investments to ensure compliance with this Section 3.7 and Section 3.8 hereof.

Section 3.8 Limitations on Investment of Reserve Amounts. The Department covenants that at no time will the aggregate amount of money held in any reasonably required reserve for the Series 202[4][5] [] Bonds that is invested in Nonpurpose Investments and at a yield higher than the yield on such Series 202[4][5] [] Bonds, exceed the least of (i) 10% of the Sale Proceeds of the Series 202[4][5] [] Bonds; (ii) the maximum annual principal and interest requirements on the issue, or (iii) 125 percent of the average annual principal and interest requirements on the issue.

Section 3.9 Limitations on Costs of Issuance. The Department covenants that the Costs of Issuance financed with the Proceeds of the Series 202[4][5] [] Bonds will not exceed two percent of the Sale Proceeds of the Series 202[4][5] [] Bonds.

Section 3.10 No Federal Guaranty. The Department covenants not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause any of the Series 202[4][5] [] Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b) of the Code.

Section 3.11 Information Reporting. The Department covenants to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 202[4][5] [] Bonds are issued, an information statement concerning the Series 202[4][5] [] Bonds, all under and in accordance with Section 149(e) of the Code, and that it will file or cause to be filed such additional information reports as may be required by Section 149(e) of the Code.

Section 3.12 Changes in Use of Mortgaged Property. The Department acknowledges that the provisions of Section 150(b) of the Code (relating to changes in use of property financed with the proceeds of private activity bonds) apply to the 202[4][5] [] Mortgage Loans (including Mortgage Loans represented by Mortgage Certificates), and covenants to advise each Borrower with respect to a Mortgage Loan of such provisions.

Section 3.13 Use of Repayments to Redeem Series 202[4][5] [] Bonds. So long as any of the Series 202[4][5] [] Bonds are Outstanding, the Department covenants that each Mortgage Loan Principal Payment with respect to a 202[4][5] [] Mortgage Loan received on or after the ten year anniversary of the Issuance Date will be used to redeem Series 202[4][5] [] Bonds not later than the close of the first semiannual period beginning after the date such Mortgage Loan Principal Payment is received, unless the Department has received a Favorable Opinion of Bond Counsel and the Department has fulfilled the other requirements of Section 2.6 with respect to the use of such payments to redeem other Bonds.

Section 3.14 Recapture. The Department covenants to comply with the provisions of Section 143(m) of the Code (regarding the recapture of a portion of the federal subsidy from the use of qualified mortgage bonds) with respect to each 202[4][5] [] Mortgage Loan.

Section 3.15 Bonds are not Hedge Bonds. The Department covenants that not more than 50% of the Sale Proceeds of the Series 202[4][5] [] Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Department reasonably expects that at least 85% of the spendable proceeds of the Series 202[4][5] [] Bonds will be used to carry out the governmental purposes of the Series 202[4][5] [] Bonds within the three-year period beginning on the Issuance Date.

Section 3.16 Sale of 202[4][5] [] Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the 202[4][5] [] Mortgage Certificates in whole or in part only upon delivery by the Department of (i) a Counsel’s Opinion that such sale will not cause all or any portion of the 202[4][5] [] Mortgage Certificates, or the Series 202[4][5] [] Bonds to be classified as a “taxable mortgage pool” within the meaning of Section 7701(i) of the Code; and (ii) written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).

Section 3.17 Record Retention. The Department will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Series 202[4][5] [] Bonds until three years after the last Series 202[4][5] [] Bonds is redeemed or paid at maturity, or such other period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Department to retrieve and reproduce such books and records in the event of an examination of the Series 202[4][5] [] Bonds by the Internal Revenue Service.

Section 3.18 Continuing Obligation. Notwithstanding any other provision of this 202[4][5] [] Supplemental Indenture, the Department’s obligations under the covenants and provisions of this Article III will

survive the defeasance and discharge of the Series 202[4][5] [] Bonds for as long as such matters are relevant to the excludability of interest on the Series 202[4][5] [] Bonds from gross income for federal income tax purposes.

[End of Article III]

ARTICLE IV
MISCELLANEOUS

Section 4.1 Sale of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds authorized to be issued herein in the aggregate principal amount of \$[PRINCIPAL] shall be sold to the Underwriters at an aggregate purchase price \$210,833,049.65 (representing the par amount of the Series 202[4][5] [] Bonds plus a premium in the amount of \$10,833,049.65), on the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 4.2 Certain Duties of the Department. The Department covenants that, in addition to such other duties as may be required under the Indenture and this 202[4][5] [] Supplemental Indenture the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the Asset Test set forth in the Indenture during any period in which the Series 202[4][5] [] Bonds remain Outstanding. [Prior to an Event of Default and so long as the Series 202[4][5] [] Bonds remain Outstanding, the Department will not use Mortgage Loan Principal Payments on the [] Transferred Mortgage Certificates for the purpose of paying Department Expenses.]

Section 4.3 No Recourse on Series 202[4][5] [] Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 202[4][5] [] Bonds or for any claim based thereon or on this 202[4][5] [] Supplemental Indenture against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 202[4][5] [] Bonds, and neither the Board members, officers or employees of the Department or the Trustee nor any person executing or authenticating the Series 202[4][5] [] Bonds shall be liable personally on the Series 202[4][5] [] Bonds by reason of the issuance thereof.

Section 4.4 [Redemption of Refunded Bonds. The Department has instructed the Trustee to redeem the Refunded Bonds.]

Section 4.5 Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 202[4][5] [] Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 4.6 Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 4.7 Execution in Several Counterparts. This 202[4][5] [] Supplemental Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 4.8 [Sale of [] Transferred Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the [] Transferred Mortgage Certificates in whole or in part only upon delivery by the Department of written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).]

Section 4.9 Protection of Trust Estate.

(a) At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

(i) grant more effectively all or any portion of the Trust Estate;

(ii) maintain or preserve the lien of the Indenture and this 202[4][5] [] Supplemental Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 202[4][5] [] Supplemental Indenture;

(iv) enforce any of the documents executed in connection with this 202[4][5] [] Supplemental Indenture;

(v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 202[4][5] [] Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or

(vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

(b) The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 4.8; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 4.8 shall arise only if the Trustee has actual knowledge by notice in writing of any failure of the Department to comply with the provisions of this Section 4.8. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 4.9(b) or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 4.10 Notices to Department, Trustee and Paying Agent. All notices, demands and requests to be given to or made hereunder to the Department, the Trustee or the Paying Agent shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Department:

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Attention: Executive Director

(b) As to the Trustee and Paying Agent:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Richard Dillard

Section 4.11 [Investment Securities]. The [NAME OF INVESTMENT AGREEMENT] by and among [INVESTMENT PROVIDER], the Department, the Texas Treasury Safekeeping Trust Company and the Trustee, dated as of the Issuance Date is hereby included as a permitted "Investment Security" with respect to the Bonds.]

Section 4.12 Compliance with Texas Government Code. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this 202[4][5] [] Supplemental Indenture, the [] Supplement to Depository Agreement dated as of [DOC DATE], among the Department, the Trustee and the Depository (the "Supplement to Depository Agreement") and the Continuing Disclosure Agreement dated as of [DOC DATE], between the Department and the Trustee (the "Disclosure Agreement", and together with the Supplemental Indenture, the Supplement to Depository Agreement and the Disclosure Agreement, the "Representation Documents"), and such representation is hereby incorporated by reference into each of the Representation Documents. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.xlsx>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

To the extent any of the Representation Documents constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of such Representation Document. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code.

To the extent any of the Representation Documents constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of the applicable Representation Document against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19).

As used in this Section 4.10, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 4.13 Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 4.14 Letter of Instructions; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

Section 4.15 Responsibilities of the Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee’s negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 202[4][5] [] Supplemental Indenture or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket

and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

[End of Article IV]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 202[4][5] [___] Supplemental Indenture to be signed on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department Signature Page to [NUMBER] Supplemental Indenture

TDHCA (SFMRB 202[3][4] SERIES [___])

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

Trustee Signature Page to [NUMBER]Supplemental Indenture

TDHCA (SFMRB 202[3][4] SERIES [__])

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

SINGLE FAMILY MORTGAGE REVENUE BOND

202[4][5] SERIES [__]

**THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION
UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS
BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS
BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE
WITHIN-NAMED TRUSTEE**

**[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE
NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS
NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY
BONDS OR PORTIONS THEREOF]¹**

No. _____ \$ _____

Interest Rate
_____ %

Dated Date: _____

CUSIP: _____

Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable [INITIAL INTEREST DATE], and [on each September 1 and March 1 thereafter][on the first day of each month, commencing [INITIAL INTEREST DATE]], and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond

¹ To be included only in bonds registered in the name of DTC or its nominees.

(including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [INITIAL INTEREST DATE], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Single Family Mortgage Revenue [Refunding] Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), [Chapter 1207, Texas Government Code, as amended,] and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture” dated as of June 1, 2017, which amends and restates the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “[NUMBER] Supplemental Single Family Mortgage Revenue Bond Trust Indenture” dated as of [DOC DATE], authorizing the series of Bonds of which this Bond is a part (herein called the “Supplemental Indenture” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Single Family Mortgage Revenue [Refunding] Bonds, 202[4][5] Series []” (herein sometimes called the “Series 202[4][5] [] Bonds”) issued in the aggregate initial principal amount of \$[PRINCIPAL] under the Indentures for the purpose of [providing funds to finance the acquisition of mortgage loans through the purchase of Mortgage Certificates backed by qualified mortgage loans][refunding the Department’s outstanding [] Bonds]. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 202[4][5] [] Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$[5,000] principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of at least 2/3 in principal amount of the Bonds of the particular Series and maturity entitled to such sinking fund installment then outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any paying agent without its written assent thereto.

The Series 202[4][5] [] Bonds are subject to redemption prior to stated maturity as set forth in the Supplemental Indenture.

In lieu of redeeming Series 202[4][5] [] Bonds, the Department has reserved the right in subsection 5 of Section 506 of the Indenture to purchase such Bonds at a price (excluding accrued interest but including any brokerage or other charges) no greater than the applicable Redemption Price of such Bonds.

The Series 202[4][5] [] Bonds are payable upon redemption at the applicable office of the Trustee. Written notice of redemption shall be provided to the registered owner of the Bond to be redeemed as shown on the registry books of the Trustee, in the manner, at the times and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 202[4][5] [] Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, money for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to, but not including, the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from

² To be deleted from the Initial Bond.

federal income taxation.

The Act provides that neither the officers nor directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE
ON THE INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by the Attorney General of the State of Texas as required by law, and that the Attorney General of the State of Texas finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated:

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[[____] TRANSFERRED MORTGAGE CERTIFICATES]

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[NUMBER] SUPPLEMENTAL SINGLE FAMILY MORTGAGE
REVENUE BOND TRUST INDENTURE

AUTHORIZING

\$(PRINCIPAL]
SINGLE FAMILY MORTGAGE REVENUE [REFUNDING] BONDS
202[4][5] SERIES [__]
(TAXABLE)

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

Dated as of [DOC DATE]

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[NUMBER] SUPPLEMENTAL SINGLE FAMILY
MORTGAGE REVENUE BOND TRUST INDENTURE

AUTHORIZING

\$(PRINCIPAL]
SINGLE FAMILY MORTGAGE REVENUE [REFUNDING] BONDS
202[4][5] SERIES [___]
(TAXABLE)

THIS [NUMBER] SUPPLEMENTAL SINGLE FAMILY MORTGAGE REVENUE BOND TRUST INDENTURE dated as of [DOC DATE] (this “202[4][5] [___] Supplemental Indenture”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (together with any successor to its rights, duties, and obligations hereunder, the “Department”), a public and official agency duly created, organized and existing under the laws of the State of Texas, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee (together with any successor trustee hereunder, the “Trustee”), a national banking association.

RECITALS

WHEREAS, the Department and the Trustee have executed and delivered that certain Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2017, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Single Family Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

[WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and]

[WHEREAS, the Department is authorized under the Act and Chapter 1207, Texas Government Code, as amended, to issue bonds to refund its outstanding obligations and is authorized under the Indenture to issue bonds to refund Bonds issued under the Indenture; and

WHEREAS, Section 1207.002, Texas Government Code, authorizes the Department to issue refunding bonds to refund all or any part of the Department’s outstanding bonds, notes or other general or special obligations; and]

WHEREAS, Sections 1001 and 1002 of the Indenture authorize the Department to adopt and file with the Trustee, a supplemental indenture, authorizing Bonds of a Series and, among other things, to include any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture, to add to the covenants and agreements of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Department has determined to issue its Single Family Mortgage Revenue [Refunding] Bonds, 202[4][5] Series [] (Taxable) (the “Series 202[4][5] [] Bonds”) in an aggregate principal amount of \$[PRINCIPAL] pursuant to the Indenture and this 202[4][5] [] Supplemental Indenture for the purpose of [refunding its Outstanding Single Family Mortgage Revenue Bonds, []] ([collectively,] the “Refunded Bonds”)[obtaining funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State and occupied by persons and families of low and very low income and families of moderate income, paying lender compensation related to the 202[4][5] [] Mortgage Loans and paying costs of issuance of the Series 202[4][5] [] Bonds], all under and in accordance with the Constitution and laws of the State; and

[WHEREAS, concurrently with the execution of this 202[4][5] [] Series Supplement, the Department and the Trustee are also entering into that certain [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “202[4][5] [] Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue [Refunding] Bonds, [Taxable] Series 202[4][5] [] (the “Series 2024D Bonds”, and together with the Series 202[4][5] [] Bonds, the “Series 202[4][5][] Bonds”) for the purposes described in the 202[4][5] [] Series Supplement; and]

WHEREAS, the execution and delivery of this 202[4][5] [] Supplemental Indenture and the issuance of the Series 202[4][5] [] Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 202[4][5] [] Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 202[4][5] [] Supplemental Indenture have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 202[4][5] [] Supplemental Indenture, a valid, binding and legal instrument for the security of the Series 202[4][5] [] Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 202[4][5] [] Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 202[4][5] [] Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit (except to the extent that such benefit is not equal and proportionate pursuant to the terms of the Indenture and any supplemental indenture thereunder) of the respective holders from time to time of the Bonds, including the Series 202[4][5] [] Bonds as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1 Supplemental Indenture. This 202[4][5] [] Supplemental Indenture is supplemental to, and is adopted in accordance with, Articles III and X of the Indenture.

Section 1.2 Definitions.

(a) Unless defined in subsection (b) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture, shall have the same meanings in this 202[4][5] [] Supplemental Indenture (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture.

(b) As used in this 202[4][5] [] Supplemental Indenture (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the special trust accounts pertaining to the Series 202[4][5] [] Bonds created and established in Section 502 of the Indenture and Section 2.12 hereof.

“Authorized Denomination” shall mean \$[5,000] principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean the [Chair or Vice Chair of the Board of the Department, 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] or any officer or employee of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 2.11 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 202[4][5] [] Mortgage Certificate which represents the number of days of interest on such 202[4][5] [] Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 202[4][5] [] Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [], but

which may be extended in accordance with Section 2.17 of this 202[4][5] [] Supplemental Indenture.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Department” shall mean the Texas Department of Housing and Community Affairs, a public and official agency of the State, and its successors and assigns.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any successor depository appointed pursuant to Section 601 of the Indenture.

“Depository Agreement” shall mean the Amended and Restated Depository Agreement dated as of August 1, 1991, among the Department, the Trustee and the Depository, relating to the Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 202[4][5] [] Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“IHFA” means the Idaho Housing and Finance Association, an Idaho independent public body corporate and politic.

“Indenture” shall mean, the Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2017, between the Department and the Trustee as supplemented and amended from time to time.

“Initial Bond” means the Series 202[4][5] [] Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

[NEW MONEY]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, each March 1 and September 1, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

[REFUNDING]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, the first day of each month, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 202[4][5] [] Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of such Series 202[4][5] [] Bonds.

“Letter of Instructions” shall mean, with respect to the Series 202[4][5] [] Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

“Mortgage Loan Principal Payments” shall mean all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the 202[4][5] [] [Transferred] Mortgage Certificates.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Optional Redemption Date” shall mean [OPTIONAL REDEMPTION DATE].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean, the Pass-Through Rates for each 202[4][5] [] Mortgage Certificate, which will equal the mortgage rate of the 202[4][5] [] Mortgage Loans backing the 202[4][5] [] Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters, providing for the purchase of the Series 202[4][5] [] Bonds by the Underwriters.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Investors Service, Inc. and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Record Date” means the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding such Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 202[4][5] [] Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 202[4][5] [] Bond or the Indentures.

[“Refunded Bonds” shall mean all of the Outstanding [] Bonds.]

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representative” shall mean [REPRESENTATIVE]

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 202[4][5] [] Mortgage Certificates, including any payments received from Ginnie Mae pursuant to its guaranty of the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 202[4][5] [] Mortgage Certificates and all other net proceeds of such 202[4][5] [] Mortgage Certificates.

“Series 202[4][5] [] Bonds” shall mean the Department’s Single Family Mortgage Revenue [Refunding] Bonds, 202[4][5] Series [] (Taxable) to be issued under the Indenture and this 202[4][5] [] Supplemental Indenture.

“Servicer” shall mean (i) IHFA, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

“Servicing Agreement” shall mean (i) with respect to IHFA, the Mortgage Acquisition, Pooling and Servicing Agreement dated as of October 1, 2021, by and between the Department and IHFA, as amended pursuant to that certain First Addendum to Mortgage Acquisition, Pooling and Servicing Agreement dated as of June 1, 2023; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

“Sinking Fund Installment” means the principal amount of the Series 202[4][5] [] Bonds subject to scheduled mandatory redemption on the respective redemption date set forth in Section 2.6(d) hereof.

“State” shall mean the State of Texas.

“Subaccount” or “Subaccounts” shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 202[4][5] [] Bonds created in certain Accounts pursuant to Section 2.12 hereof.

“Supplemental Indenture” shall mean this [NUMBER] Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of [DOC DATE], by and between the Department and the Trustee, together with any amendments hereto.

“202[4][5] [] Administrative Subaccount” shall mean the 202[4][5] [] Administrative Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.12 hereof.

“202[4][5] [] Capitalized Interest Subaccount” shall mean the 202[4][5] [] Capitalized Interest Subaccount within the 202[4][5] [] Revenue Account established pursuant to Section 2.12 hereof.

“202[4][5] [] Costs of Issuance Account” shall mean the 202[4][5] [] Costs of Issuance Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Interest Subaccount” shall mean the 202[4][5] [] Subaccount within the Interest Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Mortgage Certificates” shall mean Mortgage Certificates that are purchased by the Trustee on the Issuance Date and on any future date from the proceeds of the Series 202[4][5] [] Bonds and pledged by the Department to the Trustee pursuant to the Indenture and this 202[4][5] [] Supplemental Indenture as described in any Letter of Instructions to the Trustee described in Section 2.17(a) hereof.

“202[4][5] [] Mortgage Loans” shall mean the Mortgage Loans allocated to proceeds of the Series 202[4][5] [] Bonds.

“202[4][5] [] Mortgage Loan Account” shall mean the 202[4][5] [] Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Principal Subaccount” shall mean the 202[4][5] [] Subaccount within the Principal Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Proceeds Account” shall mean the 202[4][5] [] Proceeds Account of the Mortgage Loan Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Redemption Subaccount” shall mean the 202[4][5] [] Subaccount within the Redemption Account of the Debt Service Fund established pursuant to Section 2.12 hereof.

“202[4][5] [] Revenue Account” shall mean the 202[4][5] [] Account of the Revenue Fund established pursuant to Section 2.12 hereof.

“Underwriters” shall mean the Representative, and the other underwriters named on the schedule attached to the Purchase Agreement.

Section 1.3 Authority for this Series 202[4][5] [] Supplemental Indenture. This 202[4][5] [] Supplemental Indenture is adopted pursuant to the provisions of the Act and the Indenture.

Section 1.4 Rules of Construction.

(a) For all purposes of this 202[4][5] [] Supplemental Indenture, unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 202[4][5] [] Supplemental Indenture.

(b) Except where the context otherwise requires, terms defined in this 202[4][5] [] Supplemental Indenture to impart the singular number shall be considered to include the plural number and vice versa.

(c) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

(d) This 202[4][5] [] Supplemental Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 202[4][5] [] Supplemental Indenture and the Indenture which it supplements.

Section 1.5 Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 202[4][5] [] Supplemental Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7 Indenture to Remain in Force. Except as amended by this 202[4][5] [] Supplemental Indenture, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8 Successors and Assigns. All covenants and agreements in this 202[4][5] [] Supplemental Indenture by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause. In case any provision in this 202[4][5] [] Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Supplemental Indenture. Nothing in this 202[4][5] [] Supplemental Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 202[4][5] [] Supplemental Indenture.

Section 1.11 Governing Law. This 202[4][5] [] Supplemental Indenture shall be construed in accordance with and governed by the laws of the State.

Section 1.12 Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of such other Person.

Section 1.13 Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the Holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the 202[4][5] [] Mortgage Certificates, all amounts that may be received with respect to the 202[4][5] [] Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the 202[4][5] [] Mortgage Certificates, to bring actions and proceedings under the 202[4][5] [] Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 202[4][5] [] Mortgage Certificates, and the Holders of the Bonds are by such pledge and assignment afforded a beneficial interest in the 202[4][5] [] Mortgage Certificates.

[End of Article I]

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 202[4][5] [] BONDS

Section 2.1 Authorization, Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 202[4][5] [] Supplemental Indenture, one Series of Single Family Mortgage Revenue [Refunding] Bonds is hereby authorized to be issued in the initial aggregate principal amount of \$[PRINCIPAL]. The Department hereby determines that the issuance of the Series 202[4][5] [] Bonds in the initial amount authorized hereby is necessary to provide funds to be used and expended for the purposes set forth in the Indenture and this 202[4][5] [] Supplemental Indenture. Each Bond of this Series of Bonds shall be entitled “Single Family Mortgage Revenue Bond, 202[4][5] Series [] (Taxable).” The terms of the Series 202[4][5] [] Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2 Purposes. The Series 202[4][5] [] Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purposes of [(i) the acquisition or refinancing of Mortgage Loans, or participations therein, through the purchase of 202[4][5] [] Mortgage Certificates, including the payment of legal, financing and other expenses incidental thereto and including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans; (ii) the making of deposits in amounts, if any, required by the Indenture or this 202[4][5] [] Series Supplement to be paid into one or more Funds or Accounts from the proceeds of such Series of Bonds; (iii) payment of Cost of Issuance; and (iv) the payment of Department’s Expenses, including paying lender compensation related to the 202[4][5] [] Mortgage Loans][the refunding of the Refunded Bonds].

Section 2.3 Registered Bonds Only: Dates, Denominations, Numbers, and Letters.

(a) The Series 202[4][5] [] Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

(b) The Series 202[4][5] [] Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on the Series 202[4][5] [] Bonds shall be in default, the registered Series 202[4][5] [] Bonds issued in lieu of Series 202[4][5] [] Bonds surrendered for the transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 202[4][5] [] Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date, the Series 202[4][5] [] Bonds shall be dated as of the Issuance Date.

(c) The Series 202[4][5] [] Bonds shall be issued in Authorized Denominations.

(d) Unless the Department shall direct otherwise, each Series 202[4][5] [] Bond within a maturity of the Series 202[4][5] [] Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letters R, the letter M or S depending on whether the maturity is March or September, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TR-1.

Section 2.4 Interest Payment Dates, Interest Rates and Maturities of the Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall bear interest from the Issuance Date until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 202[4][5] [] Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 202[4][5] [] Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.6 and Section 2.7 of this 202[4][5] [] Supplemental Indenture and Article IV of the Indenture.

Maturity Date

Principal Amount (\$)

Interest Rate

[INSERT VARIABLE RATE PROVISIONS, AS APPLICABLE]

Section 2.5 Conditions to Issuance of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be executed by the Department and, except for the Initial Bond shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

- (a) *Intentionally omitted;*
- (b) The amounts specified in this 202[4][5] [] Supplemental Indenture to be deposited in the Accounts and Subaccounts as required herein; and
- (c) Written confirmation from each Rating Agency that issuance of the Series 202[4][5] [] Bonds will not cause the rating on any Outstanding Bonds (determined without regard to any bond insurance or similar credit enhancement) to be lower than Aaa by Moody's Investors Service and AA+ by S&P Global Ratings or their equivalents, as applicable.

Section 2.6 Special Redemption.

[REDEMPTION PROVISIONS TO COME]

Section 2.7 Optional Redemption.

[REDEMPTION PROVISIONS TO COME]

Section 2.8 Notice of Redemption; Selection of Series 202[4][5] [] Bonds to Be Redeemed.

(a) The Trustee shall give notice, in the name of the Department, of the redemption of the Series 202[4][5] [] Bonds to the holders thereof, which notice shall specify the Series 202[4][5] [] Bonds to be redeemed, the redemption date, and the place or places where amounts due upon such redemption will be payable, and if less than all of the Series 202[4][5] [] Bonds are to be redeemed, the letters and CUSIP numbers or other distinguishing marks, principal amounts, maturity dates and interest rates of such Series 202[4][5] [] Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable on each Series 202[4][5] [] Bonds to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of Series 202[4][5] [] Bonds to be redeemed in part only, together with interest accrued to, but not including, the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. If applicable, such notice shall provide that redemption of the Series 202[4][5] [] Bonds is conditioned upon moneys being available for such purpose on the redemption date.

(b) The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than 30 days prior to the redemption date, nor more than 60 days to the holders of any Series 202[4][5] [] Bonds or portions thereof which are to be redeemed, at the address shown on the registration books maintained by the Trustee.

(c) If the Series 202[4][5] [] Bonds are registered in the name of the nominee of the Bond Depository, the Trustee shall deliver, by overnight delivery service, facsimile or such other means as may be requested by the Bond Depository in accordance with its procedures, notice of a redemption in the manner and in substantially the form described above which will allow the Series 202[4][5] [] Bonds to be timely redeemed on the redemption date.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 202[4][5] [] Bonds receives the notice.

(e) A second notice of redemption shall be given promptly after the 60th day after the redemption date in the manner required above to the registered owners of redeemed Series 202[4][5] [] Bonds that have not been presented for payment by the 60th day after the redemption date.

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the "Trustee"). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the "net interest cost" that will produce a "net effective interest rate" of greater than 15% per annum or, to the extent allowed by law, such greater "net effective interest rate" as may be allowed from time to time. The terms "net interest cost" and "net effective interest rate," as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.10 Paying Agent; Method and Place of Payment.

(a) The Trustee is hereby appointed as Paying Agent for the Series 202[4][5] [] Bonds and the Trustee hereby accepts such appointment. The Series 202[4][5] [] Bonds shall be payable with respect to interest and principal of and the Redemption Price in any coin or currency of the United States of America which at the time is legal tender for the payment of public and private debts. The interest on each Series 202[4][5] [] Bond shall be payable by check or draft mailed on each Interest Payment Date to the Person in whose name such Series 202[4][5] [] Bond is registered as of the Record Date, at the address of such Person as shown on the registry books of the Department kept and maintained by the Trustee. The principal, Redemption Price of and interest on the Series 202[4][5] [] Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 202[4][5] [] Bonds as permitted by the Indenture.

(b) Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive registered owner of the Series 202[4][5] [] Bonds and for owners of not less than \$1,000,000 in aggregate principal amount of the Series 202[4][5] [] Bonds, and except for the final payment of principal of the Series 202[4][5] [] Bonds at maturity the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such owners to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 202[4][5] [] Bonds pursuant to written instructions from the registered owner.

Section 2.11 Bond Depository; Book-Entry System.

(a) The Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 202[4][5] [] Bonds. In accordance with the Letter of Representations, the Department shall cause the initial Series 202[4][5] [] Bonds to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered to the Bond Depository on the Issuance Date.

(b) With respect to Series 202[4][5] [] Bonds registered in the registry books of the Department required to be maintained by the Trustee pursuant to Section 308 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 202[4][5] [] Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 202[4][5] [] Bond as the holder and absolute owner of such Series 202[4][5] [] Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 202[4][5] [] Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 202[4][5] [] Bond, for the purpose of registering transfers and exchanges with respect to such Series 202[4][5] [] Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the Series 202[4][5] [] Bonds only to or upon the order of the respective registered owners of the Series 202[4][5] [] Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 202[4][5] [] Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond as shown in the registry books required to be kept and maintained pursuant to Section 308 of the Indenture, of any notice with respect to the

Series 202[4][5] [] Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond, of any amount with respect to any Series 202[4][5] [] Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 202[4][5] [] Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

(c) In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 202[4][5] [] Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds is not in the best interest of such owners of beneficial interests in the Series 202[4][5] [] Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 202[4][5] [] Bonds, if one is available satisfactory to the Department, and the ownership of all Series 202[4][5] [] Bonds shall be transferred on the registry books required to be kept and maintained pursuant to Section 308 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee, in writing, to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 202[4][5] [] Bonds, of the availability of Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 202[4][5] [] Bonds and, upon surrender to the Trustee of the Outstanding Series 202[4][5] [] Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 202[4][5] [] Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 202[4][5] [] Bonds as of the date of the termination of the existing book-entry ownership system for the Series 202[4][5] [] Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 202[4][5] [] Bonds, all of the Series 202[4][5] [] Bonds must be held under such book-entry system. Prior to any transfer of the Series 202[4][5] [] Bonds outside the Book-Entry Only system (including, but not limited to, the initial transfer outside the Book-Entry Only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(d) Notwithstanding any other provisions in Article II of this 202[4][5] [] Supplemental Indenture, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.12 Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

(a) Pursuant to the provisions of subsection 4 of Section 713 of the Indenture, there is established by this Section 2.12, for the Series 202[4][5] [] Bonds, an Account in each Fund and a Subaccount in each Account established by Section 502 of the Indenture. Each such Account and Subaccount shall be known and designated as the 202[4][5] [] Account or Subaccount followed by the appropriate reference to the Fund or the Account within the Fund to which such Account or Subaccount relates. In addition, there are hereby established for the Series 202[4][5] [] Bonds the following additional Funds, Accounts and Subaccounts:

(i) (A) within the Mortgage Loan Fund, (1) a temporary Account to be known and designated as the 202[4][5] [] Proceeds Account, and (2) a temporary Account to be known and designated as the 202[4][5] [] Costs of Issuance Account, and (B) within the 202[4][5] [] Mortgage Loan Account, the 202[4][5] [] Administrative Subaccount;

(ii) within the 202[4][5] [] Revenue Account, a 202[4][5] [] Capitalized Interest Subaccount; and

(iii) within the Expense Fund held by the Department, an additional Account designated as the 202[4][5] [] Rebate Account.

(b) Unless an Event of Default shall have occurred and be continuing, Revenues from the 202[4][5] [] Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account or Subaccount for the Series 202[4][5] [] Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Loans or other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts and Subaccounts described in this Section shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts and Subaccounts as required by this Section 2.12 is for the purpose of making the calculations required by Sections 143(g) and 148 of the Code, and is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

(c) The Costs of Issuance incurred by the Department in connection with the issuance of the Series 202[4][5] [] Bonds shall be payable from amounts deposited in the 202[4][5] [] Costs of Issuance Account.

(d) Deposits to and Transfers from the 202[4][5] [] Revenue Account.

(i) In accordance with Section 504 of the Indenture, all payments received with respect to the 202[4][5] [] Mortgage Certificates shall be deposited in the 202[4][5] [] Revenue Account.

(ii) Pursuant to subsection 2 of Section 505 of the Indenture, the Trustee shall transfer from the Revenue Fund amounts on deposit therein in the following order of priority:

(1) First, on each Interest Payment Date or any other date for the redemption of the Series 202[4][5] [] Bonds, to the 202[4][5] [] Interest Subaccount, to the extent required so that the balance in said account equals the amount of interest which will be due and payable on the Series 202[4][5] [] Bonds on such Interest Payment Date or redemption date;

(2) Second, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Principal Subaccount, one-sixth of the amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 202[4][5] [] Bonds on the next Interest Payment Date; [and]

(3) Third, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Redemption Subaccount, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.6(b) hereof.

(iii) On or after each Interest Payment Date and pursuant to a Letter of Instructions, the Trustee shall transfer to the 202[4][5] [] Redemption Subaccount from the 202[4][5] [] Revenue Account the amount in such Account after taking into account (1) the provision for payment of Debt Service on the Series 202[4][5] [] Bonds on such Interest Payment Date, (2) the required transfers of the amounts to the 202[4][5] [] Redemption Subaccount and the 202[4][5] [] Principal Subaccount pursuant to Section 2.12(d)(ii) of this 202[4][5] [] Supplemental Indenture, and (3) the payment of Department Expenses in accordance with subsection 1 of Section 505 of the Indenture, and such excess revenues shall be used to redeem Series 202[4][5] [] Bonds in accordance with Section 2.6(c) hereof.

Section 2.13 Initial Deposits and Transfers into Accounts and Subaccounts. The proceeds of the Series 202[4][5] [] Bonds initially shall be deposited by the Trustee in the 202[4][5] [] Proceeds Account. There shall be deposited, out of the proceeds of the Series 202[4][5] [] Bonds, the amounts specified in the Letter of Instructions to the Trustee authorizing the authentication and delivery of the Series 202[4][5] [] Bonds, into the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 202[4][5] [] Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 202[4][5] [] Costs of Issuance Account shall be transferred to the Surplus Revenues Account pursuant to a Letter of Instructions.

Section 2.14 Transfer of and Representations and Covenants Relating to [] Transferred Mortgage Certificates. All [] Transferred Mortgage Certificates are hereby allocated to the [] Mortgage Loan Account. The Department represents and covenants that each of the [] Transferred Mortgage Certificates is a Mortgage Loan that, at the date of acquisition, met the requirements set forth in Section 705 of the Indenture.

Section 2.15 Reserved.

Section 2.16 202[4][5] [] Mortgage Loan Account. The 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.12(a) hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, 202[4][5] [] Mortgage Certificates. On [], unless the Certificate Purchase Period is extended in accordance with Section 2.17 hereof, unexpended proceeds of the Series 202[4][5] [] Bonds shall be transferred from the 202[4][5] [] Mortgage Loan Account to the 202[4][5] [] Redemption Subaccount in accordance with Section 2.6(a) hereof.

Section 2.17 202[4][5] [] Mortgage Certificate Acquisition.

(a) As instructed by the Department, the Trustee shall use amounts on deposit in the 202[4][5] [] Mortgage Loan Account to acquire the 202[4][5] [] Mortgage Certificates as more particularly described in a Letter of Instructions.

(b) The purchase of the 202[4][5] [] Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 202[4][5] [] Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 202[4][5] [] Mortgage Certificate. Following the purchase of any 202[4][5] [] Mortgage Certificate, all payments received by the Trustee with respect thereto shall be deemed to be payments of principal and interest with respect to the 202[4][5] [] Mortgage Loans included in the Mortgage Pool pertaining to such 202[4][5] [] Mortgage Certificate.

(c) On each applicable Certificate Purchase Date, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificates Purchase Price, from amounts available in the 202[4][5] [] Mortgage Loan Account in accordance with this subsection (c) unless otherwise instructed by the Department in a Letter of Instructions.

(d) Each 202[4][5] [] Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

(i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary" (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the

PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the "Rules") in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

(ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

Section 2.18 Transfer of Unexpended Proceeds. Upon receipt by the Trustee of a certification from the Department as described in Section 2.6(a) hereof, the Trustee shall transfer the amounts set forth in such certification to the 202[4][5] [] Redemption Subaccount to redeem Series 202[4][5] [] Bonds pursuant to Section 2.6(a) hereof. Any amounts in the 202[4][5] [] Mortgage Loan Account remaining unexpended for acquisition of 202[4][5] [] Mortgage Certificates on the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), as such date may be extended as provided herein, shall be transferred to the 202[4][5] [] Redemption Subaccount and applied to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.6(a) hereof. The Certificate Purchase Period for amounts in the 202[4][5] [] Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

- (a) *Intentionally omitted*; and
- (b) confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 202[4][5] [] Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

[End of Article II]

ARTICLE III

RESERVED

[End of Article III]

ARTICLE IV
MISCELLANEOUS

Section 4.1 Sale of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds authorized to be issued herein in the aggregate principal amount of \$[PRINCIPAL] shall be sold to the Underwriters at an aggregate purchase price \$[] (representing the par amount of the Series 202[4][5] [] Bonds, plus a premium in the amount of \$[]), on the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 4.2 Certain Duties of the Department. The Department covenants that, in addition to such other duties as may be required under the Indenture and this 202[4][5] [] Supplemental Indenture the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the Asset Test set forth in the Indenture during any period in which the Series 202[4][5] [] Bonds remain Outstanding. [Prior to an Event of Default and so long as the Series 202[4][5] [] Bonds remain Outstanding, the Department will not use Mortgage Loan Principal Payments on the [] Transferred Mortgage Certificates for the purpose of paying Department Expenses.]

Section 4.3 No Recourse on Series 202[4][5] [] Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 202[4][5] [] Bonds or for any claim based thereon or on this 202[4][5] [] Supplemental Indenture against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 202[4][5] [] Bonds, and neither the Board members, officers or employees of the Department or the Trustee nor any person executing or authenticating the Series 202[4][5] [] Bonds shall be liable personally on the Series 202[4][5] [] Bonds by reason of the issuance thereof.

Section 4.4 [Redemption of Refunded Bonds. The Department has instructed the Trustee to redeem the Refunded Bonds.]

Section 4.5 Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 202[4][5] [] Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 4.6 Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 4.7 Execution in Several Counterparts. This 202[4][5] [] Supplemental Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 4.8 [Sale of [] Transferred Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the [] Transferred Mortgage Certificates in whole or in part only upon delivery by the Department of written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).]

Section 4.9 Protection of Trust Estate.

(a) At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

(i) grant more effectively all or any portion of the Trust Estate;

(ii) maintain or preserve the lien of the Indenture and this 202[4][5] [] Supplemental Indenture or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 202[4][5] [] Supplemental Indenture;

(iv) enforce any of the documents executed in connection with this 202[4][5] [] Supplemental Indenture;

(v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 202[4][5] [] Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or

(vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

(b) The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 4.8; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 4.8 shall arise only if the Trustee has actual knowledge by notice in writing of any failure of the Department to comply with the provisions of this Section 4.8. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 4.9(b) or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 4.10 Notices to Department, Trustee and Paying Agent. All notices, demands and requests to be given to or made hereunder to the Department, the Trustee or the Paying Agent shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the Department:

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Attention: Executive Director

(b) As to the Trustee and Paying Agent:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Richard Dillard

Section 4.11 [Investment Securities]. The [NAME OF INVESTMENT AGREEMENT] by and among [INVESTMENT PROVIDER], the Department, the Texas Treasury Safekeeping Trust Company and the Trustee, dated as of the Issuance Date is hereby included as a permitted "Investment Security" with respect to the Bonds.]

Section 4.12 Compliance with Texas Government Code. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this 202[4][5] [] Supplemental Indenture, the [] Supplement to Depository Agreement dated as of [DOC DATE], among the Department, the Trustee and the Depository (the "Supplement to Depository Agreement") and the Continuing Disclosure Agreement dated as of [DOC DATE], between the Department and the Trustee (the "Disclosure Agreement", and together with the Supplemental Indenture, the Supplement to Depository Agreement and the Disclosure Agreement, the "Representation Documents"), and such representation is hereby incorporated by reference into each of the Representation Documents. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.xlsx>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

To the extent any of the Representation Documents constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of such Representation Document. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code.

To the extent any of the Representation Documents constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of the applicable Representation Document against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19).

As used in this Section 4.10, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 4.13 Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 4.14 Letter of Instructions; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

Section 4.15 Responsibilities of the Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee’s negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 202[4][5] [] Supplemental Indenture or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket

and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

[End of Article IV]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 202[4][5] [] Supplemental Indenture to be signed on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department Signature Page to [NUMBER] Supplemental Indenture

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

Trustee Signature Page to [NUMBER] Supplemental Indenture

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

SINGLE FAMILY MORTGAGE REVENUE BOND

202[4][5] SERIES [] (Taxable)

**THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION
UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS
BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS
BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE
WITHIN-NAMED TRUSTEE**

**[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE
NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS
NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY
BONDS OR PORTIONS THEREOF]¹**

No. _____ \$ _____

Interest Rate
_____ %

Dated Date: _____

CUSIP: _____

Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, organized and existing under and by virtue of the laws of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable [INITIAL INTEREST DATE], and [on each September 1 and March 1 thereafter][on the first day of each month, commencing [INITIAL INTEREST DATE]], and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond

¹ To be included only in bonds registered in the name of DTC or its nominees.

(including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [INITIAL INTEREST DATE], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Single Family Mortgage Revenue [Refunding] Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), [Chapter 1207, Texas Government Code, as amended,] and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture” dated as of June 1, 2017, which amends and restates the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “[NUMBER] Supplemental Single Family Mortgage Revenue Bond Trust Indenture” dated as of [DOC DATE], authorizing the series of Bonds of which this Bond is a part (herein called the “Supplemental Indenture” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Single Family Mortgage Revenue [Refunding] Bonds, 202[4][5] Series [] (Taxable)” (herein sometimes called the “Series 202[4][5] [] Bonds”) issued in the aggregate initial principal amount of \$[PRINCIPAL] under the Indentures for the purpose of [providing funds to finance the acquisition of mortgage loans through the purchase of Mortgage Certificates backed by qualified mortgage loans][refunding the Department’s outstanding [] Bonds]. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 202[4][5] [] Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$[5,000] principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of at least 2/3 in principal amount of the Bonds of the particular Series and maturity entitled to such sinking fund installment then outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any paying agent without its written assent thereto.

The Series 202[4][5] [] Bonds are subject to redemption prior to stated maturity as set forth in the Supplemental Indenture.

In lieu of redeeming Series 202[4][5] [] Bonds, the Department has reserved the right in subsection 5 of Section 506 of the Indenture to purchase such Bonds at a price (excluding accrued interest but including any brokerage or other charges) no greater than the applicable Redemption Price of such Bonds.

The Series 202[4][5] [] Bonds are payable upon redemption at the applicable office of the Trustee. Written notice of redemption shall be provided to the registered owner of the Bond to be redeemed as shown on the registry books of the Trustee, in the manner, at the times and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 202[4][5] [] Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, money for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to, but not including, the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from

² To be deleted from the Initial Bond.

federal income taxation.

The Act provides that neither the officers nor directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE
ON THE INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by the Attorney General of the State of Texas as required by law, and that the Attorney General of the State of Texas finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated:

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[[____] TRANSFERRED MORTGAGE CERTIFICATES]

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

AUTHORIZING

\$(PRINCIPAL)
RESIDENTIAL MORTGAGE REVENUE [REFUNDING] BONDS,
SERIES 202[4][5] [__]

Dated as of [DOC DATE]

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**[NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE**

THIS [NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, dated as of [DOC DATE] (this “202[4][5] [] Series Supplement”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (together with any successor to its rights, duties, and obligations hereunder, the “Department”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (as successor trustee to MTrust Corp, and together with any successor trustee hereunder, the “Trustee”).

RECITALS

WHEREAS, the Department and the Trustee have heretofore executed and delivered that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

[WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and]

[WHEREAS, the Department is authorized under the Act to issue bonds to refund its outstanding obligations and is authorized under the Indenture to issue bonds to refund Bonds issued under the Indenture; and

WHEREAS, Section 1207.002, Texas Government Code, as amended, authorizes the Department to issue refunding bonds to refund all or any part of the Department’s outstanding bonds, notes or other general or special obligations; and]

WHEREAS, Section 1002 of the Indenture authorizes the Department and the Trustee to execute and deliver a supplemental indenture, authorizing Bonds of a Series to include any other matters and things relative to such Bonds which are not inconsistent with or contrary to the Indenture, to add to the covenants of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Department has determined to issue its Residential Mortgage Revenue [Refunding] Bonds, Series 202[4][5] [] in an aggregate principal amount of \$[PRINCIPAL] (the “Series 202[4][5] [] Bonds”) pursuant to the Indenture and this 202[4][5] [] Series Supplement [for the purpose of refunding its Outstanding Residential Mortgage Revenue Bonds, Series [] ([collectively,]the “Refunded Bonds”)] [to obtain funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income, to provide down payment and closing cost assistance with respect to Assisted Mortgage Loans (as hereinafter defined), to pay lender

compensation related to the 202[4][5] [] Mortgage Loans and to pay a portion of the costs of issuance of the Series 202[4][5] [] Bonds], all under and in accordance with the Constitution and the laws of the State; and

[WHEREAS, concurrently with the execution of this 202[4][5] [] Series Supplement, the Department and the Trustee are also entering into that certain [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “202[4][5] [] Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue [Refunding] Bonds, [Taxable] Series 202[4][5] [] (the “Series 2024D Bonds”, and together with the Series 202[4][5] [] Bonds, the “Series 202[4][5][] Bonds”) for the purposes described in the 202[4][5] [] Series Supplement; and]

WHEREAS, the execution and delivery of this 202[4][5] [] Series Supplement and the issuance of the Series 202[4][5] [] Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 202[4][5] [] Series Supplement and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 202[4][5] [] Series Supplement have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 202[4][5] [] Series Supplement, a valid, binding and legal instrument for the security of the Series 202[4][5] [] Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 202[4][5] [] Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 202[4][5] [] Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective holders from time to time of the Bonds, including the Series 202[4][5] [] Bonds, as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1. Supplemental Indenture. This 202[4][5] [] Series Supplement is supplemental to, and is adopted in accordance with, Article III and Article X of the Indenture.

Section 1.2. Definitions.

1. Unless defined in subsection (b) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture shall have the same meanings in this 202[4][5] [] Series Supplement (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture.

2. As used in this 202[4][5] [] Series Supplement (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate special trust accounts pertaining to the Series 202[4][5] [] Bonds created and established in Section 2.10 of this 202[4][5] [] Series Supplement.

“Assisted Mortgage Loans” shall mean 202[4][5] [] Mortgage Loans and 2023C Mortgage Loans that include a related DPA Loan to provide down payment and closing cost assistance.

“Authorized Denominations” shall mean \$[5,000] principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean the [Chair or Vice Chair of the Board of the Department, 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] or any officer or employee of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 913 of the Indenture and Section 2.7 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 202[4][5] [] Mortgage Certificate by the Trustee which represents the number of days of interest on such 202[4][5] [] Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 202[4][5] [] Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [], but which may be extended to a date no later than [], in accordance with Section 5.2 of this 202[4][5] [] Series Supplement.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in clauses (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Computation Date” shall mean each Installment Computation Date and the Final Computation Date.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to Section 914 of the Indenture and Section 5.7 hereof to act as depository of certain moneys and investments.

“Depository Agreement” shall mean that certain [_____] Supplement to Amended and Restated Depository Agreement dated as of the date hereof, by and among the Department, the Trustee and the Depository relating to the Series 202[4][5] [___] Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“DPA Loan” means a subordinated, no stated interest loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to a 202[4][5] [___]C Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are due on sale, refinance, or repayment of the first mortgage and have a thirty year term. DPA Loans are not considered Mortgage Loans.

“Favorable Opinion of Bond Counsel” shall mean, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that, under existing law, such action or omission does not adversely affect the excludability of interest payable on the Series 202[4][5] [___] Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon original issuance of the Series 202[4][5] [___] Bonds or other customary exceptions acceptable to the recipient thereof).

“Final Computation Date” shall mean the date on which final payment in full of the Series 202[4][5] [___] Bonds is made.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate” shall mean a fully-modified, mortgage-backed, pass-through security issued by the Servicer in accordance with the applicable Ginnie Mae Guide bearing interest at the applicable Pass-Through Rate and representing the beneficial ownership interest in a Ginnie Mae pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Servicer into a Ginnie Mae pool.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 202[4][5] [] Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“Gross Proceeds” shall mean any Proceeds and any Replacement Proceeds.

“IHFA” means the Idaho Housing and Finance Association, an Idaho independent public body corporate and politic.

“Indenture” shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, between the Department and the Trustee, as supplemented and amended from time to time.

“Initial Bond” means the Series 202[4][5] [] Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

“Installment Computation Date” shall mean the last day of the fifth Tax Bond Year and each succeeding fifth Tax Bond Year.

[NEW MONEY]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, each July 1 and January 1, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

[REFUNDING]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [] Bonds, the first day of each month, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [] Bonds are subject to redemption.

“Investment Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 202[4][5] [] Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of the Series 202[4][5] [] Bonds.

“Letter of Instructions” shall mean, with respect to the Series 202[4][5] [] Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

[NEW MONEY]“Mortgage Loan Principal Payment” shall mean, with respect to any 202[4][5] [] Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of such 202[4][5] [] Mortgage Loan.

[REFUNDING]“Mortgage Loan Principal Payments” shall mean all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the [] Transferred Mortgage Certificates.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Net Proceeds” means Sale Proceeds, less the portion of any Sale Proceeds invested in a reasonably required reserve or replacement fund.

“Nonpurpose Investment” shall mean any “investment property,” as defined in Section 148(b) of the Code, that is not a purpose investment acquired to carry out the governmental purpose of the Series 202[4][5] [] Bonds.

“Optional Redemption Date” shall mean [OPTIONAL REDEMPTION DATE].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean the interest rate accruing each month on a 202[4][5] [] Mortgage Certificate, which will equal the mortgage rate of the 202[4][5] [] Mortgage Loans backing the 202[4][5] [] Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Proceeds” shall mean any Sale Proceeds, Investment Proceeds and Transferred Proceeds.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean, collectively, the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters providing for the purchase of the Series 202[4][5] [] Bonds by the Underwriters, as amended or supplemented from time to time.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Investors Service, Inc. and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Rebate Amount” has the meaning set forth in Section 1.148-3(b) of the Regulations and generally means the excess, as of any date, of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments, all as determined in accordance with Section 1.148-3 of the Regulations.

“Rebate Analyst” shall mean a person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code, (b) chosen by the Department, and (c) engaged for the purpose of determining the Rebate Amount and the amount of required deposits, if any, to the Rebate Fund.

“Record Date” shall mean the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding an Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 202[4][5] [] Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 202[4][5] [] Bond or the Indentures.

["Refunded Bonds" shall mean all of the Department's Outstanding Residential Mortgage Revenue Bonds, Series [____].]

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Replacement Proceeds" has the meaning set forth in Section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

"Representative" shall mean [REPRESENTATIVE].

"Revenues" shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 202[4][5] [] Mortgage Certificates, including any payments received from Ginnie Mae pursuant to the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 202[4][5] [] Mortgage Certificates and all other net proceeds of such 202[4][5] [] Mortgage Certificates.

"RHS" shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmers Home Administration, or any successor thereto.

"Sale Proceeds" has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

"Series 202[4][5] [] Bonds" shall mean the Bonds of the Department of the Series authorized by this 202[4][5] [] Series Supplement.

"Series Supplement" shall mean this [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture by and between the Department and the Trustee, dated as of [DOC DATE], together with any amendments hereto.

"Servicer" shall mean (i) IHFA, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

"Servicing Agreement" shall mean (i) with respect to IHFA, the Mortgage Acquisition, Pooling and Servicing Agreement dated as of October 1, 2021, by and between the Department and IHFA, as amended pursuant to that certain First Addendum to Mortgage Acquisition, Pooling and Servicing Agreement dated as of June 1, 2023; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

"Sinking Fund Installment" means the principal amount of the Series 202[4][5] [] Bonds subject to scheduled mandatory redemption on the respective redemption dates set forth in **Error! Reference source not found.** hereof.

"State" shall mean the State of Texas.

"Subaccount" or "Subaccounts" shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 202[4][5] [] Bonds created in certain Accounts pursuant to Section 2.9 hereof.

“Tax Bond Year” shall mean each one-year period that ends at the close of business on the day selected by the Department. The first and last Tax Bond Years may be short periods. If no day is selected by the Department before the earlier of the date the last Series 202[4][5] [] Bond is discharged or the date that is five years after the Issuance Date, Tax Bond Years end on each anniversary of the Issuance Date and on the date the last Series 202[4][5] [] Bond is discharged.

“Transferred Proceeds” shall mean the amounts described in Section 1.148-9 of the Regulations.

“202[4][5] [] Administrative Subaccount” shall mean the 202[4][5] [] Administrative Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.10 hereof.

“202[4][5] [] Bond Proceeds Fund” shall mean the 202[4][5] [] Bond Proceeds Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Cost of Issuance Account” shall mean the 202[4][5] [] Costs of Issuance Account of the Cost of Issuance Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Down Payment Assistance Subaccount” shall mean the 202[4][5] [] Down Payment Assistance Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.10 hereof.

“202[4][5] [] Expense Account” shall mean the 202[4][5] [] Expense Account of the Expense Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Interest Account” shall mean the 202[4][5] [] Interest Account of the Interest Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Mortgage Certificates” shall mean the Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of Section 2.17 hereof which are purchased by the Trustee from amounts available in the 202[4][5] [] Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Indenture and this 202[4][5] [] Series Supplement.

“202[4][5] [] Mortgage Loan Account” shall mean the 202[4][5] [] Mortgage Loan Account of the Mortgage Loan Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 202[4][5] [] Mortgage Certificate.

“202[4][5] [] Principal Account” shall mean the 202[4][5] [] Principal Account of the Principal Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Rebate Fund” shall mean the 202[4][5] [] Rebate Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Residual Revenues Account” shall mean the 202[4][5] [] Residual Revenues Account of the Residual Revenues Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Revenue Account” shall mean the 202[4][5] [] Revenue Account of the Revenue Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Special Redemption Account” shall mean the 202[4][5] [] Special Redemption Account of the Special Redemption Fund established pursuant to Section 2.10 hereof.

“[] Transferred Mortgage Certificates” shall mean the Mortgage Certificates allocated to the [] Mortgage Loan Account as described in Exhibit B hereto.

“Underwriters” shall mean the Representative and the other underwriters named on the schedule attached to the Purchase Agreement.

“Yield” shall mean (i) with respect to the Series 202[4][5] [] Bonds, yield as determined in accordance with Section 143(g)(2)(C) of the Code and (ii) with respect to the 202[4][5] [] Mortgage Loans, the effective rate of mortgage interest as determined in accordance with Section 143(g)(2)(B) of the Code.

Section 1.3. Authority for This 202[4][5] [] Series Supplement. This 202[4][5] [] Series Supplement is adopted pursuant to the provisions of the Act and the Indenture, particularly Section 1002(1) thereof.

Section 1.4. Rules of Construction.

1. For all purposes of this 202[4][5] [] Series Supplement unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 202[4][5] [] Series Supplement.

2. Except where the context otherwise requires, terms defined in this 202[4][5] [] Series Supplement to impart the singular number shall be considered to include the plural number and vice versa.

3. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

4. This 202[4][5] [] Series Supplement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 202[4][5] [] Series Supplement and the Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 202[4][5] [] Series Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7. Indenture to Remain in Force. Except as amended by this 202[4][5] [] Series Supplement, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8. Successors and Assigns. All covenants and agreements in this 202[4][5] [] Series Supplement by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9. Separability Clause. In case any provision in this 202[4][5] [] Series Supplement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of Series Supplement. Nothing in this 202[4][5] [] Series Supplement or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 202[4][5] [] Series Supplement.

Section 1.11. Governing Law. This 202[4][5] [] Series Supplement shall be construed in accordance with and governed by the laws of the State.

Section 1.12. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the

Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

Section 1.13. Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the DPA Loans and the 202[4][5] [] Mortgage Certificates, all amounts that may be received with respect to the DPA Loans and the 202[4][5] [] Mortgage Certificates and the Ginnie Mae Guaranty Agreement, any right of the Department under any Ginnie Mae Guaranty Agreement with respect to the 202[4][5] [] Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the DPA Loans and the 202[4][5] [] Mortgage Certificates, to bring actions and proceedings under the DPA Loans and the 202[4][5] [] Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 202[4][5] [] Mortgage Certificates, and the holders of the Bonds are by such pledge and assignment afforded a beneficial interest in such DPA Loans and the 202[4][5] [] Mortgage Certificates.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 202[4][5] [] BONDS

Section 2.1. Authorization, Original Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 202[4][5] [] Series Supplement, a Series of Bonds is hereby authorized to be issued in the original aggregate principal amount of \$[PRINCIPAL]. Each Bond of this Series of Bonds shall be entitled “Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bond, Series 202[4][5] [].” The terms of the Series 202[4][5] [] Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2. Purposes. The Series 202[4][5] [] Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purposes of [(i) the making, acquisition or refinancing of Mortgage Loans, through the purchase of 202[4][5] [] Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans and paying lender compensation related to the 202[4][5] [] Mortgage Loans; (ii) the making of deposits in amounts, if any, required by the Indenture to be paid into one or more Funds from the proceeds of the Series 202[4][5] [] Bonds;] and (ii)[(i)] the payment of Costs of Issuance][the refunding of the Refunded Bonds].

Section 2.3. [(i) the acquisition or refinancing of Mortgage Loans, or participations therein, through the purchase of 202[4][5] [] Mortgage Certificates, including the payment of legal, financing and other expenses incidental thereto and including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans; (ii) the making of deposits in amounts, if any, required by the Indenture or this 202[4][5] [] Series Supplement to be paid into one or more Funds or Accounts from the proceeds of such Series of Bonds; (iii) payment of Cost of Issuance; and (iv) the payment of Department’s Expenses, including paying lender compensation related to the 202[4][5] [] Mortgage Loans][the refunding of the Refunded Bonds].

Section 2.4. Registered Bonds Only, Dates, Denominations, Numbers, and Letters.

1. The Series 202[4][5] [] Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

2. The Series 202[4][5] [] Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such

Interest Payment Date; provided, however, that if the date of authentication shall be prior to the first Interest Payment Date or in the case of the Initial Bond, the Series 202[4][5] [] Bonds shall be dated as of the Issuance Date.

3. The Series 202[4][5] [] Bonds shall be issued in the Authorized Denominations.

4. Unless the Department shall direct otherwise, each Series 202[4][5] [] Bond within a maturity of the Series 202[4][5] [] Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letters R, the letters Ja or Ju depending on whether the maturity is January or July, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TR-1.

Section 2.5. Interest Payment Dates, Interest Rates and Maturities of the Series 202[4][5] [] Bonds.
The Series 202[4][5] [] Bonds shall bear interest from the date thereof until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 202[4][5] [] Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 202[4][5] [] Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.8 hereof and Article IV of the Indenture:

Maturity Date

Principal Amount (\$)

Interest Rate

[INSERT VARIABLE RATE PROVISIONS, AS APPLICABLE]

Section 2.6. Paying Agent; Method and Place of Payment.

1. The Trustee is hereby appointed as Paying Agent for the Series 202[4][5] [] Bonds and the Trustee hereby accepts such appointment. The principal amount and Redemption Price of the Series 202[4][5] [] Bonds shall be payable upon the presentation and surrender thereof, as the same respectively become due and payable, at the applicable office of the Trustee. For purposes of this Section, "applicable office" shall mean the Trustee's office presently located in Houston, Texas (or such other office designated by the Trustee) which will be utilized to perform payments and transfers with respect to the Bonds. The interest on each Series 202[4][5] [] Bond shall be payable by check mailed on the Interest Payment Date to the Person in whose name such Series 202[4][5] [] Bond is registered at the close of business on the Record Date immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. The principal amount and Redemption Price of and interest on the Series 202[4][5] [] Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 202[4][5] [] Bonds as permitted by the Indenture.

2. Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive Holder of the Series 202[4][5] [] Bonds and for Holders of not less than \$1,000,000 in aggregate principal amount of the Series 202[4][5] [] Bonds, and except for the final payment of principal of the Series 202[4][5] [] Bonds at maturity, the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such Holders to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 202[4][5] [] Bonds pursuant to written instructions from the Holder, or the Letter of Representations, as the case may be.

Section 2.7. Bond Depository; Book-Entry System.

1. Pursuant to Section 913 of the Indenture, the Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 202[4][5] [] Bonds. In accordance with the Letter of Representations, the Department shall cause the Series 202[4][5] [] Bonds (other than the Initial Bond) to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered on the Issuance Date to the Trustee to be held on behalf of the Bond Depository.

2. With respect to Series 202[4][5] [] Bonds registered in the Bond registration books of the Department required to be maintained by the Trustee pursuant to Section 310 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 202[4][5] [] Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 202[4][5] [] Bond as the holder and absolute owner of such Series 202[4][5] [] Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 202[4][5] [] Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 202[4][5] [] Bond, for the purpose of registering transfers and exchanges with respect to such Series 202[4][5] [] Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the Series 202[4][5] [] Bonds only to or upon the order of the respective registered owners of the Series 202[4][5] [] Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 202[4][5] [] Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond as shown in the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture, of any notice with respect to the Series 202[4][5] [] Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond, of any amount with respect to any Series 202[4][5] [] Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 202[4][5] [] Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

3. In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 202[4][5] [] Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds is not in the best interest of such owners of beneficial interests in the Series 202[4][5] [] Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 202[4][5] [] Bonds, if one is available satisfactory to the Department, and the ownership of all Series 202[4][5] [] Bonds shall be transferred on the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 202[4][5] [] Bonds, of the availability of Series 202[4][5] [] Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 202[4][5] [] Bonds and, upon surrender to the Trustee of the Outstanding Series 202[4][5] [] Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 202[4][5] [] Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 202[4][5] [] Bonds as of the date of the termination of the existing book-entry ownership system for the Series 202[4][5] [] Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 202[4][5] [] Bonds, all of the Series 202[4][5] [] Bonds must be held under such book-entry system. Prior to any transfer of the Series 202[4][5] [] Bonds outside the book-entry system (including, but not limited to, any initial transfer outside the book-entry system) the Department, Bond Depository, or the transferor of a Series 202[4][5] [] Bond shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

4. Notwithstanding any other provisions in Article II of this 202[4][5] [] Series Supplement, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond

Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.8. Redemption Prices and Terms. The Series 202[4][5] [] Bonds shall not be subject to redemption prior to maturity except as follows:

[REDEMPTION PROVISIONS TO COME]

Section 2.9. Notice of Redemption; Selection of Series 202[4][5] [] Bonds to Be Redeemed.

1. Subject to Section 2.7 hereof, notice of the call for any redemption other than pursuant to Section 2.7.1 hereof, identifying the Series 202[4][5] [] Bonds or portions thereof to be redeemed, shall be given by the Trustee as provided in Section 405 of the Indenture. If applicable, such notice shall provide that redemption of the Series 202[4][5] [] Bonds is conditioned upon moneys being available for such purpose on the redemption date.

2. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 202[4][5] [] Bonds receives the notice.

3. Except as specified in Section 2.7(2) and Section 2.7(3) hereof, the Series 202[4][5] [] Bonds to be redeemed in part shall be selected as provided in Section 404 of the Indenture. While the Series 202[4][5] [] Bonds are held by the Bond Depository, Series 202[4][5] [] Bonds shall be selected for redemption as described in Section 2.6 hereof.

Section 2.10. Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

1. Pursuant to the provisions of subsection 3 of Section 502 of the Indenture, there is established by this Section 2.10 for the Series 202[4][5] [] Bonds, an Account in the Interest Fund and the Principal Fund. Each such Account shall be known and designated as the “202[4][5] [] _____ Account”, with the blank containing an appropriate reference to the Fund to which such Account relates. There is also hereby established for the Series 202[4][5] [] Bonds two additional Funds designated as the “202[4][5] [] Bond Proceeds Fund” and the “202[4][5] [] Rebate Fund.” Within each of the Cost of Issuance Fund, the Expense Fund, the Mortgage Loan Fund, the Revenue Fund, the Special Redemption Fund and the Residual Revenues Fund, there is hereby established an Account to be known and designated as the “202[4][5] [] _____ Account” with the blank containing an appropriate reference to the Fund to which such Account relates. Within the 202[4][5] [] Mortgage Loan Account, there is also hereby established for the Series 202[4][5] [] Bonds two additional subaccounts designated as the “202[4][5] [] Down Payment Assistance Subaccount” and the “202[4][5] [] Administrative Subaccount.”

2. Unless an Event of Default shall have occurred and be continuing, Revenues from the 202[4][5] [] Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account for the Series 202[4][5] [] Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts as required by this Section 2.10 is for the purpose of making the calculations required by Sections 143(g) and 148 of the Code, and is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

Section 2.11. Initial Deposits and Transfers into Funds, Accounts and Subaccounts. On the Issuance Date, as shall be more fully set forth in a Letter of Instructions, the Trustee shall deposit the proceeds of the Series 202[4][5] [] Bonds into the 202[4][5] [] Bond Proceeds Fund. There shall be transferred from the 202[4][5] [] Bond Proceeds Fund the amounts specified in a Letter of Instructions authorizing the authentication and delivery of the Series 202[4][5] [] Bonds, for deposit to the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 202[4][5] [] Bond Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 202[4][5] [] Cost of Issuance Account shall be transferred to the Residual Revenues Fund pursuant to a Letter of Instructions from the Department.

Section 2.12. Transfer of and Representations and Covenants Relating to [] Transferred Mortgage Certificates. All [] Transferred Mortgage Certificates are hereby allocated to the [] Mortgage Loan Account. The Department represents and covenants that each of the [] Transferred Mortgage Certificates is a Mortgage Loan that, at the date of acquisition, met the requirements set forth in Section 705 of the Indenture.

Section 2.13. Form of Series 202[4][5] [] Bonds. (a) Each Series 202[4][5] [] Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this 202[4][5] [] Series Supplement, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 202[4][5] [] Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 202[4][5] [] Bonds or as contained in any notice of redemption. There may be printed on or attached to each Series 202[4][5] [] Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the principal amount thereof which shall have been paid and the portion of the principal amount thereof which remains Outstanding and unpaid.

(b) Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, with the following modifications:

(i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

"No. TR-1 Dated Date: [CLOSING DATE] \$[PRINCIPAL]

Registered Owner: [REPRESENTATIVE]

Principal Amount: [_____] MILLION DOLLARS”

(ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [INITIAL INTEREST DATE], and each January 1 and July 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

[Insert maturity schedule from Section 2.5 of the Series Supplement]

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed

the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.14. 202[4][5] [] Rebate Fund.

1. At the beginning of each Tax Bond Year, the Department shall calculate the estimated Rebate Amount that will be payable on the next occurring Computation Date, as set forth in Section 4.6.1(ii). In calculating the Rebate Amount, the Department may rely upon a Counsel’s Opinion or an opinion of a Rebate Analyst that the method of calculation utilized by the Department complies with the requirements of Section 148 of the Code and Section 1.148-3 of the Regulations. If, in making such calculations, the Department determines that there is an insufficient amount currently on deposit in the 202[4][5] [] Rebate Fund to make the payment required by Section 4.6.1(ii) hereof, then the Department shall (i) immediately transfer the amount of such deficiency from any other account in the Expense Fund or (ii) instruct the Trustee to transfer such amount to the 202[4][5] [] Rebate Fund from the Revenue Fund and the Trustee shall transfer from the 202[4][5] [] Revenue Account to the 202[4][5] [] Rebate Fund the amounts so specified, all in accordance with Section 505 of the Indenture. If, in making such calculations, the Department determines that there is a negative Rebate Amount, then the Department may direct the Trustee in writing to transfer from the 202[4][5] [] Rebate Fund to the 202[4][5] [] Revenue Account the amount then on deposit in the 202[4][5] [] Rebate Fund.

2. All earnings resulting from the investment of amounts on deposit in the 202[4][5] [] Rebate Fund shall be credited to the 202[4][5] [] Rebate Fund.

3. No later than 55 day after each Computation Date for the Series 202[4][5] [] Bonds, the Department shall deliver the items set forth in Section 4.6.1 to the Trustee. Not later than 60 days after each Computation Date for the Series 202[4][5] [] Bonds, the Trustee shall withdraw from the 202[4][5] [] Rebate Fund the amounts described in Section 4.6.1(ii) hereof and remit to the United States of America the amounts required to be paid to the United States of America in accordance with written instructions from the Department, which shall be in compliance with Sections 1.148-1 through 1.148-8 of the Regulations or any successor regulation.

4. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) has not been paid to the United States of America pursuant hereto as required or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department, shall immediate transfer any amounts due as set forth in Section 4.6.2 and shall deliver to the Trustee any documents required pursuant to Section 4.6.2. Upon receipt of such amount and documentation relating thereto, the Trustee shall withdraw from the 202[4][5] [] Rebate Fund the amounts described in Section 4.6.2 and remit to the United States of America the amounts required to be paid in accordance with written instructions from the Department, which shall be in compliance with Regulations Sections 1.148-1 through 1.148-8 or any successor regulation.

5. Each payment required to be made to the United States of America pursuant to this Section shall be submitted to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 or such other address as provided by law or regulation and shall be accompanied by Internal Revenue Service Form 8038-T properly completed by the Department with respect to the Series 202[4][5] [] Bonds.

Section 2.15. Transfers from 202[4][5] [] Residual Revenues Account. Unless otherwise directed pursuant to a Letter of Instructions accompanied by a Cashflow Certificate, on each Interest Payment Date and each date fixed for the redemption of the Series 202[4][5] [] Bonds, to the extent funds are not available in the 202[4][5] [] Revenue Account to pay interest or principal due on the Series 202[4][5] [] Bonds, the Trustee shall transfer from the 202[4][5] [] Residual Revenues Account to the 202[4][5] [] Interest Account or the 202[4][5] [] Principal Account an amount which, when added to any amounts already on deposit therein, will equal the amount of interest and principal to become due and payable on the Series 202[4][5] [] Bonds on such date.

Section 2.16. 202[4][5] [] Mortgage Loan Account. The 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.10 hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, 202[4][5] [] Mortgage Certificates. On [], unless the Certificate Purchase Period is extended in accordance with Section 5.2 hereof, unexpended proceeds of the Series 202[4][5] [] Bonds shall be transferred from 202[4][5] [] Mortgage Loan Account to the 202[4][5] [] Special Redemption Account in accordance with **Error! Reference source not found.** hereof.

Section 2.17. 202[4][5] [] Mortgage Certificate Acquisition.

1. The Department has determined that the Supplemental Mortgage Security for the 202[4][5] [] Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates. Accordingly, the purchase of the 202[4][5] [] Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 202[4][5] [] Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 202[4][5] [] Mortgage Certificate.

2. On each applicable Certificate Purchase Date, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificate Purchase Price from amounts available in the 202[4][5] [] Mortgage Loan Account in accordance with this subsection 2 unless otherwise instructed by the Department in a Letter of Instructions.

3. Each 202[4][5] [] Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

(i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary" (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the "Rules") in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to

Ginnie Mae I Certificates, and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

(ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

ARTICLE III

[REDEMPTION]

Section 3.1. Redemption of Refunded Bonds. The Department has instructed the Trustee to redeem the Refunded Bonds.

Section 3.2. Sale of [] Transferred Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the [] Transferred Mortgage Certificates in whole or in part only upon delivery by the Department of written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).]

ARTICLE IV

FEDERAL INCOME TAX MATTERS

Section 4.1. General Tax Covenant. The Department covenants not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the interest on the Series 202[4][5] [] Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Department covenants to comply with section 103 and 141, 143, and 146 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Department in connection with the Series 202[4][5] [] Bonds. The Department and the Trustee may amend this 202[4][5] [] Series Supplement to reflect the deletion or substitution of any such requirement specified in this Article IV in the manner provided in Section 1002 of the Indenture. The Department will not be required to comply with any of the federal tax covenants set forth in this Article IV if the Department has received a Favorable Opinion of Bond Counsel regarding such noncompliance.

Section 4.2. Use of Proceeds. The Department covenants that (a) all of the Proceeds of the Series 202[4][5] [] Bonds (other than amounts used to pay Costs of Issuance of the Series 202[4][5] [] Bonds) will be used to finance owner-occupied residences; (b) the Proceeds of the Series 202[4][5] [] Bonds will not be used in a way that would cause the Series 202[4][5] [] Bonds to meet the private business use tests set forth in Section 141(b) of the Code; (c) all Proceeds of the Series 202[4][5] [] Bonds that are to be used to finance owner-occupied residences (i) will be used for such purpose within the 42-month period beginning on the Issuance Date of the Series 202[4][5] [] Bonds or (ii) to the extent not so used, will be used to redeem Series 202[4][5] [] Bonds within such period; and (d) no portion of the Proceeds of the Series 202[4][5] [] Bonds will be used to finance any 202[4][5] [] Mortgage Loan or DPA Loan or to acquire any Mortgage Certificate after the close of such period.

Section 4.3. Mortgage Eligibility Requirements.

1. The Department covenants: (i) to attempt in good faith to meet, with respect to each 202[4][5] [] Mortgage Loan, before the execution thereof, the mortgage eligibility requirements of Section 143(c), (d), (e), (f) and (i) of the Code (as more fully described in subsections 2, 3, 4, 5 and 6, respectively, of this Section 4.3), by placing restrictions in the Program Agreement or other similar agreements that permit the origination and purchase of

202[4][5] [] Mortgage Loans only in accordance with such requirements and by establishing reasonable procedures to ensure compliance with such requirements, including investigation by the Mortgage Lenders and the Servicer or the Department (or its agent) to determine that each 202[4][5] [] Mortgage Loan meets such requirements; (ii) to use all due diligence to assure that all of the Proceeds of the Series 202[4][5] [] Bonds that are applied to the financing of 202[4][5] [] Mortgage Loans are applied to finance 202[4][5] [] Mortgage Loans that, as of the date of execution thereof, meet all such requirements; and (iii) to correct any failure to meet such requirements within a reasonable period after such failure is first discovered by causing the non-qualifying 202[4][5] [] Mortgage Loan to be accelerated or to be replaced with a 202[4][5] [] Mortgage Loan that meets such requirements if the non-qualifying 202[4][5] [] Mortgage Loan defect cannot be cured within such reasonable period. The Department covenants that each Mortgage Lender selected for participation in the Program that services Mortgage Loans under the Program shall be required to enter into an agreement or agreements containing, in addition to servicing requirements relating to the Mortgage Loans set forth in Section 710 of the Indenture, that each Mortgage Lender shall represent and warranty that it: (i) maintains an Office of Foreign Assets Control (“OFAC”) compliance program, and (ii) is responsible for and best positioned to conduct OFAC scanning of all relevant data with respect to the serviced portfolio (including borrower names/addresses) in accordance with its OFAC compliance program. As used herein, “OFAC compliance program” shall refer to those programs, policies, procedures and measures designed to ensure compliance with, and prevent violations of, all economic sanctions, laws, rules, regulations, executive orders and requirements administered by OFAC, or any other applicable authority with jurisdiction over such Mortgage Lender. Each Mortgage Lender shall agree to, among other things: (i) perform effective and timely OFAC scanning in accordance with such Mortgage Lender’s OFAC compliance program of all relevant data with respect to the portfolio of assets serviced pursuant to the Indenture; (ii) if a Borrower at any time becomes or is otherwise determined to be an OFAC sanctions target that requires blocking or rejection of a portfolio asset held by the Trustee under or in connection with the Indenture, take all actions required by OFAC regulations, including, without limitation (a) conducting all necessary investigations and communications with OFAC (including reporting) concerning the portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions, (b) blocking the assets of any OFAC sanctions target in such portfolio serviced by such Mortgages Lender (including any related payments from the same), and (c) obtain any licenses from OFAC necessary for such Mortgage Lender and the Trustee to perform their respective services under the Indenture with respect to sanctioned assets and/or borrowers; and (iii) promptly provide notice in writing to the Trustee of any portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions and consult with the Trustee on the action plan to handle those assets.

2. The Department covenants to require, and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(c) of the Code, the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan is a single-family residence located within the State that the Borrower reasonably expects to occupy as his or her principal residence within a reasonable time (e.g., 60 days) after the financing is provided.

3. The Department covenants to require, and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(d) of the Code, the Borrower has not had, within the three-year period ending on the date of execution of the applicable 202[4][5] [] Mortgage Loan, a present ownership interest in a principal residence; provided, however, that (i) the Department may purchase 202[4][5] [] Mortgage Loans that do not satisfy the foregoing requirement, so long as such purchase does not cause less than 95% of the Net Proceeds of the Series 202[4][5] [] Bonds to have been used to finance such non-conforming loans; (ii) financings with respect to targeted area residences will be treated as meeting such requirement; (iii) financings described in the Contract For Deed Exception will be treated as meeting such requirement; and (iv) financings of any residence for any veteran (as defined in Section 101 of Title 38, United States Code), if such veteran has not previously qualified for and received financing pursuant to the exception, will be treated as meeting such requirement.

4. The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(e) of the Code, the acquisition cost of the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan does not exceed 90% of the average area purchase price applicable to such residence (110% in the case of a targeted area residence).

5. The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(f) of the Code, the Borrower's family income does not exceed: (i) for an individual or a family of two persons, 100% of the applicable median family income (120% in the case of a Borrower acquiring a targeted area residence); or (ii) for a family of three or more persons, 115% of the applicable median family income (140% in the case of a Borrower acquiring a targeted area residence).

6. The Department covenants to require and the Program Agreement requires, with respect to each 202[4][5] [] Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(i) of the Code, the 202[4][5] [] Mortgage Loan is not made for the purpose of acquiring or replacing an existing mortgage (i.e., that the Borrower does not have an existing mortgage (whether or not paid off) on the residence securing the 202[4][5] [] Mortgage Loan at any time prior to the execution of the 202[4][5] [] Mortgage Loan), except for a mortgage falling within the Contract for Deed Exception or a mortgage securing a construction period loan, a bridge loan or other similar temporary initial financing having a term of 24 months or less. The Department further covenants and agrees not to permit the assumption of any 202[4][5] [] Mortgage Loan unless the requirements described in subsection 2, 3, 4 and 5, respectively, of this Section 4.3 are met with respect to such assumption. Borrowers described in the Contract for Deed Exception shall be treated as meeting the requirements of this paragraph 6.

7. The Department covenants to require and the Program Agreement requires, that each 202[4][5] [] Mortgage Loan include provisions for acceleration in the event that the Department discovers that any of such mortgage eligibility requirements have not been met with respect to such 202[4][5] [] Mortgage Loan.

8. The following terms used in this Section 4.3 shall have the respective meanings set forth in Section 143 of the Code and the Regulations promulgated thereunder: acquisition cost, applicable median family income, average area purchase price, family income, mortgage, present ownership interest, principal residence, residence, single family residence, and targeted area residence.

Section 4.4. Targeted Area Residences. The Department covenants that an amount equal to at least 20% of the proceeds of the Series 202[4][5] [] Bonds that are made available for the purchase of 202[4][5] [] Mortgage Loans has been or will be made available for at least one year after the date on which owner-financing was first made available with respect to targeted area residences (within the meaning of Section 143(j) of the Code). The Department will attempt with reasonable diligence to use such proceeds to purchase mortgage loans pertaining to such targeted area residences by conducting an advertising campaign reasonably designed to inform the general public of the availability of such proceeds, and shall take such other and further actions to assure that, to the maximum extent practicable, such proceeds are used for such purpose.

Section 4.5. Mortgage Rate. The Department will take all actions necessary to ensure that the blended Yield on the 202[4][5] [] Mortgage Loans properly allocable under Sections 1.148-1 through 1.148-10 of the Regulations to the Series 202[4][5] [] Bonds will not exceed the Yield on the Series 202[4][5] [] Bonds (all as computed by or on behalf of the Department in accordance with Section 143(g) of the Code and Sections 1.148-1 and 1.148-10 of the Regulations) by more than 1.125%. To the extent that the Yield on the 202[4][5] [] Mortgage Loans exceeds the Yield on the Series 202[4][5] [] Bonds by more than 1.125%, the Department will make yield reduction payments ("Yield Reduction Payments") to the federal government as set forth in Section 1.148-5(c) of the Regulations and as set forth below.

Section 4.6. Rebate Requirement. The Department covenants to comply with the requirement that "rebateable arbitrage earnings" on the investment of the Gross Proceeds of the Series 202[4][5] [] Bonds, within the meaning of Section 148(f) of the Code, be rebated to the federal government.

1. Delivery of Documents and Money on Computation Dates. The Department shall deliver to the Trustee, within 55 days after each Computation Date for the Series 202[4][5] [] Bonds,

(i) a statement, signed by an Authorized Representative of the Department, stating the Rebate Amount for the Series 202[4][5] [] Bonds as of such Computation Date and the amount of any Yield Reduction Payment due;

(ii) (A) if such Computation Date is an Installment Computation Date, an amount which, together with any amount then held in the 202[4][5] [] Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 202[4][5] [] Bonds and Yield Reduction Payments, or (B) if such Computation Date is a Final Computation Date, an amount which, together with any amount then held for the credit of the 202[4][5] [] Rebate Fund is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 202[4][5] [] Bonds and Yield Reduction Payments; and

(iii) an Internal Revenue Service Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (“Form 8038-T”) properly signed and completed as of such Computation Date.

2. Correction of Underpayments. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) above has not been paid as required pursuant to Section 2.14 hereof or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department will (i) deliver to the Trustee (for deposit to the 202[4][5] [] Rebate Fund) and cause the Trustee to pay to the United States of America from the 202[4][5] [] Rebate Fund (A) the Rebate Amount or Yield Reduction Payments that the Department failed to pay, plus any interest specified in Section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50 percent penalty required by Section 1.148-3(h)(1) of the Regulations, and (ii) deliver to the Trustee and the Department a Form 8038-T completed as of such date. If such Rebate Amount or Yield Reduction Payments, together with any penalty and/or interest due, is not paid to the United States of America in the amount and manner and by the time specified in the Regulations, the Department will take such steps as are necessary to prevent the Series 202[4][5] [] Bonds from becoming an “arbitrage bond” within the meaning of Section 148 of the Code. The Trustee shall not be liable for any penalties incurred with respect to the calculation and payment of the Rebate Amount or Yield Reduction Payments.

3. Records. The Department will retain all of its accounting records relating to the Funds, Accounts and Subaccounts and all calculations made in preparing the statements described in this Section 4.6 for at least three years after the later of (i) the final maturity of the Series 202[4][5] [] Bonds or (ii) the first date on which no Series 202[4][5] [] Bonds is Outstanding.

4. Fees and Expenses. The Department agrees to pay all of the fees and expenses of a nationally recognized bond counsel, a certified public accountant and any Rebate Analyst or other necessary consultant employed by the Department or the Trustee in connection with computing the Yield Reduction Payments and Rebate Amount.

5. No Diversion of Rebatable Arbitrage. The Department will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 202[4][5] [] Bonds that is not purchased at fair market value (as defined in Section 1.148-5(d)(6)(iii) of the Regulations) or includes terms that the Department would not have included if the Series 202[4][5] [] Bonds were not subject to Section 148(f) of the Code.

6. Rebate Not Required in Certain Circumstances.

(i) Notwithstanding the foregoing, the Department will not be required to perform the obligations set forth in this Section 4.6, except for the obligation to retain accounting records and the payment of expenses as described herein, if (A) the Yield on the Mortgage Loans does not exceed the Yield on the Bonds by more than 1.125% or (B) the Department has not earned any “rebatable arbitrage earnings” and, therefore, is not subject to the rebate obligation set forth in Section 148(f) of the Code. To the extent that the Department will not be required to perform such obligations, the Department will send written notice to the Trustee within 55 days after the applicable Computation Date.

(ii) Notwithstanding anything to the contrary in this 202[4][5] [] Series Supplement requiring a payment to be made based on the Rebate Analyst's calculations showing a rebate being due, no payment will be made by the Trustee to the United States of America if the Department furnishes to the Trustee a Favorable Opinion of Bond Counsel.

Section 4.7. No-Arbitrage Covenant. The Department covenants that it will make such use of the Gross Proceeds of the Series 202[4][5] [] Bonds and related Revenues, regulate investments of proceeds of the Series 202[4][5] [] Bonds and related Revenues, and take such other and further action as may be required so that the Series 202[4][5] [] Bonds will not be "arbitrage bonds" within the meaning of Section 148(a) of the Code. The Department hereby expressly reserves the right to direct the Trustee or any Depository to make specific investments to ensure compliance with this Section 4.7 and Section 4.8.

Section 4.8. Limitations on Investment of Reserve Amounts. The Department covenants that at no time will the aggregate amount of money held in any reasonably required reserve for the Series 202[4][5] [] Bonds that is invested in Nonpurpose Investments and at a yield higher than the yield on such Series 202[4][5] [] Bonds, exceed the least of (i) 10% of the Sale Proceeds of the Series 202[4][5] [] Bonds; (ii) the maximum annual principal and interest requirements on the issue, or (iii) 125 percent of the average annual principal and interest requirements on the issue.

Section 4.9. Limitations on Costs of Issuance. The Department covenants and agrees that the Costs of Issuance financed with the Proceeds of the Series 202[4][5] [] Bonds will not exceed two percent of the Sale Proceeds of the Series 202[4][5] [] Bonds.

Section 4.10. No Federal Guaranty. The Department covenants not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause any of the Series 202[4][5] [] Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b) of the Code.

Section 4.11. Information Reporting. The Department covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 202[4][5] [] Bonds are issued, an information statement concerning the Series 202[4][5] [] Bonds, all under and in accordance with Section 149(e) of the Code, and that it will file or cause to be filed such additional information reports as may be required by Section 149(e) of the Code.

Section 4.12. Changes in Use of Mortgaged Property. The Department acknowledges that the provisions of Section 150(b) of the Code (relating to changes in use of property financed with the proceeds of private activity bonds) apply to the 202[4][5] [] Mortgage Loans (including Mortgage Loans represented by Mortgage Certificates), and covenants to advise each Borrower with respect to a Mortgage Loan of such provisions.

Section 4.13. Use of Repayments to Redeem Series 202[4][5] [] Bonds. So long as any of the Series 202[4][5] [] Bonds are Outstanding, the Department covenants that each Mortgage Loan Principal Payment with respect to a 202[4][5] [] Mortgage Loan received on or after the ten year anniversary of the Issuance Date will be used to redeem Series 202[4][5] [] Bonds not later than the close of the first semiannual period beginning after the date such Mortgage Loan Principal Payment is received, unless the Department has received a Favorable Opinion of Bond Counsel and the Department has fulfilled the other requirements of Section 2.8 hereof with respect to the use of such payments to redeem other Bonds.

Section 4.14. Recapture. The Department covenants and agrees to comply with the provisions of Section 143(m) of the Code (regarding the recapture of a portion of the federal subsidy from the use of qualified mortgage bonds) with respect to each 202[4][5] [] Mortgage Loan.

Section 4.15. Bonds are not Hedge Bonds. The Department covenants and agrees that not more than 50% of the Sale Proceeds of the Series 202[4][5] [] Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Department reasonably expects that at least 85% of the spendable proceeds of the Series 202[4][5] [] Bonds will

be used to carry out the governmental purposes of the Series 202[4][5] [] Bonds within the three-year period beginning on the Issuance Date.

Section 4.16. Sale of 202[4][5] [] Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the 202[4][5] [] Mortgage Certificates in whole or in part only upon delivery by the Department of (i) a Counsel's Opinion that such sale will not cause all or any portion of the 202[4][5] [] Mortgage Certificates, or the Series 202[4][5] [] Bonds to be classified as a "taxable mortgage pool" within the meaning of Section 7701(i) of the Code; and (ii) written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).

Section 4.17. Record Retention. The Department will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Series 202[4][5] [] Bonds until three years after the last Series 202[4][5] [] Bond is redeemed or paid at maturity, or such other period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Department to retrieve and reproduce such books and records in the event of an examination of the Series 202[4][5] [] Bonds by the Internal Revenue Service.

Section 4.18. Continuing Obligation. Notwithstanding any other provision of this 202[4][5] [] Series Supplement, the Department's obligations under the covenants and provisions of this Article IV will survive the defeasance and discharge of the Series 202[4][5] [] Bonds for as long as such matters are relevant to the excludability of interest on the Series 202[4][5] [] Bonds from gross income for federal income tax purposes.

ARTICLE V

OTHER MATTERS

Section 5.1. Reserved.

Section 5.2. Transfer of Unexpended Proceeds. Upon receipt by the Trustee of a certification from the Department as described in Section 2.7.1 hereof, the Trustee shall transfer the amounts set forth in such certification to the 202[4][5] [] Special Redemption Account to redeem Series 202[4][5] [] Bonds pursuant to Section 2.7.1. Any amounts in the 202[4][5] [] Mortgage Loan Account remaining unexpended for acquisition of 202[4][5] [] Mortgage Certificates on the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), as such date may be extended as provided herein, shall be transferred to the 202[4][5] [] Special Redemption Account and applied to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.7.1. The Certificate Purchase Period for amounts in the 202[4][5] [] Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee, but not later than [], upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

- (i) a Favorable Opinion of Bond Counsel; and
- (ii) confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 202[4][5] [] Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

Section 5.3. Application of Amounts in 202[4][5] [] Revenue Account.

1. Unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate and a confirmation from each Rating Agency of the then current ratings on the Series 202[4][5]

[] Bonds, all Revenues received with respect to the 202[4][5] [] Mortgage Certificates shall be deposited in the 202[4][5] [] Revenue Account.

2. [Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall set aside monthly in the [] Revenue Account, all Mortgage Loan Principal Payments relating to the [] Transferred Mortgage Certificates to be used to redeem Series [] Bonds in accordance with Section 2.7.1 hereof unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Statement giving effect to the actions directed in such Letter of Instructions.]

3. [Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall transfer from the Revenue Fund amounts on deposit therein in the following order of priority:

(i) First, on each Interest Payment Date or any other date for the redemption of the Series 202[4][5] [] Bonds, to the 202[4][5] [] Interest Account, to the extent required so that the balance in said account equals the amount of interest which will be due and payable on the Series 202[4][5] [] Bonds on such Interest Payment Date or redemption date;

(ii) Second, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Principal Account, one-sixth of the amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 202[4][5] [] Bonds on the next Interest Payment Date; and

(iii) Third, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Special Redemption Account, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 202[4][5] [] Bonds pursuant to **Error! Reference source not found.** hereof.]

Section 5.4. Application of Residual Revenues. The Trustee shall transfer any amounts set forth or described in a Letter of Instructions from the 202[4][5] [] Residual Revenues Account to the 202[4][5] [] Special Redemption Account to redeem Series 202[4][5] [] Bonds in accordance with **Error! Reference source not found.** hereof.

Section 5.5. Limitations on Mortgage Loans. The Department covenants and agrees that each Mortgage Loan contained in a mortgage pool represented by a 202[4][5] [] Mortgage Certificate shall satisfy the following requirements:

(i) each 202[4][5] [] Mortgage Loan shall bear interest (which interest shall be payable in arrears) at the applicable rate in accordance with the Program Agreement;

(ii) each 202[4][5] [] Mortgage Loan shall have a term of 30 years and shall provide for level monthly payments and full amortization over the term thereof;

(iii) each 202[4][5] [] Mortgage Loan shall be secured by a Mortgage creating a first lien on the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan;

(iv) each 202[4][5] [] Mortgage Loan shall be (A) insured by the FHA pursuant to Section 203, 221(d)(2) or 234(c) of the National Housing Act of 1934, as amended, in accordance with the applicable standards of the FHA, (B) guaranteed by the VA under the Servicemen's Readjustment Act of 1945, as amended, in accordance with applicable standards of the VA, or (C) guaranteed by RHS under the Cranston-Gonzales National Affordable Housing Act of 1990;

(v) each 202[4][5] [] Mortgage Loan shall be further secured by Supplemental Mortgage Security in the form of the guaranty provided by Ginnie Mae pursuant to a Ginnie Mae Certificate;

(vi) each residence financed with a 202[4][5] [] Mortgage Loan shall be a single family attached or detached house, a single unit in a condominium development or a planned unit development or a

qualifying duplex (but not a triplex or fourplex or manufactured housing that is not permanently affixed to real property owned by the Borrower);

(vii) each 202[4][5] [] Mortgage Certificate shall be acquired by the Department with moneys disbursed from the 202[4][5] [] Mortgage Loan Account during the Certificate Purchase Period; and

(viii) such other requirements as may be set forth in the Program Agreement.

The Department covenants and agrees that each DPA Loan meets the requirements set forth in the Program Guidelines.

Section 5.6. Covenant Relating to the Program Agreement. The Department represents and covenants that the Program Agreement incorporates the requirements set forth in Article IV and Section 5.5 of this 202[4][5] [] Series Supplement. The Department further covenants and agrees to obtain, prior to or upon any amendment thereof, a Counsel's Opinion that: (i) the form and substance of such amendment are consistent with the requirements of the Indenture and this 202[4][5] [] Series Supplement; and (ii) that the execution and delivery of such amendment by the Department, the Trustee and one or more Mortgage Lenders, and the consummation of the transactions contemplated thereby, will not adversely affect the exclusion of the interest on the Series 202[4][5] [] Bonds from the gross income of the Holders thereof for purposes of federal income taxation.

Section 5.7. Depository. In accordance with Section 914 of the Indenture, the Department hereby appoints the Texas Treasury Safekeeping Trust Company as Depository for the purpose of holding, administering and investing the moneys and securities required to be credited to all Accounts, all as more fully provided in the Depository Agreement.

Section 5.8. Certain Requirements Applicable to Cashflow Statements. The Department covenants and agrees, with respect to each Cashflow Statement filed with the Trustee, that such Cashflow Statement shall demonstrate the sufficiency of the anticipated Revenues (as more fully set forth in Section 711 of the Indenture).

Section 5.9. Certain Conditions of Issuance of the Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be executed by the Department and, except for the Initial Bond, shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

(i) an executed counterpart of this 202[4][5] [] Series Supplement;

(ii) a certificate of an Authorized Representative of the Department to the effect that, on the basis of all facts and estimates and circumstances (including covenants of the Department contained in the Indenture) reasonably expected to be in existence on the Issuance Date, it is not expected that the proceeds of the Series 202[4][5] [] Bonds will be used in a manner that would cause the Series 202[4][5] [] Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and applicable Regulations thereunder, and such certificate shall set forth such facts, estimates, and circumstances (including covenants of the Department contained in the Indenture), which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized Representative of the Department there are no other facts, estimates, or circumstances that would materially change such expectation;

(iii) an executed counterpart of the Depository Agreement in satisfaction of the requirements of subsection 1 of Section 914 of the Indenture, together with an opinion of counsel to the Depository regarding the enforceability thereof; and

(iv) the amounts specified in this 202[4][5] [] Series Supplement to be deposited in the Accounts and Subaccounts as required therein.

Section 5.10. Sale of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be sold to the Underwriters at an aggregate purchase price \$[] (representing the par amount of the Series 202[4][5] [] Bonds

plus a premium in the amount of \$[____]), subject to the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 5.11. Execution in Several Counterparts. This 202[4][5] [] Series Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 5.12. Certain Duties of the Department. The Department covenants and agrees that, in addition to such other duties as may be required under the Indenture and this 202[4][5] [] Series Supplement, the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the asset test set forth in subsection 2 of Section 512 of the Indenture during any period in which the Series 202[4][5] [] Bonds remain Outstanding.

Section 5.13. No Recourse on Series 202[4][5] [] Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 202[4][5] [] Bonds or for any claim based thereon or on this 202[4][5] [] Series Supplement against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 202[4][5] [] Bonds, and neither the Board members, officers or employees of the Department or the Trustee, nor any person executing or authenticating the Series 202[4][5] [] Bonds shall be liable personally on the Series 202[4][5] [] Bonds by reason of the issuance thereof.

Section 5.14. Protection of Trust Estate.

1. At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

- (i) grant more effectively all or any portion of the Trust Estate;
- (ii) maintain or preserve the lien of the Indenture and this 202[4][5] [] Series Supplement or carry out more effectively the purposes hereof;
- (iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 202[4][5] [] Series Supplement;
- (iv) enforce any of the documents executed in connection with this 202[4][5] [] Series Supplement;
- (v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 202[4][5] [] Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or
- (vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

2. The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 5.14; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 5.14 shall arise only if the Trustee has actual knowledge or has been notified in writing of any failure of the Department to comply with the provisions of this Section 5.14. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any

modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 5.14 or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 5.15. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 202[4][5] [] Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 5.16. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 5.17. Responsibilities of Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee’s negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 202[4][5] [] Series Supplement or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

Section 5.18. Compliance with Texas Government Code.

1. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this 202[4][5] [] Series Supplement, the Depository Agreement and the Continuing Disclosure Agreement dated as of [DOC DATE], between the Department and the Trustee (the “Disclosure Agreement,” and together with this 202[4][5] [] Series Supplement and the Depository Agreement, the “Representation Documents”), and such representation is hereby incorporated by reference into each of the Representation Documents. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

2. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.xlsx>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.xlsx>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

3. To the extent any of the Representation Documents constitutes a contract for goods or services for which a written verification is required under Section 2276.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of such Representation Document. The foregoing verification is made solely to comply with Section 2276.002, Texas Government Code, as amended, to the extent Section 2276.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code.

4. To the extent any of the Representation Documents constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of the applicable Representation Document against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code.

5. As used in this Section 5.18, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 5.19. Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee

acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 5.20. Letter of Instruction; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

[signature pages follow]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 202[4][5] [] Series Supplement to be signed, sealed, and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department's Signature Page to [NUMBER] Series Supplement

TDHCA (RMRB SERIES 202[3][4] [])

Error! Unknown document property name.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

Trustee's Signature Page to [NUMBER]Series Supplement

TDHCA (RMRB SERIES 202[3][4] [___])

Error! Unknown document property name.

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE {REFUNDING} BOND
SERIES 202[4][5] [__]

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION
UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND
AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND
WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED
TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE
NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS
NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS
OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate: _____ Dated Date: _____ CUSIP: _____ Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [INITIAL INTEREST DATE], and each January 1 and July 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 202[4][5] [__] Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 202[4][5] [__] Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books

¹ To be deleted from the Initial Bond, and be included only in Series 202[3][4] [__] Bonds registered in the name of DTC or its nominee.

kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [INITIAL INTEREST DATE], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue [Refunding] Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), [Chapter 1207, Texas Government Code, as amended,] and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “[NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [DOC DATE], authorizing the series of Bonds of which this Bond is a part (herein called the “Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue [Refunding] Bonds, Series 202[4][5] []” (herein sometimes called the “Series 202[4][5] [] Bonds”) issued in the aggregate initial principal amount of \$[PRINCIPAL] under the Indentures [to provide funds to refund the Refunded Bonds][for the purpose of providing funds to finance the acquisition of mortgage loans through the purchase of Mortgage Certificates backed by qualified mortgage loans]. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 202[4][5] [] Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$[5,000] principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 202[4][5] [] Bonds are subject to redemption prior to stated maturity as set forth in the Series Supplement.

In lieu of redeeming Series 202[4][5] [] Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 202[4][5] [] Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 202[4][5] [] Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 202[4][5] [] Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 202[4][5] [] Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

² To be deleted from the initially issued Bonds.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[[_____] TRANSFERRED MORTGAGE CERTIFICATES]

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

AUTHORIZING

\$(PRINCIPAL)
RESIDENTIAL MORTGAGE REVENUE [REFUNDING] BONDS,
TAXABLE SERIES 202[4][5] []

Dated as of [DOC DATE]

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**[NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE**

THIS [NUMBER] SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, dated as of [DOC DATE] (this “202[4][5] [] Series Supplement”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (together with any successor to its rights, duties, and obligations hereunder, the “Department”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (as successor trustee to MTrust Corp, and together with any successor trustee hereunder, the “Trustee”).

RECITALS

WHEREAS, the Department and the Trustee have heretofore executed and delivered that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

[WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and]

[WHEREAS, the Department is authorized under the Act to issue bonds to refund its outstanding obligations and is authorized under the Indenture to issue bonds to refund Bonds issued under the Indenture; and

WHEREAS, Section 1207.002, Texas Government Code, as amended, authorizes the Department to issue refunding bonds to refund all or any part of the Department’s outstanding bonds, notes or other general or special obligations; and]

WHEREAS, Section 1002 of the Indenture authorizes the Department and the Trustee to execute and deliver a supplemental indenture, authorizing Bonds of a Series to include any other matters and things relative to such Bonds which are not inconsistent with or contrary to the Indenture, to add to the covenants of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Department has determined to issue its Residential Mortgage Revenue [Refunding] Bonds, Taxable Series 202[4][5] [] in an aggregate principal amount of \$[PRINCIPAL] (the “Series 202[4][5] [] Bonds”) pursuant to the Indenture and this 202[4][5] [] Series Supplement [for the purpose of refunding its Outstanding Residential Mortgage Revenue Bonds, Series [] (collectively, the “Refunded Bonds”)] [to obtain funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income, to pay lender compensation related to the 202[4][5] [] Mortgage Loans and to pay a portion of the costs of issuance of the Series 202[4][5] [] Bonds], all under and in accordance with the Constitution and the laws of the State; and

[WHEREAS, concurrently with the execution of this 202[4][5] [] Series Supplement, the Department and the Trustee are also entering into that certain [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “202[4][5] [] Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue [Refunding] Bonds, [Taxable] Series 202[4][5] [] (the “Series 2024D Bonds”, and together with the Series 202[4][5] [] Bonds, the “Series 202[4][5][] Bonds”) for the purposes described in the 202[4][5] [] Series Supplement; and]

WHEREAS, the execution and delivery of this 202[4][5] [] Series Supplement and the issuance of the Series 202[4][5] [] Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 202[4][5] [] Series Supplement and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 202[4][5] [] Series Supplement have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 202[4][5] [] Series Supplement, a valid, binding and legal instrument for the security of the Series 202[4][5] [] Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 202[4][5] [] Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 202[4][5] [] Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective holders from time to time of the Bonds, including the Series 202[4][5] [] Bonds, as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1. Supplemental Indenture. This 202[4][5] [] Series Supplement is supplemental to, and is adopted in accordance with, Article III and Article X of the Indenture.

Section 1.2. Definitions.

1. Unless defined in subsection (b) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture shall have the same meanings in this 202[4][5] [] Series Supplement (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture.

2. As used in this 202[4][5] [] Series Supplement (other than in the form of Series 202[4][5] [] Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate special trust accounts pertaining to the Series 202[4][5] [] Bonds created and established in Section 2.10 of this 202[4][5] [] Series Supplement.

“Authorized Denominations” shall mean \$[5,000] principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean the [Chair or Vice Chair of the Board of the Department, 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] or any officer or employee of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 913 of the Indenture and Section 2.7 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 202[4][5] [] Mortgage Certificate by the Trustee which represents the number of days of interest on such 202[4][5] [] Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 202[4][5] [] Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [], but which may be extended in accordance with Section 5.2 of this 202[4][5] [] Series Supplement.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in clauses (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to Section 914 of the Indenture and Section 5.7 hereof to act as depository of certain moneys and investments.

“Depository Agreement” shall mean that certain [_____] Supplement to Amended and Restated Depository Agreement dated as of the date hereof, by and among the Department, the Trustee and the Depository relating to the Series 202[4][5] [___] Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate” shall mean a fully-modified, mortgage-backed, pass-through security issued by the Servicer in accordance with the applicable Ginnie Mae Guide bearing interest at the applicable Pass-Through Rate and representing the beneficial ownership interest in a Ginnie Mae pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Servicer into a Ginnie Mae pool.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 202[4][5] [___] Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“IHFA” means the Idaho Housing and Finance Association, an Idaho independent public body corporate and politic.

“Indenture” shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, between the Department and the Trustee, as supplemented and amended from time to time.

“Initial Bond” means the Series 202[4][5] [___] Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

[NEW MONEY]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [___] Bonds, each July 1 and January 1, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [___] Bonds are subject to redemption.

[REFUNDING]“Interest Payment Date” shall mean, with respect to the Series 202[4][5] [___] Bonds, the first day of each month, commencing [INITIAL INTEREST DATE], and any other date on which the Series 202[4][5] [___] Bonds are subject to redemption.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 202[4][5] [] Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of the Series 202[4][5] [] Bonds.

“Letter of Instructions” shall mean, with respect to the Series 202[4][5] [] Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

[NEW MONEY]“Mortgage Loan Principal Payment” shall mean, with respect to any 202[4][5] [] Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of such 202[4][5] [] Mortgage Loan.

[REFUNDING]“Mortgage Loan Principal Payments” shall mean all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the [] Transferred Mortgage Certificates.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Optional Redemption Date” shall mean [OPTIONAL REDEMPTION DATE].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean the interest rate accruing each month on a 202[4][5] [] Mortgage Certificate, which will equal the mortgage rate of the 202[4][5] [] Mortgage Loans backing the 202[4][5] [] Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean, collectively, the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters providing for the purchase of the Series 202[4][5] [] Bonds by the Underwriters, as amended or supplemented from time to time.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Investors Service, Inc. and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Record Date” shall mean the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding an Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 202[4][5] [] Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 202[4][5] [] Bond or the Indentures.

[“Refunded Bonds” shall mean all of the Department’s Outstanding Residential Mortgage Revenue Bonds, Series [].]

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representative” shall mean [REPRESENTATIVE].

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 202[4][5] [] Mortgage Certificates, including any payments received from Ginnie Mae pursuant to the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 202[4][5] [] Mortgage Certificates and all other net proceeds of such 202[4][5] [] Mortgage Certificates.

“RHS” shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmers Home Administration, or any successor thereto.

“Series 202[4][5] [] Bonds” shall mean the Bonds of the Department of the Series authorized by this 202[4][5] [] Series Supplement.

“Series Supplement” shall mean this [NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture by and between the Department and the Trustee, dated as of [DOC DATE], together with any amendments hereto.

“Servicer” shall mean (i) IHFA, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

“Servicing Agreement” shall mean (i) with respect to IHFA, the Mortgage Acquisition, Pooling and Servicing Agreement dated as of October 1, 2021, by and between the Department and IHFA, as amended pursuant to that certain First Addendum to Mortgage Acquisition, Pooling and Servicing Agreement dated as of June 1, 2023; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

“Sinking Fund Installment” means the principal amount of the Series 202[4][5] [] Bonds subject to scheduled mandatory redemption on the respective redemption dates set forth in **Error! Reference source not found.** hereof.

“State” shall mean the State of Texas.

“Subaccount” or “Subaccounts” shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 202[4][5] [] Bonds created in certain Accounts pursuant to Section 2.9 hereof.

“202[4][5] [] Administrative Subaccount” shall mean the 202[4][5] [] Administrative Subaccount within the 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.10 hereof.

“202[4][5] [] Bond Proceeds Fund” shall mean the 202[4][5] [] Bond Proceeds Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Cost of Issuance Account” shall mean the 202[4][5] [] Costs of Issuance Account of the Cost of Issuance Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Expense Account” shall mean the 202[4][5] [] Expense Account of the Expense Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Interest Account” shall mean the 202[4][5] [] Interest Account of the Interest Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Mortgage Certificates” shall mean the Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of Section 2.17 hereof which are purchased by the Trustee from amounts available in the 202[4][5] [] Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Indenture and this 202[4][5] [] Series Supplement.

“202[4][5] [] Mortgage Loan Account” shall mean the 202[4][5] [] Mortgage Loan Account of the Mortgage Loan Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 202[4][5] [] Mortgage Certificate.

“202[4][5] [] Principal Account” shall mean the 202[4][5] [] Principal Account of the Principal Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Residual Revenues Account” shall mean the 202[4][5] [] Residual Revenues Account of the Residual Revenues Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Revenue Account” shall mean the 202[4][5] [] Revenue Account of the Revenue Fund established pursuant to Section 2.10 hereof.

“202[4][5] [] Special Redemption Account” shall mean the 202[4][5] [] Special Redemption Account of the Special Redemption Fund established pursuant to Section 2.10 hereof.

“[] Transferred Mortgage Certificates” shall mean the Mortgage Certificates allocated to the [] Mortgage Loan Account as described in Exhibit B hereto.

“Underwriters” shall mean the Representative and the other underwriters named on the schedule attached to the Purchase Agreement.

Section 1.3. Authority for This 202[4][5] [] Series Supplement. This 202[4][5] [] Series Supplement is adopted pursuant to the provisions of the Act and the Indenture, particularly Section 1002(1) thereof.

Section 1.4. Rules of Construction.

1. For all purposes of this 202[4][5] [] Series Supplement unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 202[4][5] [] Series Supplement.

2. Except where the context otherwise requires, terms defined in this 202[4][5] [] Series Supplement to impart the singular number shall be considered to include the plural number and vice versa.

3. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

4. This 202[4][5] [] Series Supplement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 202[4][5] [] Series Supplement and the Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 202[4][5] [] Series Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7. Indenture to Remain in Force. Except as amended by this 202[4][5] [] Series Supplement, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8. Successors and Assigns. All covenants and agreements in this 202[4][5] [] Series Supplement by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9. Separability Clause. In case any provision in this 202[4][5] [] Series Supplement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of Series Supplement. Nothing in this 202[4][5] [] Series Supplement or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 202[4][5] [] Series Supplement.

Section 1.11. Governing Law. This 202[4][5] [] Series Supplement shall be construed in accordance with and governed by the laws of the State.

Section 1.12. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

Section 1.13. Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the DPA Loans and the 202[4][5] [] Mortgage Certificates, all amounts that may be received with respect to the DPA Loans and the 202[4][5] [] Mortgage Certificates and the Ginnie Mae Guaranty Agreement, any right of the Department under any Ginnie Mae Guaranty Agreement with respect to the 202[4][5] [] Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the DPA Loans and the 202[4][5] [] Mortgage Certificates, to bring actions and proceedings under the DPA Loans and the 202[4][5] [] Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 202[4][5] [] Mortgage Certificates, and the holders of the Bonds are by such pledge and assignment afforded a beneficial interest in such DPA Loans and the 202[4][5] [] Mortgage Certificates.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 202[4][5] [] BONDS

Section 2.1. Authorization, Original Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 202[4][5] [] Series Supplement, a Series of Bonds is hereby authorized to be issued in the original aggregate principal amount of \$[PRINCIPAL]. Each Bond of this Series of Bonds shall be entitled “Texas Department of Housing and Community Affairs Residential Mortgage Revenue [Refunding] Bond, Taxable Series 202[4][5] [].” The terms of the Series 202[4][5] [] Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2. Purposes. The Series 202[4][5] [] Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purpose of [refunding the Refunded Bonds][acquiring Mortgage Loans by purchasing Mortgage Certificates representing participations therein and paying lender compensation related to the 202[4][5] [] Mortgage Loans].

Section 2.3. The Series 202[4][5] [] Bonds are issued [for the purposes of providing funds to acquire Mortgage Loans, or participations therein, through the purchase of 202[4][5] [] Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, paying lender compensation related to the 202[4][5] [] Mortgage Loans and paying costs of issuance][to provide funds for the purpose of refunding the Refunded Bonds].

Section 2.4. Registered Bonds Only, Dates, Denominations, Numbers, and Letters.

1. The Series 202[4][5] [] Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

2. The Series 202[4][5] [] Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if the date of authentication shall be prior to the first Interest Payment Date or in the case of the Initial Bond, the Series 202[4][5] [] Bonds shall be dated as of the Issuance Date.

3. The Series 202[4][5] [] Bonds shall be issued in the Authorized Denominations.

4. Unless the Department shall direct otherwise, each Series 202[4][5] [] Bond within a maturity of the Series 202[4][5] [] Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letters R, the letters Ja or Ju depending on whether the maturity is January or July, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TR-1.

Section 2.5. Interest Payment Dates, Interest Rates and Maturities of the Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall bear interest from the date thereof until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 202[4][5] [] Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 202[4][5] [] Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.8 hereof and Article IV of the Indenture:

Maturity Date

Principal Amount (\$)

Interest Rate

[INSERT VARIABLE RATE PROVISIONS, AS APPLICABLE]

Section 2.6. Paying Agent; Method and Place of Payment.

1. The Trustee is hereby appointed as Paying Agent for the Series 202[4][5] [] Bonds and the Trustee hereby accepts such appointment. The principal amount and Redemption Price of the Series 202[4][5] [] Bonds shall be payable upon the presentation and surrender thereof, as the same respectively become due and payable, at the applicable office of the Trustee. For purposes of this Section, "applicable office" shall mean the Trustee's office presently located in Houston, Texas (or such other office designated by the Trustee) which will be utilized to perform payments and transfers with respect to the Bonds. The interest on each Series 202[4][5] [] Bond shall be payable by check mailed on the Interest Payment Date to the Person in whose name such Series 202[4][5] [] Bond is registered at the close of business on the Record Date immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. The principal amount and Redemption Price of and interest on the Series 202[4][5] [] Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 202[4][5] [] Bonds as permitted by the Indenture.

2. Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive Holder of the Series 202[4][5] [] Bonds and for Holders of not less than \$1,000,000 in aggregate principal amount of the Series 202[4][5] [] Bonds, and except for the final payment of principal of the Series 202[4][5] [] Bonds at maturity, the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such Holders to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 202[4][5] [] Bonds pursuant to written instructions from the Holder, or the Letter of Representations, as the case may be.

Section 2.7. Bond Depository; Book-Entry System.

1. Pursuant to Section 913 of the Indenture, the Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 202[4][5] [] Bonds. In accordance with the Letter of Representations, the Department shall cause the Series 202[4][5] [] Bonds (other than the Initial Bond) to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered on the Issuance Date to the Trustee to be held on behalf of the Bond Depository.

2. With respect to Series 202[4][5] [] Bonds registered in the Bond registration books of the Department required to be maintained by the Trustee pursuant to Section 310 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 202[4][5] [] Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 202[4][5] [] Bond as the holder and absolute owner of such Series 202[4][5] [] Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 202[4][5] [] Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 202[4][5] [] Bond, for the purpose of registering transfers and exchanges with respect to such Series 202[4][5] [] Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the Series 202[4][5] [] Bonds only to or upon the order of the respective registered owners of the Series 202[4][5] [] Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 202[4][5] [] Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond as shown in the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture, of any notice with respect to the Series 202[4][5] [] Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 202[4][5] [] Bond, of any amount with respect to any Series 202[4][5] [] Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 202[4][5] [] Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

3. In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 202[4][5] [] Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds is not in the best interest of such owners of beneficial interests in the Series 202[4][5] [] Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 202[4][5] [] Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 202[4][5] [] Bonds, if one is available satisfactory to the Department, and the ownership of all Series 202[4][5] [] Bonds shall be transferred on the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 202[4][5] [] Bonds, of the availability of Series 202[4][5] [] Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 202[4][5] [] Bonds and, upon surrender to the Trustee of the Outstanding Series 202[4][5] [] Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 202[4][5] [] Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 202[4][5] [] Bonds as of the date of the termination of the existing book-entry ownership system for the Series 202[4][5] [] Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 202[4][5] [] Bonds, all of the Series 202[4][5] [] Bonds must be held under such book-entry system. Prior to any transfer of the Series 202[4][5] [] Bonds outside the book-entry system (including, but not limited to, any initial transfer outside the book-entry system) the Department, Bond Depository, or the transferor of a Series 202[4][5] [] Bond shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

4. Notwithstanding any other provisions in Article II of this 202[4][5] [] Series Supplement, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.8. Redemption Prices and Terms. The Series 202[4][5] [] Bonds shall not be subject to redemption prior to maturity except as follows:

[REDEMPTION PROVISIONS TO COME]

Section 2.9. Notice of Redemption; Selection of Series 202[4][5] [] Bonds to Be Redeemed.

1. Subject to Section 2.7 hereof, notice of the call for any redemption other than pursuant to Section 2.7.1 hereof, identifying the Series 202[4][5] [] Bonds or portions thereof to be redeemed, shall be given by the Trustee as provided in Section 405 of the Indenture. If applicable, such notice shall provide that redemption of the Series 202[4][5] [] Bonds is conditioned upon moneys being available for such purpose on the redemption date.

2. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 202[4][5] [] Bonds receives the notice.

3. Except as specified in Section 2.7(2) and Section 2.7(3) hereof, the Series 202[4][5] [] Bonds to be redeemed in part shall be selected as provided in Section 404 of the Indenture. While the Series 202[4][5] [] Bonds are held by the Bond Depository, Series 202[4][5] [] Bonds shall be selected for redemption as described in Section 2.6 hereof.

Section 2.10. Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

1. Pursuant to the provisions of subsection 3 of Section 502 of the Indenture, there is established by this Section 2.10 for the Series 202[4][5] [] Bonds, an Account in the Interest Fund and the Principal Fund. Each such Account shall be known and designated as the “202[4][5] [] _____ Account”, with the blank containing an appropriate reference to the Fund to which such Account relates. There is also hereby established for the Series 202[4][5] [] Bonds an additional Fund designated as the “202[4][5] [] Bond Proceeds Fund.” Within each of the Cost of Issuance Fund, the Expense Fund, the Mortgage Loan Fund, the Revenue Fund, the Special Redemption Fund and the Residual Revenues Fund, there is hereby established an Account to be known and designated as the “202[4][5] [] _____ Account” with the blank containing an appropriate reference to the Fund to which such Account relates. Within the 202[4][5] [] Mortgage Loan Account, there is also hereby established for the Series 202[4][5] [] Bonds an additional subaccount designated as the “202[4][5] [] Administrative Subaccount.”

2. Unless an Event of Default shall have occurred and be continuing, Revenues from the 202[4][5] [] Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account for the Series 202[4][5] [] Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts as required by this Section 2.9 is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

Section 2.11. Initial Deposits and Transfers into Funds, Accounts and Subaccounts. On the Issuance Date, as shall be more fully set forth in a Letter of Instructions, the Trustee shall deposit the proceeds of the Series 202[4][5] [] Bonds into the 202[4][5] [] Bond Proceeds Fund. There shall be transferred from the 202[4][5] [] Bond Proceeds Fund the amounts specified in a Letter of Instructions authorizing the authentication and delivery of the Series 202[4][5] [] Bonds, for deposit to the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 202[4][5] [] Bond Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 202[4][5] [] Cost of Issuance Account shall be transferred to the Residual Revenues Fund pursuant to a Letter of Instructions from the Department.

Section 2.12. Transfer of and Representations and Covenants Relating to [] Transferred Mortgage Certificates. All [] Transferred Mortgage Certificates are hereby allocated to the [] Mortgage Loan Account. The Department represents and covenants that each of the [] Transferred Mortgage Certificates is a Mortgage Loan that, at the date of acquisition, met the requirements set forth in Section 705 of the Indenture.

Section 2.13. Form of Series 202[4][5] [] Bonds. (a) Each Series 202[4][5] [] Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this 202[4][5] [] Series Supplement, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 202[4][5] [] Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 202[4][5] [] Bonds or as contained in any notice of redemption. There may be printed on or attached to each Series 202[4][5] [] Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the principal amount thereof which shall have been paid and the portion of the principal amount thereof which remains Outstanding and unpaid.

(b) Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, with the following modifications:

(i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No.TR-1

Dated Date: [CLOSING DATE]

\$(PRINCIPAL]

Registered Owner: [REPRESENTATIVE]

Principal Amount: [_____] MILLION DOLLARS”

(ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [INITIAL INTEREST DATE], and each January 1 and July 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

[Insert maturity schedule from Section 2.5 of the Series Supplement]

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.14. Reserved.

Section 2.15. Transfers from 202[4][5] [] Residual Revenues Account. Unless otherwise directed pursuant to a Letter of Instructions accompanied by a Cashflow Certificate, on each Interest Payment Date and each date fixed for the redemption of the Series 202[4][5] [] Bonds, to the extent funds are not available in the 202[4][5] [] Revenue Account to pay interest or principal due on the Series 202[4][5] [] Bonds, the Trustee shall transfer from the 202[4][5] [] Residual Revenues Account to the 202[4][5] [] Interest Account or the 202[4][5] [] Principal Account an amount which, when added to any amounts already on deposit therein, will equal the amount of interest and principal to become due and payable on the Series 202[4][5] [] Bonds on such date.

Section 2.16. 202[4][5] [] Mortgage Loan Account. The 202[4][5] [] Mortgage Loan Account established pursuant to Section 2.10 hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, 202[4][5] [] Mortgage Certificates. On [____], unless the Certificate Purchase Period is extended in accordance with Section 5.2 hereof, unexpended proceeds of the Series 202[4][5] [] Bonds shall be transferred from 202[4][5] [] Mortgage Loan Account to the 202[4][5] [] Special Redemption Account in accordance with **Error! Reference source not found.** hereof.

Section 2.17. 202[4][5] [] Mortgage Certificate Acquisition.

1. The Department has determined that the Supplemental Mortgage Security for the 202[4][5] [] Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates. Accordingly, the purchase of the 202[4][5] [] Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 202[4][5] [] Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 202[4][5] [] Mortgage Certificate.

2. On each applicable Certificate Purchase Date, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificate Purchase Price from amounts available in the 202[4][5] [] Mortgage Loan Account in accordance with this subsection 2 unless otherwise instructed by the Department in a Letter of Instructions.

3. Each 202[4][5] [] Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

(i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary" (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the "Rules") in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates, and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

- (ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

ARTICLE III

[REDEMPTION]

Section 3.1. Redemption of Refunded Bonds. The Department has instructed the Trustee to redeem the Refunded Bonds.

Section 3.2. Sale of [] Transferred Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the [] Transferred Mortgage Certificates in whole or in part only upon delivery by the Department of written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).]

ARTICLE IV

RESERVED

ARTICLE V

OTHER MATTERS

Section 5.1. Reserved.

Section 5.2. Transfer of Unexpended Proceeds. Upon receipt by the Trustee of a certification from the Department as described in Section 2.7.1 hereof, the Trustee shall transfer the amounts set forth in such certification to the 202[4][5] [] Special Redemption Account to redeem Series 202[4][5] [] Bonds pursuant to Section 2.7.1. Any amounts in the 202[4][5] [] Mortgage Loan Account remaining unexpended for acquisition of 202[4][5] [] Mortgage Certificates on the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), as such date may be extended as provided herein, shall be transferred to the 202[4][5] [] Special Redemption Account and applied to the redemption of Series 202[4][5] [] Bonds pursuant to Section 2.7.1. The Certificate Purchase Period for amounts in the 202[4][5] [] Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

- (i) *Intentionally omitted;* and
- (ii) confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 202[4][5] [] Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

Section 5.3. Application of Amounts in 202[4][5] [] Revenue Account.

1. Unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate and a confirmation from each Rating Agency of the then current ratings on the Series 202[4][5] [] Bonds, all Revenues received with respect to the 202[4][5] [] Mortgage Certificates shall be deposited in the 202[4][5] [] Revenue Account.

2. [Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall set aside monthly in the [] Revenue Account, all Mortgage Loan Principal Payments relating to the [] Transferred Mortgage Certificates to be used to redeem Series [] Bonds in accordance with Section 2.7.1 hereof unless otherwise

directed by a Letter of Instructions accompanied by a Cashflow Statement giving effect to the actions directed in such Letter of Instructions.]

3. [Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall transfer from the Revenue Fund amounts on deposit therein in the following order of priority:

(i) First, on each Interest Payment Date or any other date for the redemption of the Series 202[4][5] [] Bonds, to the 202[4][5] [] Interest Account, to the extent required so that the balance in said account equals the amount of interest which will be due and payable on the Series 202[4][5] [] Bonds on such Interest Payment Date or redemption date;

(ii) Second, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Principal Account, one-sixth of the amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 202[4][5] [] Bonds on the next Interest Payment Date; and

(iii) Third, monthly, upon receipt of Mortgage Loan Principal Payments, to the 202[4][5] [] Special Redemption Account, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 202[4][5] [] Bonds pursuant to **Error! Reference source not found.** hereof.]

Section 5.4. Application of Residual Revenues. The Trustee shall transfer any amounts set forth or described in a Letter of Instructions from the 202[4][5] [] Residual Revenues Account to the 202[4][5] [] Special Redemption Account to redeem Series 202[4][5] [] Bonds in accordance with **Error! Reference source not found.** hereof.

Section 5.5. Limitations on Mortgage Loans. The Department covenants and agrees that each Mortgage Loan contained in a mortgage pool represented by a 202[4][5] [] Mortgage Certificate shall satisfy the following requirements:

(i) each 202[4][5] [] Mortgage Loan shall bear interest (which interest shall be payable in arrears) at the applicable rate in accordance with the Program Agreement;

(ii) each 202[4][5] [] Mortgage Loan shall have a term of 30 years and shall provide for level monthly payments and full amortization over the term thereof;

(iii) each 202[4][5] [] Mortgage Loan shall be secured by a Mortgage creating a first lien on the residence being financed with the proceeds of such 202[4][5] [] Mortgage Loan;

(iv) each 202[4][5] [] Mortgage Loan shall be (A) insured by the FHA pursuant to Section 203, 221(d)(2) or 234(c) of the National Housing Act of 1934, as amended, in accordance with the applicable standards of the FHA, (B) guaranteed by the VA under the Servicemen's Readjustment Act of 1945, as amended, in accordance with applicable standards of the VA, or (C) guaranteed by RHS under the Cranston-Gonzales National Affordable Housing Act of 1990;

(v) each 202[4][5] [] Mortgage Loan shall be further secured by Supplemental Mortgage Security in the form of the guaranty provided by Ginnie Mae pursuant to a Ginnie Mae Certificate;

(vi) each residence financed with a 202[4][5] [] Mortgage Loan shall be a single family attached or detached house, a single unit in a condominium development or a planned unit development or a qualifying duplex (but not a triplex or fourplex or manufactured housing that is not permanently affixed to real property owned by the Borrower);

(vii) each 202[4][5] [] Mortgage Certificate shall be acquired by the Department with moneys disbursed from the 202[4][5] [] Mortgage Loan Account during the Certificate Purchase Period; and

(viii) such other requirements as may be set forth in the Program Agreement.

The Department covenants and agrees that each DPA Loan meets the requirements set forth in the Program Guidelines.

Section 5.6. Covenant Relating to the Program Agreement. The Department represents and covenants that the Program Agreement incorporates the requirements set forth in Article IV and Section 5.5 of this 202[4][5] [] Series Supplement. The Department further covenants and agrees to obtain, prior to or upon any amendment thereof, a Counsel's Opinion that: (i) the form and substance of such amendment are consistent with the requirements of the Indenture and this 202[4][5] [] Series Supplement; and (ii) *intentionally omitted*.

Section 5.7. Depository. In accordance with Section 914 of the Indenture, the Department hereby appoints the Texas Treasury Safekeeping Trust Company as Depository for the purpose of holding, administering and investing the moneys and securities required to be credited to all Accounts, all as more fully provided in the Depository Agreement.

Section 5.8. Certain Requirements Applicable to Cashflow Statements. The Department covenants and agrees, with respect to each Cashflow Statement filed with the Trustee, that such Cashflow Statement shall demonstrate the sufficiency of the anticipated Revenues (as more fully set forth in Section 711 of the Indenture).

Section 5.9. Certain Conditions of Issuance of the Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be executed by the Department and, except for the Initial Bond, shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

- (i) an executed counterpart of this 202[4][5] [] Series Supplement;
- (ii) *intentionally omitted*;
- (iii) an executed counterpart of the Depository Agreement in satisfaction of the requirements of subsection 1 of Section 914 of the Indenture, together with an opinion of counsel to the Depository regarding the enforceability thereof; and
- (iv) the amounts specified in this 202[4][5] [] Series Supplement to be deposited in the Accounts and Subaccounts as required therein.

Section 5.10. Sale of Series 202[4][5] [] Bonds. The Series 202[4][5] [] Bonds shall be sold to the Underwriters at an aggregate purchase price \$[] (representing the par amount of the Series 202[4][5] [] Bonds plus a premium in the amount of \$[]), subject to the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 5.11. Execution in Several Counterparts. This 202[4][5] [] Series Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 5.12. Certain Duties of the Department. The Department covenants and agrees that, in addition to such other duties as may be required under the Indenture and this 202[4][5] [] Series Supplement, the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the asset test set forth in subsection 2 of Section 512 of the Indenture during any period in which the Series 202[4][5] [] Bonds remain Outstanding.

Section 5.13. No Recourse on Series 202[4][5] [] Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 202[4][5] [] Bonds or for any claim based thereon or on this 202[4][5] [] Series Supplement against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 202[4][5] [] Bonds, and neither the Board members, officers or employees of the Department or the Trustee, nor any person executing or authenticating the Series 202[4][5] [] Bonds shall be liable personally on the Series 202[4][5] [] Bonds by reason of the issuance thereof.

Section 5.14. Protection of Trust Estate.

1. At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

- (i) grant more effectively all or any portion of the Trust Estate;
- (ii) maintain or preserve the lien of the Indenture and this 202[4][5] [] Series Supplement or carry out more effectively the purposes hereof;
- (iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 202[4][5] [] Series Supplement;
- (iv) enforce any of the documents executed in connection with this 202[4][5] [] Series Supplement;
- (v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 202[4][5] [] Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or
- (vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

2. The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 5.14; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 5.14 shall arise only if the Trustee has actual knowledge or has been notified in writing of any failure of the Department to comply with the provisions of this Section 5.14. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 5.14 or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 5.15. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 202[4][5] [] Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 5.16. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 5.17. Responsibilities of Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee

may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee's negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 202[4][5] [] Series Supplement or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

Section 5.18. Compliance with Texas Government Code.

1. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this 202[4][5] [] Series Supplement, the Depository Agreement and the Continuing Disclosure Agreement dated as of [DOC DATE], between the Department and the Trustee (the "Disclosure Agreement," and together with this 202[4][5] [] Series Supplement and the Depository Agreement, the "Representation Documents"), and such representation is hereby incorporated by reference into each of the Representation Documents. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

2. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.xlsx>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.xlsx>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.xlsx>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

3. To the extent any of the Representation Documents constitutes a contract for goods or services for which a written verification is required under Section 2276.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of such Representation Document. The foregoing verification is made solely to comply with Section 2276.002, Texas Government Code, as amended, to the extent Section 2276.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code.

4. To the extent any of the Representation Documents constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of the applicable Representation Document against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code.

5. As used in this Section 5.18, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 5.19. Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 5.20. Letter of Instruction; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

[signature pages follow]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 202[4][5] [] Series Supplement to be signed, sealed, and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department's Signature Page to [NUMBER] Series Supplement

TDHCA (RMRB SERIES 202[3][4] [])

Error! Unknown document property name.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

Trustee's Signature Page to [NUMBER] Series Supplement

TDHCA (RMRB SERIES 202[3][4] [____])

Error! Unknown document property name.

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE [REFUNDING] BOND
TAXABLE SERIES 202[4][5] [__]

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION
UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND
AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND
WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED
TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE
NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS
NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS
OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate: _____ Dated Date: _____ CUSIP: _____ Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [INITIAL INTEREST DATE], and each January 1 and July 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 202[4][5] [__] Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 202[4][5] [__] Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books

¹ To be deleted from the Initial Bond, and be included only in Series 202[3][4] [__] Bonds registered in the name of DTC or its nominee.

kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [INITIAL INTEREST DATE], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue [Refunding] Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), [Chapter 1207, Texas Government Code, as amended,] and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “[NUMBER] Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [DOC DATE], authorizing the series of Bonds of which this Bond is a part (herein called the “Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue [Refunding] Bonds, Taxable Series 202[4][5] []” (herein sometimes called the “Series 202[4][5] [] Bonds”) issued in the aggregate initial principal amount of \$[PRINCIPAL] under the Indentures [to provide funds to refund the Refunded Bonds][for the purpose of providing funds to finance the acquisition of mortgage loans through the purchase of Mortgage Certificates backed by qualified mortgage loans]. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 202[4][5] [] Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$[5,000] principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 202[4][5] [] Bonds are subject to redemption prior to stated maturity as set forth in the Series Supplement.

In lieu of redeeming Series 202[4][5] [] Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 202[4][5] [] Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 202[4][5] [] Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 202[4][5] [] Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 202[4][5] [] Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

² To be deleted from the initially issued Bonds.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[[_____] TRANSFERRED MORTGAGE CERTIFICATES]

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2025

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS

Moody's: "___"

S&P: "___"

(See "RATINGS" herein)

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2025B Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$187,500,000*

**Residential Mortgage Revenue Bonds,
Series 2025B (Tax-Exempt) (Non-AMT)
("Series 2025B Bonds")**

\$62,500,000*

**Residential Mortgage Revenue Bonds,
Series 2025C (Taxable)
("Series 2025C Bonds")**

Dated Date/Delivery Date: _____, 2025*

Due: _____ 1 and _____ 1, as shown on the inside cover.

Interest Payment Dates: Interest accrued on the Series 2025B Bonds and Series 2025C Bonds (collectively, the "Series 2025 Bonds") will be payable on each _____ 1 and _____ 1, commencing _____ 1, 2025 as described herein.

Interest Rates: Payable at the rates as shown on the inside cover.

Redemption: The Series 2025 Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2025 BONDS – Redemption Provisions."

Denominations: The Series 2025 Bonds will be available to purchasers in book-entry form only in denominations of \$5,000 or any integral multiple thereof as described herein.

Tax Matters: Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2025B Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2025B Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2025B BONDS" herein. Interest on the Series 2025C Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2025C BONDS" herein.

Purpose: The Series 2025 Bonds are being issued for the primary purpose of (i) providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"), (ii) funding loans for down payment and closing cost assistance, (iii) paying lender compensation related to the Mortgage Loans (as defined herein) and (iv) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(iii). The Mortgage Certificates purchased with the proceeds of the Series 2025 Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."

Security: The Series 2025 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2025 Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2025 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2025 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."

Book-Entry Only System: The Series 2025 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."

Trustee: The Bank of New York Mellon Trust Company, N.A.

Bond Counsel: Bracewell LLP

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P.

Underwriters' Counsel: Chapman and Cutler LLP

Financial Advisor: CSG Advisors

RBC Capital Markets

Jefferies

Morgan Stanley

**J.P. Morgan
Piper Sandler & Co.**

Ramirez & Co., Inc.

**Loop Capital Markets
Wells Fargo Securities**

* Preliminary, subject to change.

MATURITY SCHEDULE*

\$_____ **Series 2025B Serial Bonds**

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP⁽¹⁾</u>
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\$_____ % Series 2025B Term Bond due _____ 1, 20__	Price _____ % CUSIP ⁽¹⁾ _____
\$_____ % Series 2025B Term Bond due _____ 1, 20__	Price _____ % CUSIP ⁽¹⁾ _____
\$_____ % Series 2025B Premium PAC Term Bond due _____ 1, 20__	Price _____ % CUSIP ⁽¹⁾ _____

(Interest Accrues from Date of Delivery)

* *Preliminary, subject to change.*

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MATURITY SCHEDULE*

\$_____ Series 2025C Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP⁽¹⁾</u>
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\$_____ % Series 2025C Term Bond due _____, 20__	Price _____ % CUSIP ⁽¹⁾
\$_____ % Series 2025C Term Bond due _____, 20__	Price _____ % CUSIP ⁽¹⁾
\$_____ % Series 2025C Term Bond due _____, 20__	Price _____ % CUSIP ⁽¹⁾
\$_____ % Series 2025C Taxable Premium PAC Term Bond due _____, 20__	Price _____ % CUSIP ⁽¹⁾

(Interest Accrues from Date of Delivery)

* Preliminary, subject to change.

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For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), this document constitutes a Preliminary Official Statement of the Department with respect to the Series 2025 Bonds that has been “deemed final” by the Department as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page and inside front cover hereof, and the appendices attached hereto, does not constitute, and is not to be used in connection with, an offer to sell or the solicitation of an offer to buy the Series 2025 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth in this Official Statement has been obtained from the Department and other sources which are believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under such document shall, under any circumstances, create any implications that there has been no change in the affairs of the Department or other matters described herein since the date hereof.

Neither the Department nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

The Trustee assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

Many statements contained in this Official Statement, including the appendices and the documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on the Department's beliefs, as well as assumptions made by, and information currently available to, the management and staff of the Department. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words “anticipate,” “assume,” “estimate,” “expect,” “objective,” “projection,” “plan,” “forecast,” “goal,” “budget” or similar words are intended to identify forward-looking statements. The words or phrases “to date,” “now,” “currently,” and the like are intended to mean as of the date of this Official Statement.

The Department's projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Department's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Department. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the Department's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH ARE INTENDED TO STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING EFFORTS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2025 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED HEREIN, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The Series 2025 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Indenture or any other document been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Any registration or qualification of the Series 2025 Bonds in accordance with applicable provisions of the securities laws or the states in which the Series 2025 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2025 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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OFFICIAL STATEMENT

Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$187,500,000*

**Residential Mortgage Revenue Bonds,
Series 2025B (Tax-Exempt) (Non-AMT)
("Series 2025B Bonds")**

\$62,500,000*

**Residential Mortgage Revenue Bonds,
Series 2025C (Taxable)
("Series 2025C Bonds")**

INTRODUCTION

This Official Statement provides certain information concerning the Texas Department of Housing and Community Affairs (the "Department") in connection with the issuance of its Residential Mortgage Revenue Bonds, Series 2025B (the "Series 2025B Bonds") and Residential Mortgage Revenue Bonds, Taxable Series 2025C (the "Series 2025C Bonds" and, together with the Series 2025B Bonds, the "Series 2025 Bonds"). Capitalized terms used but not otherwise defined herein shall have the respective meanings for such terms as set forth in "APPENDIX A – GLOSSARY."

The Department, a public and official agency of the State of Texas (the "State"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act") for the purpose of, among other things, financing sanitary, decent and safe housing for individuals and families of low and very low income and families of moderate income. The Department is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs (the "TDCA"), both of which were abolished by the Act and all functions and obligations of which were transferred to the Department pursuant to the Act. Under the Act, the Department may issue bonds, notes and other obligations to finance or refinance residential housing and multi-family developments located in the State and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. See "THE DEPARTMENT."

The Series 2025 Bonds are authorized to be issued pursuant to the Act, a resolution adopted by the Governing Board of the Department (the "Board") on March 6, 2025, (the "Resolution"), the Pricing Certificates (as hereafter defined), an Amended and Restated Residential Mortgage Revenue Bond Trust Indenture, dated as of July 1, 2019 (the "Master Indenture" and as amended and supplemented from time to time, collectively, the "Trust Indenture") between the Department and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"), a Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of June 1, 2025 (the "Forty-Sixth Supplemental Indenture") with respect to the Series 2025B Bonds and a Forty-Seventh Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of June 1, 2025 (the "Forty-Seventh Supplemental Indenture" with respect to the Series 2025C Bonds together with the Forty-Sixth Supplemental Indenture, the "2025 Supplemental Indentures"). As permitted by Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board in the Resolution delegated the authority to certain authorized representatives (each, an "Authorized Representative") to execute a pricing certificate (each a "Pricing Certificate" and collectively "Pricing Certificates") specifying final pricing terms with respect to the Series 2025 Bonds. The Trust Indenture authorizes the Department to issue bonds to provide funds to, among various things, (i) acquire or refinance single family mortgage loans or participations therein ("Mortgage Loans") that are made to Eligible Borrowers, as determined from time to time by the Department, (ii) purchase mortgage-backed securities (the "Mortgage Certificates") that are backed by Mortgage Loans

* Preliminary, subject to change.

and guaranteed by the Government National Mortgage Association (“GNMA” or “Ginnie Mae”), (iii) refund Outstanding Bonds issued under the Trust Indenture, and (iv) to pay costs associated therewith.

The Department has previously issued multiple series of single family mortgage revenue bonds (the “Prior Bonds”) under the Trust Indenture of which \$_____ in aggregate principal amount was Outstanding as of _____, 202_. See “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds.”

The Series 2025 Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture (collectively, the “Bonds”) are equally and ratably secured by the Trust Estate held by the Trustee pursuant to the Trust Indenture. See “THE TRUST INDENTURE” and “SECURITY FOR THE BONDS – Additional Bonds.”

Proceeds of the Series 2025 Bonds in the amount of \$_____ are being issued for the primary purpose of (i) providing funds for the purchase of Mortgage Certificates guaranteed as to timely payment of principal and interest by Ginnie Mae (such Mortgage Certificates purchased with proceeds of the Series 2025B Bonds referred to herein as the “2025B Mortgage Certificates” and such Mortgage Certificates purchased with proceeds of the 2025C Bonds referred to herein as the “2025C Mortgage Certificates,” collectively, referred to as the “2025 Mortgage Certificates”) which represent beneficial ownership of pools of Mortgage Loans, (ii) funding loans for down payment and closing cost assistance (as hereinafter defined, the “DPA Loans”), and (iii) paying lender compensation related to the 2025 Mortgage Loans. See “PLAN OF FINANCE.”

[Proceeds of the Series 2025 bonds in the amount of \$_____ are being used as part of the Department’s volume cap recycling program to repay amounts owed under the Advances and Securities Agreement, dated November 1, 2016, by and between the Federal Home Loan Bank of Dallas and the Department, as amended, and the side letters executed pursuant thereto (the “FHLB Agreement”), representing recycled mortgage loan repayments, thereby (i) providing funds for the purchase of 2025 Mortgage Certificates, (ii) funding DPA Loans, and (iii) paying lender compensation related to the 2025 Mortgage Loans. See “PLAN OF FINANCE.”]

The Series 2025 Bonds are on a parity in all respects with all Outstanding Prior Bonds and, unless subordinated, any Bonds subsequently issued. The Prior Bonds are payable solely from and are secured by a pledge of and lien on the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), Investment Securities, moneys held in the Funds (excluding the Rebate Fund) and other property pledged under the Trust Indenture (collectively, the “Trust Estate”). The Trust Estate currently includes, among other things, Mortgage Certificates which were purchased with the proceeds of the Prior Bonds. These Mortgage Certificates are guaranteed by GNMA or Fannie Mae. See “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds – Mortgage Loans and Mortgage Certificates.” There is no requirement that proceeds of subsequent issues of Bonds be used to purchase Mortgage Certificates. All payments with respect to principal of and interest on Mortgage Loans (net of servicing fees) and on Mortgage Certificates (net of servicing and guaranty fees) received by the Department and the earnings on investments of Funds and accounts held pursuant to the Trust Indenture constitute Revenues. The pledge of and lien on the Trust Estate is subject to discharge if moneys or qualified securities sufficient to provide for the payment of all Outstanding Bonds are deposited and held in trust for such payment. See “SECURITY FOR THE BONDS.”

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THE PAYMENT THEREOF AS MORE FULLY DESCRIBED HEREIN. NEITHER THE STATE NOR ANY AGENCY OF THE STATE, OTHER THAN THE DEPARTMENT, NOR THE UNITED

STATES OF AMERICA OR ANY AGENCY, DEPARTMENT OR OTHER INSTRUMENTALITY THEREOF, INCLUDING GNMA AND FANNIE MAE, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2025 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR THE UNITED STATES OF AMERICA IS PLEDGED, GIVEN OR LOANED TO SUCH PAYMENT. THE DEPARTMENT HAS NO TAXING POWER. GNMA AND FANNIE MAE GUARANTEE ONLY THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE GNMA CERTIFICATES AND FANNIE MAE CERTIFICATES, RESPECTIVELY, WHEN DUE AND DO NOT GUARANTEE THE PAYMENT OF THE SERIES 2025 BONDS OR ANY OTHER OBLIGATIONS ISSUED BY THE DEPARTMENT.

There follows in this Official Statement a brief description of the plan of finance, the Department and its bond programs, together with summaries of certain terms of the Series 2025 Bonds, the Trust Indenture, and certain provisions of the Act, as well as other matters. All references herein to the Act, the Trust Indenture, and other agreements are qualified in their entirety by reference to each such document, copies of which are available from the Department, and all references to the Series 2025 Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Trust Indenture.

For information concerning the Prior Bonds and the Mortgage Loans and Mortgage Certificates acquired with proceeds of the Prior Bonds, see “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds” and “APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES.” For information concerning other single family and multi-family programs of the Department, see “APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.”

PLAN OF FINANCE

Proceeds of the Series 2025B Bonds and the Series 2025C Bonds will be deposited to the 2025B Mortgage Loan Account of the Mortgage Loan Fund and to the 2025C Mortgage Loan Account of the Mortgage Loan Fund, respectively, and used to (a) purchase 2025 Mortgage Certificates and pay related costs, (b) fund all or a portion of the DPA Loans originated in conjunction with Assisted Mortgage Loans, and [(c) repay and/or refund the Repaid FHLB Advances]. A portion of the proceeds of the Series 2025B Bonds and the Series 2025C Bonds will also be used to pay a portion of the costs of issuance of the Series 2025B Bonds and Series 2025C Bonds, respectively. See “SOURCES AND USES OF FUNDS” herein.

SOURCES AND USES OF FUNDS

The sources of funds and the uses thereof in connection with the Series 2025 Bonds are expected to be approximately as set forth below.

	<u>SERIES 2025B BONDS</u>	<u>SERIES 2025C BONDS</u>	<u>TOTAL</u>
<u>SOURCES OF FUNDS</u>			
Bond Proceeds			
Issuer Contribution ⁽¹⁾			
TOTAL SOURCES			
<u>USES OF FUNDS</u>			
Mortgage Loan Accounts ⁽²⁾			
Underwriter Compensation			
Costs of Issuance			
TOTAL USES			

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

⁽²⁾ Includes the purchase of 2025 Mortgage Certificates and funds attributed to down payment assistance, lender compensation, and servicing fees for second mortgage loans.

THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be dated the date of delivery. The Series 2025 Bonds are issuable only as fully registered bonds, without coupons, and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as the Bond Depository for the Series 2025 Bonds. The Series 2025 Bonds will be available to purchasers in book-entry form only in denominations of \$5,000 or any integral multiple thereof, as more fully described herein. The principal or Redemption Price of, and interest on, the Series 2025 Bonds will be payable by the Trustee to DTC, which will be responsible for making such payments to DTC Participants (hereinafter defined) for subsequent remittance to the owners of beneficial interests in the Series 2025 Bonds or their nominees. See “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry.”

The Series 2025 Bonds mature on the dates and in the amounts set forth on the inside cover hereof.

Interest Rates

The Series 2025 Bonds will accrue interest from the date of delivery, until maturity or prior redemption at the respective per annum rates of interest set forth on the inside cover page hereof. Interest accrued on the Series 2025 Bonds will be payable on _____, 2025*, and semiannually on each January 1 and July 1 thereafter until maturity or prior redemption. Interest on the Series 2025 Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Redemption Provisions*

Series 2025B Bonds [Cross-Call?]

The Series 2025B Bonds are subject to optional redemption, special redemption, and mandatory sinking fund redemption at various times prior to their scheduled maturities at various Redemption Prices as described below. **The Department anticipates that a significant portion of the Series 2025B Bonds will be redeemed prior to their scheduled maturities as the result of the receipt by the Department of amounts representing Mortgage Loan Principal Payments (consisting of all amounts representing scheduled payments of principal and any Mortgage Loan Principal Prepayments) and from Excess**

* Preliminary, subject to change.

Revenues (including residual Trust Indenture revenues whether or not derived in connection with the Series 2025B Bonds).

Special Redemption from Unexpended Proceeds of Series 2025B Bonds

The Series 2025B Bonds are subject to special redemption from unexpended proceeds of the Series 2025B Bonds, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025B Bonds to be so redeemed shall be equal to (a) for all Series 2025B Bonds other than the Premium PAC Term Bond, 100% of the principal amount thereof; and (b) for the Premium PAC Term Bond, the applicable Redemption Price as set forth in “APPENDIX G – UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM PAC TERM BOND,” that maintains the original yield to the Projected Weighted Average Life (in Years) from 100% through 400%, inclusive (Optional Call not Exercised), of the SIFMA Prepayment Model of such Premium PAC Term Bond as set forth under “Average Life and Prepayment Speeds.” Notwithstanding the foregoing, a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments relating to the 2025B Mortgage Certificates and Series 2025B Bonds shall be redeemed as described under “Special Redemption from 2025B Mortgage Loan Principal Payments” below.

Such Special Redemption from Unexpended Proceeds shall occur on the first day of any month on or after _____, 20__, unless the Certificate Purchase Period is extended in accordance with the Trust Indenture. In no event will the redemption occur later than _____, 20__.

As described in “INVESTMENT CONSIDERATIONS – Non-Origination of Mortgage Loans,” in calendar year 2024, the Department has averaged approximately \$_____ million per month in GNMA mortgage-backed securities issued that are backed by tax-exempt bond eligible mortgage loans, exclusive of loans for which a mortgage credit certificate was issued. The Department has not had an unexpended proceeds call since November 1, 2010.

Except as described herein, the Series 2025B Bonds redeemed pursuant to this provision shall be redeemed on a reasonably proportionate basis from among all then existing maturities then eligible for redemption. The redemption Price for the 2025B Bonds redeemed pursuant to this provision shall be 100% of the principal amount of the Series 2025B Bonds being redeemed, plus accrued interest to the date of redemption; provided that, except for a De Minimis Special Redemption in an amount less than \$_____ at par, any redemption of the Series 2025B Premium PAC Bonds pursuant to this provision shall be at the applicable Redemption Price that maintains the original yield to average life of such 2025B Premium PAC Bonds, plus, in each case, accrued interest to the date of redemption.

Special Redemption from 2025B Mortgage Loan Principal Payments

The Series 2025B Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after _____, 20__, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025B Mortgage Certificates transferred to the 2025B Special Redemption Account in accordance with the Trust Indenture.

In the event of a redemption from Mortgage Loan Principal Payments, the Trustee shall select the particular Series 2025B Bonds to be redeemed as follows:

- (a) the Trustee shall redeem the Premium PAC Term Bond, but only to the extent that the Outstanding principal amount of such Premium PAC Term Bond following any such redemption is not less than the Premium PAC Term Bond Outstanding Applicable Amount as of such date;

The Premium PAC Term Bond Outstanding Applicable Amount is as follows:

Premium PAC Term Bond Outstanding Applicable		Premium PAC Term Bond Outstanding Applicable	
Date	Amount (\$)	Date	Amount (\$)

(b) amounts remaining following the redemptions described in clause (a) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, (i) first to redeem the Series 2025B Bonds maturing _____, 20__, and (ii) thereafter, to redeem all other Series 2025B Bonds (other than the Premium PAC Term Bond), on a proportionate basis until the Outstanding principal amount of all Series 2025B Bonds has been reduced to the Series 2025B Cumulative Applicable Amount as of such date;

The Series 2025B Cumulative Applicable Amount is as follows:

Series 2025B Cumulative Applicable Amount (\$)		Series 2025B Cumulative Applicable Amount (\$)	
Date		Date	

(c) amounts remaining following the redemptions described in clauses (a) and (b) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025B Bonds (including the Premium PAC Term Bond), on a proportionate basis after taking into account the amounts applied to redeem the Series 2025B Bonds pursuant to the above-described redemptions.

If any Series 2025B Bonds are redeemed as described in “Special Redemption from Unexpended Proceeds of Series 2025B Bonds” herein (other than a De Minimis Special Redemption), the Premium PAC

Term Bond Outstanding Applicable Amount and the Series 2025B Cumulative Applicable Amount described for the current and each future period will be reduced on a proportionate basis.

Special Redemption From Excess Revenues

The Series 2025B Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part from time to time, on the first day of any month on or after _____, 20__, after giving notice as provided in the Trust Indenture and in accordance with a Letter of Instructions, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date from amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with the Forty-Sixth Supplemental Indenture (whether or not derived in connection with the Series 2025B Bonds).

In the event of a redemption from Excess Revenues, the Trustee shall apply amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with the Trust Indenture to redeem the Series 2025B Bonds Outstanding in the same manner described in clauses (a) and (b) under “Special Redemption from 2025B Mortgage Loan Principal Payments” above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

Prior to the payment in full of the Series 2025C Bonds, the Trustee may transfer any amounts as set forth or described in a Letter of Instructions from the 2025B Residual Revenues Account either to (x) the 2025B Special Redemption Account to be used to redeem Series 2025B Bonds in accordance with the Forty-Sixth Supplemental Indenture, or (y) the 2025C Revenue Account to be used to pay Series 2025C Bonds in accordance with the Forty-Seventh Supplemental Indenture.

Optional Redemption

The Series 2025B Bonds (except for the Premium PAC Term Bond) maturing on or after _____, 20__, are subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on and after _____, 20__, at the option of the Department after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

The Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after _____, 20__, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date

Redemption Price

If the Premium PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Mandatory Sinking Fund Redemption

The Series 2025B Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed after giving notice as provided in the Trust Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest if any, to, but not including, the redemption date:

Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*

*Final Maturity

Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*

*Final Maturity

Premium PAC Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*Final Maturity

The principal amount of the Series 2025B Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2025B Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to scheduled mandatory redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

Series 2025C Bonds [Cross-Call]

The Series 2025C Bonds are subject to optional redemption, special redemption, and mandatory sinking fund redemption at various times prior to their scheduled maturities at various Redemption Prices as described below. **The Department anticipates that a significant portion of the Series 2025C Bonds will be redeemed prior to their scheduled maturities as the result of the receipt by the Department of amounts representing Mortgage Loan Principal Payments (consisting of all amounts representing scheduled payments of principal and any Mortgage Loan Principal Prepayments) and from Excess Revenues (including residual Trust Indenture revenues whether or not derived in connection with the Series 2025C Bonds).**

Special Redemption from Unexpended Proceeds of Series 2025C Bonds

The Series 2025C Bonds are subject to special redemption from unexpended proceeds of the Series 2025C Bonds, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025C Bond to be so redeemed shall be equal to (i) for Series 2025C Bonds other than the Taxable PAC Term Bond, 100% of the principal amount thereof, and (ii) for the Taxable PAC Term Bond, the applicable Redemption Price as set forth in "APPENDIX G – UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM SERIAL BONDS, PREMIUM PAC TERM BOND AND TAXABLE PAC TERM BOND," that maintains the original yield to the Projected Weighted Average Life (in Years) from 100% through 400%, inclusive (Optional Call not Exercised), of the SIFMA Prepayment Model of such Taxable PAC Term Bond as set forth under "Average Life and Prepayment Speeds"; plus, in each case, accrued interest thereon to, but not including, the date of redemption; except that a De Minimis Special Redemption shall be treated as Special Redemption from Mortgage Loan Principal Payments relating to the 2025C Mortgage Certificates and such portion of the Series 2025C Bonds shall be redeemed as described below under "Special Redemption from 2025C Mortgage Loan Principal Payments."

Such Special Redemption from Unexpended Proceeds shall occur on the first day of any month on or after _____, 20__, unless the Certificate Purchase Period is extended in accordance with the Trust Indenture.

As described in "INVESTMENT CONSIDERATIONS – Non-Origination of Mortgage Loans," over the past year, the Department has averaged approximately \$___ million per month in GNMA mortgage-backed securities issued that are backed by tax-exempt bond eligible mortgage loans, exclusive of loans for which a mortgage credit certificate was issued. The Department has not had an unexpended proceeds call since November 1, 2010.

Except as described herein, the Series 2025C Bonds redeemed pursuant to this provision shall be redeemed on a reasonably proportionate basis from among all then existing maturities then eligible for redemption. The redemption Price for the 2025C Bonds redeemed pursuant to this provision shall be 100% of the principal amount of the Series 2025C Bonds being redeemed, plus accrued interest to the date of redemption; provided that, except for a De Minimis Special Redemption in an amount less than \$_____ at par, any redemption of the Series 2025C Premium PAC Bonds pursuant to this provision shall be a t the

applicable Redemption Price that maintains the original yield to average life of such 2025C Premium PAC Bonds, plus, in each case, accrued interest to the date of redemption.

Special Redemption from 2025C Mortgage Loan Principal Payments

The Series 2025C Bonds, are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after _____, 20__, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025C Mortgage Certificates transferred to the 2025C Special Redemption Account in accordance with the Trust Indenture.

In the event of a redemption from Mortgage Loan Principal Payments, the Trustee shall select the particular Series 2025C Bonds to be redeemed as follows:

- (a) the Trustee shall redeem the Taxable PAC Term Bond, but only to the extent that the Outstanding principal amount of such Taxable PAC Term Bond following such redemption is not less than the Taxable PAC Term Bond Outstanding Applicable Amount as of such date;

The Taxable PAC Term Bond Outstanding Applicable Amount is as follows:

Taxable PAC Term Bond Outstanding Applicable		Taxable PAC Term Bond Outstanding Applicable	
Date	Amount (\$)	Date	Amount (\$)
_____	_____	_____	_____

Taxable PAC Term Bond Outstanding Applicable		Taxable PAC Term Bond Outstanding Applicable	
Date	Amount (\$)	Date	Amount (\$)

(b) amounts remaining following the redemptions described in clause (a) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all other Series 2025C Bonds (other than the Taxable PAC Term Bond) on a proportionate basis until the Outstanding principal amount of all Series 2025C Bonds has been reduced to the Series 2025C Cumulative Applicable Amount as of such date;

The Series 2025C Cumulative Applicable Amount is as follows:

Series 2025C Cumulative Applicable Amount (\$)		Series 2025C Cumulative Applicable Amount (\$)	
Date		Date	

Date	Series 2025C Cumulative Applicable Amount (\$)	Date	Series 2025C Cumulative Applicable Amount (\$)
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(c) amounts remaining following the redemptions described in clauses (a) and (b) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025C Bonds (including Taxable PAC Term Bond), on a proportionate basis after taking into account the amounts applied to redeem the Series 2025C Bonds pursuant to the above-described redemptions.

If any Series 2025C Bonds are redeemed as described in "Special Redemption from Unexpended Proceeds of Series 2025C Bonds" herein (other than a De Minimis Special Redemption), the Taxable PAC Term Bond Outstanding Applicable Amount and the Series 2025C Cumulative Applicable Amount described for the current and each future period will be reduced on a proportionate basis.

Special Redemption From Excess Revenues

The Series 2025C Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part from time to time, on the first day of any month on or after _____, 20__, after giving notice as provided in the Trust Indenture and in accordance with a Letter of Instructions, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date from amounts transferred to the 2025C Special Redemption Account from the Residual Revenues Fund in accordance with the Forty-Seventh Supplemental Indenture (including Excess Revenues from the Series 2025B Bonds transferred to the 2025C Revenue Account pursuant to the Forty-Sixth Supplemental Indenture and other revenues whether or not derived in connection with the Series 2025C Bonds).

In the event of a redemption from Excess Revenues, the Trustee shall apply amounts transferred to the 2025C Special Redemption Account in accordance with the Trust Indenture to redeem the Series 2025C Bonds Outstanding in the same manner described in clauses (a) and (b) under "Special Redemption from 2025C Mortgage Loan Principal Payments" above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

Optional Redemption

The Series 2025C Bonds, except for the Taxable PAC Term Bond, maturing on or after _____, 20__, are subject to redemption prior to maturity, in whole or in part, at any time and from time to time on and after _____, 20__, at the option of the Department, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

The Taxable PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after _____, 20__, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of

the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date

Redemption Price

If the Taxable PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Mandatory Sinking Fund Redemption

The Series 2025C Bonds maturing on the respective dates specified below is subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in the Trust Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest if any, to, but not including, the redemption date:

Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*

*Final Maturity

Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*

*Final Maturity

Term Bond Maturing _____, 20__			
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>

*

*Final Maturity

Taxable PAC Term Bond Maturing _____, 20__

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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*

*Final Maturity

Partial Redemption

Except as described in "THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B -- Special Redemption from Unexpended Proceeds of Series 2025B Bonds," "THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B – Special Redemption from 2025B Mortgage Loan Principal Payments" "THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B – Special Redemption from Excess Revenues," "THE SERIES 2025 BONDS – Redemption Provisions - Series 2025C - Special Redemption from Unexpended Proceeds of Series 2025C Bonds," "THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C – Special Redemption from 2025C Mortgage Loan Principal Payments" and "THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C – Special Redemption from Excess Revenues," if less than all of the Series 2025 Bonds of the same maturity and interest rate shall be called for prior redemption, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed in part shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that any Series 2025 Bond redeemed in part shall be redeemed in an amount such that the unredeemed portion thereof shall equal an Authorized Denomination, and provided further that, in selecting Series 2025 Bonds for redemption, the Trustee shall treat each Series 2025 Bond in a denomination greater than the minimum Authorized Denomination as representing that number of Series 2025 Bonds of the minimum Authorized Denomination which is obtained by dividing the Principal Amount at maturity of such Series 2025 Bond by the minimum Authorized Denomination. See "APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."

Notice of Redemption

Except as provided below, the Trustee shall give notice, in the name of the Department, of the redemption of Series 2025 Bonds to the holders thereof, which notice shall specify the maturity and interest rates of the Series 2025 Bonds to be redeemed, the redemption date and the method and place or places of payment of the Redemption Price of such Series 2025 Bonds, the conditions, if any, to such redemption and, if less than all of the Series 2025 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2025 Bonds so to be redeemed, and, in the case of Series 2025 Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2025 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof, in the case of Series 2025 Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. If applicable, such notice shall provide that the redemption of the Series 2025 Bonds is conditioned upon moneys being available for such purpose on the redemption date or such other conditions as may be set forth in such notice. See "THE SERIES 2025 BONDS – Conditional Notices of Redemption."

The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than 30 days, nor more than 60 days prior to the redemption date to the holders of any Series 2025 Bonds or portions thereof which are to be redeemed, at the address shown on the registration books maintained by the Trustee.

Conditional Notices of Redemption

The Department reserves the right to give notice of its election or direction to redeem Series 2025 Bonds conditioned upon the occurrence of subsequent events.

Payment of Redeemed Bonds

Notice having been given as provided in the Trust Indenture, the Series 2025 Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Series 2025 Bond, the Department shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Series 2025 Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Series 2025 Bond so surrendered, Series 2025 Bonds of like maturity, interest rate and aggregate principal amount in any Authorized Denomination. If, on the redemption date, moneys for the redemption of all the Series 2025 Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as specified in the Trust Indenture, then, from and after the redemption date, interest on the Series 2025 Bonds or portions thereof of like maturity so called for redemption shall cease to accrue and become payable. If such moneys shall not be available on the redemption date, such Series 2025 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Purchase in Lieu of Redemption

The Trust Indenture permits the purchase of Bonds, including the Series 2025 Bonds, in the open market in lieu of redemption of such Series 2025 Bonds. Any such purchase may be at a price not exceeding the then applicable Redemption Price for such Series 2025 Bonds.

Average Life and Prepayment Speeds

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The SIFMA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. The SIFMA Prepayment Model does not purport to be either an historical description of the prepayment of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the 2025B Mortgage Certificates and the 2025C Mortgage Certificates. One hundred percent (100%) of the SIFMA Prepayment Model assumes prepayment rates of 0.2 percent per year of the then unpaid principal balance of such mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent of the SIFMA Prepayment Model assumes a constant prepayment rate of six percent per year. Multiples will be calculated from this prepayment rate speed e.g., 200 percent of the SIFMA Prepayment Model assumes prepayment rates will be 0.4 percent per year on month one, 0.8 percent per year in month two, reaching 12 percent per year in month 30 and remaining constant at 12 percent per year thereafter. The amounts shown in the tables under “THE SERIES 2025 BONDS—Redemption Provisions—Series 2025B Bonds—Special Redemption from 2025B Mortgage Loan Principal Payments” above for Premium PAC Term Bond Outstanding Applicable Amount and for Series 2025B Cumulative Applicable Amount and the amounts shown in the tables under “THE SERIES 2025 BONDS—Redemption Provisions—Series 2025C

Bonds—Special Redemption from 2025C Mortgage Loan Principal Payments” above for Taxable PAC Term Bond Outstanding Applicable Amount and for Series 2025C Cumulative Applicable Amount are based on many assumptions, including (i) receipt of prepayments on the 2025B Mortgage Loans equal to 100 percent of SIFMA's standard prepayment model (as further described below) (the “SIFMA Prepayment Model”) in the case of Premium PAC Term Bond Outstanding Applicable Amount and 400 percent of the SIFMA Prepayment Model in the case of the Series 2025B Cumulative Outstanding Applicable Amount; (ii) receipt of prepayments on the 2025C Mortgage Loans equal to 100 percent of SIFMA's standard prepayment model (as further described below) (the “SIFMA Prepayment Model”) in the case of Taxable PAC Term Bond Outstanding Applicable Amount and 400 percent of the SIFMA Prepayment Model in the case of the Series 2025C Cumulative Outstanding Applicable Amount; and (iii) that 100 percent of the moneys on deposit in the 2025B Mortgage Loan Account and 2025C Mortgage Loan Account attributable to the proceeds of the Series 2025B Bonds and Series 2025C Bonds will be used to purchase 2025B Mortgage Certificates and 2025C Mortgage Certificates, respectively.

The following table assumes, among other things, that:

- (i) all amounts in the 2025B Mortgage Loan Account and in the 2025C Mortgage Loan Account will be used to purchase 2025 Mortgage Certificates and DPA Loans;
- (ii) 2025 Mortgage Loans will be purchased on average on _____, 2025;
- (iii) \$_____ of 2025 Mortgage Loans (Non-Targeted Areas) will have an original term of 30 years with three (3) points of repayable DPA Loans and have an average interest rate of _____% per annum;
- (iv) \$_____ of 2025 Mortgage Loans (Targeted Areas) will have an original term of 30 years with three (3) points of repayable DPA Loans and have an average interest rate of _____% per annum;
- (v) \$_____ of 2025 Mortgage Loans (Non-Targeted Areas) will have an original term of 30 years with four (4) points of repayable DPA Loans and have an average interest rate of _____% per annum;
- (vi) \$_____ of 2025 Mortgage Loans (Targeted Areas) will have an original term of 30 years with four (4) points of repayable DPA Loans and have an average interest rate of _____% per annum;
- (vii) \$_____ of 2025 Mortgage Loans (Non-Targeted Areas) will be “Low Rate Option Loans” with an original term of 30 years with no DPA Loans and have an average interest rate of _____% per annum;
- (viii) \$_____ of 2025 Mortgage Loans (Targeted Areas) will be “Low Rate Option Loans” with an original term of 30 years with no DPA Loans and have an average interest rate of _____% per annum;
- (ix) Trustee's fees will be .02% per annum of Series 2025B Bonds and Series 2025C Bonds outstanding with an annual minimum of \$3,500 payable monthly;
- (x) 2025 Mortgage Loans prepay at the indicated percentage of the SIFMA Prepayment Model;
- (xi) all 2025 Mortgage Loans are pooled and assigned to GNMA upon the issuance to the Trustee of GNMA Certificates and payments on such Mortgage Certificates are timely made and used on a timely basis to redeem the Series 2025B Bonds and the Series 2025C Bonds, as described in (xiii) and (xiv) below;

(xii) the Series 2025B Bonds and the Series 2025C Bonds, respectively are not redeemed pursuant to unexpended proceeds redemption;

(xiii) the Series 2025 Bonds, other than the Premium PAC Term Bond and the Taxable PAC Term Bond where noted, are not redeemed pursuant to optional redemption;

(xiv) no amounts allocable to any other series of Bonds are used to cross-call the Series 2025 Bonds and no amounts allocable to the Series 2025 Bonds are used to cross-call any other series of Bonds;

(xv) the Investment Securities held in each of the 2025B Mortgage Loan Account and the 2025C Mortgage Loan Account will pay interest at the rate of 0% per annum and the Investment Securities held in the 2025B Revenue Fund and the 2025C Revenue Fund, respectively, will pay interest at the rate of 0% per annum for the first three years and 0.05% per annum thereafter;

(xvi) Series 2025 Bonds will be redeemed monthly as described under “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B Bonds – Special Redemption from 2025B Mortgage Loan Principal Payments” for the respective Series 2025B and “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C Bonds – Special Redemption from 2025C Mortgage Loan Principal Payments”; and

(xvii) Series 2025 Bonds will be redeemed semi-annually as described under “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B Bonds – Special Redemption from Excess Revenues” for the respective Series 2025B Bonds and “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C Bonds – Special Redemption from Excess Revenues” for the respective Series 2025C Bonds.

Based on the foregoing and other assumptions, some or all of which may not reflect actual experience, the tables below indicate the projected weighted average lives of the following Term Bonds.

Projected Weighted Average Life (in Years)⁽¹⁾

Series 2025B Bonds (Non-AMT)						
					Premium PAC Term Bond Due __/__/__	
SIFMA Prepayment Model	Term Bond due __/__/__	Term Bond due __/__/__	Premium Term Bond due __/__/__	Premium Term Bond due __/__/__	Optional Call not Exercised	Optional Call Exercised
0%						
50%						
75%						
100%						
125%						
150%						
175%						
200%						
300%						
400%						
500%						

⁽¹⁾ The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bonds to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

Projected Weighted Average Life (in Years)⁽¹⁾

Series 2025C Bonds (Non-AMT)						
					Premium PAC Term Bond Due __/__/__	
SIFMA Prepayment Model	Term Bond due __/__/__	Term Bond due __/__/__	Premium Term Bond due __/__/__	Premium Term Bond due __/__/__	Optional Call not Exercised	Optional Call Exercised
0%						
50%						
75%						
100%						
125%						
150%						
175%						
200%						
300%						
400%						
500%						

⁽¹⁾ The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bonds to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

In addition to the table above, “APPENDIX F – TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS” sets forth a table of additional average life-related data at various prepayment speeds.

The holder of less than all of the Outstanding principal amount of a Premium PAC Term Bond, Taxable PAC Term Bond, or a Term Bond may not achieve the results indicated above. The Department does not undertake to update this table or any other projections contained in this Official Statement based on the Department's actual experience with respect to repayment and prepayment of the Series 2025 Bonds. See “INVESTMENT CONSIDERATIONS” herein for a discussion of certain factors that may affect the rate of prepayments of the Mortgage Loans.

The SIFMA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of Prepayments of the Mortgage Loans, and there is no assurance that the prepayments of the Mortgage Loans will conform to any of the assumed prepayment rates. See “INVESTMENT CONSIDERATIONS” herein for a discussion of certain factors that may affect the rate of Prepayments of the Mortgage Loans. The Department makes no representation as to the percentage of the principal balance of the Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment. Investors may view the Department's website for information regarding the Trust Estate, including information regarding Mortgage Loans and Mortgage Certificates. Investors should be aware of the disclaimers before viewing, particularly the Department's representation that it has no obligation to update its website.

The information set forth above with respect to the prepayment experience (as a percentage of the SIFMA Prepayment Model) has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Department, the Financial Advisor or the Underwriters.

The achievement of certain results or other expectations contained in this section involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied in this section. The Department does not expect or intend to issue any updates or revisions to this section if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

SECURITY FOR THE BONDS

Pledge of Trust Indenture

The Bonds, including the Series 2025 Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture.

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money, and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

The structure of Program 111 allows Eligible Borrowers to choose between Mortgage Loans offered either at various levels of down payment assistance (“Assisted Option”) or without an accompanying DPA Loan (“Low Rate Option”). Mortgage Loans will bear interest at annual rates announced from time to time by the Department. All Assisted Option Loans are accompanied by a DPA Loan that provides funds for down payment and closing cost assistance in the form of a second lien loan with no stated interest in an amount equal to a percentage of the original principal amount of the related first lien Assisted Loan. DPA Loans are due on sale, refinance, or repayment of the first mortgage, and have a thirty year term. Borrowers choosing the Low Rate Option do not receive down payment or closing cost assistance. The Department reserves the right to modify the down payment assistance options available through Program 111 at any time.

The Series 2025 Bonds are limited obligations of the Department and are payable solely from the Revenues and funds pledged for the payment thereof as more fully described herein. Neither the State nor any agency of the State, other than the Department, nor the United States of America nor any agency, department or other instrumentality thereof, including GNMA, and Fannie Mae, is obligated to pay the principal or Redemption Price of, or interest on, the Series 2025 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. GNMA and Fannie Mae guarantee only the payment of the principal of and interest on the GNMA Certificates and Fannie Mae Certificates, respectively, when due and do not guarantee the payment of the Series 2025 Bonds or any other obligations issued by the Department.

Supplemental Mortgage Security

The Trust Indenture requires that each Mortgage Loan be further secured by Supplemental Mortgage Security, if any, as provided in the Supplemental Indenture authorizing the Series of Bonds used to purchase such Mortgage Loan. Pursuant to the 2025 Supplemental Indentures, the Department has

determined that the Supplemental Mortgage Security for the 2025 Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates.

Cashflow Statement and Asset Test

The Department is required to deliver periodically a “Cashflow Statement” prepared or verified by a nationally-recognized firm experienced in preparing mortgage revenue bond cashflows, comparing estimates of Revenues with the debt service requirements and Department Expenses with respect to Outstanding Bonds, which Cashflow Statement must demonstrate the sufficiency of such Revenues to pay scheduled debt service on the Bonds and Department Expenses at their respective requirements under each of the scenarios required by the Rating Agencies. Under the terms of the Trust Indenture, such Cashflow Statements must incorporate certain assumptions concerning Mortgage Loan Principal Prepayments, reinvestment rates, expenses and certain other assumptions as required by the Rating Agencies. The Cashflow Statement is required to be prepared (i) upon the issuance of a Series of Bonds; (ii) upon the adjustment of the interest rate or rates on a Series of Bonds, unless otherwise required by the applicable Series Supplement; (iii) upon the purchase or redemption of Bonds other than as assumed in the Cashflow Statement most recently filed with the Trustee; (iv) upon the application of Mortgage Loan Principal Payments other than as assumed in the Cashflow Statement most recently filed with the Trustee; (v) upon the application of amounts in the Residual Revenues Fund other than as assumed in the Cashflow Statement most recently filed with the Trustee; (vi) at such times, if any, as may be required by a Supplemental Indenture; and (vii) not later than two and one-half years after the date of filing of the most recent Cashflow Statement. The Department, at its option, may file a revised or amended Cashflow Statement with the Trustee at any time.

The Department has covenanted in the Trust Indenture that it will not make, acquire, refinance or sell Mortgage Loans or Mortgage Certificates or purchase or redeem Bonds, including the Series 2025 Bonds, or take certain other actions permitted under the Trust Indenture, unless such actions are consistent with the assumptions set forth in its most recent Cashflow Statement.

Moneys held under the Trust Indenture in excess of the amounts required by the Asset Test (hereinafter described) may, at the written direction of the Department accompanied by a Cashflow Certificate, be transferred to the Department to be used for any purpose authorized or permitted by the Act, free and clear of the pledge and lien of the Trust Indenture. In general, the Asset Test is deemed satisfied if the outstanding principal balance of the Mortgage Loans and Mortgage Certificates and money and Investment Securities held in all Funds (other than the Cost of Issuance Fund, Expense Fund, Rebate Fund and any mortgage pool self-insurance reserve established by the Department with respect to Mortgage Loans) is at least equal to 102% of the principal amount of Bonds Outstanding. See “THE TRUST INDENTURE – Residual Revenues Fund.”

Additional Bonds

Various series of Bonds, including refunding Bonds, may be issued as provided in the Trust Indenture on a parity with the Bonds of all other Series, secured by a pledge of and lien on the Trust Estate. As a condition to the issuance of additional Bonds, including refunding Bonds, the Department must deliver various items to the Trustee including the opinions of Bond Counsel to the effect that, among other things, the series of Bonds is validly issued in accordance with the Trust Indenture and the Act. The Department must also deliver to the Trustee a Cashflow Statement which gives effect to the issuance of such additional Bonds as described above under “Cashflow Statement and Asset Test” and a written confirmation from each Rating Agency that the issuance of Bonds of each Series will not adversely affect the rating then in effect on any Outstanding Bonds (determined without regard to any Credit Agreement). The Department has reserved the right to adopt one or more other bond indentures and to issue other obligations payable from sources other than the Trust Estate or, payable from the Trust Estate, including the Revenues, if the

pledge of and lien on the Trust Estate and the Revenues is junior to or subordinate to the pledge of and lien on the Trust Estate and the Revenues.

Outstanding Subordinate Lien Obligation

The Department entered into a Loan Agreement dated September 28, 2016 (the “Subordinate Loan Agreement”), with Woodforest National Bank (“Woodforest”) for a secured draw down credit facility in an aggregate principal amount not to exceed \$10,000,000 as evidenced by the Department's Series 2016 Issuer Note (the “Subordinate Note”). The Department has drawn the full \$10,000,000 authorized amount under the Subordinate Loan Agreement, all of which currently is outstanding. The Subordinate Note bears interest at 1.0% per annum and no scheduled interest or principal payments are payable until the stated maturity date of September 28, 2026. The Subordinate Note is secured by and payable solely from a lien on and pledge of the Trust Estate established by the Trust Indenture, which lien and pledge expressly is subordinate to the lien and pledge of the Trust Estate securing the Series 2025 Bonds and the Outstanding Prior Bonds. Proceeds from the Subordinate Note were used to make down payment assistance loans to qualified borrowers. Upon the occurrence of an event of default under the terms of the Subordinate Loan Agreement (which includes whenever the amount determined pursuant to the Asset Test is less than 102% plus the then outstanding amount of the Subordinate Note), the Subordinate Note will bear interest at a per annum rate of 6.0% and the outstanding principal amount thereof may be declared to be immediately due and payable. Upon the Trustee's receipt of written notice from Woodforest that the Department has failed to pay the Subordinate Note in full when due, the Trustee will transfer the unpaid amount from the Residual Revenues Fund to Woodforest to the extent permitted by the provisions of the Trust Indenture described in the last paragraph under “THE TRUST INDENTURE – Residual Revenues Fund.”

Sale of Mortgage Certificates and Mortgage Loans

The Department may, at its election, sell, assign, transfer or otherwise dispose of any Mortgage Loan or Mortgage Certificate, in whole or in part, or any of the rights of the Department with respect to any Mortgage Loan or Mortgage Certificate, in whole or in part, free and clear of the lien of the Trust Indenture, but only if a Cashflow Statement establishes that such sale, assignment, transfer or other disposition will not adversely affect the ability of the Department to pay when due the principal or Redemption Price of and interest on the Bonds and the Rating Agency shall have confirmed that such sale, assignment, transfer or other disposition will not have an adverse effect on the rating then in effect on the Bonds. The Department may also sell any Mortgage Loan, Mortgage Certificate or other obligation evidencing or securing a Mortgage Loan if it is necessary for the Department to take such action in order to maintain the excludability of interest on any of the Bonds from gross income for federal income tax purposes. If proceeds from the sale of the Mortgage Certificates are to be applied to the redemption of Series 2025 Bonds, such Series 2025 Bonds must be redeemed under the applicable redemption provision of the Trust Indenture. See “THE SERIES 2025 BONDS – Redemption Provisions.”

Certain Information as to Revenues, Investments, Debt Service and Department Expenses

On the basis of the Cashflow Statement prepared in connection with the issuance of the Series 2025 Bonds, the Department expects that the scheduled payments, together with Mortgage Loan Principal Prepayments received, if any, of the principal of and interest on the Mortgage Loans and the Mortgage Certificates and amounts held under the Trust Indenture and the earnings thereon, will be sufficient to pay the principal or Redemption Price of and interest on the Series 2025 Bonds and all other Prior Bonds Outstanding when due. In arriving at the foregoing conclusions, the Department has included all Series 2025 Bonds and Prior Bonds but has not considered the issuance of additional Bonds or the application or investment of the proceeds thereof. Since obligations issued under the Trust Indenture, unless subordinated, will rank equally and ratably with the Series 2025 Bonds and the Prior Bonds with respect to the security afforded by the Trust Indenture, the availability of money for repayment thereof could be significantly affected by the issuance, application and investment of proceeds of additional Bonds.

The maturity of and mandatory sinking fund installments of the Series 2025 Bonds have been established on the basis of the consolidated scheduled payments of the Mortgage Loans (including Mortgage Certificates) under the Trust Indenture. The interest rates on the Mortgage Loans acquired with moneys made available from the issuance of the Series 2025 Bonds will be established so that, together with payments of principal of and interest on the Mortgage Loans and the Mortgage Certificates outstanding under the Trust Indenture and moneys on deposit in the various funds and accounts under the Trust Indenture (as well as income derived from investments thereof), sufficient Revenues will be expected to be available to pay on a timely basis the principal of and interest on all Bonds outstanding under the Trust Indenture, including the Series 2025 Bonds and certain other amounts required to be paid under the Trust Indenture. Such expectation is based on, among others, the following assumptions:

- (a) moneys held in the Mortgage Loan Fund, the Revenue Fund and the Residual Revenues Fund will be invested at the rates per annum applicable to each (a portion of the earnings from which may be subject to rebate to the United States Department of Treasury), and timely payments will be made to the Trustee of amounts due under such investments;
- (b) the payments on the Mortgage Loans (including the Mortgage Certificates) will be made in full and received by or on behalf of the Department on the 30th day following their scheduled payment dates;
- (c) the Mortgage Lenders, the servicers, and the Master Servicers will perform their duties in a timely manner;
- (d) all future expenses with respect to the Bonds and administering and servicing the Mortgage Loans, including the Trustee's fees and payment of Department Expenses, will be paid in full on a timely basis from interest paid on the Mortgage Loans and the Mortgage Certificates and investment income on funds held by the Trustee;
- (e) all of the lendable proceeds of the Series 2025 Bonds will be used to purchase Mortgage Certificates representing Mortgage Loans with terms of thirty (30) years that will provide for payment of principal and interest in approximately equal monthly installments; and
- (f) the proceeds of the Series 2025 Bonds will be used to provide for the purchase of Mortgage Certificates, all of which are projected to be GNMA Certificates.

The Department makes no assurances that the foregoing assumptions can be realized, particularly in times of market turmoil. In particular, the Department establishes the interest rates on the Mortgage Loans (including Mortgage Certificates) on an ongoing basis as the Department deems necessary and appropriate, subject to the requirements of the Trust Indenture, including the Cashflow Statement. Interest rates are determined by reference to conventional mortgage rates, availability of mortgage funding alternatives, historical interest rate patterns and the Department's cost of funds.

INVESTMENT CONSIDERATIONS

COVID-19

The outbreak of a new strain of coronavirus (“COVID-19”), an upper respiratory tract illness first identified in Wuhan, China, spread to numerous countries across the globe, including the United States, in 2020. The World Health Organization characterized COVID-19 as a pandemic. The worldwide outbreak of COVID-19, including variants, particularly Delta and Omicron, caused significant disruptions to the world and United States economies.

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) became law in 2020 and addressed the crisis created by the COVID-19 pandemic. Separately, Ginnie Mae announced a program to assist Ginnie Mae seller/servicers which experience financial hardships in meeting their obligations to advance funds and/or repurchase loans due to the forbearance provisions of the CARES Act.

The Department complies with the CARES Act and grants requests for COVID-19 related forbearances it receives, along with subsequent extensions as required. The number of additional forbearance requests, the principal amount of impacted Mortgage Loans and percentage of Mortgage Loans for which forbearance may be granted in the future may increase. The industry experienced unprecedented loan modifications due to Hurricane Harvey and the pandemic. Among other things, delays in reporting and the purchase and re-pooling of Mortgage Loans resulted in financial exposure to the Department. While the Department and the Master Servicer continue to assess such exposure and refine procedures, the Department, at this time, does not believe such exposure will materially impact its operations and financial strength.

The pandemic was and is an ongoing situation. At this time, the Department cannot determine the overall impact the pandemic, including the federal and State responses thereto, will have on its programs, the Trust Estate or the operations of the Department.

Termination of Mortgage Loans and Mortgage Certificates

The maturity and sinking fund redemption installments of the Series 2025 Bonds were determined on the basis of the assumption that there will be no early terminations of the Mortgage Loans or the Mortgage Certificates relating to the Series 2025 Bonds. The Department expects Mortgage Loans and Mortgage Certificates relating to the Series 2025 Bonds will be terminated prior to final maturity as a result of Mortgage Loan Principal Prepayments. All Mortgage Loan Principal Prepayments relating to the Series 2025 Bonds will be deposited in the applicable subaccount of the Revenue Fund and transferred to the 2025 Special Redemption Account for use to redeem the applicable series of the Series 2025 Bonds or other Bonds in accordance with the Trust Indenture or used to acquire new Mortgage Loans or participations therein. **Accordingly, the Department anticipates that a significant portion of the Series 2025 Bonds will be redeemed prior to their scheduled maturity.**

Mortgage Loan Principal Prepayments

The Department anticipates that the Trustee will receive Mortgage Loan Principal Prepayments on the Mortgage Certificates. Mortgage Loan Principal Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant short-term effect on the rate of prepayments. The Department is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the Mortgage Certificates. Mortgage Loan Principal Prepayments on the Mortgage Certificates may be applied to the prepayment of the respective series of the Series 2025 Bonds or used to acquire new Mortgage Loans or participations therein. See “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025B Bonds – Special Redemption from 2025B Mortgage Loan Principal Payments” and “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C Bonds – Special Redemption from 2025C Mortgage Loan Principal Payments.”

Non-Origination of Mortgage Loans

One of the principal factors in originating Mortgage Loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford and will find attractive. The Department has determined that there is a shortage of funds in the State to make such loans at interest rates and on terms that a substantial number of potential borrowers within the State can afford. Should mortgage interest rate levels decline, or should one or more alternative governmental programs become available at below market rates, mortgage loans could become available at rates competitive with or lower than the rate

specified for the Mortgage Loans, and the total amount of Mortgage Loans anticipated to be originated under the Program may not be so originated.

Non-origination may also be effected by other programs of the Department as described in “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Other Department Programs.”

The failure to originate Mortgage Loans, or the inability to deliver Mortgage Certificates to the Trustee in the amounts contemplated from proceeds of the Series 2025 Bonds, will result in redemption of Series 2025 Bonds prior to their stated maturities. See “THE SERIES 2025 BONDS — Redemption Provisions - Series 2025B Bonds – Special Redemption from Unexpended Proceeds of Series 2025B Bonds” and “THE SERIES 2025 BONDS – Redemption Provisions – Series 2025C Bonds – Special Redemption from Unexpended Proceeds of Series 2025C Bonds.”

Over the past year, the Department has averaged approximately \$_____ million per month in GNMA mortgage-backed securities issued that are backed by tax-exempt bond eligible mortgage loans, exclusive of loans for which a mortgage credit certificate was issued. The Department has not had an unexpended proceeds call since November 1, 2010.

Availability of Remedies

The remedies available to the owners of the Series 2025 Bonds upon an Event of Default under the Trust Indenture or other documents described herein are in certain respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy laws, the Trust Indenture and the various Program documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will, therefore, be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally and by general principles of equity which permit the exercise of judicial discretion, and by principles of sovereign immunity.

Disclaimer Regarding Cyber Risks

The Department, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the Department may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Department's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the Department's current efforts to manage cyber threats and security will, in all cases, be successful. The Department cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The Department relies on other entities and service providers in the course of operating the Department's programs, as well as other trustees, custodians, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the Department and the owners of the Series 2025 Bonds, including the possibility of impacting the timely payments of debt service of the Series 2025 Bonds or timely filings pursuant to the Disclosure Agreement.

THE DEPARTMENT

General

The Department, a public and official agency of the State of Texas (the “State”) was created pursuant to and in accordance with Chapter 2306, Texas Government Code, as amended from time to time (together with other laws of the State applicable to the Department, the “Act”). The Department is the successor agency to the Texas Housing Agency (the “Agency”) and the Texas Department of Community Affairs (the “TDCA”), both of which were abolished by the Act and their functions and obligations transferred to the Department. One of the purposes of the Department is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State. Pursuant to the Act, the Department may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Department.

The Department is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the “Sunset Act”) and its continued existence is subject to a review process that resulted in passage of legislation in the Seventy-Eighth Legislative Session in 2003 which continued the Department in existence until September 1, 2011. House Bill 3361 extended the existence of the Department until September 2025, at which time it will be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor of the State shall designate an appropriate State agency to continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

In the Act, the State also pledges and agrees with the holders of any bonds issued under the Act that the State will not limit or alter the rights vested in the Department to fulfill the terms of any agreements made with the holders thereof that would in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses incurred in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Purpose and Impact

The Department is the state agency responsible for affordable housing, community and energy assistance programs, colonia activities, and regulation of the state's manufactured housing industry. The Department currently administers \$2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community based opportunities and assistance to Texans in need. The overwhelming majority of the Department's resources are derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

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

Aligning with the Department's mission, proceeds of the Series 2025 Bonds will be primarily used to purchase Mortgage Certificates secured by qualified Mortgage Loans and will fund down payment and closing cost assistance. Mortgage Loans will primarily include loans originated under the My First Texas Home Program to qualified individuals and families whose gross annual household income does not exceed 115% AMFI (100% for households of 2 persons or less), based on IRS adjusted income limits, or 140% AMFI (120% for households of 2 persons or less) if in a targeted area. Eligible Borrowers must

generally be first-time homebuyers, qualified veterans, or purchasing in a targeted area. See also “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, AND OTHER MATTERS – The Program and the Mortgage Loans.”

For the period _____ through _____, the Department financed \$_____ billion of first lien loans with bond proceeds and assisted _____ households. Approximately ____% of the Mortgage Loans were made to families with incomes less than ____% AMFI. The distribution of income bands for the borrowers of Mortgage Loans purchased with Series 2025 Bonds is expected to be similar to previously financed loans in the Department's Single Family Mortgage Revenue Bond Program. [UPDATE]

Loans financed through the Single Family and Residential Mortgage Revenue Bond Program September 1, 2022 through August 31, 2024							
AMFI Band	\$ Amt of 1 st Liens	Percent	# of 1 st Lien Loans	\$ Amt of 2 nd Liens	Percent	# of 2 nd Lien Loans	Percent of 2 nd Lien Loans
<50.0%	427,632,158	26.24%	2,003	11,698,996	26.44%	1,681	29.05%
50.00%-59.999%	237,635,910	14.58%	1,084	6,382,116	14.42%	900	15.55%
60.0%-69.999%	269,322,109	16.53%	1,179	7,168,832	16.20%	957	16.54%
70.0%-79.999%	278,694,372	17.10%	1,132	7,625,975	17.24%	945	16.33%
80.0%-89.999%	234,348,536	14.38%	902	6,441,109	14.56%	755	13.05%
90.00%-100%	180,320,091	11.07%	669	4,877,563	11.02%	544	9.40%
>100%	1,484,303	0.09%	5	50,215	0.11%	5	0.09%
Total	1,629,437,479	100.00%	6,974	44,244,806	100.00%	5,787	100.00%

In conjunction with the Mortgage Loans, the Department financed \$_____ million in down payment assistance and closing costs assistance loans.

Down Payment Assistance Statistics and Closing Cost Assistance September 1, 2022 through August 31, 2024	
Total DPA Provided (\$)	\$44,244,806
Total DPA Provided (# of Loans)	5,787
Percent of Borrowers Receiving DPA	82.98%
Average DPA Provided per Borrower	\$7,646
Average DPA Provided (% of Loan Amount)	2.72%

The Department intends to prepare a voluntary report after proceeds of the Series 2025 Bonds have been fully disbursed to purchase Mortgage Certificates, and post this report to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (“EMMA”) system. The voluntary report is expected to take the form presented in “APPENDIX I - USE OF PROCEEDS REPORT” of this Official Statement, and is expected to include information regarding the Mortgage Loans financed with the proceeds of the Series 2025 Bonds and how such proceeds were spent.

Governing Board

The Department is governed by a governing board (the “Board”) consisting of seven public members, appointed by the Governor, with the advice and consent of the State Senate. Board members hold office for six year staggered terms. Each member serves until his or her successor is appointed and qualified. Each member is eligible for reappointment. Members serve without compensation but are

entitled to reimbursement for actual expenses incurred in performing their duties of office. The Act requires the Governor to make appointments so that the places on the Board are occupied by persons who have a demonstrated interest in issues related to housing and support services and who broadly reflect the geographic, economic, cultural, and social diversity of the State, including ethnic minorities, persons with disabilities, and women.

The Governor of the State designates a member of the Board to serve as the presiding officer (the “Chair”) of the Board at the pleasure of the Governor. The Chair presides at all meetings and performs such other duties as may be prescribed from time to time by the Board and by the Act. In addition, the members of the Board elect one of its members as assistant presiding officer (the “Vice Chair”) to perform the duties of the Chair when the Chair is not present or is incapable of performing such duties. The Board also elects a Secretary and a Treasurer (which offices may be held by one individual and neither office holder must be a Board member) to perform the duties prescribed by the Board.

One seat on the Board is currently vacant. The remaining members of the Board, their occupations and their terms of office are as follows:

LEO VASQUEZ, Chair and Board Member. Corporate Finance and Business Management Consultant, Houston, Texas. His term expires January 31, 2029.

KENNY MARCHANT, Vice Chair and Board Member. Retired U.S. Representative for the 24th Congressional District of Texas, Coppell, Texas. His term expires January 31, 2025.

CINDY CONROY, Board Member. Director of community outreach and aide to the chairman of WestStar bank, El Paso, Texas. Her term expires January 31, 2027.

ANNA MARIA FARIAS, Board Member. Retired Assistant Secretary, Office of Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development, a U.S. Senate-confirmed position, San Antonio, Texas. Her term expires January 31, 2027.

AJAY THOMAS, Board Member. Executive Vice President and U.S. Head of Public Finance for FHN Financial, a division of First Horizon Bank, Austin, Texas. His term expires January 31, 2025.

HOLLAND HARPER, Board Member. Chief Development Officer of Harrison, Walker and Harper, LLC, Paris, Texas. His term expires January 31, 2029.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Under Article 16 §17 of the Texas Constitution, all state officers continue to perform the duties of their offices until their successors are duly qualified. This ensures that, until the Governor appoints a replacement, the requirements of office are satisfied.

Administrative Personnel

The Act provides that the Department is to be administered by an Executive Director to be employed by the Board with the approval of the Governor. The Executive Director serves at the pleasure of the Board, but may also be removed by a newly elected Governor who did not approve the Executive Director's appointment by action taken within 90 days after such Governor takes office. The Executive Director is responsible for administering the Department and its personnel. The Executive Director may, within the limitations established by the General Appropriations Act, employ other employees necessary for the discharge of the duties of the Department, subject to the annual budget and the provisions of any resolution authorizing the issuance of the Department's bonds.

Currently, the Department has approximately 356 employees. The following is a biographical summary of certain of the Department's senior staff members who have responsibility with respect to single family housing matters.

ROBERT WILKINSON, Executive Director. Mr. Wilkinson was hired by the Governing Board to serve as the Executive Director at the Board meeting of July 25, 2019, and he began his tenure on August 15, 2019. Most recently, Mr. Wilkinson served as the Deputy Budget Director to Texas Governor Greg Abbott. Mr. Wilkinson served in the Budget and Policy Division within the Office of the Governor for the first three legislative sessions of Governor Abbott's administration; 2015, 2017, and 2019. His duties included the development of the Governor's proposed budgets, the analysis and tracking hundreds of filed bills including the General Appropriations Act, the development of policy, and the coordination of governance with executive state agencies. Housing and the Department were important elements of Mr. Wilkinson's portfolio of responsibility from 2014 (under former Governor Rick Perry) through 2019. Before 2014, Mr. Wilkinson held other positions within the Office of the Governor and worked in the private sector in various capacities including a stint as a project manager at a large commercial electrical contractor. Mr. Wilkinson received his Bachelor of Arts from the University of Texas at Austin.

SCOTT FLETCHER, Director of Bond Finance. Mr. Fletcher joined the Department in July of 2022, where he is responsible for management, strategic planning and oversight of the Department's Bond Finance Division. He oversees the issuance of single family bonds and notes as well as the day to day management of mortgage banking activities. Mr. Fletcher has over 30 years of experience in municipal fixed income and public finance leadership. He received a BSBA from The University of Nebraska in Lincoln and an MBA from The University of Missouri in Kansas City.

LISA JOHNSON, Director of the Texas Homeownership Division, joined the Department in the Housing Trust Fund Department in 2017 administering State and Federal Down payment assistance programs for the Texas Bootstrap Program, Bond Finance and NSP Neighborhood Stabilization Programs and transitioned to the Texas Homeownership Team learning all facets of the division in 2019, working to promote and expand the Department's Down Payment Assistance, MCC Programs and Homebuyer Education throughout the State of Texas. Down payment assistance, credit counseling and overall buyer and seller education are an integral part of the important work of the Texas Homebuyer Team. Prior to joining the Department, Ms. Johnson worked diligently to help borrowers, investors and builders to reach their real estate goals as a licensed Texas Loan Officer and remains a licensed Texas Real Estate Agent.

JAMES "BEAU" ECCLES, General Counsel. J. Beau Eccles joined the Department in June 2015 as its General Counsel and is responsible for coordination of all internal and external legal counsel for the Department. Before joining the Department, Mr. Eccles served as an Assistant Texas Attorney General for thirteen years, including five years as Deputy Chief, then two years as Chief, of the General Litigation Division. Mr. Eccles is a graduate of the Texas Tech School of Law, and received his B.A. from the University of Texas at Austin.

THE TRUST INDENTURE

General

The Trust Indenture, which includes the Master Indenture and each of the Series Supplements and amendments thereto relating to the Bonds, contains various covenants and security provisions, certain of which are summarized below. In addition, the Trust Indenture contains requirements for the purchase of Mortgage Loans and certain covenants with respect to applicable provisions of federal income tax law. See "TAX MATTERS." Reference should be made to the Trust Indenture, a copy of which may be obtained from the Department, for a full and complete statement of its provisions.

Funds and Accounts

The following Funds have been established under the Master Indenture: Mortgage Loan Fund; Cost of Issuance Fund; Revenue Fund; Interest Fund; Principal Fund; Special Redemption Fund; Residual Revenues Fund; and Expense Fund and the 1998/1999A Special Mortgage Loan Fund established under the Tenth Series Supplement. The Series Supplements create within each Fund separate accounts for each Series or related Series of Bonds. The Forty-Sixth and Forty-Seventh Supplemental Indenture creates accounts for the Series 2025 Bonds within each listed Fund. The accounts so created do not grant a priority of one Series of Bonds over that of any other Series of Bonds, but are for accounting purposes only. In addition, the Forty-Fifth Supplemental Indenture establishes a 2025 Rebate Fund.

Mortgage Loan Fund

The Trustee is required to apply amounts in the Mortgage Loan Fund to pay the costs of making, acquiring, or refinancing Mortgage Loans (including the acquisition of Mortgage Certificates), and accrued interest thereon, if so directed in a Letter of Instructions from the Department. Any such disbursements are required to be within the certificate purchase period relating to the particular Series of Bonds. The Trustee is required to transfer amounts in the Mortgage Loan Fund relating to an account established for each Series of the Bonds to the Special Redemption Fund at the end of each Mortgage Loan origination period for such Series to pay the Redemption Price of Bonds of each Series to be redeemed or the purchase price of Bonds to be purchased. To the extent required by the provisions of the Master Indenture summarized below under the subheading “Withdrawals from Funds to Pay Debt Service”, amounts in the Mortgage Loan Fund may be applied to the payment of principal or Redemption Price of and interest on the Bonds. See “SECURITY FOR THE BONDS –Sale of Mortgage Certificates and Mortgage Loans” and “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Program and the Mortgage Loans – Mortgage Loans.”

Cost of Issuance Fund

Amounts credited to the Cost of Issuance Fund may be applied to pay Costs of Issuance. If at any time amounts on deposit in the Cost of Issuance Fund are in excess of the amounts reasonably required to pay Costs of Issuance (and do not represent proceeds of the Series 2025 Bonds), the Department may transfer such excess to the Department.

Revenue Fund

All Revenues are required to be deposited into the Revenue Fund promptly upon receipt by the Department. Prior to the transfer of any other amount from the Revenue Fund, the Department may transfer from the Revenue Fund an amount equal to any rebatable arbitrage to the Rebate Fund. On or before each interest payment date on the Bonds, the Trustee will transfer from the Revenue Fund to the Interest Fund an amount which, when added to any amounts already on deposit therein, will equal the amount of interest to become due and payable on the Bonds on such interest payment date.

On or before each maturity date and each date fixed for the redemption of Bonds, the Trustee is required to transfer amounts on deposit in the Revenue Fund representing Mortgage Loan Principal Payments to the Principal Fund, the Mortgage Loan Fund or to the Special Redemption Fund at the Department's direction by a Letter of Instructions accompanied by a Cashflow Certificate or, in the absence of such instructions, as required by the Series Supplements.

On or before each maturity date and each date fixed for redemption of Bonds, the Trustee also must transfer from the Revenue Fund the other amounts on deposit therein in the following order of priority:

(a) first, to the Interest Fund, an amount, if any, which, when added to any amounts already on deposit therein, will equal the amount of interest to become due and payable on the Bonds on such maturity date or redemption date;

(b) second, to the Principal Fund, an amount which, when added to any amounts already on deposit therein, will equal the principal amount of all Bonds maturing on such date and the Redemption Price of all Bonds becoming subject to scheduled mandatory redemption on such redemption date;

(c) third, to the Expense Fund, the amount or amounts specified in the Series Supplements applicable to the Bonds then Outstanding as being necessary to pay Department Expenses consisting of amounts, if any, to be paid to obtain or maintain Supplemental Mortgage Security;

(d) fourth, to the Expense Fund, the amount then required for the payment of Department Expenses (other than as described in clause (c) above), but not in excess of the maximum amount specified in the applicable Series Supplements applicable to the Bonds then Outstanding;

(e) fifth, to the Special Mortgage Loan Fund, the amount, if any, specified in the most recent Cashflow Statement as required by the Series Supplement to maintain the tax-exempt status of the Bonds; and

(f) finally, to the Residual Revenues Fund, the portion, if any, of the amount remaining in the Revenue Fund on such maturity date or redemption date after the foregoing transfers, which the Department directs to be so transferred. Any such amounts transferred to the Residual Revenues Fund constitute "Excess Revenues." See "THE TRUST INDENTURE – Residual Revenues Fund."

Interest Fund and Principal Fund

The Trustee is required to pay out of the Interest Fund by each interest payment date or date fixed for redemption of Bonds, the amount required for the interest payment due on such date. The Trustee is required to pay out of the Principal Fund by each date on which Bonds mature or become subject to scheduled mandatory redemption, the amount required for the payment of the principal amount of Bonds maturing and the Redemption Price of the Bonds subject to scheduled mandatory redemption on such date.

The Trustee, at any time at the direction of the Department in a Letter of Instructions accompanied by a Cashflow Certificate, is required to apply amounts available in the Principal Fund to pay the purchase price of Bonds.

Special Redemption Fund

Amounts in the Special Redemption Fund are required to be applied by the Trustee to pay the Redemption Price of the Bonds becoming subject to redemption (other than by scheduled mandatory redemption) or, at the direction of the Department, may be transferred to the Revenue Fund if notice of redemption has not been given or such amounts have not been committed to the purchase of Bonds. The Trustee, at any time at the direction of the Department in a Letter of Instructions accompanied by a Cashflow Certificate, is required to apply amounts available in the Special Redemption Fund to pay the purchase price of Bonds.

Expense Fund

Amounts in the Expense Fund may be paid out from time to time by the Department for Department Expenses, taxes, insurance, foreclosure fees, including appraisal and legal fees, security, repairs and other expenses incurred by the Department in connection with the protection and enforcement of its rights in any

Mortgage Loan and the preservation of the mortgaged property securing such Mortgage Loans. Excess amounts in the Expense Fund may be transferred to the Revenue Fund at the direction of the Department.

Residual Revenues Fund

During such time as the Department is not meeting the asset test described in the next paragraph (the “Asset Test”), amounts in the Residual Revenues Fund are required to be retained in the Residual Revenues Fund or transferred to the Mortgage Loan Fund or the Special Redemption Fund, as directed by a Letter of Instructions from the Department accompanied by a Cashflow Certificate or, in the absence of such instructions, as may be required by the applicable Series Supplements.

The Department will be deemed to have met the Asset Test if: (i) the Department has on file with the Trustee a Cashflow Statement giving effect to a transfer and release proposed as described in the next paragraph; and (ii) as of the date of such Cashflow Statement, the sum of the outstanding principal balance of the Mortgage Loans and the Mortgage Certificates, and the money and Investment Securities (valued at their amortized values as required by the Trust Indenture) held in all Funds (other than the Cost of Issuance Fund, the Expense Fund and any mortgage pool self-insurance reserve established by the Department with respect to the Mortgage Loans) is at least equal to 102% of the aggregate principal amount of Bonds then Outstanding.

If at any time the Department meets the Asset Test, the Trustee is required to apply amounts in the Residual Revenues Fund (in excess of those required to be maintained under the Trust Indenture in order to permit the Department to continue to meet the Asset Test) as follows: (i) the Trustee is required to transfer such amounts to the Mortgage Loan Fund or the Special Redemption Fund or remit such amounts to the Department to be used for any purpose authorized or permitted by the Act, free and clear of the pledge and lien of the Trust Indenture, if so directed by a Letter of Instructions from the Department; or (ii) in the absence of such instructions, the Trustee is required to retain such amounts in the Residual Revenues Fund.

Rebate Fund

Funds on deposit in the Rebate Fund are required to be withdrawn periodically by the Department and set aside to pay any amounts required to be rebated to the United States under applicable provisions of federal income tax law.

Withdrawals from Funds to Pay Debt Service

If on any interest payment date on the Bonds, after giving effect to the transfers from the Revenue Fund described above, the amount in the Interest Fund or the Principal Fund is less than the amount required to make interest and principal payments then due, the Trustee shall transfer from the following Funds in the following order of priority the amount of such deficit and apply such amount to pay interest and principal as necessary: (i) Residual Revenues Fund; (ii) Special Redemption Fund; and (iii) Mortgage Loan Fund.

None of the following are deemed available under the Trust Indenture for the payment of debt service on the Bonds: (i) the moneys in the Special Redemption Fund which are to be used to redeem Bonds as to which notice of redemption has been given or committed to the purchase of Bonds; (ii) moneys in the Mortgage Loan Fund which are to be used to make, acquire, or refinance Mortgage Loans with respect to which the Department has entered into commitments with borrowers, Mortgage Lenders or others; or (iii) Mortgage Loans credited to the Mortgage Loan Fund.

Investments

Moneys held in the Mortgage Loan Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Special Redemption Fund, and the Residual Revenues Fund are required to be invested and reinvested

by the Trustee or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Department and moneys held in the Cost of Issuance Fund and the Expense Fund are required to be invested and reinvested by the Department or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Department, to the fullest extent practicable and if permitted by the Act, in Investment Securities the principal of which the Department estimates will be received not later than such times as will be necessary to provide moneys when needed for payments to be made from each such Fund. See “SECURITY FOR THE BONDS – Investment of Funds” and “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company.”

Interest earned from investing any moneys in any Fund or profits realized from any investments in any Fund are required to be retained in such Fund until it contains the amount required by the Trust Indenture to be deposited therein; thereafter such earnings and profits, net of any losses (except that which represents a return of accrued interest paid in connection with the purchase by the Department, the Trustee or any Depository of any investment), are required to be transferred to the Revenue Fund.

Other Department Covenants

The Department is required to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries must be made of its transactions in accordance with generally accepted accounting principles. The Department is required to file annually, within 180 days after the close of each Bond Year, with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an accountant's certificate, including the following statements in reasonable detail: a statement of financial position as of the end of such Bond Year; and a statement of Revenues and Department Expenses for such Bond Year. The Department at all times is required to appoint, retain and employ competent personnel for the purpose of carrying out its programs and must establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the Department must be qualified for their respective positions.

Events of Default

Each of the following events is an “Event of Default” under the Trust Indenture: (i) default in the due and punctual payment of the principal or Redemption Price of any Bond when due; (ii) default in the due and punctual payment of any installment of interest on any Bond when due; (iii) default by the Department in the performance or observance of any other of its covenants, agreements, or conditions in the Trust Indenture or in the Bonds, and the continuance of such default for a period of 60 days after written notice thereof to the Department by the Trustee or to the Department and to the Trustee by the owners of not less than 10% in principal amount of the Bonds then Outstanding; or (iv) the commencement of various proceedings involving the Department in bankruptcy or seeking reorganization, arrangement, readjustment or composition of its debts or for any other relief under the federal bankruptcy laws or under any other insolvency act or law, state or federal, now or hereafter existing, or seeking the involuntary appointment of a receiver or trustee of the Department or for all or a substantial part of its property, and unless commenced by or consented to by the Department, their continuation for 90 days undismissed or undischarged.

Bondholders' Rights in the Event of Default

If an Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, must, by written notice delivered to the Department, declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable; subject, however, to the right of the owners of more than 50% in aggregate principal amount of the Bonds then Outstanding, by written notice to the Department and to the Trustee, to annul such declaration and destroy its effect at any time if all Events of Default, other

than those arising from nonpayment of principal or interest due solely as a result of such acceleration, have been cured. Such annulment will not extend to nor affect any subsequent Event of Default nor impair or exhaust any right or power consequent thereon.

If any Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, must: (i) by mandamus or other suit, action or proceeding at law or in equity require the Department to perform its covenants, representations and duties under the Trust Indenture; (ii) bring suit upon the Bonds; (iii) by action or suit in equity require the Department to account as if it were the trustee of a trust for the owners of the Bonds; (iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; or (v) take such other steps to protect and enforce its rights and the rights of the owners of the Bonds, whether by action, suit or proceeding in aid of the execution of any power granted in the Trust Indenture or for the enforcement of any other appropriate legal or equitable remedy.

If any Event of Default occurs and is continuing, then the Trustee may, and upon written request by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, must, proceed by suit or suits, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal of and interest on the Bonds under a judgment or decree of a court or courts of competent jurisdiction or by the enforcement of any other appropriate legal or equitable remedy, as the Trustee deems most effectual to protect and enforce any of its rights or the rights of the Bondholders under the Trust Indenture.

Application of Proceeds

The proceeds received by the Trustee in case of an Event of Default, together with all securities and other moneys which may then be held by the Trustee as a part of the Trust Estate, are required to be applied in order, as follows:

- (a) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee;
- (b) to the payment of the interest and principal then due on the Bonds, as follows:
 - (i) unless the principal of all the Bonds has become or has been declared due and payable, to the payment to the persons entitled thereto of: first, all installments of interest then due, in order of maturity, and, if the amount available is not sufficient to pay in full any installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without any discrimination or preference; and second, the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available is not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amount or Redemption Price due on such date, without any discrimination or preference; and
 - (ii) if the principal of all the Bonds has become or has been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

- (c) to the payment of the amounts required for reasonable and necessary Department Expenses.

Trustee

The Bank of New York Mellon Trust Company, N.A., is currently the Trustee for all Series of Bonds issued under the Trust Indenture.

The Department is required to pay reasonable compensation to the Trustee, any Depositories and any paying agent (other than the GNMA Paying Agent) for all services rendered under the Trust Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and for the performance of their powers and duties under the Trust Indenture.

The Trustee may be removed, with or without cause, if so requested by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding. In addition, the Trustee may be removed, with or without cause, at any time (unless an Event of Default has occurred and is continuing) by resolution of the Governing Board of the Department; provided, that all holders of Bonds be given notice of such action and the Department shall not have received, within 60 days after such notice, written objections to such action by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding. The Trustee may also resign, upon appropriate notice. In either event, a successor is required to be appointed. Any successor Trustee must be a bank or trust company organized under the laws of the United States of America or any state thereof or a national banking association doing business, and having capital stock and surplus aggregating at least \$75,000,000, which is willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed on it by the Trust Indenture.

Depositories

The Department may appoint one or more depositories to hold all or a designated portion of the moneys and investments subject to the lien and pledge of the Trust Indenture (other than moneys and securities required to be held in the Interest Fund, the Principal Fund and the Special Redemption Fund). Any depository appointed by the Department must be: (i) the State Comptroller, acting by and through the Texas Treasury Safekeeping Trust Company, a special-purpose corporate trust company organized under the laws of the State of Texas; or (ii) a bank or trust company organized under the laws of the United States or any state thereof and having capital stock and surplus of at least \$50,000,000 which the Department determines to be capable of properly discharging its duties in such capacity and which is acceptable to the Trustee. See “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company.”

All moneys and securities deposited with any Depository under the provisions of the Trust Indenture are required to be held in trust for the Trustee or the Department, as applicable, and the Bondholders, and may not be applied in any manner that is inconsistent with the provisions of the Trust Indenture.

Any Depository may at any time resign and be discharged of its duties and obligations under the Trust Indenture by giving at least 60 days' written notice to the Department and the Trustee. Any Depository may be removed at any time by the Department by resolution of the Governing Board of the Department.

Supplemental Indentures without Consent of Bondholders

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Department and the Trustee, without the consent of any

Bondholders: (i) to authorize Bonds of a Series and to specify the matters relative to such Bonds which are not contrary to or inconsistent with the Trust Indenture; (ii) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Trust Indenture; (iii) to insert such provisions clarifying matters or questions arising under the Trust Indenture as are necessary or desirable and are not contrary to or inconsistent with the Trust Indenture as theretofore in effect; (iv) to grant to or confer upon the Trustee for the benefit of the Bondholder any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Trustee; (v) to close the Trust Indenture against, or provide limitations on, the delivery of Bonds; (vi) to add to the covenants of the Department in the Trust Indenture other covenants which are not inconsistent with the Trust Indenture; (vii) to add to the restrictions in the Trust Indenture other restrictions to be observed by the Department which are not inconsistent with the Trust Indenture; (viii) to surrender any right, power or privilege reserved to or conferred upon the Department by the terms of the Trust Indenture that is not inconsistent with the Trust Indenture; (ix) to confirm the subjection to any lien or pledge created by the Trust Indenture of the Trust Estate or any other moneys; (x) to modify any of the provisions of the Trust Indenture in any other respect, effective only after all Bonds of any Series Outstanding at the date of adoption of such Supplemental Indentures shall cease to be outstanding; (xi) to amend the Trust Indenture to permit its qualification under the Trust Indenture Act of 1939 or any state blue sky law; (xii) to add to the definition of Investment Securities in accordance with the provisions of such definition; or (xiii) to make any other change in the Trust Indenture which does not, in the opinion of the Trustee, materially and adversely affect the rights of the holders of the Bonds.

Amendment of Trust Indenture with Consent of Bondholders

The Department and the Trustee, at any time and from time to time, may execute and deliver a Supplemental Indenture for the purpose of making any modification or amendment to the Trust Indenture, but only with the prior written consent of the holders of at least 2/3 in aggregate principal amount of the Bonds then Outstanding at the time such consent is given, and in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least 2/3 in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular Series and maturity remain Outstanding, the consent of the holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Trust Indenture. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture may permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (i) a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; (ii) a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; (iii) the creation of a lien on or a pledge of the Revenues or any part thereof, other than the lien and pledge of the Trust Indenture or as permitted by the Trust Indenture; (iv) the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or (v) a reduction in the aggregate principal amount or classes of Bonds of which the consent of the holders is required to effect any such modification or amendment. For the purposes of the Trust Indenture, a Series is deemed to be affected by a modification or amendment of the Trust Indenture if the same adversely affects or diminishes the rights of the owners of Bonds of such Series. The Trustee is required to determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series would be affected by any modification or amendment of the Trust Indenture and any such determination will be binding and conclusive on the Department and all holders of Bonds.

Defeasance

If the Department pays irrevocably or causes to be paid irrevocably, or there otherwise is paid, to the owners of all Bonds the principal amount or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Trust Indenture, then the pledge of the Trust Estate under the Trust Indenture and all covenants, agreements and other obligations of the Department to the Bondholders, will thereupon terminate. Bonds or interest installments for the

payment or redemption of which moneys are held in trust by the Trustee or any paying agent at the maturity or redemption date thereof will be deemed to have been paid within the meaning of the Trust Indenture. In addition, all Outstanding Bonds of any Series will be deemed to have been paid within the meaning of the Trust Indenture if: (i) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Department has given to the Trustee irrevocable instructions to give notice of redemption of such Bonds on said date; (ii) there has been deposited with the Trustee or any paying agent either moneys in an amount which are sufficient, or Government Obligations not subject to redemption prior to the maturity thereof, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or any paying agent at the same time, are sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and (iii) in the event said Bonds are not to be redeemed within the next succeeding 60 days, the Department has given the Trustee irrevocable instructions to give a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee or paying agent and that said Bonds are deemed to have been paid in accordance with the Trust Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Any moneys held for the payment of any of the Bonds which remain unclaimed for three years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption must, at the written request of the Department, be repaid to the Department, free from trust, and the Bondholders thereafter may look only to the Department for the payment of such Bonds.

TAX MATTERS RELATING TO THE SERIES 2025B BONDS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Series 2025B Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Series 2025B Bonds.

Tax Exemption

In the opinion of Bracewell LLP, Bond Counsel, subject to certain conditions set forth in the opinion and under existing law, interest on the Series 2025B Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference subject to the alternative minimum tax on individuals. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C.

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Series 2025B Bonds, to be excludable from gross income for federal income tax purposes. These requirements include the various mortgage eligibility, arbitrage, targeted area, recapture, use of proceeds and information reporting requirements discussed more fully below under the caption “Federal Income Tax Requirements.” The Department has covenanted in the Trust Indenture that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the procedures, safeguards and covenants of the Master Servicer and Mortgage Lenders in the Program Agreements and the covenants of the Department in the Trust Indenture and the Program Agreements pertaining to those sections of the Code that affect the excludability of the interest on the Series 2025B Bonds from gross income for federal income tax purposes, and in addition, will rely on representations by parties involved with the issuance of the Series 2025B Bonds and the Mortgage Loans with respect to matters solely within the knowledge of such parties, which representations Bond Counsel has not independently verified. If the Department, a Mortgage Lender, or the Master Servicer fails to comply with such procedures, safeguards

and covenants or if such representations should be determined to be inaccurate or incomplete, interest on the Series 2025B Bonds could become includable in gross income from the date of original delivery thereof, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Series 2025B Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, acquisition, ownership or disposition of the Series 2025B Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Trust Indenture upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Series 2025B Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to its attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service" or "IRS"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2025B Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Department as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2025B Bonds could adversely affect the value and liquidity of the Series 2025B Bonds, regardless of the ultimate outcome of the audit.

Collateral Tax Consequences

Prospective purchasers of the Series 2025B Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Series 2025B Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Series 2025B Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Series 2025B Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Series 2025B Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2025B Bonds.

Prospective purchasers of the Series 2025B Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2025B Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

If issue price of any maturity of the Series 2025B Bonds exceeds the stated Redemption Price payable at maturity of such Series 2025B Bonds, such Series 2025B Bonds (the “Premium Bonds”) are considered for federal income tax purposes to have “bond premium” equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount

If issue price of any maturity of the Series 2025B Bonds is less than the stated redemption price payable at maturity of such Series 2025B Bonds (the “OID Bonds”), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Series 2025B Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Series 2025B Bonds under the captions “TAX MATTERS RELATING TO THE SERIES 2025B BONDS – Tax Exemption,” “– Collateral Tax Consequences” and “– Tax Legislative Changes” generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Series 2025B Bonds for contemporaneous sale to the public and (ii) all of the Series 2025B Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the Department nor Bond

Counsel has made any investigation or offers any comfort that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2025B Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Series 2025B Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Series 2025B Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2025B Bonds. Prospective purchasers of the Series 2025B Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

Federal Income Tax Requirements

General

Sections 103 and 143 of the Code and applicable regulations thereunder provide that the interest on bonds the proceeds of which are used directly or indirectly to finance owner-occupied residences, will not be excludable from gross income for federal income tax purposes unless such bonds are part of a "qualified mortgage issue." A "qualified mortgage issue" must meet the following requirements: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve fund) are to be used to finance owner-occupied residences, (ii) the mortgages financed by the issue satisfy certain mortgage eligibility requirements, as set forth more fully below under the subheading "Mortgage Eligibility Requirements," (iii) certain arbitrage limitations described more fully below under the subheading "Requirements Related to Arbitrage" must be satisfied, (iv) a specified portion of the lendable proceeds of such issue must be made available for a minimum period of time for owner financing of residences located within certain targeted areas, as described more fully below under the subheading "Targeted Area Requirement," (iv) mortgagors must be informed regarding the recapture of a portion of the proceeds from the disposition of certain residences, as described more fully below under the subheading "Recapture Requirements," (v) the issue must not meet the private business tests, as described more fully below under the subheading "Private Business Use Limitations," (vi) amounts received as repayment of principal on the Mortgage Loans ten years after the date of issuance of the bonds must be used to redeem bonds that are part of the issue, as described more fully under the subheading "Redemption Requirements" below and (vii) the issue must meet certain reporting requirements, as set forth more fully below under the subheading "Reporting Requirements."

In addition, to be “qualified mortgage bonds,” the bonds must have been approved by (i) the Governing Board of the Department and (ii) an “applicable elected representative” of the State after a public hearing following reasonable public notice. Further, the costs of issuance financed by an issue of bonds cannot exceed two percent of the proceeds of such issue. Additionally, the amount of such an issue of bonds, other than certain refunding bonds, when added to the amount of all other private activity bonds issued within the State during calendar year of issuance must not exceed the unified volume cap for private activity bonds imposed by the Code and applicable regulations.

Mortgage Eligibility Requirements

The Code contains six basic mortgage eligibility requirements that must be met at the time a mortgage is executed or assumed.

Residence Requirement. The Code requires that each home financed by a mortgage loan is a single-family residence (i) that can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after financing is provided and (ii) located in the jurisdiction of the Department.

First-time Homebuyer Requirement. The Code requires that at least 95% of the net proceeds of an issue be used to finance residences of mortgagors who have not had a present ownership interest in their principal residences at any time during the three-year period prior to execution of the mortgage loan; provided, however, that the three-year requirement does not apply (i) to financings with respect to Targeted Area Residences, (ii) in the case of land possessed under a “contract for deed” by a mortgagor whose principal residence is located on such land and whose family income is not more than 50% of the area median family income (the “Contract for Deed Exception”), or (iii) financing of any residence of a qualified veteran, if such veteran has not previously qualified for and received such financing by reason of this exception. For purposes of the Contract for Deed Exception, the term “contract for deed” means a seller-financed contract for the conveyance of land under which legal title does not pass to the purchaser until the consideration under the contract is fully paid to the seller, and the seller's remedy for nonpayment is forfeiture rather than judicial or nonjudicial foreclosure.

Purchase Price Limitations. The Code requires that the acquisition cost of the residence may not exceed 90% of the “average area purchase price” applicable to such residence, or, in the case of Targeted Area Residences, 110% of the applicable “average area purchase price.” The Service has published “safe harbor rules” identifying purchase price limitations in the State that are considered to be in compliance with the requirements of the Code. The Department has determined to rely on the safe harbor figures for purposes of the Series 2025B Bonds.

Income Requirements. The Code requires that all the mortgage loans financed with the proceeds of an issue be provided to borrowers whose family income does not exceed 115% (100% in the case of individuals or families of two) of the greater of the statewide median income or the median income of the area in which the residence is located, subject to an upward adjustment in certain high housing cost areas. For Targeted Area Residences, the percentages in the foregoing sentence are 140% and 120%, respectively, and one-third of the financings may be provided without regard to such limits.

Requirements as to Assumptions of Mortgages. The Code provides that a mortgage loan may be assumed only if the assuming mortgagor complies with the residence requirement, first-time homebuyer requirement, purchase price limitations and income requirements, as if the loan were being made to the assuming mortgagor for the first time.

New Mortgage Requirement. The Code requires that no part of the proceeds of an issue of qualified mortgage bonds may be used to acquire or replace an existing mortgage (whether or not paid off) on the residence at any time prior to the execution of the new mortgage. An exception from the new mortgage requirement is provided for (i) the replacement of construction period loans, bridge loans or other similar

temporary initial financing having a term not exceeding 24 months, and (ii) certain residences described within the Contract for Deed Exception.

Requirements Related to Arbitrage and Rebate

Sections 143 and 148 of the Code provide that: (i) the effective interest rate on the mortgage loans financed with the proceeds of an issue of qualified mortgage bonds may not exceed the yield on such bonds by more than 1.125 percentage points; provided that, the Department may meet this requirement by the payment of yield reduction payments as set forth in the regulations promulgated under the Code; (ii) no more than 10% of the proceeds of an issue of bonds may be invested in any reserve or replacement fund; (iii) no more than the lesser of 5% of the proceeds of an issue of bonds or \$100,000 (other than amounts invested for certain temporary periods or in a “reasonably required reserve fund”) may be invested at a yield materially higher than the yield on such bonds; and (iv) the amount of funds held in certain accounts (other than amounts held for certain temporary periods) for an issue of bonds invested at a yield greater than the yield on such bonds may not exceed 150% of the current year's debt service on such bonds appropriately reduced as mortgage loans are prepaid. In calculating the effective interest rate on the mortgages, all amounts borne by the mortgagor either directly or indirectly must be taken into account.

The Code also requires the issuer to make rebate payments to the federal government in connection with certain investment earnings on non- mortgage investments, to the extent that such investment earnings exceed the amount that would have been earned on such investments if the investments were earning a return equal to the yield on the tax-exempt bonds to which such non-mortgage investments relate.

Targeted Area Requirement

The Code requires that either an amount equal to (a) at least 20% of the lendable proceeds of an issue of qualified mortgage bonds or (b) 40% of the average annual aggregate principal amount of mortgages executed during the immediately preceding three calendar years for single family, owner-occupied residences in targeted areas within the Department's jurisdiction, if such amount is less, must be reserved, for at least one year from the date on which owner-financing is first made available with respect to residences located within one or more targeted areas (“Targeted Area Residences”). Targeted Areas consist of (i) census tracts identified by the United States Treasury Department as having a substantial concentration of lower-income persons or (ii) areas of chronic economic distress designated by the State and approved by HUD. The State, at the request of the Department, has designated and HUD and the Secretary of the Treasury have approved, certain “areas of chronic economic distress” within the State. In addition, the Department has determined that there are “qualified census tracts” within the State.

Recapture Requirements

The Code subjects to a tax any mortgagor who disposes of an interest in a residence with respect to which there is or was any federally-subsidized indebtedness (i.e., a mortgage loan), the payment for which the mortgagor was liable in whole or in part. Specifically, such a mortgagor is subject to the payment of an additional tax reflecting the “recapture amount” with respect to such indebtedness. This recapture amount is determined pursuant to a formula established in the Code based on the “federally-subsidized amount,” the time of disposition and certain family income limits applicable to the mortgagor. This recapture provision does not apply to any disposition of an interest in a residence by reason of death or any such disposition that is more than nine years after the date the mortgage loan is made.

In order to facilitate the collection of the recapture amount from mortgagors, the Code requires that the issuer of any issue of qualified mortgage bonds, at the time of settlement of a mortgage loan, provide a written statement informing the mortgagor of the potential recapture under the Code. Furthermore, the Code requires that the issuer, not later than 90 days after the date each such mortgage is closed, provide a written

statement to the mortgagor specifying the federally-subsidized amount with respect to such mortgage loan and the applicable income limits.

Private Business Use Limitations

The Code provides that an issue of qualified mortgage bonds must not meet the private business use test and the private security or payment tests set out in sections 141(b)(1) and (2) of the Code. The private business use test limits, subject to certain exceptions, the amounts of proceeds that can be used, directly or indirectly, in a trade or business carried on by any person (other than a natural person) that is not a state or local governmental unit to no more than 10% of the proceeds of the issue. The private security or payment test provides that, subject to certain exceptions, the payment of principal of, or the interest on, more than 10% of the proceeds of an issue be, directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) be derived from payments in respect of such property.

Redemption Requirements

The Code contains two redemption requirements that must be satisfied in order for an issue of bonds to be treated as “qualified mortgage bonds.” The Code requires that all proceeds of an issue of qualified mortgage bonds in an amount of \$250,000 or more that are not expended to finance residences within 42 months of the date of issuance of such bonds must be used within such 42-month period to redeem bonds that are part of such issue of bonds. The Code also requires that all amounts of \$250,000 or more that are received by the issuer and representing complete repayments of mortgage loans or prepayments of principal of mortgage loans must be used to redeem bonds of the same issue not later than the close of the first semiannual period beginning after the date the prepayment or complete repayment is received; provided that, such requirement does not apply to amounts received within 10 years after the date of issuance of the original bonds.

Reporting Requirements

An issuer of qualified mortgage bonds is required to file with the Secretary of the Treasury an informational report containing various data regarding such bonds and the mortgages financed with the proceeds thereof.

Compliance with Tax Requirements

With respect to the mortgage eligibility requirements described above, the Code provides that such requirements will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements before the mortgage loans are executed; (ii) 95% or more of the lendable proceeds were used for mortgage loans that met all the mortgage eligibility requirements at the time of execution or assumption; and (iii) any failure to meet such requirements is corrected within a reasonable period of time after such failure is discovered. In determining whether or not 95% of the mortgage loans satisfy the mortgage eligibility requirements, the issuer is entitled to rely upon affidavits of the mortgagors and sellers of residences financed with the mortgage loans and upon federal income tax returns of the mortgagors, even if the relevant information in such affidavits and returns ultimately proves to be false, unless the issuer knows or has reason to know that such information is false.

The Code provides that the requirements related to arbitrage, Targeted Area Residences and recapture will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements and (ii) any failure to meet such requirements is due to inadvertent error after having taken reasonable steps to comply with such requirements.

The Department has covenanted in the Trust Indenture and the Mortgage Lenders and the Master Servicer have covenanted in the Program Agreements to (i) comply with the above-described requirements of the Code with respect to the proceeds of the Series 2025B Bonds and (ii) establish and follow procedures and safeguards sufficient to ensure compliance with such requirements. Nevertheless, if the Department, a Mortgage Lender, or the Master Servicer should fail to comply with such covenants, interest on the Series 2025B Bonds could become includable in gross income for federal income tax purposes from the date of issuance thereof, regardless of the date on which the event causing such inclusion occurs.

TAX MATTERS RELATING TO THE SERIES 2025C BONDS

This discussion of material U.S. federal income tax considerations is provided for general information only and is not intended as tax advice to any particular investor. Persons considering the purchase of Series 2025C Bonds are urged to consult their tax advisors with regard to the application of U.S. federal income or other tax laws (including estate and gift tax laws) to their particular situations as well as any tax consequences arising under the laws of any state, local, or foreign taxing jurisdiction or under any applicable tax treaty.

The following discussion is a summary of the material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Series 2025C Bonds offered in this offering. This summary is based upon current provisions of the Code, existing and proposed Treasury Regulations promulgated thereunder, IRS rulings and pronouncements, and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly on a retroactive basis, at any time by legislative, judicial or administrative action. The Department cannot assure you that the IRS will not challenge the conclusions stated below, and no ruling from the IRS or an opinion of counsel has been or will be sought on any of the matters discussed below.

This discussion is limited to holders who are the initial purchasers of the Series 2025C Bonds for cash at their original purchase price, which will equal the first price to the public (not including bondhouses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Series 2025C Bonds is sold for cash (the “Issue Price”) and who hold the Series 2025C Bonds as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address all U.S. federal income tax consequences relative to a holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation: U.S. expatriates and former citizens or long-term residents of the United States; persons subject to the alternative minimum tax; U.S. Holders (as defined below) whose functional currency is not the U.S. dollar; persons holding the Series 2025C Bonds as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction, or other integrated investment; banks, insurance companies or other financial institutions; real estate investment trusts or regulated investment companies; brokers, dealers or traders in securities or currencies; “controlled foreign corporations,” “passive foreign investment companies” and corporations that accumulate earnings to avoid U.S. federal income tax; S corporations, partnerships and other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein); persons subject to special accounting rules as a result of any items of gross income with respect to the Series 2025C Bonds being taken into account in an applicable financial statement; tax-exempt organizations or governmental organizations; persons who elect to use a mark-to-market method of accounting for security holdings; and individual retirement accounts or qualified pension plans. This summary does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances and does not discuss the effect of any U.S. state, local income or other tax laws, any U.S. federal estate and gift tax laws, or any non-U.S. tax laws.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Series 2025C Bonds, the tax treatment of such partnership or a partner of such partnership generally will depend upon the tax status of the partner and the tax treatment of the partnership. Partnerships acquiring Series 2025C Bonds and partners of partnerships acquiring the Series 2025C Bonds should consult their own tax advisors about the U.S. federal income tax consequences to them of the purchase, ownership and disposing of the Series 2025C Bonds.

Consequences to U.S. Holders

The following discussion summarizes certain material U.S. federal income tax consequences to U.S. holders of the purchase, ownership, and disposition of the Series 2025C Bonds. As used herein “U.S. Holder” means a beneficial owner of a Series 2025C Bond who or that is for U.S. federal income tax purposes: (i) an individual who is a citizen of the United States or resident alien of the United States; (ii) a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or if a valid election is in effect under U.S. Treasury Regulations to be treated as a United States person.

Interest on the Series 2025C Bonds -- A U.S. Holder will be required to recognize as ordinary income all interest paid or accrued on the Series 2025C Bonds in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Original Issue Discount -- If the Issue Price of the Series 2025C Bonds of any stated maturity is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Series 2025C Bonds of such maturity will be treated as being issued with “original issue discount.” The amount of the original issue discount will equal the excess of the principal amount payable on such Series 2025C Bonds at maturity over the Issue Price, and such amount will be amortized over the life of the Series 2025C Bonds using the “constant yield method” provided in the U.S. Treasury Regulations. The original issue discount accrues under the constant yield method and the beneficial owners of the Series 2025C Bonds, regardless of their regular method of accounting, must include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of such Series 2025C Bonds that exceeds actual cash interest payments to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on such Series 2025C Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds such Series 2025C Bonds will increase such beneficial owner's adjusted tax basis of such Series 2025C Bonds.

Premium -- If the Issue Price of the Series 2025C Bonds of any stated maturity is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased such Series 2025C Bond with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of such Series 2025C Bond and may offset interest otherwise required to be included in respect of such Series 2025C Bond during any taxable year by the amortized amount of such excess for the taxable year. Series 2025C Bond premium on such Series 2025C Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of such Series 2025C Bond. However, if such Series 2025C Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the U.S. Treasury Regulations which could result in a deferral of the amortization of some Series 2025C Bond premium until later in the term of such Series 2025C Bond. Any election to amortize Series 2025C Bond premium applies to all taxable debt instruments held by the beneficial owner

on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Series 2025C Bond -- A U.S. Holder generally will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Series 2025C Bond measured by the difference, if any, between (i) the amount of cash and the fair market value of any property received (except to the extent that the cash or other property received in respect of a Series 2025C Bond is attributable to accrued and unpaid interest on the Series 2025C Bond, which amount will be taxable as ordinary interest income to the extent not previously included in gross income) and (ii) the U.S. Holder's adjusted tax basis in the Series 2025C Bond.

A U.S. Holder's adjusted tax basis in the Series 2025C Bonds generally will equal the amount the U.S. Holder paid for the Series 2025C Bonds, increased by any original issue discount previously included in the holder's income and decreased by the amount of the Series 2025C Bond premium that has been previously amortized. Any gain or loss will be capital gain or loss and will be treated as long-term capital gain or loss if, at the time of the sale, exchange, redemption, retirement or other taxable disposition, the Series 2025C Bonds have been held by the U.S. Holder for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders, including individuals, generally will be subject to a reduced rate of tax. The deductibility of capital losses is subject to certain limitations. U.S. Holders of the Series 2025C Bonds should consult their tax advisors regarding the treatment of capital gains and losses.

Information Reporting and Backup Withholding -- Information reporting generally will apply to payments of interest on, and the proceeds of the sale, exchange, redemption, retirement or other disposition of, the Series 2025C Bonds held by U.S. Holders, and backup withholding may apply unless the U.S. Holder provides the applicable withholding agent with a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the U.S. Holder's actual U.S. federal income tax liability and the U.S. Holder timely provides the required information or appropriate claim to the IRS.

Tax Consequences to Non-U.S. Holders

The following discussion summarizes certain material U.S. federal income tax consequences to non-U.S. Holders of the purchase, ownership and disposition of the Series 2025C Bonds. For purposes of this discussion, a "non-U.S. Holder" is a beneficial owner of Series 2025C Bonds that is neither classified for U.S. federal income tax purposes as a partnership nor is a U.S. Holder (as defined above).

Interest on the Series 2025C Bonds -- Subject to the discussions below regarding backup withholding and FATCA withholding, payments of interest on a Series 2025C Bond to a non-U.S. Holder that are not effectively connected with such non-U.S. Holder's U.S. trade or business generally will not be subject to U.S. federal income tax and will be exempt from U.S. federal withholding tax under the portfolio interest exemption provided that:

- the non-U.S. Holder is not an actual or constructive owner of 10% or more of the total combined voting power of all classes of our voting stock;
- the non-U.S. Holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related, directly or indirectly, to us through stock ownership);
- the non-U.S. Holder is not a bank that acquired the Series 2025C Bonds in consideration for the extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- the non-U.S. Holder provides its name and address and certifies, under penalties of perjury, that it is not a United States person as defined under the Code (which certification may be made on an IRS Form W-8BEN or W-8BEN-E (or other applicable form)); (ii) the non-U.S. Holder holds its Series 2025C Bonds through certain foreign intermediaries and it satisfies the certification requirements of applicable Treasury Regulations; or (iii) a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business holds the Series 2025C Bonds on behalf of the non-U.S. Holder and such securities clearing organization, bank, or other financial institution satisfies the certification requirements of applicable Treasury Regulations.

If the payments of interest on a Series 2025C Bond are effectively connected with the conduct by a non-U.S. Holder of a trade or business in the United States (and, in the event that an income tax treaty is applicable, if the payments of interest are attributable to a U.S. permanent establishment maintained by the non-U.S. Holder), such payments will not be subject to withholding of U.S. federal income tax so long as the non-U.S. Holder provides the applicable withholding agent with a properly completed IRS Form W-8ECI (or other applicable form), signed under penalties of perjury. However, such payments will be subject to U.S. federal income tax on a net income basis at regular graduated income tax rates generally in the same manner as if it were a U.S. Holder (as defined above), subject to any modifications provided under an applicable income tax treaty. In addition, if the non-U.S. Holder is a foreign corporation for federal income tax purposes, such payments of interest may also be subject to a branch profits tax at the rate of 30% (or lower applicable treaty rate) of such holder's earnings and profits for the taxable year, subject to certain adjustments, including earnings and profits from an investment in the Series 2025C Bonds, that are effectively connected with its conduct of a trade or business in the United States.

A non-U.S. Holder that does not qualify for the exemption from U.S. federal withholding tax under the preceding paragraphs generally will be subject to U.S. federal withholding tax at the rate of 30% on payments of interest on the Series 2025C Bonds, unless such non-U.S. Holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) claiming exemption from or a reduction of withholding under the benefit of an applicable tax treaty. Income tax treaties may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above. Non-U.S. Holders should consult with their advisors regarding any applicable income tax treaties.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Taxable Bond -- Subject to the discussions below on backup withholding and FATCA withholding, any gain realized by a non-U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Series 2025C Bond generally will not be subject to U.S. federal income tax or withholding tax, unless:

- Such gain is effectively connected with the conduct by such non-U.S. Holder of a U.S. trade or business in the United States (and, in the event that an income tax treaty is applicable, such gain is attributable to a permanent establishment maintained by the non-U.S. Holder in the United States),
- the non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are satisfied.

If a non-U.S. Holder is engaged in a trade or business in the United States and gain on a Series 2025C Bond is effectively connected with the conduct of such trade or business (and, if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by the non-U.S. Holder within the United States), the non-U.S. Holder will be subject to U.S. federal income tax at regular graduated income tax rates in the same manner as if it were a U.S. Holder, subject to any modification provided under an applicable income tax treaty. If the non-U.S. Holder is a foreign corporation for U.S. federal income tax purposes, such gain may also be subject to a branch profits tax at the rate of 30%, or lower applicable treaty rate, of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

If a non-U.S. Holder is an individual who is present or deemed to be present in the United States for 183 days or more during the taxable year of the disposition of a Series 2025C Bond and certain other requirements are met, such non-U.S. Holder generally will be subject to U.S. federal income tax at a flat rate of 30% (unless a lower applicable income tax treaty rate applies), on any such gain.

Information Reporting and Backup Withholding -- Payments to non-U.S. Holders of interest on a Series 2025C Bond, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to the non-U.S. Holder. Copies of these information returns also may be made available to the tax authorities of the country in which the non-U.S. Holder resides or is established under the provisions of a specific treaty or agreement. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Backup withholding generally will not apply to payments of principal and interest on Series 2025C Bonds if the non-U.S. Holder furnishes a certification as to its non-U.S. status or the non-U.S. Holder otherwise establishes an exemption, provided that the applicable withholding agent does not have actual knowledge or reason to know that the non-U.S. Holder is a United States person.

Payment of the proceeds of a disposition of a Series 2025C Bond effected by the U.S. office of a United States or foreign broker will be subject to information reporting and backup withholding unless the non-U.S. Holder properly certifies under penalties of perjury as to its foreign status and certain other conditions are met or the non-U.S. Holder otherwise establishes an exemption. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds of the disposition of a Series 2025C Bond effected outside the United States by a foreign office of a broker. However, unless such a broker has documentary evidence in its records of the non-U.S. Holder's foreign status and certain other conditions are met, or the non-U.S. Holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the sale of a Series 2025C Bond effected outside the United States by such a broker if it has certain relationships with the United States.

U.S. backup withholding tax is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the U.S. Holder's actual U.S. federal income tax liability and the U.S. Holder timely provides the required information or appropriate claim to the IRS.

FATCA Withholding

The Foreign Account Tax Compliance Act, or "FATCA," imposes a 30% withholding tax on certain types of payments made to foreign financial institutions, or "FFIs," and certain other non-U.S. entities, unless certain due diligence, reporting, withholding, and certification requirements are satisfied. As a general matter, FATCA imposes a 30% withholding tax on interest payments on a Series 2025C Bond, and (subject to the proposed United States Treasury regulations discussed below) payments of gross proceeds from the sale or other disposition of a Series 2025C Bond, that are made to an FFI or non-financial foreign entity unless (i) the foreign entity is an FFI that undertakes certain due diligence, reporting, withholding, and certification obligations, or in the case of an FFI that is a resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA, the entity complies with the diligence, reporting, and other requirements of such an agreement, (ii) the foreign entity is not an FFI and either certifies that it does not have any "substantial" U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (iii) the foreign entity qualifies for an exemption from these rules. In certain cases, a "substantial" U.S. owner can mean an owner of any interest in the foreign entity.

As noted above, withholding under FATCA can apply to payments of gross proceeds from the sale or other disposition of a Series 2025C Bond, in addition to interest payments. However, United States Treasury regulations have been proposed that would entirely eliminate FATCA withholding on payments of gross proceeds. Taxpayers generally may rely on these proposed United States Treasury regulations until the promulgation of final United States Treasury regulations.

Prospective investors are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in the Series 2025C Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Continuing Disclosure Agreement, dated as of June 1, 2025 (the “Disclosure Agreement”), between the Trustee and the Department, the Department has made the following agreement for the benefit of the holders and beneficial owners of the Series 2025 Bonds. The Department is required to observe the Disclosure Agreement for so long as it remains obligated to advance funds to pay the Series 2025 Bonds. Under the Disclosure Agreement, the Department will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the “MSRB”).

No Eligible Borrower is an “obligated person” (as defined in the Rule) of the United States Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended for whom financial information or operating data would be presented in this Official Statement had such Eligible Borrower been known at the time of the offering of the Series 2025 Bonds.

The Department's Bond Finance Division has policies and procedures in place to assist the Department in complying with continuing disclosure undertakings such as the Disclosure Agreement. The Department's policies and procedures and the Disclosure Agreement were amended in response to the two notice events added, effective February 27, 2019, to the list of events for which notice is required by the Rule. See “—Event Notices” below.

Annual Reports

The Department will provide certain updated financial information and operating data to the MSRB annually within six months after the end of its Fiscal Year. The information to be updated includes all quantitative financial information and operating data with respect to the Department of the general type included in this Official Statement in “APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES” and “APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS” and the annual financial statements of the Texas Department of Housing and Community Affairs – Revenue Bond Enterprise Fund for the Fiscal Year ended August 31, 2024 and for each subsequent Fiscal Year (financial statements for the last completed Fiscal Year will be unaudited, unless an audit is performed in which event the audited financial statements will be made available). The Department will update and provide this information within six months after the end of each Fiscal Year ending on or after August 31. The Department will provide the updated information to the MSRB.

The Department may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the Department commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Department will provide unaudited financial statements within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described herein under “FINANCIAL STATEMENTS” or such other accounting principles as the Department may be required to employ from time to time pursuant to state law or regulation.

The Department's current Fiscal Year ends on August 31, 2025. Accordingly, it will provide updated information to the MSRB in the electronic format prescribed by the MSRB, if any, by the last day of February in the year 2026 and will be required to provide updated information to the MSRB by the last

day of February in each year thereafter, unless the Department changes its Fiscal Year. If the Department changes its Fiscal Year, it will notify the MSRB of the change.

The Department determined in 2017 that the annual disclosure of information regarding the Residential Mortgage Revenue Bond Program (“RMRB Program”) would no longer include certain annual information since the RMRB Program has no whole mortgage loans and over 99% of the mortgage-backed certificates are Ginnie Mae Certificates. As such, information related to: (i) whole mortgage loans and (ii) mortgage-backed certificate type and delinquency data are immaterial to the current RMRB Program and were and will be omitted in its annual disclosure. Based on the changing make-up of the pledged assets under the Department's various indentures, the Department will determine materiality of disclosure items and may modify its disclosure accordingly in the future.

Event Notices

The Department will provide notice to the MSRB of any of the following events with respect to the Series 2025 Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of securities holders; (3) Series 2025 Bond calls, if material, and tender offers; (4) release, substitution, or sale of property securing repayment of the Series 2025 Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; (6) appointment of a successor or additional trustee or the change of name of a trustee; and (7) incurrence of a financial obligation of the Department, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Department, any of which affect security holders.

The Department will also provide notice to the MSRB of any of the following events with respect to the Series 2025 Bonds without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series 2025B Bonds, or other events affecting the tax-exempt status of the Series 2025B Bonds; (6) defeasances; (7) rating changes; and (8) bankruptcy, insolvency, receivership or similar event of an obligated person; and (9) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Department, any of which reflect financial difficulties.

For the purposes of the above described event notices, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The Department has expressed its intent in the Disclosure Agreement that the words used in (7) in the first paragraph of this subcaption and item (9) immediately above and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Department will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The Department will also provide timely notice of any failure by the Department to provide annual financial information in accordance with their agreement described above under “Annual Reports.”

Availability of Information from MSRB

The Department has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Series 2025 Bonds only if the holders comply with the procedures and pay any charges that may be established by the MSRB such information vendors or obtain the information through securities brokers who do so. Such information is available at no charge at www.emma.msrb.org.

Limitations and Amendments

The Department has agreed to update information and to provide notices of material events only as described above. The Department has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Department makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2025 Bonds at any future date. The Department disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Disclosure Agreement or from any statement made pursuant to its Disclosure Agreement, although holders of Series 2025 Bonds may seek a writ of mandamus to compel the Department to comply with its Disclosure Agreement.

The Disclosure Agreement may be amended by the Department and the Trustee from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Department, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell any Series 2025 Bonds in the primary offering of the Series 2025 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Disclosure Agreement that authorizes such an amendment) of the Outstanding Series 2025 Bonds consent to such amendment or (b) a person that is unaffiliated with the Department (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2025 Bonds. If the Department so amends the Disclosure Agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of any change in the type of financial information and operating data so provided. The Department may also amend or repeal the provisions of the Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling any Series 2025 Bonds in the primary offering of such Series 2025 Bonds.

Notwithstanding the foregoing, under current state law, the Department is required to have an audit performed annually by independent accountants, which audit is available to any person who makes a request to the Department and upon payment of the cost of copying thereof.

Duties, Immunities, and Liabilities of Trustee

The Trust Indenture is made applicable to the Disclosure Agreement as if the Disclosure Agreement were (solely for this purpose) contained in the Trust Indenture. The Trustee shall have only such duties as are specifically set forth in the Disclosure Agreement, and no implied covenants shall be read into the Disclosure Agreement against the Trustee.

RATINGS

Moody's Ratings ("Moody's") and S&P Global Ratings, a division of S&P Global, Inc. ("S&P"), have assigned ratings to the Series 2025 Bonds of "___" and "___," respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings do not represent recommendations to buy, sell, or hold the Series 2025 Bonds. The ratings reflect only the respective views of such organizations at the time such ratings were assigned and the Department makes no representation as to the appropriateness of the ratings.

There is no assurance that any ratings assigned to the Series 2025 Bonds will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025 Bonds.

UNDERWRITING

The Series 2025 Bonds are being purchased from the Department by the Underwriters listed on the cover page of this Official Statement. Pursuant to the bond purchase agreement for the Series 2025B Bonds and the Series 2025C Bonds (the "Bond Purchase Agreement"), the Underwriters have agreed to purchase the Series 2025B Bonds at a total purchase price of \$_____ (including \$_____ of premium) and the Series 2025C Bonds at a total purchase price of \$_____ (including \$_____ of premium). The Underwriters will receive a fee of \$_____ in connection with the purchase of the Series 2025B Bonds and a fee of \$_____ in connection with the Series 2025C Bonds. The Bond Purchase Agreement provides, among other things, that the Underwriters' obligations to make their respective purchases are subject to certain terms and conditions set forth in such Bond Purchase Agreement, including the approval of certain legal matters by their counsel and certain other conditions. The initial public offering prices of the Series 2025 Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing the Series 2025 Bonds into unit investment trusts, certain of which may be sponsored or managed by one or more of the Underwriters) and others at prices other than the public offering prices stated on the inside front cover hereof.

[UPDATE]

[Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2025B Bonds, has entered into a retail distribution agreement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution agreement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2025B Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2025 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2025B Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2025 Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells

Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), one of the underwriters of the Series 2025 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2025 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2025 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2025 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.]

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Department and to persons and entities with relationships with the Department, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Department (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Department.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

[TO COME].

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2025 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

FINANCIAL STATEMENTS

The financial statements of the Texas Department of Housing and Community Affairs-Revenue Bond Enterprise Fund as of and for the fiscal year ended August 31, 2024, have been audited by the Texas State Auditor's Office, independent auditors, as stated in their report rendered in connection therewith and are incorporated by reference in this Official Statement.

The financial data as of and for the second month ended _____, 202_ which is incorporated by reference in this Official Statement, has been derived from the unaudited internal records of the Department. The Department's independent auditors have not reviewed, examined, or performed any procedures with respect to the unaudited financial information, nor have they expressed an opinion or any other form of assurance on such information, and assume no responsibility for, and disclaim any association with the unaudited information. The unaudited information is preliminary and is subject to change as a result of the audit and may materially differ from the audited financial statements when they are released.

The Department's FY2024 Audited Financial Statements (Revenue Bond Enterprise Fund) as of August 31, 2024 are available for inspection at the Department's offices, upon request, or at:

<https://www.tdhca.texas.gov/programs/financial-administration-division>

The Department's Interim Financial Statements as of _____, 202_ are available for inspection at the Department's offices, upon request, or at:

<https://www.tdhca.texas.gov/programs/bond-finance>

THE SERIES 2025 BONDS ARE SECURED ONLY BY THE ASSETS AND REVENUES DESCRIBED UNDER THE CAPTION "SECURITY FOR THE BONDS" AND NOT BY ANY OTHER SOURCE.

LITIGATION MATTERS

The Department is expected to deliver a certificate upon the delivery of the Series 2025 Bonds stating that there is no controversy or litigation of any nature pending or, to its knowledge, threatened to restrain or enjoin the delivery of the Series 2025 Bonds, or in any way contesting or affecting the validity of the Series 2025 Bonds, the Trust Indenture, or any proceedings of the Department taken with respect to the delivery of the Series 2025 Bonds, or the existence or powers of the Department insofar as they relate to the delivery of the Series 2025 Bonds or such pledge or application of moneys and security.

APPROVAL OF LEGALITY

Legal matters incident to the delivery of the Series 2025B Bonds are subject to the approving opinion of Bracewell LLP, Bond Counsel. Certain legal matters will be passed upon for the Department by its General Counsel, James "Beau" Eccles, Esq., and by its Disclosure Counsel, McCall, Parkhurst & Horton L.L.P. Certain legal matters will be passed upon for the Underwriters by their counsel Chapman and Cutler LLP.

In its capacity as Bond Counsel, Bracewell LLP has reviewed the information appearing in this Official Statement describing the Series 2025B Bonds, the security therefor and the federal income tax status thereof, appearing under "THE SERIES 2025 BONDS" (but excluding the (i) phrases regarding maintaining the original yield under "– Redemption Provisions," (ii) third paragraph under "– Redemption Provisions – Series 2025B Bonds – Special Redemption from Unexpended Proceeds of Series 2025B Bonds," (iii) third paragraph under "– Redemption Provisions – Series 2025C Bonds – Special Redemption from Unexpended Proceeds of Series 2025C Bonds," and (iv) information contained therein under the

subheading "—Average Life and Prepayment Speeds"), "SECURITY FOR THE BONDS" (but excluding the information contained therein under the subheading "—Certain Information as to Revenues, Investments, Debt Service and Department Expenses"), "THE TRUST INDENTURE," "TAX MATTERS RELATING TO THE SERIES 2025B BONDS," "TAX MATTERS RELATING TO THE SERIES 2025C BONDS," "APPROVAL OF LEGALITY," APPENDIX A, APPENDIX C and APPENDIX H — "Texas Treasury Safekeeping Trust Company," APPENDIX H — "Legality for Investment" and APPENDIX H — "The Program and the Mortgage Loans" (but excluding the information under the subheadings "—Servicing," "—The Master Servicers" and "—Investment of Funds"), to this Official Statement solely to determine whether such information fairly and accurately describes or summarizes the provisions of the Act, the laws of the State, the Trust Indenture, the 2025 Supplemental Indentures, the Depository Agreement, the Series 2025 Bonds and certain aspects of its opinion relating to the federal tax implications with respect to the Series 2025 Bonds. Bond Counsel was not requested to participate and did not take part in the preparation of any other information contained herein and did not assume responsibility with respect thereto or undertake independently to verify the accuracy of any of such information. Except as set forth above, Bond Counsel does not pass upon the fairness, accuracy or completeness of this Official Statement, and no person is entitled to rely upon such firm's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of the information contained herein.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Trust Indenture are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. The information contained above is subject to change without notice and no implication is to be derived therefrom or from the sale of the Series 2025 Bonds that there has been no change in the affairs of the Department from the date hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or owners of any of the Series 2025 Bonds.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: /s/
Chair and Member
Governing Board

By: /s/
Executive Director

APPENDIX A

GLOSSARY

Unless otherwise provided in the text of this Official Statement, capitalized terms used in this Official Statement shall have the following definitions:

“Act” shall mean Chapter 2306, Government Code, as amended from time to time (together with other laws of the State applicable to the Department).

“Advances” means advances made to the Department by the Federal Home Loan Bank pursuant to the FHLB Agreement.

“Assisted Loan” shall mean a Mortgage Loan that includes a DPA Loan.

“Authorized Denominations” shall mean \$5,000 principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, 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 or any other employee or officer or member of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Year” shall mean each twelve-month period that ends on December 31.

“Bonds” shall mean, unless subordinated, any bond or bonds, as the case may be, authenticated and delivered pursuant to the Trust Indenture.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Cashflow Certificate” shall mean a written certificate signed by an Authorized Representative of the Department stating that the action described in the Letter of Instructions to which such certificate pertains is consistent with the assumptions used in the Cashflow Statement most recently filed with the Trustee.

“Cashflow Statement” shall mean a cashflow statement conforming to the requirements of the Trust Indenture.

“Certificate Purchase Period” shall mean the period from the date of initial delivery of the Series 2025 Bonds to and including _____, 2025*, but which may be extended to a date no later than _____, 20____, in accordance with the 2025 Supplemental Indentures.

“Chapter 1371” means Chapter 1371, Texas Government Code, as amended.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section,

(b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in clauses (b) and (c).

“Costs of Issuance” shall mean the items of expense payable or reimbursable directly or indirectly by the Department and related to the authorization, sale, issuance and remarketing of Bonds, which items of expense shall include without limiting the generality of the foregoing: travel expenses; printing costs; costs of reproducing documents; computer fees and expenses; filing and recording fees; initial fees and charges of the Fiduciaries; bond discounts; underwriting fees and remarketing fees; legal fees and charges; consulting fees and charges; auditing fees and expenses; financial advisory fees; credit rating fees; initial amounts paid to obtain Supplemental Mortgage Security or a Credit Agreement; fees and charges for execution, transportation and safekeeping of Bonds; and other administrative or other costs of issuing, carrying, repaying, and remarketing Bonds and investing the Bond proceeds and costs incurred in marketing or advertising the Program.

“Credit Agreement” shall mean (i) any agreement of the Department entered into in connection with and for the purpose of (A) enhancing or supporting the creditworthiness of a Series of Bonds or (B) providing liquidity with respect to Bonds which by their terms are subject to tender for purchase, and (ii) a Swap Agreement. A determination by the Department that an agreement constitutes a Credit Agreement under this definition shall be conclusive.

“Credit Agreement Obligations” shall mean any amounts payable by the Department under and pursuant to a Credit Agreement other than amounts payable as a Termination Payment.

“Department” shall mean the Texas Department of Housing and Community Affairs and its successors and assigns.

“Department Expenses” shall mean the Department's expenses of carrying out and administering its powers, duties and functions in connection with mortgage loans and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; expenses for data processing, insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Fiduciaries; mortgage loan servicing fees; Costs of Issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; amounts paid to obtain and maintain Supplemental Mortgage Security; Credit Agreement Obligations; and any other expenses required or permitted to be paid by the Department under the provisions of the Act, the Master Indenture and any Supplemental Indenture.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to the Trust Indenture to act as depository of certain moneys and investments.

* Preliminary, subject to change.

“DPA Loan” means a subordinated, no stated interest loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to the 2025 Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are due on sale, refinance, or repayment of the first mortgage and have a thirty year term.

“Eligible Borrower” shall mean eligible borrowers who meet the criteria described under “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Program and the Mortgage Loans – Eligible Borrowers.”

“Excess Revenues” shall mean any moneys remaining in the Revenue Fund and transferred to the Residual Revenues Fund after all other transfers required by the Trust Indenture on any maturity date or redemption date for the Bonds.

“Fannie Mae” shall mean the Federal National Mortgage Association, a federally-chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq.

“Fannie Mae Certificate” shall mean a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security bearing interest at the applicable Pass-Through Rate, issued by Fannie Mae in book-entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Fannie Mae and backed by conventional Mortgage Loans in the related Fannie Mae pool.

“FDIC” shall mean the Federal Deposit Insurance Corporation or any successor agency or instrumentality of the United States of America.

“FHA” shall mean the Federal Housing Administration or its successors.

“FHLB Agreement” means the Advances and Security Agreement, dated November 1, 2016, by and between the Department and the Federal Home Loan Bank of Dallas, as amended, and the side letters executed pursuant thereto.

“Fiduciaries” shall mean the Trustee, the Depository, and any bond depository and any paying agent.

“Forty-Sixth Supplemental Indenture” shall mean the Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of June 1, 2025, by and between the Department and the Trustee, together with any amendments.

“Forty-Seventh Supplemental Indenture” shall mean the Forty-Seventh Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of June 1, 2025, by and between the Department and the Trustee, together with any amendments.

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States of America, or its successor.

“Fund” shall mean the Mortgage Loan Fund, the Cost of Issuance Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Special Redemption Fund, the Rebate Fund, the Expense Fund, the Residual Revenues Fund and the Special Mortgage Loan Fund established under the Trust Indenture.

“Ginnie Mae” or “GNMA” shall mean the Government National Mortgage Association, a government sponsored enterprise organized and existing under the laws of the United States.

“Ginnie Mae Certificate” or “GNMA Certificate” shall mean a fully-modified, mortgage-backed, pass-through security (a GNMA I Mortgage Pass-Through Certificate or a GNMA II Mortgage Pass-Through Certificate) issued by the Master Servicer in accordance with the applicable GNMA Guide bearing interest at the applicable Pass-Through Rate and representing the beneficial ownership interest in a GNMA pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Master Servicer into a GNMA pool.

“Government Obligations” shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by the full faith and credit of, the United States of America.

“Investment Securities” shall mean and include any one or more of the following securities, if and to the extent the same are at the time legal for investment of Department funds:

- (a) Government Obligations;
- (b) FHA debentures;
- (c) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any agency or instrumentality of the United States of America acting pursuant to authority granted by the Congress of the United States, including, without limitation the following: Fannie Mae (excluding mortgage-backed securities valued at greater than par on the portion of unpaid principal and mortgage-backed securities representing payment of principal only or interest only with respect to the underlying loans); Freddie Mac, GNMA, Student Loan Marketing Association, or other successor agencies;
- (d) Obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;
- (e) Debt obligations (excluding obligations that do not have a fixed par value and/or the terms of which do not provide for payment of a fixed dollar amount at maturity or redemption) of any person, but only if such debt obligations are rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency;
- (f) Federal funds, unsecured certificates of deposit, time deposits and banker's acceptances (in each case, having maturities not in excess of one year) of any bank the short-term unsecured debt obligations of which are rated by each Rating Agency in the highest category for short-term obligations.
- (g) Certificates of deposit and time deposits which are fully insured as to principal and interest by the FDIC;
- (h) Commercial paper having maturities not in excess of one year rated by each Rating Agency in the highest category for short-term obligations;

(i) Money market funds rated by each Rating Agency in the highest category for money market funds;

(j) Repurchase agreements the subject of which are obligations described in clauses (a), (b), (c) or (d) above, with: (i) any Person whose long-term unsecured general indebtedness is rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency, or if the term of such repurchase agreement does not exceed one year, whose short-term unsecured general indebtedness is rated by each Rating Agency in the highest category for short-term obligations; and (ii) with any member of the Association of Primary Dealers;

(k) Investment agreements secured or unsecured as required by the Department, with any Person whose long-term unsecured general indebtedness is rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency or, if the term of such investment agreement does not exceed one year, whose short-term unsecured general indebtedness is rated by each Rating Agency in the highest category for short-term obligations⁽¹⁾; and

(l) Investment securities described in any Supplemental Indenture the inclusion of which in the definition of Investment Securities for purposes of the Trust Indenture will not adversely affect, in and of itself, any rating then assigned to the Bonds by a Rating Agency, as evidenced by a letter from each such Rating Agency.

“Letter of Instructions” shall mean, with respect to the Series 2025 Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Master Servicer” shall mean, with respect to Program 111, initially, the Idaho Housing and Finance Association, and then The Money Source, Inc. (TMS), or any successor thereto as a servicer for such program, including any designee to act on its behalf. Otherwise, the term refers the servicer for the respective Mortgage Loans.

“Master Indenture” shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture, dated as of July 1, 2019, between the Department and the Trustee, which amended and restated the Residential Mortgage Revenue Bond Trust Indenture, dated as of November 1, 1987, as previously amended and supplemented, pursuant to which the Bonds of each Series are authorized to be issued.

“Mortgage” shall mean any mortgage or deed of trust securing a Mortgage Loan.

“Mortgage Certificate” shall mean a mortgage-backed security that evidences beneficial ownership of a mortgage pool, that satisfies the requirements of the applicable Series Supplement and that is purchased from amounts identified in the applicable Series Supplement and pledged by the Department to the Trustee pursuant to the Trust Indenture.

“Mortgage Lender” shall mean any bank or trust company, mortgage banker approved by Fannie Mae or Freddie Mac, national banking association, savings bank, savings and loan association, non-profit corporation, mortgage company, the Department, any financial institution or governmental agency and any

⁽¹⁾ The Department may enter into other investment agreements if the requirements of paragraph (1) of this definition of “Investment Securities” are satisfied.

other entity approved by the Department; provided such mortgage lender is authorized to make mortgage loans satisfying the requirements of the Trust Indenture.

“Mortgage Loan” shall mean (i) any loan evidenced by a Mortgage Note and secured by a Mortgage which satisfies the requirements of the Trust Indenture, which is made, acquired or refinanced, directly or indirectly, from amounts in the Mortgage Loan Fund or other moneys of the Department (including amounts derived from temporary indebtedness incurred in anticipation of the issuance of Bonds), and which is pledged by the Department to the Trustee pursuant to the Trust Indenture; and (ii) any evidence of a participation in a loan described above. In the proper context, Mortgage Loan may mean and include a Mortgage Certificate.

“Mortgage Loan Principal Payment” shall mean, with respect to any Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of a Mortgage Loan.

“Mortgage Loan Principal Prepayment” shall mean any moneys received or recovered by the Department from any payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan) on any Mortgage Loan other than the scheduled payments of principal called for by such Mortgage Loan, whether (i) by voluntary prepayment made by the borrower, (ii) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof (other than insurance moneys received or recovered and used in accordance with the provisions of the Trust Indenture to repair or reconstruct the mortgaged premises which were the subject of insurance proceeds), (iii) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department, (iv) in the event of a default thereon by the borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department or by any other proceedings taken by the Department, (v) from any special hazard insurance policy or standard hazard insurance policy covering mortgaged premises, (vi) from any Supplemental Mortgage Security, or (vii) from any proceeds received from any private mortgage insurer, the FHA, the VA, the RDA or any other agency or instrumentality of the United States of America in respect of any primary mortgage insurance or guaranty of a Mortgage Loan.

“Mortgage Note” shall mean any note, bond or other instrument evidencing a borrower's obligation to repay a Mortgage Loan.

“Mortgage Pool” shall mean, with respect to a Mortgage Certificate, the pool of Mortgage Loans the beneficial ownership of which is represented by such Mortgage Certificate, as described in the schedule of pooled Mortgage Loans pertaining to such Mortgage Certificate.

“New Money Proceeds” means all of the proceeds of the Series 2025 Bonds that are not Transferred Proceeds.

“Outstanding” shall mean, when used with reference to Bonds, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Trust Indenture except:

(a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Indenture; and

(c) Bonds deemed to have been paid as provided in the Trust Indenture.

“Pass-Through Rate” shall mean the interest rate accruing each month on a 2025 Mortgage Certificate, which will equal the mortgage rate of the 2025 Mortgage Loans backing the 2025 Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Master Servicer.

“Person” shall mean an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“Premium PAC Term Bond” shall mean the Series 2025B Bond maturing on _____, 20__*, which was sold at a premium as shown on the inside cover page.

“Program 111” shall mean the program established by the Department pursuant to which the Department makes, acquires or refinances, directly or indirectly, Mortgage Loans or Mortgage Certificates related to the Series 2025 Bonds.

“Rating Agency” shall mean: (i) S&P Global Ratings, and any successor thereto; and (ii) Moody's Ratings, and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“RDA” shall mean the Rural Development Agency of the United States Department of Agriculture or its successors.

“Rebate Fund” shall mean, collectively, the Rebate Funds established pursuant to the Series Supplements into which amounts to be paid to the United States of America will be deposited until disbursed.

“Redemption Price” shall mean, with respect to any Series 2025 Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2025 Bond or the Trust Indenture.

“Regulations” shall mean the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Repaid FHLB Advances” means the particular Advances specified in the Pricing Certificate.

“RHS” shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmers Home Administration, and any successor thereto.

“Serial Bonds” shall mean, collectively, the Series 2025B Bonds or Series 2025C Bonds titled as such on the inside cover page of this Official Statement.

“Series” shall mean all Bonds designated as a Series in a Series Supplement and which are authenticated and delivered on original issuance in a simultaneous transaction, and all Bonds delivered in exchange for or in lieu of such Bonds.

“Series Supplement” shall mean the Supplemental Indenture providing for the issuance of a Series of Bonds, as the same may be amended from time to time.

* Preliminary, subject to change.

“Series 2025 Bonds” shall mean, collectively, the Series 2025B Bonds and Series 2025C Bonds.

“Series 2025B Bonds” shall mean the Department's Residential Mortgage Revenue and Refunding Bonds, Series 2025B (Non-AMT) issued under the Master Indenture and the Forty-Sixth Supplemental Indenture.

“Series 2025C Bonds” shall mean the Department's Residential Mortgage Revenue and Refunding Bonds, Taxable Series 2025C (Non-AMT) issued under the Master Indenture and the Forty-Seventh Supplemental Indenture.

“State” shall mean the State of Texas.

“Supplemental Indenture” shall mean any trust indenture supplemental to or amendatory of the Trust Indenture, executed and delivered by the Agency or the Department and the Trustee in accordance with the Master Indenture.

“Swap Agreement” shall mean an agreement with respect to a Series of Bonds providing for an interest rate exchange or other interest rate hedge for the purpose of converting in whole or in part the Department's fixed or variable interest rate liability on all or a portion of such Bonds to a fixed or variable rate liability, including converting a variable rate liability to a different variable rate liability.

“Taxable PAC Term Bond” shall mean the Series 2025C Bonds maturing _____, 20__* as shown on the inside cover page.

“Tenth Series Supplement” shall mean the Tenth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1988 between the Department and the Trustee.

“Term Bonds” shall mean, collectively, the Series 2025B Term Bonds and the Series 2025C Term Bonds titled as such on the inside cover page of this Official Statement.

“Termination Payment” shall mean an amount owed by the Department to a counterparty pursuant to a Swap Agreement incurred in connection with the termination of the Swap Agreement and which, on the date of execution of the Swap Agreement, is not an amount representing a regularly-scheduled payment under the Swap Agreement.

“Transferred Proceeds” means the amount on deposit in the 2025 Mortgage Loan Account previously attributable to bonds refunded using the Repaid FHLB Advances.

“Trust Indenture” shall mean the Master Indenture, as supplemented and amended from time to time.

“2025B Mortgage Certificates” shall mean the Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of the Forty-Sixth Supplemental Indenture which are purchased by the Trustee from amounts available in the 2025B Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Trust Indenture.

“2025B Mortgage Loan Account” shall mean the 2025B Mortgage Loan Account of the Mortgage Loan Fund.

* Preliminary, subject to change.

“2025B Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 2025B Mortgage Certificate.

“2025B Principal Account” shall mean the 2025B Principal Account of the Principal Fund.

“2025B Revenue Account” shall mean the 2025B Revenue Account of the Revenue Fund.

“2025B Special Redemption Account” shall mean the 2025B Special Redemption Account of the Special Redemption Fund.

“2025B Term Bonds” shall mean the Series 2025B Term Bonds titled as such on the inside cover page of this Official Statement.

“2025 Mortgage Certificates” shall mean, collectively, the 2025B Mortgage Certificates and 2025C Mortgage Certificates.

“2025 Mortgage Loans” shall mean, collectively, the 2025B Mortgage Loans and 2025C Mortgage Loans.

“2025C Mortgage Certificates” shall mean the Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of the Forty-Seventh Supplemental Indenture which are purchased by the Trustee from amounts available in the 2025C Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Trust Indenture.

“2025C Mortgage Loan Account” shall mean the 2025C Mortgage Loan Account of the Mortgage Loan Fund.

“2025C Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 2025C Mortgage Certificate.

“2025C Principal Account” shall mean the 2025C Principal Account of the Principal Fund.

“2025C Revenue Account” shall mean the 2025C Revenue Account of the Revenue Fund.

“2025C Special Redemption Account” shall mean the 2025C Special Redemption Account of the Special Redemption Fund.

“2025C Term Bonds” shall mean the Series 2025C Term Bonds titled as such on the inside cover page of this Official Statement.

“Treasury” shall mean the United States Department of the Treasury.

“Underwriters” shall mean the underwriters named on a schedule to the Bond Purchase Agreement.

“VA” shall mean the United States Department of Veterans Affairs or its successors.

APPENDIX B-1

GNMA AND THE GNMA CERTIFICATES

This summary of the GNMA Mortgage Backed Securities Program, the GNMA Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage Backed Securities Guide published by GNMA and to said documents for full and complete statement of their provisions. The following summary is of the GNMA I Program and the GNMA II Program, as amended.

Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD") with its principal office in Washington, D.C.

To issue GNMA Certificates, the Master Servicer must first apply to and receive from GNMA the Commitment to Guarantee Mortgage Backed Securities (the "MBS Agreement"). The MBS Agreement authorizes the Master Servicer to apply to GNMA for the issuance of Mortgage-Backed Securities to be eligible for guaranty by GNMA up to a stated date and issue GNMA Certificates up to a stated amount during a one-year period following the date of the MBS Agreement. Each MBS Agreement is valid for a 12-month period from the date of commitment.

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans in a minimum aggregate amount of \$250,000 (or such lesser amount as may be approved by GNMA). Each GNMA I Certificate will be a "mortgage loan pass-through" certificate which will require the Master Servicer to pass through to the paying and transfer agent therefor (the "GNMA Paying Agent") by the fifteenth day of each month (or the sixteenth day, if such day is not a business day, provided that, if neither the fifteenth nor the sixteenth day is a business day, the first business day prior to the fifteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Master Servicer in the previous month. Each GNMA II Certificate will require the Master Servicer to pass through to the GNMA Paying Agent for the GNMA II Program, by the nineteenth day of each month (or the twentieth day, if such day is not a business day; provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer received such payments, plus any prepayments on the Mortgage Loan received by the Master Servicer in the previous month. The GNMA Paying Agent is then required to pass through to the Trustee on or before the third business day following the nineteenth day of each month the scheduled payments received from the Master Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool of mortgage loans insured by FHA under the Housing Act, or guaranteed by RDA under Title V of the Housing Act of 1949, or guaranteed by VA under the Servicemen's Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code. Section 306(g) further provides that "the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated October 12, 1969, of an Assistant Attorney General of the United States, states that such guarantees under Section 306(g) of mortgage backed certificates of the type being delivered to the Trustee

on behalf of the Department are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.”

GNMA, upon execution of the GNMA Guaranty appended to the GNMA Certificate and upon delivery of the GNMA Certificate to the Master Servicer, will have guaranteed to the Trustee as holder of the GNMA Certificate the timely payment of principal of and interest on the GNMA Certificate. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(g) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Certificate. The Treasury is authorized to purchase any obligation so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

GNMA is required to warrant to the Trustee as the holder of the GNMA Certificate, that, in the event it is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

The Master Servicer will be responsible for servicing and otherwise administering the Mortgage Loans in accordance with generally accepted practices of the mortgage banking industry and the GNMA Mortgage Backed Securities Guide (the “Guide”).

It is expected that interest and principal payments on the Mortgage Loans received by the Master Servicer will be the source of payments on the GNMA Certificates. If such payments are less than what is due the Master Servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Certificates. GNMA guarantees such timely payment in the event of the failure of the Master Servicer to pay an amount equal to the scheduled payments (whether or not made).

The Master Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA as guarantor will be able to continue such payments as scheduled on the third business day following the twentieth day of each month. If, however, such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

The GNMA Guaranty Agreement to be entered into by GNMA and the Master Servicer upon issuance of the GNMA Certificates (the “GNMA Guaranty Agreement”) will provide that, in the event of a default by the Master Servicer, GNMA will have the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the Mortgage Loans, and the Mortgage Loans are to thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Certificate. In such event, the GNMA Guaranty Agreement will provide that GNMA will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein. At any time, GNMA may enter into an agreement with an institution approved by GNMA under which such institution undertakes and agrees to assume any part or all of such duties, and no such agreement will detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor.

Payment of principal and interest on the GNMA Certificate is required to be made in monthly installments on or before the third business day following the twentieth of each month commencing the month following the date of issue of the GNMA Certificate.

Each installment on the GNMA Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Certificate. The amount of principal due on the GNMA Certificate is to be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans subject to adjustment by reason of unscheduled recoveries of principal on the Mortgage Loans. In any event, the Master Servicer is required to pay to the Trustee, as holder of the GNMA Certificate, monthly installments of not less than the interest due on the GNMA Certificate at the rate specified in the GNMA Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or early recovery of principal. Final payment is to be made upon surrender of the outstanding GNMA Certificate.

The Office of Inspector General (OIG) is required to conduct an annual audit of GNMA under the provisions of the Chief Financial Officers (CFO) Act of 1990 ("CFO Act"). The complete OIG report is included in the separate management report of GNMA prepared pursuant to the CFO Act which is available upon request from GNMA at Government National Mortgage Association, 451 Seventh Street, SW, Washington, D.C. 20410-9000.

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APPENDIX B-2

FANNIE MAE AND THE FANNIE MAE CERTIFICATES

General

Fannie Mae is a federally chartered and stockholder owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage backed securities ("MBS"), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the "SEC"). The SEC filings are available at the SEC's website at <http://www.sec.gov>. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's website at <http://www.fanniemae.com/portal/about-fm/investor-relations/quarterly-annual-results.html> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Reoffering Circular, so you should read this Reoffering Circular, and any applicable supplements or amendments, together with those documents before making an investment decision.

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any program, or compliance with any securities, tax or other laws or regulations.

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a website (<http://www.sec.gov>) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such website. The SEC's website is not part of this Official Statement.

Mortgage-backed Securities Program

Fannie Mae is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transferred into a stockholder-owned and privately managed corporation by legislation enacted in 1968. The Secretary of Housing and Urban Development exercises general regulatory power over Fannie Mae. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Although the Secretary of the Treasury of the United States has certain discretionary authority to purchase obligations of Fannie Mae, neither the United States nor any agency or instrumentality thereof is obligated to finance Fannie Mae's obligations or assist Fannie Mae in any manner.

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities (the "Fannie Mae Certificates") backed by pools of mortgage loans (the "MBS Program"). The obligations of Fannie Mae, including its obligations under the Fannie Mae Certificates, are obligations solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the "Fannie Mae Guides") published by Fannie Mae, as modified by the Pool Purchase Contract (as hereinafter described), and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture dated as of November 1, 1981, as amended (the "Fannie Mae Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool.

The summary of the MBS Program set forth herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides, the Fannie Mae prospectus and the other documents referred to herein.

Pool Purchase Contract

It is expected that Fannie Mae and the Master Servicer will enter into a Pool Purchase Contract, pursuant to which the Master Servicer will be permitted to deliver, and Fannie Mae will agree to purchase mortgage loans in exchange for Fannie Mae Certificates. The purpose of the Pool Purchase Contract is to provide for certain additions, deletions and changes to the Fannie Mae Guides relating to the purchase of mortgage loans. In the event of a conflict between the Pool Purchase Contract and the Fannie Mae Guides, the Pool Purchase Contract will control. The description set forth below assumes that the Pool Purchase Contract will be executed substantially in the form presented by Fannie Mae to the Master Servicer as of the date hereof.

The Pool Purchase Contract obligates the Master Servicer to service the mortgage loans in accordance with the requirements of the Fannie Mae Guides and the Pool Purchase Contract.

Fannie Mae Certificates

Each Fannie Mae Certificate will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the Mortgage Loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received. The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the registered holder of Fannie Mae Certificates, would consist solely of payments and other recoveries on the underlying Mortgage Loans and, accordingly, monthly distributions to the Trustee, as the holder of Fannie Mae Certificates, would be affected by delinquent payments and defaults on such Mortgage Loans.

Payments on Mortgage Loans; Distributions on Fannie Mae Certificates

Payments on a Fannie Mae Certificate will be made on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or, if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related mortgage pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Mortgage Loan that was prepaid in full during the second month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest), (iii) the amount of any partial prepayment of a Mortgage Loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distributions, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. Fannie Mae may, in its discretion, include with any distribution principal prepayments, both full and partial, received during the month prior to the month of distribution but is under no obligation to do so.

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APPENDIX C

FORM OF PROPOSED OPINION OF BOND COUNSEL

APPENDIX D-1 [UPDATE]

ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES

Additional Information Concerning Mortgage Certificates

The Texas Department of Housing and Community Affairs (the “Department”) owns an extensive portfolio of GNMA/FNMA/Freddie Mac Certificates (Mortgage Certificates) acquired with the proceeds of the Department’s Single Family Mortgage Revenue Bonds, Single Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bonds), Residential Mortgage Revenue Bonds, GNMA Collateralized Home Mortgage Revenue Bonds and Collateralized Home Mortgage Revenue Bonds. The following tables summarize certain information regarding the Residential Mortgage Revenue Bond Trust Indenture as of _____, 202_.

Residential Mortgage Revenue Bond (RMRB) Trust Indenture

Series	Original Issue Amount	Bonds Outstanding	Average Weighted Mortgage Rates for Outstanding Mortgage Certificates (%)	Mortgage Certificates Outstanding	Down Payment Assistance
Surplus	\$ -	\$ -	3.79	\$10,065,399	\$169,061,410
2019 A	166,350,000	94,290,000	4.91	92,864,305	
2021 A/B	161,369,927	123,773,053	3.83	121,943,531	
2022 A	190,000,000	180,655,000	3.92	178,676,948	
2022 B	150,000,000	143,360,000	6.03	141,981,230	
2023 A	230,000,000	226,330,000	6.01	224,603,994	
2023 B/C	250,000,000	247,645,000	6.22	246,042,706	
2024 A/B	250,000,000	249,795,000	6.23	183,998,170	
2024 C/D	250,000,000	250,000,000	6.40	105,346,412	
TOTAL	\$1,647,719,927	\$1,515,848,053		\$1,305,522,694	\$ 169,061,410

- Note 1: In addition to the RMRB Bonds Outstanding shown above, the Department has issued one subordinate Note payable with an outstanding balance of \$10,000,000.
- Note 2: RMRB 2024AB with \$250 million in proceeds closed on April 10, 2024. All proceeds are fully reserved and are expected to be expended by February 2025.
- Note 3: RMRB 2024CD with \$250 million in proceeds closed on July 18, 2024. All proceeds were fully reserved in December 2024 and are expected to be expended by June 2025.
- Note 4: Down Payment Assistance Loans not included for cashflow purposes.

RMRB Mortgage Certificate Loan Type

Loan Type	Number of Outstanding Mortgage Loans	Outstanding Principal Amount (\$)	Percent of Mortgage Certificates Outstanding
GNMA Certificates	6,376	1,301,327,182	99.68%
FNMA Certificates	31	4,195,512	0.32%
TOTAL	6,407	1,305,522,694	100.00%

RMRB Mortgage Certificates Servicers

<u>Servicers</u>	<u>Number of Outstanding Mortgage Loans</u>	<u>Percent of Mortgage Certificates Outstanding</u>
Idaho	5,872	91.65%
Bank of America	414	6.46%
US Bank	121	1.89%
TOTAL	6,407	100.00%

Other Information

Mortgage Loan Information Management System

All Mortgage Loans made with proceeds of the Department's mortgage revenue bonds permit partial or complete prepayment without penalty. Mortgage Loans, in general, may also be terminated prior to their respective maturities as a result of events such as default, sale, condemnation or casualty loss. A number of factors, including general economic conditions, homeowner mobility and mortgage market interest rates, will affect the rate of actual prepayments for a particular portfolio of mortgage loans.

The Department does not service the Mortgage Loans backing Mortgage Certificates; however, the Department monitors the origination and payment of such Mortgage Loans.

DISCLAIMER

"All information contained herein is obtained from sources believed to be accurate and reliable. Refer to the Official Statement and operative documents of each series for complete information on that issue. Because of the possibility of human and mechanical error as well as other factors, such information is provided "as is" without warranty of any kind and, in particular, no representation or warranty, expressed or implied, is made nor to be inferred as to the accuracy, timeliness or completeness, of any such information. Under no circumstances shall the Texas Department of Housing and Community Affairs have any liability to any person or entity for (a) any loss or damage in whole or part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any such information, or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if the Texas Department of Housing and Community Affairs is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, any such information."

APPENDIX D-2 [UPDATE]

BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

General - Single Family Since 1979, the year of creation of the Texas Housing Agency (the Agency), a predecessor to the Department, through _____, 202_, there have been issued by the Agency or the Department, seventy-one series of Single Family Mortgage Revenue Bonds, five series of Junior Lien Single Family Mortgage Revenue Refunding Bonds, forty-_____ series of Residential Mortgage Revenue Bonds, eleven series of Collateralized Home Mortgage Revenue Bonds, ten series of GNMA/FNMA Collateralized Home Mortgage Revenue Bonds, and two series of Government National Mortgage Association Collateralized Home Mortgage Revenue Bonds. As of _____, 202_, the aggregate outstanding principal amount of bonded indebtedness of the Department for single family housing purposes was \$_____. In addition, the Department has issued four subordinate Notes. As of _____, 202_, the aggregate outstanding principal balance of the subordinate Notes was \$_____.

Single Family Mortgage Revenue Bonds (SFMRBs) The Department has issued seventy-one series of Single Family Mortgage Revenue Bonds under a Single Family Mortgage Revenue Bond Trust Indenture, dated as of October 1, 1980, which was amended and restated on June 1, 2017. These bonds are secured on an equal and ratable basis by the trust estate established by the SFMRB Indenture. As of _____, 202_, twenty-one series were outstanding with an aggregate outstanding principal amount of \$_____. On September 16, 2020, all outstanding Loan Agreements were paid in full and are no longer outstanding.

Junior Lien Bonds The Department has issued five series of its Junior Lien Single Family Mortgage Revenue Refunding Bonds (the Junior Lien Bonds) pursuant to a Junior Lien Trust Indenture, dated as of May 1, 1994. The Junior Lien Bonds are secured on an equal and ratable basis with each other and on a subordinated basis to the Single Family Mortgage Revenue Bonds by the trust estate held under the SFMRB Indenture. As of _____, 202_, one series was outstanding with an aggregate outstanding principal amount of \$_____.

Residential Mortgage Revenue Bonds (RMRBs) The Department has issued forty-eight series of Residential Mortgage Revenue and Refunding Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture. These bonds are secured on an equal and ratable basis by the trust estate established by the RMRB Indenture. As of _____, 202_, twelve series were outstanding with an aggregate outstanding principal amount of \$_____. In addition, the Department has issued one subordinate Note under the RMRB Indenture. As of _____, 202_, the aggregate outstanding principal balance of the subordinate Note was \$_____.

General - Multifamily 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 Department and the Agency have issued Multifamily Mortgage Revenue Bonds which have been issued pursuant to separate trust indentures and are secured by individual trust estates which are separate and distinct from each other. As of _____, 202_, an aggregate principal amount of \$_____ was outstanding. In addition, the Department has issued twenty-one Multifamily Notes. As of _____, 202_, the aggregate outstanding principal balance of the Multifamily Notes was \$_____.

APPENDIX E

APPLICABLE MEDIAN FAMILY INCOMES AND MAXIMUM ACQUISITION COST LIMITATIONS

APPENDIX F
2025B TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA
AT VARIOUS PREPAYMENT SPEEDS

APPENDIX G
UNEXPENDED PROCEEDS REDEMPTION PRICE FOR
PREMIUM PAC TERM BONDS

APPENDIX H

SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS

DTC AND BOOK-ENTRY

DTC will act as securities depository for the Series 2025 Bonds. the Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2025 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' Records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Department or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Department may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Department, or the Trustee.

The Department, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2025 Bonds (i) payments of principal of or interest and premium, if any, on the Series 2025 Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series 2025 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2025 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

The current “Rules” applicable to DTC are on file with the Securities Exchange Commission, and the current “Procedures” of DTC to be followed in dealing with Direct Participants are on file with DTC.

NEITHER THE DEPARTMENT, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE SERIES 2025 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2025 BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO OWNERS OF SERIES 2025 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2025 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER.

Discontinuation of Book-Entry-Only System

In the event that the book-entry-only system is discontinued by DTC or the Department, the following provisions will be applicable to the Series 2025 Bonds. Series 2025 Bonds may be exchanged for an equal aggregate principal amount of Series 2025 Bonds in other Authorized Denominations of the same Series and maturity upon surrender thereof at the applicable corporate trust office of the Trustee with a duly executed assignment in form satisfactory to the Trustee. The transfer of any Series 2025 Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender of such Series 2025 Bond to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or transfer of registration of Series 2025 Bonds, the Department or the Trustee may make a charge sufficient to reimburse it or them for any tax, fee, or other governmental charge required to be paid with respect to such exchange or registration of transfer, as well as the administrative expenses, if any, charged by the Trustee for the transfer or exchange. The Trustee will not be required to transfer or exchange any Series 2025 Bond for a period of 20 days next preceding an interest payment date on such Series 2025 Bonds or next preceding any selection of Series 2025 Bonds to be redeemed or thereafter until after mailing of any notice of redemption on any Series 2025 Bonds called for redemption, or transfer or exchange any Series 2025 Bonds called for redemption. The Department and the Trustee may treat the Person in whose name a Series 2025 Bond is registered as the absolute owner thereof for all purposes, whether such Series 2025 Bond is overdue or not, for the purpose of receiving payment of, or on account of the principal of, interest on, such Series 2025 Bond. If any Series 2025 Bond is not presented for payment when the principal or the Redemption Price therefor becomes due, and if moneys sufficient to pay such Series 2025 Bond (or the portion thereof called for redemption) or such interest, as is applicable, have been deposited under the Trust Indenture, all liability of the Department to the owner thereof for the payment of such Series 2025 Bonds (or portion thereof) or such interest, as applicable, will be discharged, and thereupon it shall be the duty of the Trustee to hold such money for the benefit of the owner of the applicable Series 2025 Bond, who will thereafter be restricted exclusively to such money, for any claim on his part under the Trust Indenture or on or with respect to, such principal, Redemption Price and/or interest. Money not claimed within three years will be turned over to the Comptroller of Public Accounts of the State of Texas (the “Comptroller”), in accordance with Title 6, Texas Property Code.

THE PRIOR BONDS [UPDATE]

In addition to the Series 2025B Bonds and 2025C Bonds to be issued, forty-_____ series of Prior Bonds have been issued pursuant to the Master Indenture. As of _____, 2025, \$_____ in aggregate principal amount of such Prior Bonds were Outstanding in the following principal amounts:

Series	Original Issue Amount	Bonds Outstanding
2019A	\$ 166,350,000	\$ 94,290,000
2021A/B	161,369,927	123,773,053
2022A	190,000,000	180,655,000
2022B	150,000,000	143,360,000
2023A	230,000,000	226,330,000
2023BC	250,000,000	247,645,000
2024AB	250,000,000	249,795,000
2024CD	250,000,000	250,000,000
TOTAL	\$1,647,719,927	\$1,515,848,053

Note: RMRB Series 2024AB in the amount of \$250 million in proceeds closed on April 10, 2024. All proceeds are fully reserved and expected to be fully expended by February 2025. RMRB Series 2024CD in the amount of \$250 million in proceeds closed on July 18, 2024. All proceeds were fully reserved in December 2024 and are expected to be fully expended by June 2025.

For a more detailed description of the Prior Bonds, please refer to “APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES.”

Mortgage Loans and Mortgage Certificates

Mortgage Loans and Mortgage Certificates held under the Residential Mortgage Revenue Bond Program as of _____, 202_ were as follows:

Prior Mortgage Certificates	Outstanding Principal Amount
Ginnie Mae	\$1,301,327,182
Fannie Mae	4,195,512
TOTAL	\$1,305,522,694

For a detailed examination of the Mortgage Loans and Mortgage Certificates acquired with proceeds of the Prior Bonds, please refer to “APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES.” Unless otherwise specified, all information is as of _____, 202_.

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

The Department has entered into a Depository Agreement relating to the Bonds (as amended and supplemented, the “Depository Agreement”), by and among the Department, the Trustee, and the Texas Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (the “Trust Company”). Pursuant to the Depository Agreement, the Trust Company will hold all moneys and securities required to be credited to all Funds (other than the Special Mortgage Loan Fund). All money and securities required by the Trust Indenture to be credited to such Funds and Accounts are required to be remitted to the Trust Company from time to time by the Department and the Trustee. The Trust Company is required to remit amounts from the appropriate accounts held by it to the Trustee at such times as are necessary to pay the principal or Redemption Price of and interest on the Bonds when

due. Moneys held in the accounts held by the Trust Company are required to be invested by the Trust Company pursuant to instruction from the Department as described herein under “THE TRUST INDENTURE – Investments.” The Trust Company is required to hold all moneys and securities delivered to it under the Depository Agreement in trust for the benefit of the Department, the Trustee and the owners of the Bonds.

The Department has agreed to pay the Trust Company a fee for performing its duties under the Depository Agreement. The Department has the right to remove the Trust Company as Depository under the Depository Agreement at any time by filing a written notice with the Trustee and the Trust Company to that effect. The Trust Company may resign as Depository under the Depository Agreement by giving at least 60 days’ written notice to the Department and the Trustee of its determination to resign. Upon any such removal or resignation, the Trust Company is required to deliver all moneys and securities held by it under the Depository Agreement to its successor thereunder, or, if there is no successor, to the Trustee.

LEGALITY FOR INVESTMENT

The Act provides that all obligations issued by the Department are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians, and the sinking and other public funds of the State, municipalities, counties, school districts, and other political subdivisions and public agencies of the State.

The Act also provides that all obligations issued by the Department are eligible and lawful security for all deposits of public funds of the State and all public agencies to the extent of the par or market value thereof, whichever is greater.

To the extent that the Series 2025 Bonds constitute “collateralized mortgage obligations that have a stated final maturity of greater than 10 years” within the meaning of the Texas Public Funds Investment Act, the Series 2025 Bonds are not an “authorized investment” for a state agency, a local government, or other investing entity subject to the provisions of the Public Funds Investment Act.

No representation is made that the Series 2025 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The Department has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Series 2025 Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Series 2025 Bonds for such purposes.

THE PROGRAM AND THE MORTGAGE LOANS

The Program

The Department has established a single family mortgage purchase program (“Program”) pursuant to the Act for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers (as described below). The component of the Program relating to the Series 2025 Bonds has been designated as the Department’s Bond Program No. 111 (“Program 111”). In connection with the issuance of the Series 2025 Bonds and the Prior Bonds and any additional Bonds, the Department purchased or shall purchase certain qualified Mortgage Loans (or participations therein) or Mortgage Certificates backed by Mortgage Loans originated by commercial banks, savings and loan associations, mortgage companies, non-profit corporations, and other qualified financial institutions (the “Mortgage Lenders”). As a result of the issuance of the Series 2025 Bonds, the Trustee, on behalf of the Department, has agreed to purchase 2025 Mortgage Certificates.

Mortgage Loans evidenced by the 2025 Mortgage Certificates will bear interest at rates established from time to time by the Department pursuant to the provisions of the Trust Indenture. 2025 Mortgage Certificates are expected to be comprised of GNMA Certificates. The purchase price for such GNMA Certificates will be 100% of par (plus accrued interest).

The guidelines adopted by the Department from time to time in connection with the Program establish the eligibility of lenders to participate in the Program, time limitations with respect to commitments for and originations of Mortgage Loans, the types of Mortgage Loans eligible for purchase by the Master Servicer, the eligibility of mortgagors, the requirements for dwellings which secure Mortgage Loans, the fees which a Mortgage Lender may charge to originate a Mortgage Loan, the fees which a lending institution may charge for servicing a Mortgage Loan, as well as other aspects of the Program. In connection with each phase of the Program, the Department executed or will execute origination, sale and servicing agreements or mortgage origination agreements and program supplements (collectively, the “Agreement”) with the respective Mortgage Lenders. The Agreement obligated or will obligate the Mortgage Lenders to use their best efforts to originate and sell to the Department Mortgage Loans in conformity with the guidelines. Each Mortgage Loan was or will be reviewed prior to acquisition by the Compliance Agent designated by the Department for compliance with applicable provisions of the Program as set forth in the guidelines and with applicable provisions of federal income tax laws. The procedures set forth in the Agreement are established by the Department after consideration of standards and requirements customary in the secondary mortgage market. The Department anticipates that it may revise its procedures from time to time to conform with changes in the procedures followed by Fannie Mae, RHS, Ginnie Mae, VA or other major secondary mortgage market institutions.

Mortgage Lender Reservations – First-Come, First-Served

No funds made available through Program 111 will be allocated to any specific Mortgage Lenders. All funds will be made available to Mortgage Lenders on a controlled first-come, first-served basis.

Low Income Reservation

For the first one-year period of Program 111, the Department is requiring that 30% of the funds made available through the issuance of the Series 2025 Bonds be reserved for Mortgage Loans for individuals and families of low income (not exceeding 80% of applicable median family income (“AMFI”)).

Since September 1, 2022, approximately 77% of Mortgage Loans originated by the Department that were eligible for inclusion in a tax-exempt bond issue and securitized into GNMA Certificates were made to borrowers at or below 80% of AMFI.

Low and Moderate Income Reservation

The remaining lendable funds will be made available for Mortgage Loans to Eligible Borrowers of low and moderate incomes whose family income does not exceed, for families of three persons or more, one hundred fifteen percent (115%) (one hundred forty percent (140%) in targeted areas) of AMFI, and, for individuals and families of two persons, one hundred percent (100%) (one hundred twenty percent (120%) in targeted areas) of AMFI.

Eligible Borrowers

Each Mortgage Loan is required to be made to a person whose family income does not exceed certain income limits. In addition, to be eligible for a Mortgage Loan an applicant must be a person: (i) who intends to occupy the residence to be financed with such Mortgage Loan as his or her principal

residence within a reasonable period after financing is provided; (ii) who, except in the case of certain targeted area loans, certain qualified veterans, certain exception loans hereinafter described, and certain homes falling into the Contract for Deed Exception, has not had a present ownership interest in a principal residence at any time during the three-year period preceding the date of execution of the Mortgage; and (iii) who has not had an existing mortgage on the residence (other than a mortgage falling into the Contract for Deed Exception) to be financed with such Mortgage Loan at any time prior to the execution of the Mortgage, other than certain permitted temporary financing mortgages. The Department, subject to the requirements of applicable provisions of federal income tax law and applicable regulations, may approve a limited number of exception loans that do not satisfy the requirement described in clause (ii) in the immediately preceding sentence. The maximum income for Eligible Borrowers varies according to family size and location.

Eligible Property

Each residence financed with a Mortgage Loan must consist of real property and improvements permanently affixed thereon which is located within the State of Texas. Each residence must be a single-family, owner-occupied attached or detached structure, a single-family condominium unit or a single unit in a planned unit development or a qualifying duplex, triplex, or four-plex. Each residence financed with a Mortgage Loan must have an acquisition cost (the “Maximum Acquisition Cost”) not exceeding certain acquisition cost limits established by the Department from time to time. The Maximum Acquisition Cost varies according to location.

Mortgage Loans

The Department may, at its election, sell, assign, transfer or otherwise dispose of any Mortgage Loan or Mortgage Certificate in accordance with the terms and provisions of the Trust Indenture, as more particularly described in “SECURITY FOR THE BONDS – Sale of Mortgage Certificates and Mortgage Loans.” The Department shall not consent or agree to or permit any amendment or modification of any Mortgage Loan which will in any manner materially impair or materially adversely affect the rights or security of the Bondholders under the Trust Indenture in such Mortgage Loan except for amendments and modifications made in connection with settling any default on any Mortgage Loan which are consistent with the Cashflow Statement most recently filed with the Trustee, or in connection with a refinancing of a Mortgage Loan. See “SECURITY FOR THE BONDS – Cashflow Statement and Asset Test.”

Compliance with Tax Law and Program Guidelines

Each Mortgage Lender was required or will be required to follow certain procedures in the origination of Mortgage Loans to insure compliance with the mortgage eligibility requirements of applicable federal income tax laws and other requirements applicable to the Mortgage Loans. These procedures will include, but may not be limited to, the following: (i) obtaining affidavits of the borrower and seller and certificates of the real estate agent, if any, providing and certifying certain information regarding borrower income, home acquisition cost, and other loan information; (ii) reviewing the contents of the affidavits and certificates with the persons executing them prior to the execution thereof; (iii) except in the case of certain targeted area loans or certain other exception loans, obtaining signed or certified copies of the borrower’s federal income tax returns for the preceding three years to verify that the borrower did not claim deductions for taxes or interest on indebtedness with respect to real property constituting his or her principal residence or a borrower’s affidavit that he or she was not required to file such a return during one or more of the preceding three years; (iv) performing such additional investigations as may be appropriate under the circumstances to verify that the requirements of applicable federal income tax laws are satisfied as of the date of the execution of the Mortgage; (v) reviewing the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the applicable requirements; (vi) preparing, executing, and delivering a certificate relating to compliance with the requirements set forth

immediately above; and (vii) carrying out such additional verification procedures as may be reasonably requested by the Department, its designated compliance agent, or the Trustee. If any Mortgage Loan fails to meet the guidelines established by the Department, the originating Mortgage Lender will be required to correct such failure within a reasonable time after such failure is discovered by either repurchasing the non-qualifying Mortgage Loan in full or by replacing the non-qualifying Mortgage Loan with a Mortgage Loan which meets the applicable requirements.

Servicing

The Master Servicer may deduct its servicing fees directly from amounts received on such Mortgage Loans. As compensation for its duties as servicer of Mortgage Loans, the Master Servicer will be entitled to receive a monthly servicing fee.

Servicing of the Mortgage Loans is required to be carried out in accordance with generally accepted practices in the mortgage lending industry and in accordance with the servicing standards set forth in the GNMA Guide or the Fannie Mae Guides, as applicable. In particular, the Master Servicer will be required to pursue collection on the applicable Mortgage Loans with prudence and diligence, manage foreclosure or assignment procedures, and file, process and receive the proceeds from FHA mortgage insurance, VA or RHS guaranty claims, or private mortgage insurance.

The Master Servicer, as servicer of the Mortgage Loans, must, if applicable, provide to the Department and such other person specified in a Supplemental Indenture, audited financial statements on an annual basis and monthly reports relating to Mortgage Loan originations and purchases. The Master Servicer may not resign from its servicing duties unless it is determined that its duties are no longer permissible under applicable laws and then only upon the assumption of the servicing duties by a successor servicer acceptable to FHA, VA, Ginnie Mae, Fannie Mae and the Department. In the event the Master Servicer is in material breach of its servicing obligations imposed by Ginnie Mae, Fannie Mae or the Department or a material adverse change has occurred in the financial condition of the Master Servicer, the Department, with the approval, if applicable, of Ginnie Mae and Fannie Mae, may terminate the Master Servicer's servicing rights and transfer and assign those rights to another Fannie Mae and Ginnie Mae approved servicer.

The Master Servicers [UPDATE]

Idaho Housing and Finance Association ("Idaho HFA") will initially serve as Master Servicer for Mortgage Loans related to the Series 2025 Bonds. The Department has engaged The Money Source Inc. ("TMS") to serve as Master Servicer of Mortgage Loans related to the Series 2025 Bonds beginning early February 2025. The transition to TMS does not represent a termination of Idaho HFA servicing agreement ("IHFA Agreement"), nor does it alter any term therein.

Under the terms of the IHFA Agreement, relating to the Series 2025 Bonds, the Department may terminate the IHFA Agreement without cause upon 120 days advance written notice to the Idaho HFA. The Department may terminate the IHFA Agreement (subject to any applicable cure period) upon the occurrence of certain events. The IHFA Agreement has an approximately one-year initial term with up to three one-year extensions as mutually agreed. If the Department terminates the IHFA Agreement for cause, then all power of the Idaho HFA under such agreement shall be vested in the substitute Master Servicer.

If the Department terminates the IHFA Agreement for cause pursuant to its terms, the Idaho HFA shall, consistent with GNMA and Fannie Mae standards, make a full accounting and transfer and deliver to the Department, or its designee, all documents and moneys relating to the eligible mortgage loans which are

then in the Idaho HFA’s possession or under its custody or control, and thereupon all rights and duties of the Idaho HFA and its rights to further compensation shall cease.

Per the IHFA Agreement, the Department may be required to reimburse Idaho HFA for principal and interest payments advanced, related to delinquent Mortgage Loans, in accordance with GNMA guidelines. The Department continues to experience above average delinquencies, primarily related to COVID-19, and as such, reimbursed the Idaho HFA for advances made in November 2022, December 2022, November 2023 and January 2024 totaling over \$15 million. The amount, timing, or need for future advances cannot be determined in advance. Reimbursements are made from surplus revenues from the Department’s Single Family Mortgage Revenue Bond Trust Indenture and the Master Indenture. The Department anticipates the return of such reimbursements as delinquencies normalize.

Under the terms of the TMS servicing agreement (“TMS Agreement”) relating to the Series 2025 Bonds, the Department may terminate the TMS Agreement for cause or without cause upon 120 days advance written notice to TMS. The TMS Agreement has an approximately two-year initial term with up to three one-year extensions as mutually agreed.

Idaho HFA is the Master Servicer for various Mortgage Loans financed pursuant to the Trust Indenture. As of _____, Idaho HFA services approximately _____ Mortgage Loans financed with the proceeds of certain Prior Bonds, which Mortgage Loans had an outstanding principal balance of \$_____.

Bank of America, N.A. (“Bank of America”) is the Master Servicer for various Mortgage Loans financed pursuant to the Trust Indenture. As of _____, Bank of America participates as Master Servicer for the Department for approximately _____ Mortgage Loans financed with the proceeds of certain Prior Bonds, which Mortgage Loans had an outstanding principal balance of \$_____.

US Bank National Association (“US Bank”) is the Master Servicer for various Mortgage Loans financed pursuant to the Trust Indenture. As of _____, US Bank participates as Master Servicer for the Department for approximately _____ Mortgage Loans financed with the proceeds of certain Prior Bonds, which Mortgage Loans had an outstanding principal balance of \$_____.

Investment of Funds

Moneys in all Funds established pursuant to the Trust Indenture will be invested in Investment Securities pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company. See “APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company.” Moneys held or invested in all Funds and accounts (except for the Rebate Fund) under the Trust Indenture are for the equal and ratable benefit of all owners of the Bonds.

The following table summarizes certain information as of _____, regarding yields (calculated on the basis of stated maturity) on existing investments (valued at par) within particular Trust Indenture funds relating to Prior Bonds: [UPDATE]

Fund or Account	Approximate Amount Invested (Par Value)	Rate	Date	Provider
RMRB 1998A/B	\$ 20,390,364	4.81%	Short Term	Natwest
RMRB 1999B/C/D	2,629,270	4.81%	Short Term	Natwest
RMRB 2009C3	91,686	4.81%	Short Term	Natwest
RMRB 2019A	4,451,359	4.81%	Short Term	Natwest
RMRB 2021A/B	8,447,774	4.81%	Short Term	Natwest
RMRB 2022A	5,783,026	4.81%	Short Term	Natwest
RMRB 2022B	4,863,440	4.81%	Short Term	Natwest
RMRB 2023A	6,659,132	4.81%	Short Term	Natwest
RMRB 2023BC	6,383,977	4.81%	Short Term	Natwest
RMRB 2024AB	73,831,173	4.81%	Short Term	Natwest
RMRB 2024CD	154,766,686	4.81%	Short Term	Natwest
	<u>\$288,297,887</u>			

Proceeds of the Series 2025B Bonds and the Series 2025C Bonds deposited into the 2025B Mortgage Loan Account and the 2025C Mortgage Loan Account will be invested in Investment Securities.

The ability of the Department to make timely payments of principal of and interest on the Series 2025 Bonds and the Prior Bonds could be affected if the parties to the various investment agreements for the Series 2025 Bonds or the Prior Bonds do not honor their obligations thereunder to repay such moneys and the interest thereon at the times and rates set forth in the respective investment agreements.

The Department has adopted an investment policy (the “Investment Policy”) which applies to all financial assets of the Department. The Investment Policy's objectives, in the order of priority, are as follows: (1) safety of principal, (2) sufficient liquidity to meet Department cashflow needs, (3) achievement of a market rate of return on investments, and (4) conformance with all applicable State statutes, particularly the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. With respect to bond proceeds, the Investment Policy provides that such proceeds should be invested as permitted by the applicable trust indenture.

OTHER DEPARTMENT PROGRAMS

The Department administers a variety of programs, in addition to its single family mortgage revenue bond program, that also fulfill its goals of providing safe and affordable housing throughout the State. Some of these programs may overlap or compete with the Program.

Taxable Mortgage Program

In addition to the Program, the Department offers mortgage loan financing options through its Taxable Mortgage Program (the “TBA Program”). Currently, all mortgage loans originated through the TBA Program are accompanied by a DPA Loan through which the mortgagor receives funds for down payment and closing cost assistance in the form of a 0%, non-amortizing, three year forgivable or 30-year second loan that is due on sale or refinance. Mortgage loans originated through the TBA Program are pooled into mortgage-backed securities that are sold to third-party investors. *Neither the mortgage loans nor the mortgage-backed securities originated through the TBA Program are pledged to the Indenture.* Below is a description of current loan options available through the TBA Program.

Bond Eligible Loans. Provided through the Department's My First Texas Home program, these loans typically offer the lowest mortgage rates available through the TBA Program. Borrowers must be Eligible Borrowers (including meeting the first-time homebuyer requirement). Income qualification is performed in accordance with IRS requirements for tax exempt mortgage revenue bonds, and loan documents include standard tax exempt loan documentation (such as tax exempt riders and recapture disclosure). Typically, mortgage loans may be originated as Bond Eligible Loans when the Department has no bond proceeds available. When bond proceeds are available, mortgage loans are typically reserved and originated through the Single Family Mortgage Revenue Bond Program.

Combo Loans. Offered through the Department's My First Texas Home program, these loans include a Mortgage Credit Certificate (MCC) issued by the Department to the borrower. Borrowers must be Eligible Borrowers and must meet the first-time homebuyer requirement; income qualification is performed in accordance with IRS requirements for tax exempt mortgage revenue bonds. Combo Loans are not eligible for inclusion in a tax-exempt bond program.

Taxable Loans. Offered through the Department's My Choice Texas Home program, these loans provide the most qualification flexibility. Borrowers must meet the requirements for an Eligible Borrower except that there is no first-time homebuyer requirement and income qualification is performed using standard 1003 credit qualifying income. Taxable Loans are not eligible for inclusion in a tax-exempt bond program.

Single Family Mortgage Revenue Bond Program

The Department administers a single family mortgage revenue bond program that finances mortgage loans to certain qualified first-time homebuyers, which is similar to the Program. For information regarding this program see “APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.”

APPENDIX I

USE OF PROCEEDS REPORT^{*}

RMRB Series 2025BC Bond Proceeds Summary		
Total Proceeds Deposited In Mortgage Loan Account	Proceeds Spent to Acquire 2025BC Mortgage Loans	Proceeds Remaining
\$ _____	\$ _____	\$ _____

% of AMI:	RMRB Series 2025BC First Mortgage Loans Originated By Borrower Income as a % of Area Median Income (“AMI”) [†]			
	\$ of Loans	# of Loans	% of Proceeds	% in Targeted Area
<50%				
50% - 59%				
60% - 69%				
70% - 79%				
80% - 89%				
90% - 99%				
100%+				

Down Payment Assistance (“DPA”) Provided In Conjunction with 2025BC First Mortgage Loans	
	\$ / # / %
Total DPA Provided (\$)	
Total DPA Provided (#)	
% of Borrowers Receiving DPA (%)	
Average DPA Provided per Borrower (\$)	
Average DPA Provided (% of Purchase Price)	

^{*} As of the date hereof, the Department has not yet pooled any Mortgage Loans which are expected to be a portion of the RMRB Series 2025BC Mortgage Loans.

[†] Reported income is based on borrower income at time of loan origination.

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Anderson		
Andrews		
Angelina		
Aransas		
Archer		
Armstrong		
Atascosa		
Austin		
Bailey		
Bandera		
Bastrop		
Baylor		
Bee		
Bell		
Bexar		
Blanco		
Borden		
Bosque		
Bowie		
Brazoria		
Brazos		
Brewster		
Briscoe		
Brooks		
Brown		
Burleson		
Burnet		
Caldwell		
Calhoun		
Callahan		
Cameron		
Camp		
Carson		
Cass		
Castro		
Chambers		
Cherokee		
Childress		
Clay		
Cochran		
Coke		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Coleman		
Collin		
Collingsworth		
Colorado		
Comal		
Comanche		
Concho		
Cooke		
Coryell		
Cottle		
Crane		
Crockett		
Crosby		
Culberson		
Dallam		
Dallas		
Dawson		
Deaf Smith		
Delta		
Denton		
DeWitt		
Dickens		
Dimmit		
Donley		
Duval		
Eastland		
Ector		
Edwards		
Ellis		
El Paso		
Erath		
Falls		
Fannin		
Fayette		
Fisher		
Floyd		
Foard		
Fort Bend		
Franklin		
Freestone		
Frio		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Gaines		
Galveston		
Garza		
Gillespie		
Glasscock		
Goliad		
Gonzales		
Gray		
Grayson		
Gregg		
Grimes		
Guadalupe		
Hale		
Hall		
Hamilton		
Hansford		
Hardeman		
Hardin		
Harris		
Harrison		
Hartley		
Haskell		
Hays		
Hemphill		
Henderson		
Hidalgo		
Hill		
Hockley		
Hood		
Hopkins		
Houston		
Howard		
Hudspeth		
Hunt		
Hutchinson		
Irion		
Jack		
Jackson		
Jasper		
Jeff Davis		
Jefferson		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Jim Hogg		
Jim Wells		
Johnson		
Jones		
Karnes		
Kaufman		
Kendall		
Kenedy		
Kent		
Kerr		
Kimble		
King		
Kinney		
Kleberg		
Knox		
Lamar		
Lamb		
Lampasas		
La Salle		
Lavaca		
Lee		
Leon		
Liberty		
Limestone		
Lipscomb		
Live Oak		
Llano		
Loving		
Lubbock		
Lynn		
McCulloch		
McLennan		
McMullen		
Madison		
Marion		
Martin		
Mason		
Matagorda		
Maverick		
Medina		
Menard		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Midland		
Milam		
Mills		
Mitchell		
Montague		
Montgomery		
Moore		
Morris		
Motley		
Nacogdoches		
Navarro		
Newton		
Nolan		
Nueces		
Ochiltree		
Oldham		
Orange		
Palo Pinto		
Panola		
Parker		
Parmer		
Pecos		
Polk		
Potter		
Presidio		
Rains		
Randall		
Reagan		
Real		
Red River		
Reeves		
Refugio		
Roberts		
Robertson		
Rockwall		
Runnels		
Rusk		
Sabine		
San Augustine		
San Jacinto		
San Patricio		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
San Saba		
Schleicher		
Scurry		
Shackelford		
Shelby		
Sherman		
Smith		
Somervell		
Starr		
Stephens		
Sterling		
Stonewall		
Sutton		
Swisher		
Tarrant		
Taylor		
Terrell		
Terry		
Throckmorton		
Titus		
Tom Green		
Travis		
Trinity		
Tyler		
Upshur		
Upton		
Uvalde		
Val Verde		
Van Zandt		
Victoria		
Walker		
Waller		
Ward		
Washington		
Webb		
Wharton		
Wheeler		
Wichita		
Wilbarger		
Willacy		
Williamson		

USE OF PROCEEDS REPORT

RMRB SERIES 2025BC GEOGRAPHIC DATA

Texas County	\$ of Loans	% of Total Loans
Wilson		
Winkler		
Wise		
Wood		
Yoakum		
Young		
Zapata		
Zavala		
TOTALS		

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FORTY-SIXTH SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

AUTHORIZING

[\$187,500,000]
RESIDENTIAL MORTGAGE REVENUE AND REFUNDING BONDS,
SERIES 2025B

Dated as of [June] 1, 2025

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FORTY-SIXTH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE

THIS FORTY-SIXTH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, dated as of [June] 1, 2025 (together with any amendments hereto, this “2025B Series Supplement”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (together with any successor to its rights, duties, and obligations hereunder, the “Department”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (as successor trustee to MTrust Corp, and together with any successor trustee hereunder, the “Trustee”).

RECITALS

WHEREAS, the Department and the Trustee have heretofore executed and delivered that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 1002 of the Indenture authorizes the Department and the Trustee to execute and deliver a supplemental indenture, authorizing Bonds of a Series to include any other matters and things relative to such Bonds which are not inconsistent with or contrary to the Indenture, to add to the covenants of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, pursuant to the Act and Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), the Department has determined to issue its Residential Mortgage Revenue and Refunding Bonds, Series 2025B in an aggregate principal amount of \$[187,500,000] (the “Series 2025B Bonds”) pursuant to the Indenture and this 2025B Series Supplement to obtain funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income, to provide down payment and closing cost assistance with respect to Assisted Mortgage Loans (as hereinafter defined), to pay lender compensation related to the 2025BC Mortgage Loans, to repay and/or refund the Repaid FHLB Advances (as hereinafter defined) and to pay a portion of the Costs of Issuance (as hereinafter defined) of the Series 2025B Bonds, all under and in accordance with the Constitution and the laws of the State; and

WHEREAS, concurrently with the execution of this 2025B Series Supplement, the Department and the Trustee are also entering into that certain Forty-Seventh Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “2025C Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue Bonds, Taxable Series 2025C (the “Series 2025C Bonds”, and together with the Series 2025B Bonds, the “Series 2025BC Bonds”) for the purposes described in the 2025C Series Supplement; and

WHEREAS, the execution and delivery of this 2025B Series Supplement and the issuance of the Series 2025B Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 2025B Series Supplement and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 2025B Series Supplement have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 2025B Series Supplement, a valid, binding and legal instrument for the security of the Series 2025B Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2025B Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2025B Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective holders from time to time of the Bonds, including the Series 2025B Bonds, as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1. Supplemental Indenture. This 2025B Series Supplement is supplemental to, and is adopted in accordance with, Article III and Article X of the Indenture.

Section 1.2. Definitions.

1. Unless defined in subsection (2) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture shall have the same meanings in this 2025B Series Supplement (other than in the form of Series 2025B Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture and in Section 1.2 of the 2025C Series Supplement.

2. As used in this 2025B Series Supplement (other than in the form of Series 2025B Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate special trust accounts pertaining to the Series 2025B Bonds created and established in Section 2.9 of this 2025B Series Supplement.

“Advances” means advances made to the Department by the Federal Home Loan Bank pursuant to the FHLB Agreement.

“Assisted Mortgage Loans” shall mean 2025BC Mortgage Loans that include a related DPA Loan to provide down payment and closing cost assistance.

“Authorized Denominations” shall mean \$5,000 principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean 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 or any other employee or officer or member of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 913 of the Indenture and Section 2.6 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 2025BC Mortgage Certificate by the Trustee which represents the number of days of interest on such 2025BC Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 2025BC Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [____], but which may be extended to a date no later than November 1, 2028, in accordance with Section 5.2 of this 2025B Series Supplement.

“Chapter 1371” has the meaning given to such term in the recitals hereto.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in clauses (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Computation Date” shall mean each Installment Computation Date and the Final Computation Date.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to Section 914 of the Indenture and Section 5.7 hereof to act as depository of certain moneys and investments.

“Depository Agreement” shall mean that certain Twentieth Supplement to Amended and Restated Depository Agreement dated as of the date hereof, by and among the Department, the Trustee and the Depository relating to the Series 2025BC Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“De Minimis Special Redemption” shall mean a one-time redemption of Series 2025B Bonds from unexpended Proceeds in an amount less than \$500,000 that is treated as a Special Redemption from Mortgage Loan Principal Payments in accordance with Section 2.7.2 hereof.

“DPA Loan” means a subordinated, no stated interest loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to a 2025BC Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are due on sale, refinance, or repayment of the first mortgage and have a thirty year term. DPA Loans are not considered Mortgage Loans.

“Favorable Opinion of Bond Counsel” shall mean, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that, under existing law, such action or omission does not adversely affect the excludability of interest payable on the Series 2025B Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon original issuance of the Series 2025B Bonds or other customary exceptions acceptable to the recipient thereof).

“FHLB Agreement” means the Advances and Security Agreement, dated November 1, 2016, by and between the Department and the Federal Home Loan Bank of Dallas, as amended, and the side letters executed pursuant thereto.

“Final Computation Date” shall mean the date on which final payment in full of the Series 2025B Bonds is made.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate” shall mean a fully-modified, mortgage-backed, pass-through security issued by the Servicer in accordance with the applicable Ginnie Mae Guide bearing interest at the applicable Pass-Through Rate and representing the beneficial ownership interest in a Ginnie Mae pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Servicer into a Ginnie Mae pool.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 2025BC Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“Gross Proceeds” shall mean any Proceeds and any Replacement Proceeds.

“Indenture” shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, between the Department and the Trustee, as supplemented and amended from time to time.

“Initial Bond” means the Series 2025B Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

“Installment Computation Date” shall mean the last day of the fifth Tax Bond Year and each succeeding fifth Tax Bond Year.

“Interest Payment Date” shall mean, with respect to the Series 2025B Bonds, each January 1 and July 1, commencing [January 1, 2026], and any other date on which the Series 2025B Bonds are subject to redemption.

“Investment Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 2025B Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of the Series 2025B Bonds.

“Letter of Instructions” shall mean, with respect to the Series 2025B Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

“Mortgage Loan Principal Payment” shall mean, with respect to any 2025BC Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of such 2025BC Mortgage Loan.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Net Proceeds” means Sale Proceeds, less the portion of any Sale Proceeds invested in a reasonably required reserve or replacement fund.

“Nonpurpose Investment” shall mean any “investment property,” as defined in Section 148(b) of the Code, that is not a purpose investment acquired to carry out the governmental purpose of the Series 2025B Bonds.

“Optional Redemption Date” shall mean [_____].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean the interest rate accruing each month on a 2025BC Mortgage Certificate, which will equal the mortgage rate of the 2025BC Mortgage Loans backing the 2025BC Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Premium PAC Term Bond” shall mean the Series 2025B Bond maturing on [_____].

“Premium PAC Term Bond Outstanding Applicable Amount” shall mean the amounts identified as such in Exhibit B hereto (subject to adjustments as described below). Any special

redemption of the Series 2025B Bonds from unexpended Proceeds pursuant to Section 2.7.1 hereof, other than a De Minimis Special Redemption, will reduce the Premium PAC Term Bond Outstanding Applicable Amount for the Series 2025B Bonds for the current and each future monthly period on a proportionate basis. Thereafter, the Premium PAC Term Bond Outstanding Applicable Amount shall be the remaining balance, if any, of the Premium PAC Term Bond Outstanding Applicable Amount as adjusted from prior periods.

“Pricing Certificate” means the certificate dated [PRICING DATE], setting forth the final terms for the Series 2025B Bonds, executed by an Authorized Representative in accordance with the Resolution.

“Proceeds” shall mean any Sale Proceeds, Investment Proceeds and Transferred Proceeds.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean, collectively, the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters providing for the purchase of the Series 2025BC Bonds by the Underwriters, as amended or supplemented from time to time.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Ratings and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Rebate Amount” has the meaning set forth in Section 1.148-3(b) of the Regulations and generally means the excess, as of any date, of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments, all as determined in accordance with Section 1.148-3 of the Regulations.

“Rebate Analyst” shall mean a person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code, (b) chosen by the Department, and (c) engaged for the purpose of determining the Rebate Amount and the amount of required deposits, if any, to the Rebate Fund.

“Record Date” shall mean the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding an Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 2025B Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2025B Bond or the Indentures.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Repaid FHLB Advances” means the particular Advances specified in the Pricing Certificate.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

“Representative” shall mean RBC Capital Markets, LLC.

“Resolution” means Resolution No. 25-004 authorizing the Bonds, as the same may be amended from time to time in accordance with the terms thereof.

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 2025BC Mortgage Certificates, including any payments received from Ginnie Mae pursuant to the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 2025BC Mortgage Certificates and all other net proceeds of such 2025BC Mortgage Certificates.

“RHS” shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmers Home Administration, or any successor thereto.

“Sale Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

“Series 2025B Bonds” has the meaning given to such term in the recitals hereto.

“Series 2025C Bonds” has the meaning given to such term in the recitals hereto.

“Servicer” shall mean (i) TMS, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

“Servicing Agreement” shall mean (i) with respect to TMS, the Servicing Agreement dated as of December 30, 2024, by and between the Department and TMS; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

“Sinking Fund Installment” means the principal amount of the Series 2025B Bonds subject to scheduled mandatory redemption on the respective redemption dates set forth in Section 2.7.4 hereof.

“State” shall mean the State of Texas.

“Subaccount” or “Subaccounts” shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 2025B Bonds created in certain Accounts pursuant to Section 2.9 hereof.

“Tax Bond Year” shall mean each one-year period that ends at the close of business on September 1 of each year, beginning September 1, 2025. The first and last Tax Bond Years may be short periods. Tax Bond Years end on each anniversary of the Issuance Date and on the date the last Series 2025B Bond is discharged.

“TMS” shall mean The Money Source, Inc., a licensed lender and loan servicer.

“Transferred Proceeds” shall mean the amounts described in Section 1.148-9 of the Regulations.

“2025B Administrative Subaccount” shall mean the 2025B Administrative Subaccount established within the 2025B Mortgage Loan Account pursuant to Section 2.9.1(iii)(B) hereof.

“2025B Bond Proceeds Fund” shall mean the 2025B Bond Proceeds Fund established pursuant to Section 2.9.1(i) hereof.

“2025B Capitalized Interest Subaccount” shall mean the 2025B Capitalized Interest Subaccount established within the 2025B Revenue Account pursuant to Section 2.9.1(iv) hereof.

“2025B Cost of Issuance Account” shall mean the 2025B Costs of Issuance Account established within the Cost of Issuance Fund pursuant to Section 2.9 hereof.

“2025B Cumulative Applicable Amount” shall mean the amounts expressed on a cumulative basis in each of the monthly periods ending on the dates set forth in the table of 2025B Cumulative Applicable Amounts set forth in Exhibit C hereto (subject to adjustments as described below). Any special redemption of the Series 2025B Bonds from unexpended Proceeds pursuant to Section 2.7.1 hereof, other than a De Minimis Special Redemption, will reduce the 2025B Cumulative Applicable Amount for the Series 2025B Bonds for the current and each future monthly period on a proportionate basis. Thereafter, the 2025B Cumulative Applicable Amount shall be the remaining balance, if any, of the 2025B Cumulative Applicable Amount as adjusted from prior periods.

“2025B Down Payment Assistance Subaccount” shall mean the 2025B Down Payment Assistance Subaccount established within the 2025B Mortgage Loan Account pursuant to Section 2.9.1(iii)(A) hereof.

“2025B Expense Account” shall mean the 2025B Expense Account established within the Expense Fund pursuant to Section 2.9 hereof.

“2025B Interest Account” shall mean the 2025B Interest Account established within the Interest Fund pursuant to Section 2.9 hereof.

“2025B Mortgage Certificates” shall mean the proportionate interests in the 2025BC Mortgage Certificates purchased by the Trustee on the Issuance Date and on any future date from amounts on deposit in the 2025B Mortgage Loan Account.

“2025B Mortgage Loan Account” shall mean the 2025B Mortgage Loan Account established within the Mortgage Loan Fund pursuant to Section 2.9 hereof.

“2025B Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 2025B Mortgage Certificate.

“2025B Principal Account” shall mean the 2025B Principal Account established within the Principal Fund pursuant to Section 2.9 hereof.

“2025B Rebate Fund” shall mean the 2025B Rebate Fund established pursuant to Section 2.9.1(ii) hereof.

“2025B Residual Revenues Account” shall mean the 2025B Residual Revenues Account established within the Residual Revenues Fund pursuant to Section 2.9 hereof.

“2025B Revenue Account” shall mean the 2025B Revenue Account established within the Revenue Fund pursuant to Section 2.9 hereof.

“2025B Series Supplement” has the meaning given to such term in the recitals hereto.

“2025B Special Redemption Account” shall mean the 2025B Special Redemption Account established within the Special Redemption Fund pursuant to Section 2.9 hereof.

“2025BC Bonds” has the meaning given to such term in the recitals hereto.

“2025BC Mortgage Certificates” shall mean Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of Section 2.15 hereof and the 2025C Series Supplement and are pledged by the Department to the Trustee pursuant to the Indenture, this 2025B Series Supplement and the 2025C Series Supplement, as described in any Letter of Instructions to the Trustee described in Section 2.15.2 hereof and the 2025C Series Supplement.

“2025BC Mortgage Loans” shall mean, collectively, the 2025B Mortgage Loans and the 2025C Mortgage Loans.

“2025C Mortgage Certificates” shall mean the proportionate interests in the 2025BC Mortgage Certificates purchased by the Trustee on the Issuance Date and on any future date from amounts on deposit in the 2025C Mortgage Loan Account.

“2025C Mortgage Loans” shall mean the Mortgage Loans allocated to Proceeds of the 2025C Bonds.

“2025C Mortgage Loan Account” has the meaning given to such term in the 2025C Series Supplement.

“2025C Series Supplement” has the meaning given to such term in the recitals hereto.

“Underwriters” shall mean the Representative and the other underwriters named on the schedule attached to the Purchase Agreement.

“Yield” shall mean (i) with respect to the Series 2025B Bonds, yield as determined in accordance with Section 143(g)(2)(C) of the Code and (ii) with respect to the 2025B Mortgage Loans, the effective rate of mortgage interest as determined in accordance with Section 143(g)(2)(B) of the Code.

Section 1.3. Authority for this 2025B Series Supplement. This 2025B Series Supplement is adopted pursuant to the provisions of the Act, Chapter 1371 and the Indenture, particularly Section 1002(1) thereof.

Section 1.4. Rules of Construction.

1. For all purposes of this 2025B Series Supplement unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 2025B Series Supplement.

2. Except where the context otherwise requires, terms defined in this 2025B Series Supplement to impart the singular number shall be considered to include the plural number and vice versa.

3. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

4. This 2025B Series Supplement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 2025B Series Supplement and the Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 2025B Series Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7. Indenture to Remain in Force. Except as amended by this 2025B Series Supplement, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8. Successors and Assigns. All covenants and agreements in this 2025B Series Supplement by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9. Separability Clause. In case any provision in this 2025B Series Supplement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of this 2025B Series Supplement. Nothing in this 2025B Series Supplement or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 2025B Series Supplement.

Section 1.11. Governing Law. This 2025B Series Supplement shall be construed in accordance with and governed by the laws of the State.

Section 1.12. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

Section 1.13. Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the DPA Loans and the 2025BC Mortgage Certificates, all amounts that may be received with respect to the DPA Loans and the 2025BC Mortgage Certificates and the Ginnie Mae Guaranty Agreement, any right of the Department under any Ginnie Mae Guaranty Agreement with respect to the 2025BC Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the DPA Loans and the 2025BC Mortgage Certificates, to bring actions and proceedings under the DPA Loans and the 2025BC Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 2025BC Mortgage Certificates, and the holders of the Bonds are by such pledge and assignment afforded a beneficial interest in such DPA Loans and the 2025BC Mortgage Certificates.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2025B BONDS

Section 2.1. Authorization, Original Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 2025B Series Supplement, a Series of Bonds is hereby authorized to be issued in the original aggregate principal amount of \$[187,500,000]. Each Bond of this Series of Bonds shall be entitled “Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bond, Series 2025B.” The terms of the Series 2025B Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2. Purposes. The Series 2025B Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans, (iii) repaying and/or refunding the Repaid FHLB Advances, thereby making funds available to acquire Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates and (iv) paying Costs of Issuance.

Section 2.3. Registered Bonds Only, Dates, Denominations, Numbers, and Letters.

1. The Series 2025B Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

2. The Series 2025B Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if the date of authentication shall be prior to the first Interest Payment Date or in the case of the Initial Bond, the Series 2025B Bonds shall be dated as of the Issuance Date.

3. The Series 2025B Bonds shall be issued in the Authorized Denominations.

4. Unless the Department shall direct otherwise, each Series 2025B Bond within a maturity of the Series 2025B Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letters RB, the letters Ja or Ju depending on whether the maturity is January or July, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TRB-1.

Section 2.4. Interest Payment Dates, Interest Rates and Maturities of the Series 2025B Bonds. The Series 2025B Bonds shall bear interest from the date thereof until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 2025B Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 2025B Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.7 hereof and Article IV of the Indenture:

Maturity Date

Principal Amount (\$)

Interest Rate

Section 2.5. Paying Agent; Method and Place of Payment.

1. The Trustee is hereby appointed as Paying Agent for the Series 2025B Bonds and the Trustee hereby accepts such appointment. The principal amount or Redemption Price of the Series 2025B Bonds shall be payable upon the presentation and surrender thereof, as the same respectively become due and payable, at the applicable office of the Trustee. For purposes of this Section, “applicable office” shall mean the Trustee’s office presently located in Houston, Texas (or such other office designated by the Trustee) which will be utilized to perform payments and transfers with respect to the Bonds. The interest on each Series 2025B Bond shall be payable by check mailed on the Interest Payment Date to the Person in whose name such Series 2025B Bond is registered at the close of business on the Record Date immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. The principal amount or Redemption Price of, and interest on, the Series 2025B Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 2025B Bonds as permitted by the Indenture.

2. Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive Holder of the Series 2025B Bonds and for Holders of not less than \$1,000,000 in aggregate principal amount of the Series 2025B Bonds, and except for the final payment of principal of the Series 2025B Bonds at maturity, the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such Holders to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 2025B Bonds pursuant to written instructions from the Holder, or the Letter of Representations, as the case may be.

Section 2.6. Bond Depository; Book-Entry System.

1. Pursuant to Section 913 of the Indenture, the Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 2025B Bonds. In accordance with the Letter of Representations, the Department shall cause the Series 2025B Bonds (other than the Initial Bond) to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered on the Issuance Date to the Trustee to be held on behalf of the Bond Depository.

2. With respect to Series 2025B Bonds registered in the Bond registration books of the Department required to be maintained by the Trustee pursuant to Section 310 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 2025B Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 2025B Bond as the holder and absolute owner of such Series 2025B Bond for the purpose of

payment of the principal and Redemption Price of and interest with respect to such Series 2025B Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025B Bond, for the purpose of registering transfers and exchanges with respect to such Series 2025B Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the Series 2025B Bonds only to or upon the order of the respective registered owners of the Series 2025B Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 2025B Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 2025B Bond as shown in the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture, of any notice with respect to the Series 2025B Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 2025B Bond, of any amount with respect to any Series 2025B Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 2025B Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

3. In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 2025B Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 2025B Bonds is not in the best interest of such owners of beneficial interests in the Series 2025B Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 2025B Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 2025B Bonds, if one is available satisfactory to the Department, and the ownership of all Series 2025B Bonds shall be transferred on the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 2025B Bonds, of the availability of Series 2025B Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 2025B Bonds and, upon surrender to the Trustee of the Outstanding Series 2025B Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 2025B Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 2025B Bonds as of the date of the termination of the existing book-entry ownership system for the Series 2025B Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 2025B Bonds, all of the Series 2025B Bonds must be held under such book-entry system. Prior to any transfer of the Series 2025B Bonds outside the book-entry system

(including, but not limited to, any initial transfer outside the book-entry system) the Department, Bond Depository, or the transferor of a Series 2025B Bond shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

4. Notwithstanding any other provisions in Article II of this 2025B Series Supplement, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.7. Redemption Prices and Terms. The Series 2025B Bonds shall not be subject to redemption prior to maturity except as follows:

1. Special Redemption from Unexpended Proceeds. The Series 2025B Bonds are subject to special redemption from amounts transferred to the 2025B Special Redemption Account in accordance with Section 5.2 hereof, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025B Bonds to be so redeemed pursuant to this Section 2.7.1 shall be equal to (a) for all Series 2025B Bonds, other than the Premium PAC Term Bond, 100% of the principal amount thereof; and (b) for the Premium PAC Term Bond, the applicable Redemption Price, as set forth in Exhibit D hereto; plus in any case accrued interest thereon to, but not including, the date of redemption; except that a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments and such portion of the Series 2025B Bonds shall be redeemed in accordance with Section 2.7.2 hereof. In the event of a redemption of the Premium PAC Term Bond under this Section 2.7.1 on a date other than a redemption date listed on Exhibit D hereto, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed on Exhibit D hereto immediately preceding and succeeding such redemption date.

Such redemption shall occur on the first day of any month on or after [____], unless the Certificate Purchase Period is extended in accordance with this 2025B Series Supplement. In no event will the redemption occur later than December 1, 2028.

Except for the De Minimis Special Redemption, the Series 2025B Bonds to be redeemed in accordance with this subsection shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

2. Special Redemption from Mortgage Loan Principal Payments. The Series 2025B Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after [____], after giving notice as provided in Section 2.8 hereof, at a Redemption Price equal to 100% of the principal amount of the Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the

redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025BC Mortgage Certificates transferred to the 2025B Special Redemption Account in accordance with clauses (iii) and (iv) of Section 5.3.2 hereof.

In the event of a redemption pursuant to this Section 2.7.2 from Mortgage Loan Principal Payments relating to the 2025BC Mortgage Certificates, the Trustee shall select the particular Series 2025B Bonds to be redeemed as follows:

- (i) the Trustee shall redeem the Premium PAC Term Bond, but only to the extent that the Outstanding principal amount of such Premium PAC Term Bond following any such redemption is not less than the Premium PAC Term Bond Outstanding Applicable Amount as of such date;
- (ii) amounts remaining following the redemptions described in clause (i) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate to redeem all other Series 2025B Bonds (other than the Premium PAC Term Bond), on a proportionate basis until the Outstanding principal amount of all Series 2025B Bonds has been reduced to the 2025B Cumulative Applicable Amount as of such date;
- (iii) amounts remaining following the redemptions described in clauses (i) and (ii) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025B Bonds, including the Premium PAC Term Bond, on a proportionate basis after taking into account the amounts applied to redeem the Series 2025B Bonds pursuant to the above-described redemptions.

Any special redemption of the Series 2025B Bonds pursuant to Section 2.7.1 hereof (other than a De Minimis Special Redemption), will reduce the Premium PAC Term Bond Outstanding Applicable Amount and the 2025B Cumulative Applicable Amount for the current and each future monthly period on a proportionate basis.

3. Special Redemption from Excess Revenues. The Series 2025B Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part, from time to time on the first day of any month on or after [____], after giving notice as provided in Section 2.8 hereof and in accordance with a Letter of Instructions, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to but not including the redemption date, from amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 hereof (including revenues whether or not derived in connection with the Series 2025B Bonds).

In the event of a redemption pursuant to this Section 2.7.3 from excess Revenues, the Trustee shall apply amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 to redeem the Series 2025B Bonds Outstanding in the same manner provided in clauses (i) and (ii) under Section 2.7.2, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

4. Scheduled Mandatory Redemption. The Series 2025B Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in Article IV of the Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date, from amounts that have been transferred to the 2025B Principal Account from the 2025B Revenue Account.

\$[_____] Term Bond maturing [____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Premium PAC Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

The principal amount of the Series 2025B Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2025B Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to mandatory sinking fund redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

5. Optional Redemption. The Series 2025B Bonds (except for the Premium PAC Term Bond) maturing on or after [____], are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date at the option of the Department after giving notice as provided in Section 2.8 hereof, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

The Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date, at the option of the Department after giving notice as provided in Section 2.8 hereof, at the Redemption Prices

set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date

Redemption Price

100.000%

and thereafter

If the Premium PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

At least 45 days prior to any redemption date described in this Section 2.7, or such later date as the Trustee will accept, the Department shall give a Letter of Instructions to the Trustee accompanied by a Cashflow Certificate specifying the principal amount of Series 2025B Bonds to be redeemed and the date of such redemption and identifying the Series 2025B Bonds by the maturity date and interest rate of such Series 2025B Bonds and the source of funds to be utilized to redeem such Series 2025B Bonds.

Section 2.8. Notice of Redemption; Selection of Series 2025B Bonds to Be Redeemed.

1. Subject to Section 2.6 hereof, notice of the call for any redemption other than pursuant to Section 2.7.1 hereof, identifying the Series 2025B Bonds or portions thereof to be redeemed, shall be given by the Trustee as provided in Section 405 of the Indenture. If applicable, such notice shall provide that redemption of the Series 2025B Bonds is conditioned upon moneys being available for such purpose on the redemption date.

2. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2025B Bonds receives the notice.

3. Except as specified in Section 2.7.2 and Section 2.7.3 hereof, the Series 2025B Bonds to be redeemed in part shall be selected as provided in Section 404 of the Indenture. While the Series 2025B Bonds are held by the Bond Depository, Series 2025B Bonds shall be selected for redemption as described in Section 2.6 hereof.

Section 2.9. Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

1. Pursuant to the provisions of subsection 3 of Section 502 of the Indenture, there is established by this Section 2.9 for the Series 2025B Bonds an Account in each Fund, except for

the Debt Service Reserve Fund and the Mortgage Reserve Fund, established by subsection 1 of Section 502 of the Indenture. Each such Account shall be known and designated as the “2025B _____ Account”, with the blank containing an appropriate reference to the Fund to which such Account relates. In addition, there are hereby established for the Series 2025B Bonds the following additional Funds, Accounts and Subaccounts:

- (i) a temporary Fund to be known and designated as the 2025B Bond Proceeds Fund;
- (ii) a Fund to be known and designated as the 2025B Rebate Fund;
- (iii) within the 2025B Mortgage Loan Account, a (A) 2025B Down Payment Assistance Subaccount; and (B) 2025B Administrative Subaccount; and
- (iv) within the 2025B Revenue Account, a 2025B Capitalized Interest Subaccount.

2. Unless an Event of Default shall have occurred and be continuing, Revenues from the 2025BC Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account for the Series 2025B Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts as required by this Section 2.9 is for the purpose of making the calculations required by Sections 143(g) and 148 of the Code, and is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

Section 2.10. Initial Deposits and Transfers into Funds, Accounts and Subaccounts. On the Issuance Date, as shall be more fully set forth in a Letter of Instructions, the Trustee shall deposit the proceeds of the Series 2025B Bonds into the 2025B Bond Proceeds Fund. There shall be transferred from the 2025B Bond Proceeds Fund the amounts specified in a Letter of Instructions authorizing the authentication and delivery of the Series 2025B Bonds, for deposit to the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 2025B Bond Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 2025B Cost of Issuance Account shall be transferred to the Residual Revenues Fund pursuant to a Letter of Instructions from the Department.

Section 2.11. Form of Series 2025B Bonds. 1. Each Series 2025B Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this 2025B Series Supplement, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 2025B Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 2025B Bonds or as contained in any notice of redemption. There may be printed on or

attached to each Series 2025B Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the principal amount thereof which shall have been paid and the portion of the principal amount thereof which remains Outstanding and unpaid.

2. Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, with the following modifications:

- (i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. TRB-1 Dated Date: [CLOSING DATE] \$[187,500,000]

Registered Owner: RBC CAPITAL MARKETS, LLC

Principal Amount: [ONE HUNDRED EIGHTY-SEVEN MILLION FIVE HUNDRED THOUSAND] DOLLARS”

- (ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable

on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.12. 2025B Rebate Fund.

1. At the beginning of each Tax Bond Year, the Department shall calculate the estimated Rebate Amount that will be payable on the next occurring Computation Date, as set forth in Section 4.6.1(ii). In calculating the Rebate Amount, the Department may rely upon a Counsel’s Opinion or an opinion of a Rebate Analyst that the method of calculation utilized by the Department complies with the requirements of Section 148 of the Code and Section 1.148-3 of the Regulations. If, in making such calculations, the Department determines that there is an insufficient amount currently on deposit in the 2025B Rebate Fund to make the payment required by Section 4.6.1(ii) hereof, then the Department shall (i) immediately transfer the amount of such deficiency from any other account in the Expense Fund or (ii) instruct the Trustee to transfer such amount to the 2025B Rebate Fund from the Revenue Fund and the Trustee shall transfer from the 2025B Revenue Account to the 2025B Rebate Fund the amounts so specified, all in accordance with Section 505 of the Indenture. If, in making such calculations, the Department determines that there is a negative Rebate Amount, then the Department may direct the Trustee in writing to transfer from the 2025B Rebate Fund to the 2025B Revenue Account the amount then on deposit in the 2025B Rebate Fund.

2. All earnings resulting from the investment of amounts on deposit in the 2025B Rebate Fund shall be credited to the 2025B Rebate Fund.

3. No later than 55 day after each Computation Date for the Series 2025B Bonds, the Department shall deliver the items set forth in Section 4.6.1 to the Trustee. Not later than 60 days after each Computation Date for the Series 2025B Bonds, the Trustee shall withdraw from the 2025B Rebate Fund the amounts described in Section 4.6.1(ii) hereof and remit to the United States of America the amounts required to be paid to the United States of America in accordance with written instructions from the Department, which shall be in compliance with Sections 1.148-1 through 1.148-8 of the Regulations or any successor Regulation.

4. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) has not been paid to the United States of America pursuant hereto as required or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department, shall immediate transfer any amounts due as set forth in Section 4.6.2 and shall deliver to the Trustee any documents required pursuant to Section 4.6.2. Upon receipt of such amount and documentation relating thereto, the Trustee shall withdraw from

the 2025B Rebate Fund the amounts described in Section 4.6.2 and remit to the United States of America the amounts required to be paid in accordance with written instructions from the Department, which shall be in compliance with Sections 1.148-1 through 1.148-8 of the Regulations or any successor Regulation.

5. Each payment required to be made to the United States of America pursuant to this Section shall be submitted to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 or such other address as provided by law or regulation and shall be accompanied by Internal Revenue Service Form 8038-T properly completed by the Department with respect to the Series 2025B Bonds.

Section 2.13. Transfers from 2025B Residual Revenues Account. Unless otherwise directed pursuant to a Letter of Instructions accompanied by a Cashflow Certificate, on each Interest Payment Date and each date fixed for the redemption of the Series 2025B Bonds, to the extent funds are not available in the 2025B Revenue Account to pay interest or principal due on the Series 2025B Bonds, the Trustee shall transfer from the 2025B Residual Revenues Account to the 2025B Interest Account or the 2025B Principal Account an amount which, when added to any amounts already on deposit therein, will equal the amount of interest and principal to become due and payable on the Series 2025B Bonds on such date.

Section 2.14. 2025B Mortgage Loan Account. The 2025B Mortgage Loan Account established pursuant to Section 2.9 hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, the 2025B Mortgage Certificate. On [____], unless the Certificate Purchase Period is extended in accordance with Section 5.2 hereof, unexpended proceeds of the Series 2025B Bonds shall be transferred from 2025B Mortgage Loan Account to the 2025B Special Redemption Account in accordance with Section 2.7.1 hereof.

Section 2.15. 2025BC Mortgage Certificate Acquisition.

1. The Department has determined that the Supplemental Mortgage Security for the 2025BC Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates. Accordingly, the purchase of the 2025BC Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 2025BC Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 2025BC Mortgage Certificate.

2. On each applicable Certificate Purchase Date and pursuant to a Letter of Instructions, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificate Purchase Price from amounts available in the 2025B Mortgage Loan Account. The Department shall specify the allocation of the 2025BC Mortgage Certificates to the Series 2025B Bonds and the Series 2025C Bonds in such Letter of Instructions. The Department shall deliver a copy of each such Letter of Instructions to the Compliance Agent.

3. Each 2025BC Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

- (i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary" (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the "Rules") in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates, and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the

case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

- (ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

ARTICLE III

RESERVED

ARTICLE IV

FEDERAL INCOME TAX MATTERS

Section 4.1. General Tax Covenant. The Department covenants not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the interest on the Series 2025B Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the Department covenants to comply with section 103 and 141, 143, and 146 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the Department in connection with the Series 2025B Bonds. The Department and the Trustee may amend this 2025B Series Supplement to reflect the deletion or substitution of any such requirement specified in this Article IV in the manner provided in Section 1002 of the Indenture. The Department will not be required to comply with any of the federal tax covenants set forth in this Article IV if the Department has received a Favorable Opinion of Bond Counsel regarding such noncompliance.

Section 4.2. Use of Proceeds. The Department covenants that:

1. all of the Proceeds of the Series 2025B Bonds (other than amounts used to pay Costs of Issuance of the Series 2025B Bonds) will be used to (i) finance owner-occupied residences or (ii) repay the Advances within 90 days of the Issue Date of the Series 2025B Bonds;
2. the Proceeds of the Series 2025B Bonds will not be used in a way that would cause the Series 2025B Bonds to meet the private business use tests set forth in Section 141(b) of the Code;
3. all Sale Proceeds of the Series 2025B Bonds and any Investment Proceeds thereon that are to be used to finance owner-occupied residences (i) will be used for such purpose within the 42-month period beginning on the Issuance Date of the Series 2025B Bonds or (ii) to the extent not so used, will be used to redeem Series 2025B Bonds within such period, and no portion of such Proceeds of the Series 2025B Bonds will be used to finance any 2025BC Mortgage Loan or DPA Loan or to acquire any Mortgage Certificate after the close of such period; and
4. all Transferred Proceeds of the Series 2025B Bonds resulting from the repayment of Advances and any Investment Proceeds thereon that are to be used to finance owner-occupied residences (i) will be used for such purpose within the 42-month period beginning on the Issuance

Date of the earliest Advance or (ii) to the extent not so used, will be used to redeem Series 2025B Bonds within such period, and no portion of such Proceeds of the Series 2025B Bonds will be used to finance any 2025BC Mortgage Loan or DPA Loan or to acquire any Mortgage Certificate after the close of such period.

Section 4.3. Mortgage Eligibility Requirements.

1. The Department covenants: (i) to attempt in good faith to meet, with respect to each 2025B Mortgage Loan, before the execution thereof, the mortgage eligibility requirements of Section 143(c), (d), (e), (f) and (i) of the Code (as more fully described in subsections 2, 3, 4, 5 and 6, respectively, of this Section 4.3), by placing restrictions in the Program Agreement or other similar agreements that permit the origination and purchase of 2025B Mortgage Loans only in accordance with such requirements and by establishing reasonable procedures to ensure compliance with such requirements, including investigation by the Mortgage Lenders and the Servicer or the Department (or its agent) to determine that each 2025B Mortgage Loan meets such requirements; (ii) to use all due diligence to assure that all of the Proceeds of the Series 2025B Bonds that are applied to the financing of 2025B Mortgage Loans are applied to finance 2025B Mortgage Loans that, as of the date of execution thereof, meet all such requirements; and (iii) to correct any failure to meet such requirements within a reasonable period after such failure is first discovered by causing the non-qualifying 2025B Mortgage Loan to be accelerated or to be replaced with a 2025B Mortgage Loan that meets such requirements if the non-qualifying 2025B Mortgage Loan defect cannot be cured within such reasonable period. The Department covenants that each Mortgage Lender selected for participation in the Program that services Mortgage Loans under the Program shall be required to enter into an agreement or agreements containing, in addition to servicing requirements relating to the Mortgage Loans set forth in Section 710 of the Indenture, that each Mortgage Lender shall represent and warranty that it: (i) maintains an Office of Foreign Assets Control (“OFAC”) compliance program, and (ii) is responsible for and best positioned to conduct OFAC scanning of all relevant data with respect to the serviced portfolio (including borrower names/addresses) in accordance with its OFAC compliance program. As used herein, “OFAC compliance program” shall refer to those programs, policies, procedures and measures designed to ensure compliance with, and prevent violations of, all economic sanctions, laws, rules, regulations, executive orders and requirements administered by OFAC, or any other applicable authority with jurisdiction over such Mortgage Lender. Each Mortgage Lender shall agree to, among other things: (i) perform effective and timely OFAC scanning in accordance with such Mortgage Lender’s OFAC compliance program of all relevant data with respect to the portfolio of assets serviced pursuant to the Indenture; (ii) if a Borrower at any time becomes or is otherwise determined to be an OFAC sanctions target that requires blocking or rejection of a portfolio asset held by the Trustee under or in connection with the Indenture, take all actions required by OFAC regulations, including, without limitation (a) conducting all necessary investigations and communications with OFAC (including reporting) concerning the portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions, (b) blocking the assets of any OFAC sanctions target in such portfolio serviced by such Mortgages Lender (including any related payments from the same), and (c) obtain any licenses from OFAC necessary for such Mortgage Lender and the Trustee to perform their respective services under the Indenture with respect to sanctioned assets and/or borrowers; and (iii) promptly provide notice in writing to the Trustee of any portfolio assets that such Mortgages Lender determines are subject to OFAC restrictions and consult with the Trustee on the action plan to handle those assets.

2. The Department covenants to require, and the Program Agreement requires, with respect to each 2025B Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(c) of the Code, the residence being financed with the proceeds of such 2025B Mortgage Loan is a single-family residence located within the State that the Borrower reasonably expects to occupy as his or her principal residence within a reasonable time (e.g., 60 days) after the financing is provided.

3. The Department covenants to require, and the Program Agreement requires, with respect to each 2025B Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(d) of the Code, the Borrower has not had, within the three-year period ending on the date of execution of the applicable 2025B Mortgage Loan, a present ownership interest in a principal residence; provided, however, that (i) the Department may purchase 2025B Mortgage Loans that do not satisfy the foregoing requirement, so long as such purchase does not cause less than 95% of the Net Proceeds of the Series 2025B Bonds to have been used to finance such non-conforming loans; (ii) financings with respect to targeted area residences will be treated as meeting such requirement; (iii) financings described in the Contract For Deed Exception will be treated as meeting such requirement; and (iv) financings of any residence for any veteran (as defined in Section 101 of Title 38, United States Code), if such veteran has not previously qualified for and received financing pursuant to the exception, will be treated as meeting such requirement.

4. The Department covenants to require and the Program Agreement requires, with respect to each 2025B Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(e) of the Code, the acquisition cost of the residence being financed with the proceeds of such 2025B Mortgage Loan does not exceed 90% of the average area purchase price applicable to such residence (110% in the case of a targeted area residence).

5. The Department covenants to require and the Program Agreement requires, with respect to each 2025B Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(f) of the Code, the Borrower's family income does not exceed: (i) for an individual or a family of two persons, 100% of the applicable median family income (120% in the case of a Borrower acquiring a targeted area residence); or (ii) for a family of three or more persons, 115% of the applicable median family income (140% in the case of a Borrower acquiring a targeted area residence).

6. The Department covenants to require and the Program Agreement requires, with respect to each 2025B Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(i) of the Code, the 2025B Mortgage Loan is not made for the purpose of acquiring or replacing an existing mortgage (i.e., that the Borrower does not have an existing mortgage (whether or not paid off) on the residence securing the 2025B Mortgage Loan at any time prior to the execution of the 2025B Mortgage Loan), except for a mortgage falling within the Contract for Deed Exception or a mortgage securing a construction period loan, a bridge loan or other similar temporary initial financing having a term of 24 months or less. The Department further covenants and agrees not to permit the assumption of any 2025B Mortgage Loan unless the requirements described in subsection 2, 3, 4 and 5,

respectively, of this Section 4.3 are met with respect to such assumption. Borrowers described in the Contract for Deed Exception shall be treated as meeting the requirements of this subsection (6).

7. The Department covenants to require and the Program Agreement requires, that each 2025B Mortgage Loan include provisions for acceleration in the event that the Department discovers that any of such mortgage eligibility requirements have not been met with respect to such 2025B Mortgage Loan.

8. The following terms used in this Section 4.3 shall have the respective meanings set forth in Section 143 of the Code and the Regulations promulgated thereunder: acquisition cost, applicable median family income, average area purchase price, family income, mortgage, present ownership interest, principal residence, residence, single family residence, and targeted area residence.

Section 4.4. Targeted Area Residences. The Department covenants that an amount equal to at least 20% of the Sale Proceeds of the Series 2025B Bonds and Investment Proceeds thereon that are made available for the purchase of 2025BC Mortgage Loans has been or will be made available for at least one year after the date on which owner-financing was first made available with respect to targeted area residences (within the meaning of Section 143(j) of the Code). The Department will attempt with reasonable diligence to use such proceeds to purchase mortgage loans pertaining to such targeted area residences by conducting an advertising campaign reasonably designed to inform the general public of the availability of such proceeds, and will take such other and further actions to assure that, to the maximum extent practicable, such proceeds are used for such purpose.

Section 4.5. Mortgage Rate. The Department will take all actions necessary to ensure that the blended Yield on the 2025B Mortgage Loans properly allocable under Sections 1.148-1 through 1.148-10 of the Regulations to the Series 2025B Bonds will not exceed the Yield on the Series 2025B Bonds (all as computed by or on behalf of the Department in accordance with Section 143(g) of the Code and Sections 1.148-1 and 1.148-10 of the Regulations) by more than 1.125%. To the extent that the Yield on the 2025B Mortgage Loans exceeds the Yield on the Series 2025B Bonds by more than 1.125%, the Department will make yield reduction payments (“Yield Reduction Payments”) to the federal government as set forth in Section 1.148-5(c) of the Regulations and as set forth below.

Section 4.6. Rebate Requirement. The Department covenants to comply with the requirement that “rebateable arbitrage earnings” on the investment of the Gross Proceeds of the Series 2025B Bonds, within the meaning of Section 148(f) of the Code, be rebated to the federal government.

1. Delivery of Documents and Money on Computation Dates. The Department shall deliver to the Trustee, within 55 days after each Computation Date for the Series 2025B Bonds,

- (i) a statement, signed by an Authorized Representative of the Department, stating the Rebate Amount for the Series 2025B Bonds as of such Computation Date and the amount of any Yield Reduction Payment due;

- (ii) (A) if such Computation Date is an Installment Computation Date, an amount which, together with any amount then held in the 2025B Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 2025B Bonds and Yield Reduction Payments, or (B) if such Computation Date is a Final Computation Date, an amount which, together with any amount then held for the credit of the 2025B Rebate Fund is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 2025B Bonds and Yield Reduction Payments; and
- (iii) an Internal Revenue Service Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (“Form 8038-T”) properly signed and completed as of such Computation Date.

2. Correction of Underpayments. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) above has not been paid as required pursuant to Section 2.12 hereof or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department will (i) deliver to the Trustee (for deposit to the 2025B Rebate Fund) and cause the Trustee to pay to the United States of America from the 2025B Rebate Fund (A) the Rebate Amount or Yield Reduction Payments that the Department failed to pay, plus any interest specified in Section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50 percent penalty required by Section 1.148-3(h)(1) of the Regulations, and (ii) deliver to the Trustee and the Department a Form 8038-T completed as of such date. If such Rebate Amount or Yield Reduction Payments, together with any penalty and/or interest due, is not paid to the United States of America in the amount and manner and by the time specified in the Regulations, the Department will take such steps as are necessary to prevent the Series 2025B Bonds from becoming an “arbitrage bond” within the meaning of Section 148 of the Code. The Trustee shall not be liable for any penalties incurred with respect to the calculation and payment of the Rebate Amount or Yield Reduction Payments.

3. Records. The Department will retain all of its accounting records relating to the Funds, Accounts and Subaccounts and all calculations made in preparing the statements described in this Section 4.6 for at least three years after the later of (i) the final maturity of the Series 2025B Bonds or (ii) the first date on which no Series 2025B Bonds is Outstanding.

4. Fees and Expenses. The Department agrees to pay all of the fees and expenses of a nationally recognized bond counsel, a certified public accountant and any Rebate Analyst or other necessary consultant employed by the Department or the Trustee in connection with computing the Yield Reduction Payments and Rebate Amount.

5. No Diversion of Rebatable Arbitrage. The Department will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 2025B Bonds that is not purchased at fair market value (as defined in Section 1.148-5(d)(6)(iii) of the Regulations) or includes terms that the Department would not have included if the Series 2025B Bonds were not subject to Section 148(f) of the Code.

6. Rebate Not Required in Certain Circumstances.

(i) Notwithstanding the foregoing, the Department will not be required to perform the obligations set forth in this Section 4.6, except for the obligation to retain accounting records and the payment of expenses as described herein, if (A) the Yield on the Mortgage Loans does not exceed the Yield on the Bonds by more than 1.125% or (B) the Department has not earned any “rebtable arbitrage earnings” and, therefore, is not subject to the rebate obligation set forth in Section 148(f) of the Code. To the extent that the Department will not be required to perform such obligations, the Department will send written notice to the Trustee within 55 days after the applicable Computation Date.

(ii) Notwithstanding anything to the contrary in this 2025B Series Supplement requiring a payment to be made based on the Rebate Analyst’s calculations showing a rebate being due, no payment will be made by the Trustee to the United States of America if the Department furnishes to the Trustee a Favorable Opinion of Bond Counsel.

Section 4.7. No-Arbitrage Covenant. The Department covenants that it will make such use of the Gross Proceeds of the Series 2025B Bonds and related Revenues, regulate investments of proceeds of the Series 2025B Bonds and related Revenues, and take such other and further action as may be required so that the Series 2025B Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code. The Department hereby expressly reserves the right to direct the Trustee or any Depository to make specific investments to ensure compliance with this Section 4.7 and Section 4.8.

Section 4.8. Limitations on Investment of Reserve Amounts. The Department covenants that at no time will the aggregate amount of money held in any reasonably required reserve for the Series 2025B Bonds that is invested in Nonpurpose Investments and at a yield higher than the yield on such Series 2025B Bonds, exceed the least of (i) 10% of the Sale Proceeds of the Series 2025B Bonds; (ii) the maximum annual principal and interest requirements on the issue, or (iii) 125 percent of the average annual principal and interest requirements on the issue.

Section 4.9. Limitations on Costs of Issuance. The Department covenants and agrees that the Costs of Issuance financed with the Proceeds of the Series 2025B Bonds will not exceed two percent of the Sale Proceeds of the Series 2025B Bonds.

Section 4.10. No Federal Guaranty. The Department covenants not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause any of the Series 2025B Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b) of the Code.

Section 4.11. Information Reporting. The Department covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2025B Bonds are issued, an information statement concerning the Series 2025B Bonds, all under and in accordance with Section 149(e) of the Code, and that it will file or cause to be filed such additional information reports as may be required by Section 149(e) of the Code.

Section 4.12. Changes in Use of Mortgaged Property. The Department acknowledges that the provisions of Section 150(b) of the Code (relating to changes in use of property financed with the proceeds of private activity bonds) apply to the 2025B Mortgage Loans (including Mortgage Loans represented by Mortgage Certificates), and covenants to advise each Borrower with respect to a Mortgage Loan of such provisions.

Section 4.13. Use of Repayments to Redeem Series 2025B Bonds. So long as any of the Series 2025B Bonds are Outstanding, the Department covenants that each Mortgage Loan Principal Payment with respect to a 2025B Mortgage Loan received on or after the ten year anniversary of the Issuance Date will be used to redeem Series 2025B Bonds not later than the close of the first semiannual period beginning after the date such Mortgage Loan Principal Payment is received, unless the Department has received a Favorable Opinion of Bond Counsel and the Department has fulfilled the other requirements of Section 2.7 hereof with respect to the use of such payments to redeem other Bonds.

Section 4.14. Recapture. The Department covenants and agrees to comply with the provisions of Section 143(m) of the Code (regarding the recapture of a portion of the federal subsidy from the use of qualified mortgage bonds) with respect to each 2025B Mortgage Loan.

Section 4.15. Bonds are not Hedge Bonds. The Department covenants and agrees that not more than 50% of the Sale Proceeds of the Series 2025B Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Department reasonably expects that at least 85% of the spendable proceeds of the Series 2025B Bonds will be used to carry out the governmental purposes of the Series 2025B Bonds within the three-year period beginning on the Issuance Date.

Section 4.16. Sale of 2025BC Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the 2025BC Mortgage Certificates in whole or in part only upon delivery by the Department of (i) a Counsel's Opinion that such sale will not cause all or any portion of the 2025B Mortgage Certificates, or the Series 2025B Bonds to be classified as a "taxable mortgage pool" within the meaning of Section 7701(i) of the Code; and (ii) written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement).

Section 4.17. Record Retention. The Department will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Series 2025B Bonds until three years after the last Series 2025B Bond is redeemed or paid at maturity, or such other period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For

this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Department to retrieve and reproduce such books and records in the event of an examination of the Series 2025B Bonds by the Internal Revenue Service.

Section 4.18. Continuing Obligation. Notwithstanding any other provision of this 2025B Series Supplement, the Department's obligations under the covenants and provisions of this Article IV will survive the defeasance and discharge of the Series 2025B Bonds for as long as such matters are relevant to the excludability of interest on the Series 2025B Bonds from gross income for federal income tax purposes.

ARTICLE V

OTHER MATTERS

Section 5.1. Reserved.

Section 5.2. Transfer of Unexpended Proceeds. On the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), unless the Certificate Purchase Period is extended in accordance with this Section 5.2, the Trustee shall transfer the amounts in the 2025B Mortgage Loan Account remaining unexpended for acquisition of 2025BC Mortgage Certificates in such amounts as provided in a Letter of Instructions from the 2025B Mortgage Loan Account to the 2025B Special Redemption Account to be applied to the redemption of Series 2025B Bonds pursuant to Section 2.7.1 hereof. The Certificate Purchase Period for amounts in the 2025B Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee, but not later than November 1, 2028, upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

1. a Favorable Opinion of Bond Counsel; and
2. confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 2025B Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

Section 5.3. Application of Amounts in 2025B Revenue Account.

1. Unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate and a confirmation from each Rating Agency of the then current ratings on the Series 2025B Bonds, all Revenues received with respect to the 2025BC Mortgage Certificates shall be deposited in the 2025B Revenue Account.

2. Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall transfer from the 2025B Revenue Fund amounts on deposit therein in accordance with a Letter of Instructions and in the following order of priority:

- (i) First, on each Interest Payment Date or any other date for the redemption of the Series 2025B Bonds, to the 2025B Interest Account, to the extent required so that the balance in said account equals the amount of interest which will be due and payable on the Series 2025B Bonds on such Interest Payment Date or redemption date;
- (ii) Second, monthly, upon receipt of Mortgage Loan Principal Payments, to the 2025B Principal Account, one-sixth of the aggregate amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 2025B Bonds on the next Interest Payment Date;
- (iii) Third, monthly, upon receipt of Mortgage Loan Principal Payments, to the 2025B Special Redemption Account, the amount required to reduce the Outstanding principal amount of the Premium PAC Term Bond to the Premium PAC Term Bond Outstanding Applicable Amount for such monthly period, and the Trustee shall use such funds either on the next Interest Payment Date, or if the Outstanding Series 2025B Bonds as of such Interest Payment Date are less than the 2025B Cumulative Applicable Amount, on the first day of the next month for which notice can be given following such Interest Payment Date to redeem Series 2025B Bonds pursuant to Section 2.7.2 hereof; and
- (iv) Fourth, monthly, upon receipt of Mortgage Loan Principal Payments, to the 2025B Special Redemption Account, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 2025B Bonds pursuant to Section 2.7.2 hereof.

Section 5.4. Application of Residual Revenues.

1. Prior to the date the Series 2025C Bonds are no longer Outstanding, the Trustee shall transfer any amounts as set forth or described in a Letter of Instructions from the 2025B Residual Revenues Account either to (x) the 2025B Special Redemption Account to redeem Series 2025B Bonds in accordance with Section 2.7.3 hereof, or (y) the 2025C Revenue Account to pay Series 2025C Bonds in accordance with Section 5.3.2 of the 2025C Series Supplement.

2. If no Series 2025C Bonds are Outstanding, the Trustee shall transfer any amounts as set forth or described in a Letter of Instructions from the 2025B Residual Revenues Account to the 2025B Special Redemption Account to redeem Series 2025B Bonds in accordance with Section 2.7.3 hereof.

Section 5.5. Limitations on Mortgage Loans. The Department covenants and agrees that each Mortgage Loan contained in a mortgage pool represented by a 2025BC Mortgage Certificate shall satisfy the following requirements:

1. each 2025BC Mortgage Loan shall bear interest (which interest shall be payable in arrears) at the applicable rate in accordance with the Program Agreement;

2. each 2025BC Mortgage Loan shall have a term of 30 years and shall provide for level monthly payments and full amortization over the term thereof;

3. each 2025BC Mortgage Loan shall be secured by a Mortgage creating a first lien on the residence being financed with the proceeds of such 2025BC Mortgage Loan;

4. each 2025BC Mortgage Loan shall be (A) insured by the FHA pursuant to Section 203, 221(d)(2) or 234(c) of the National Housing Act of 1934, as amended, in accordance with the applicable standards of the FHA, (B) guaranteed by the VA under the Servicemen's Readjustment Act of 1945, as amended, in accordance with applicable standards of the VA, or (C) guaranteed by RHS under the Cranston-Gonzales National Affordable Housing Act of 1990;

5. each 2025BC Mortgage Loan shall be further secured by Supplemental Mortgage Security in the form of the guaranty provided by Ginnie Mae pursuant to a Ginnie Mae Certificate;

6. each residence financed with a 2025BC Mortgage Loan shall be a single family attached or detached house, a single unit in a condominium development or a planned unit development or a qualifying duplex (but not a triplex or fourplex or manufactured housing that is not permanently affixed to real property owned by the Borrower);

7. each 2025BC Mortgage Certificate shall be acquired by the Department with moneys disbursed from the 2025B Mortgage Loan Account and/or 2025C Mortgage Loan Account during the Certificate Purchase Period; and

8. such other requirements as may be set forth in the Program Agreement.

The Department covenants and agrees that each DPA Loan meets the requirements set forth in the Program Guidelines.

Section 5.6. Covenant Relating to the Program Agreement. The Department represents and covenants that the Program Agreement incorporates the requirements set forth in Article IV and Section 5.5 of this 2025B Series Supplement. The Department further covenants and agrees to obtain, prior to or upon any amendment thereof, a Counsel's Opinion that: (i) the form and substance of such amendment are consistent with the requirements of the Indenture and this 2025B Series Supplement; and (ii) that the execution and delivery of such amendment by the Department, the Trustee and one or more Mortgage Lenders, and the consummation of the transactions contemplated thereby, will not adversely affect the exclusion of the interest on the Series 2025B Bonds from the gross income of the Holders thereof for purposes of federal income taxation.

Section 5.7. Depository. In accordance with Section 914 of the Indenture, the Department hereby appoints the Texas Treasury Safekeeping Trust Company as Depository for the purpose of holding, administering and investing the moneys and securities required to be credited to all Accounts, all as more fully provided in the Depository Agreement.

Section 5.8. Certain Requirements Applicable to Cashflow Statements. The Department covenants and agrees, with respect to each Cashflow Statement filed with the Trustee, that such Cashflow Statement shall demonstrate the sufficiency of the anticipated Revenues (as more fully set forth in Section 711 of the Indenture).

Section 5.9. Certain Conditions of Issuance of the Series 2025B Bonds. The Series 2025B Bonds shall be executed by the Department and, except for the Initial Bond, shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

1. an executed counterpart of this 2025B Series Supplement;
2. a certificate of an Authorized Representative of the Department to the effect that, on the basis of all facts and estimates and circumstances (including covenants of the Department contained in the Indenture) reasonably expected to be in existence on the Issuance Date, it is not expected that the proceeds of the Series 2025B Bonds will be used in a manner that would cause the Series 2025B Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder, and such certificate shall set forth such facts, estimates, and circumstances (including covenants of the Department contained in the Indenture), which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized Representative of the Department there are no other facts, estimates, or circumstances that would materially change such expectation;
3. an executed counterpart of the Depository Agreement in satisfaction of the requirements of subsection 1 of Section 914 of the Indenture, together with an opinion of counsel to the Depository regarding the enforceability thereof; and
4. the amounts specified in this 2025B Series Supplement to be deposited in the Accounts and Subaccounts as required therein.

Section 5.10. Sale of Series 2025B Bonds. The Series 2025B Bonds shall be sold to the Underwriters at an aggregate purchase price \$[PURCHASE PRICE] (representing the par amount of the Series 2025B Bonds, plus a premium in the amount of \$[PREMIUM]), subject to the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 5.11. Execution in Several Counterparts. This 2025B Series Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 5.12. Certain Duties of the Department. The Department covenants and agrees that, in addition to such other duties as may be required under the Indenture and this 2025B Series Supplement, the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the asset test set forth in subsection 2 of Section 512 of the Indenture during any period in which the Series 2025B Bonds remain Outstanding.

Section 5.13. No Recourse on Series 2025B Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 2025B Bonds or for any claim based thereon or on this 2025B Series Supplement against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 2025B Bonds, and neither the Board members, officers or employees of the Department or the Trustee,

nor any person executing or authenticating the Series 2025B Bonds shall be liable personally on the Series 2025B Bonds by reason of the issuance thereof.

Section 5.14. Protection of Trust Estate.

1. At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

- (i) grant more effectively all or any portion of the Trust Estate;
- (ii) maintain or preserve the lien of the Indenture and this 2025B Series Supplement or carry out more effectively the purposes hereof;
- (iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 2025B Series Supplement;
- (iv) enforce any of the documents executed in connection with this 2025B Series Supplement;
- (v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 2025B Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or
- (vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

2. The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 5.14; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 5.14 shall arise only if the Trustee has actual knowledge or has been notified in writing of any failure of the Department to comply with the provisions of this Section 5.14. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 5.14 or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 5.15. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 2025B Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 5.16. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 5.17. Responsibilities of Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee’s negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 2025B Series Supplement or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

Section 5.18. Verifications of Statutory Representations and Covenants. The Trustee makes the following verifications, representation and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the “Government Code”), each as heretofore amended, in entering into this 2025B Series Supplement, the 2025C Series Supplement, Depository Agreement and the Continuing Disclosure Agreement dated as of [June] 1, 2025, between the Department and the Trustee (the “Disclosure Agreement”, and together with the 2025B Series Supplement, the 2025C Series Supplement and the Depository Agreement, each a “Representation Document”). As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of the respective Representation Document shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of such Representation Document, notwithstanding anything in the applicable Representation Document to the contrary. **[NTD: SUBJECT TO UPDATE AS A RESULT OF STATE LEGISLATIVE SESSION.]**

1. *Not a Sanctioned Company.* The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

2. *No Boycott of Israel.* The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of each Representation Document. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

3. *No Discrimination Against Firearm Entities.* The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of each Representation Document. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

4. *No Boycott of Energy Companies.* The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of each Representation Document. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

The Trustee represents and verifies that it is aware of the Office of the Texas Attorney General’s (“Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). The Trustee represents and verifies that the Trustee has on file a standing letter (“Standing Letter”), in the form set forth as Exhibit A to the Updated Recommendations for Compliance with Texas BPA Verification and Representation Requirements issued by the Municipal Advisory Council of Texas, dated December 1, 2023 (available at <https://www.mactexas.com/Document/HB89Letter/>), addressing the representations and verifications in this Section 5.18.1 through 5.18.4.

The Trustee further represents and verifies that its Standing Letter remains in effect as of the Issuance Date and that the Texas Attorney General has not notified the Trustee that a determination has been made that the Trustee boycotts energy companies or has a policy that

discriminates against firearm entities or firearm trade associations under the laws of the State of Texas.

Section 5.19. Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 5.20. Letter of Instruction; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

[signature pages follow]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 2025B Series Supplement to be signed, sealed, and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department's Signature Page to 2025B Series Supplement

TDHCA (RMRB 2025B)

Error! Unknown document property name.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

Trustee's Signature Page to 2025B Series Supplement

TDHCA (RMRB 2025B)

Error! Unknown document property name.

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE AND REFUNDING BOND
SERIES 2025B

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate:	Dated Date:	CUSIP:	Maturity Date:
_____	_____	_____	_____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the "Department"), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or

¹ To be deleted from the Initial Bond, and be included only in Series 2025B Bonds registered in the name of DTC or its nominee.

in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 2025B Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2025B Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [January 1, 2026], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [June] 1, 2025, authorizing the series of Bonds of which this Bond is a part (herein called the “2025B Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to

be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue and Refunding Bonds, Series 2025B” (herein sometimes called the “Series 2025B Bonds”) issued in the aggregate initial principal amount of \$[187,500,000] under the Indentures for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans, (iii) repaying and/or currently refunding the Repaid FHLB Advances, thereby making funds available to acquire Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates and (iv) paying Costs of Issuance. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 2025B Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 2025B Bonds are subject to redemption prior to stated maturity as set forth in the 2025B Series Supplement.

In lieu of redeeming Series 2025B Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 2025B Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 2025B Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 2025B Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2025B Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in

² To be deleted from the initially issued Bonds.

order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

PREMIUM PAC TERM BOND OUTSTANDING APPLICABLE AMOUNT

<u>Date</u>	<u>Premium PAC Term Bond Outstanding Applicable Amount (\$)</u>	<u>Date</u>	<u>Premium PAC Term Bond Outstanding Applicable Amount (\$)</u>
[CLOSING DATE]	\$[_____]		

[____]
and thereafter

-

EXHIBIT C

2025B CUMULATIVE APPLICABLE AMOUNT

<u>Date</u>	<u>2025B Cumulative Applicable Amount (\$)</u>	<u>Date</u>	<u>2025B Cumulative Applicable Amount (\$)</u>
[CLOSING DATE]	[\$187,500,000]		

[]
and thereafter -

EXHIBIT D

**UNEXPENDED PROCEEDS REDEMPTION PRICE FOR
PREMIUM PAC TERM BOND**

[TO COME]

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FORTY-SEVENTH SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

AUTHORIZING

[\$62,500,000]
RESIDENTIAL MORTGAGE REVENUE BONDS,
TAXABLE SERIES 2025C

Dated as of [June] 1, 2025

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FORTY-SEVENTH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE

THIS FORTY-SEVENTH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, dated as of [June] 1, 2025 (together with any amendments hereto, this “2025C Series Supplement”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (together with any successor to its rights, duties, and obligations hereunder, the “Department”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (as successor trustee to MTrust Corp, and together with any successor trustee hereunder, the “Trustee”).

RECITALS

WHEREAS, the Department and the Trustee have heretofore executed and delivered that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) 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 (iii) 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 participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 1002 of the Indenture authorizes the Department and the Trustee to execute and deliver a supplemental indenture, authorizing Bonds of a Series to include any other matters and things relative to such Bonds which are not inconsistent with or contrary to the Indenture, to add to the covenants of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, pursuant to the Act and Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), the Department has determined to issue its Residential Mortgage Revenue Bonds, Taxable Series 2025C in an aggregate principal amount of \$[62,500,000] (the “Series 2025C Bonds”) pursuant to the Indenture and this 2025C Series Supplement to obtain funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income, to provide down payment and closing cost assistance with respect to Assisted Mortgage Loans (as hereinafter defined), to pay lender compensation related to the 2025BC Mortgage Loans and to pay a portion of the Costs of Issuance (as hereinafter defined) of the Series 2025C Bonds, all under and in accordance with the Constitution and the laws of the State; and

WHEREAS, concurrently with the execution of this 2025C Series Supplement, the Department and the Trustee are also entering into that certain Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture of even date herewith (together with any amendments thereto, the “2025B Series Supplement”) by and between the Department and the Trustee, pursuant to which the Department intends to issue its Residential Mortgage Revenue Bonds, Series 2025B (the “Series 2025B Bonds”, and together with the Series 2025C Bonds, the “Series 2025BC Bonds”) for the purposes described in the 2025B Series Supplement; and

WHEREAS, the execution and delivery of this 2025C Series Supplement and the issuance of the Series 2025C Bonds have been in all respects duly and validly authorized by a written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this 2025C Series Supplement and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this 2025C Series Supplement have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this 2025C Series Supplement, a valid, binding and legal instrument for the security of the Series 2025C Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2025C Bonds by the holders thereof from time to time, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2025C Bonds are to be issued, authenticated, delivered and accepted by the holders thereof from time to time, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective holders from time to time of the Bonds, including the Series 2025C Bonds, as follows:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND PLEDGE OF SECURITY

Section 1.1. Supplemental Indenture. This 2025C Series Supplement is supplemental to, and is adopted in accordance with, Article III and Article X of the Indenture.

Section 1.2. Definitions.

1. Unless defined in subsection (2) of this Section 1.2 or unless the context shall require otherwise, all defined terms contained in the Indenture shall have the same meanings in this 2025C Series Supplement (other than in the form of Series 2025C Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture and in Section 1.2 of the 2025B Series Supplement.

2. As used in this 2025C Series Supplement (other than in the form of Series 2025C Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate special trust accounts pertaining to the Series 2025C Bonds created and established in Section 2.9 of this 2025C Series Supplement.

“Assisted Mortgage Loans” has the meaning given to such term in the 2025B Series Supplement.

“Authorized Denominations” shall mean \$5,000 principal amount or any integral multiples thereof.

“Authorized Representative of the Department” shall mean 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 or any other employee or officer or member of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“Board” shall mean the Governing Board of the Department.

“Bond Counsel” shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

“Bond Depository” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 913 of the Indenture and Section 2.6 hereof.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State, or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Certificate Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 2025BC Mortgage Certificate by the Trustee which represents the number of days of interest on such 2025BC Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 2025BC Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including [____], but which may be extended in accordance with Section 5.2 of this 2025C Series Supplement.

“Chapter 1371” has the meaning given to such term in the recitals hereto.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in clauses (b) and (c).

“Compliance Agent” shall mean Hilltop Securities Inc., and its successors and assigns.

“Compliance Agreement” shall mean the Program Administration Agreement dated as of May 24, 2023, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Counsel’s Opinion” shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to Section 914 of the Indenture and Section 5.7 hereof to act as depository of certain moneys and investments.

“Depository Agreement” shall mean that certain Twentieth Supplement to Amended and Restated Depository Agreement dated as of the date hereof, by and among the Department, the Trustee and the Depository relating to the Series 2025BC Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“De Minimis Special Redemption” shall mean a one-time redemption of Series 2025C Bonds from unexpended Proceeds in an amount less than \$500,000 that is treated as a Special Redemption from Mortgage Loan Principal Payments in accordance with Section 2.7.2 hereof.

“DPA Loan” has the meaning given to such term in the 2025B Series Supplement.

“Ginnie Mae” shall mean the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate” shall mean a fully-modified, mortgage-backed, pass-through security issued by the Servicer in accordance with the applicable Ginnie Mae Guide bearing interest at the applicable Pass-Through Rate and representing the beneficial ownership interest in a Ginnie Mae pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Servicer into a Ginnie Mae pool.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 2025BC Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“Indenture” shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019, between the Department and the Trustee, as supplemented and amended from time to time.

“Initial Bond” means the Series 2025C Bond approved by the Attorney General of the State of Texas and registered by the Comptroller.

“Interest Payment Date” shall mean, with respect to the Series 2025C Bonds, each January 1 and July 1, commencing [January 1, 2026], and any other date on which the Series 2025C Bonds are subject to redemption.

“Issuance Date” shall mean [CLOSING DATE], the date of initial issuance and delivery of the Series 2025C Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of the Series 2025C Bonds.

“Letter of Instructions” shall mean, with respect to the Series 2025C Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

“Mortgage Loan Principal Payment” shall mean, with respect to any 2025BC Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of such 2025BC Mortgage Loan.

“Mortgage Origination Agreement” shall mean the Master Mortgage Origination Agreement by and between the Department and a Mortgage Lender, together with any amendments thereto.

“Mortgage Pool” shall have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Optional Redemption Date” shall mean [_____].

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean the interest rate accruing each month on a 2025BC Mortgage Certificate, which will equal the mortgage rate of the 2025BC Mortgage Loans backing the 2025BC Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Servicer.

“Paying Agent” shall mean the Trustee.

“Pricing Certificate” means the certificate dated [PRICING DATE], setting forth the final terms for the Series 2025C Bonds, executed by an Authorized Representative in accordance with the Resolution.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean, collectively, the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

“Program Guidelines” shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective July 24, 2023, relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated [PRICING DATE], between the Department and the Underwriters providing for the purchase of the Series 2025BC Bonds by the Underwriters, as amended or supplemented from time to time.

“Rating Agency” shall mean: (i) S&P Global Ratings, a division of S&P Global Inc., and any successor thereto; and (ii) Moody’s Ratings and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

“Record Date” shall mean the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding an Interest Payment Date.

“Redemption Price” shall mean, with respect to any Series 2025C Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2025C Bond or the Indentures.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representative” shall mean RBC Capital Markets, LLC.

“Resolution” means Resolution No. 25-004 authorizing the Bonds, as the same may be amended from time to time in accordance with the terms thereof.

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 2025BC Mortgage Certificates, including any payments received from Ginnie Mae pursuant to the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 2025BC Mortgage Certificates and all other net proceeds of such 2025BC Mortgage Certificates.

“RHS” shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmers Home Administration, or any successor thereto.

“Series 2025B Bonds” has the meaning given to such term in the recitals hereto.

“Series 2025C Bonds” has the meaning given to such term in the recitals hereto.

“Servicer” shall mean (i) TMS, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf; and (ii) any additional servicer for the Program as selected by the Department.

“Servicing Agreement” shall mean (i) with respect to TMS, the Servicing Agreement dated as of December 30, 2024, by and between the Department and TMS; and (ii) with respect to any additional servicer, the servicing agreement executed by the Department and such servicer, in any case together with any amendments thereto.

“Sinking Fund Installment” means the principal amount of the Series 2025C Bonds subject to scheduled mandatory redemption on the respective redemption dates set forth in Section 2.7.4 hereof.

“State” shall mean the State of Texas.

“Subaccount” or “Subaccounts” shall mean any one or more, as the case may be, of the special subaccounts pertaining to the Series 2025C Bonds created in certain Accounts pursuant to Section 2.9 hereof.

“Taxable PAC Term Bond” shall mean the Series 2025C Bond maturing on [_____].

“Taxable PAC Term Bond Outstanding Applicable Amount” shall mean the amounts identified as such in Exhibit B hereto (subject to adjustments as described below). Any special redemption of the Series 2025C Bonds from unexpended Proceeds pursuant to Section 2.7.1 hereof, other than a De Minimis Special Redemption, will reduce the Taxable PAC Term Bond Outstanding Applicable Amount for the Series 2025C Bonds for the current and each future monthly period on a proportionate basis. Thereafter, the Taxable PAC Term Bond Outstanding Applicable Amount shall be the remaining balance, if any, of the Taxable PAC Term Bond Outstanding Applicable Amount as adjusted from prior periods.

“TMS” shall mean The Money Source, Inc., a licensed lender and loan servicer.

“2025B Mortgage Certificates” shall mean the proportionate interests in the 2025BC Mortgage Certificates purchased by the Trustee on the Issuance Date and on any future date from amounts on deposit in the 2025B Mortgage Loan Account.

“2025B Mortgage Loans” shall mean the Mortgage Loans allocated to Proceeds of the 2025B Bonds.

“2025B Mortgage Loan Account” has the meaning given to such term in the 2025B Series Supplement.

“2025B Revenue Account” shall have the meaning given to such term in the 2025B Series Supplement.

“2025B Series Supplement” has the meaning given to such term in the recitals hereto.

“2025B Transferred Excess Revenues” shall mean excess revenues of the Series 2025B Bonds transferred from the 2025B Revenue Account to the 2025C Revenue Account pursuant to Section 5.4.1 of the 2025B Series Supplement.

“2025BC Bonds” has the meaning given to such term in the recitals hereto.

“2025BC Mortgage Certificates” shall mean Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of Section 2.15 hereof and the 2025B Series Supplement and are pledged by the Department to the Trustee pursuant to the Indenture, this 2025C Series Supplement and the 2025B Series Supplement, as described in any Letter of Instructions to the Trustee described in Section 2.15.2 hereof and the 2025B Series Supplement.

“2025BC Mortgage Loans” shall mean, collectively, the 2025B Mortgage Loans and the 2025C Mortgage Loans.

“2025C Administrative Subaccount” shall mean the 2025C Administrative Subaccount established within the 2025C Mortgage Loan Account pursuant to Section 2.9.1(iii)(B) hereof.

“2025C Bond Proceeds Fund” shall mean the 2025C Bond Proceeds Fund established pursuant to Section 2.9.1(i) hereof.

“2025C Capitalized Interest Subaccount” shall mean the 2025C Capitalized Interest Subaccount established within the 2025C Revenue Account pursuant to Section 2.9.1(iv) hereof.

“2025C Cost of Issuance Account” shall mean the 2025C Costs of Issuance Account established within the Cost of Issuance Fund pursuant to Section 2.9 hereof.

“2025C Cumulative Applicable Amount” shall mean the amounts expressed on a cumulative basis in each of the monthly periods ending on the dates set forth in the table of 2025C Cumulative Applicable Amounts set forth in Exhibit C hereto (subject to adjustments as described below). Any special redemption of the Series 2025C Bonds from unexpended proceeds pursuant to Section 2.7.1 hereof, other than a De Minimis Special Redemption, will reduce the 2025C Cumulative Applicable Amount for the Series 2025C Bonds for the current and each future monthly period on a proportionate basis. Thereafter, the 2025C Cumulative Applicable Amount shall be the remaining balance, if any, of the 2025C Cumulative Applicable Amount as adjusted from prior periods.

“2025C Down Payment Assistance Subaccount” shall mean the 2025C Down Payment Assistance Subaccount established within the 2025C Mortgage Loan Account pursuant to Section 2.9.1(iii)(A) hereof.

“2025C Expense Account” shall mean the 2025C Expense Account established within the Expense Fund pursuant to Section 2.9 hereof.

“2025C Interest Account” shall mean the 2025C Interest Account established within the Interest Fund pursuant to Section 2.9 hereof.

“2025C Mortgage Certificates” shall mean the proportionate interests in the 2025BC Mortgage Certificates purchased by the Trustee on the Issuance Date and on any future date from amounts on deposit in the 2025C Mortgage Loan Account.

“2025C Mortgage Loan Account” shall mean the 2025C Mortgage Loan Account established within the Mortgage Loan Fund pursuant to Section 2.9 hereof.

“2025C Mortgage Loans” shall mean the Mortgage Loans included in each Mortgage Pool represented by a 2025C Mortgage Certificate.

“2025C Principal Account” shall mean the 2025C Principal Account established within the Principal Fund pursuant to Section 2.9 hereof.

“2025C Residual Revenues Account” shall mean the 2025C Residual Revenues Account established within the Residual Revenues Fund pursuant to Section 2.9 hereof.

“2025C Revenue Account” shall mean the 2025C Revenue Account established within the Revenue Fund pursuant to Section 2.9 hereof.

“2025C Series Supplement” has the meaning given to such term in the recitals hereto.

“2025C Special Redemption Account” shall mean the 2025C Special Redemption Account established within the Special Redemption Fund pursuant to Section 2.9 hereof.

“Underwriters” shall mean the Representative and the other underwriters named on the schedule attached to the Purchase Agreement.

Section 1.3. Authority for this 2025C Series Supplement. This 2025C Series Supplement is adopted pursuant to the provisions of the Act, Chapter 1371 and the Indenture, particularly Section 1002(1) thereof.

Section 1.4. Rules of Construction.

1. For all purposes of this 2025C Series Supplement unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this 2025C Series Supplement.

2. Except where the context otherwise requires, terms defined in this 2025C Series Supplement to impart the singular number shall be considered to include the plural number and vice versa.

3. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

4. This 2025C Series Supplement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this 2025C Series Supplement and the Indenture which it supplements.

Section 1.5. Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this 2025C Series Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7. Indenture to Remain in Force. Except as amended by this 2025C Series Supplement, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8. Successors and Assigns. All covenants and agreements in this 2025C Series Supplement by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9. Separability Clause. In case any provision in this 2025C Series Supplement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Benefits of this 2025C Series Supplement. Nothing in this 2025C Series Supplement or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this 2025C Series Supplement.

Section 1.11. Governing Law. This 2025C Series Supplement shall be construed in accordance with and governed by the laws of the State.

Section 1.12. Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

Section 1.13. Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the DPA Loans and the

2025BC Mortgage Certificates, all amounts that may be received with respect to the DPA Loans and the 2025BC Mortgage Certificates and the Ginnie Mae Guaranty Agreement, any right of the Department under any Ginnie Mae Guaranty Agreement with respect to the 2025BC Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the DPA Loans and the 2025BC Mortgage Certificates, to bring actions and proceedings under the DPA Loans and the 2025BC Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under the 2025BC Mortgage Certificates, and the holders of the Bonds are by such pledge and assignment afforded a beneficial interest in such DPA Loans and the 2025BC Mortgage Certificates.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2025C BONDS

Section 2.1. Authorization, Original Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this 2025C Series Supplement, a Series of Bonds is hereby authorized to be issued in the original aggregate principal amount of \$[62,500,000]. Each Bond of this Series of Bonds shall be entitled “Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bond, Taxable Series 2025C.” The terms of the Series 2025C Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2. Purposes. The Series 2025C Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans and (iii) paying Costs of Issuance.

Section 2.3. Registered Bonds Only, Dates, Denominations, Numbers, and Letters.

1. The Series 2025C Bonds shall be issuable only in the form of fully registered bonds without coupons and may not be exchanged into coupon bonds. The Initial Bond shall be registered to the Representative.

2. The Series 2025C Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if the date of authentication shall be prior to the first Interest Payment Date or in the case of the Initial Bond, the Series 2025C Bonds shall be dated as of the Issuance Date.

3. The Series 2025C Bonds shall be issued in the Authorized Denominations.

4. Unless the Department shall direct otherwise, each Series 2025C Bond within a maturity of the Series 2025C Bonds shall be lettered and numbered separately from 00001 upward

prefixed by the letters RC, the letters Ja or Ju depending on whether the maturity is January or July, and the last two digits of the year of maturity, provided that the Initial Bond shall be numbered TRC-1.

Section 2.4. Interest Payment Dates, Interest Rates and Maturities of the Series 2025C Bonds. The Series 2025C Bonds shall bear interest from the date thereof until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 2025C Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on each Interest Payment Date until maturity or prior redemption. The Series 2025C Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption in accordance with Section 2.7 hereof and Article IV of the Indenture:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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Section 2.5. Paying Agent; Method and Place of Payment.

1. The Trustee is hereby appointed as Paying Agent for the Series 2025C Bonds and the Trustee hereby accepts such appointment. The principal amount or Redemption Price of the Series 2025C Bonds shall be payable upon the presentation and surrender thereof, as the same respectively become due and payable, at the applicable office of the Trustee. For purposes of this Section, “applicable office” shall mean the Trustee’s office presently located in Houston, Texas (or such other office designated by the Trustee) which will be utilized to perform payments and transfers with respect to the Bonds. The interest on each Series 2025C Bond shall be payable by check mailed on the Interest Payment Date to the Person in whose name such Series 2025C Bond is registered at the close of business on the Record Date immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. The principal amount or Redemption Price of, and interest on, the Series 2025C Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 2025C Bonds as permitted by the Indenture.

2. Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive Holder of the Series 2025C Bonds and for Holders of not less than \$1,000,000 in aggregate principal amount of the Series 2025C Bonds, and except for the final payment of principal of the Series 2025C Bonds at maturity, the principal amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such Holders to an account in the continental United States without the necessity of any immediate presentation and surrender of Series 2025C Bonds pursuant to written instructions from the Holder, or the Letter of Representations, as the case may be.

Section 2.6. Bond Depository; Book-Entry System.

1. Pursuant to Section 913 of the Indenture, the Department hereby appoints The Depository Trust Company, New York, New York, as Bond Depository for the Series 2025C

Bonds. In accordance with the Letter of Representations, the Department shall cause the Series 2025C Bonds (other than the Initial Bond) to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered on the Issuance Date to the Trustee to be held on behalf of the Bond Depository.

2. With respect to Series 2025C Bonds registered in the Bond registration books of the Department required to be maintained by the Trustee pursuant to Section 310 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 2025C Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 2025C Bond as the holder and absolute owner of such Series 2025C Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 2025C Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025C Bond, for the purpose of registering transfers and exchanges with respect to such Series 2025C Bond, and for all other purposes whatsoever. The Trustee shall pay all the principal amount and Redemption Price of and interest on the Series 2025C Bonds only to or upon the order of the respective registered owners of the Series 2025C Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 2025C Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 2025C Bond as shown in the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture, of any notice with respect to the Series 2025C Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 2025C Bond, of any amount with respect to any Series 2025C Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 2025C Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

3. In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 2025C Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 2025C Bonds is not in the best interest of such owners of beneficial interests in the Series 2025C Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 2025C Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 2025C Bonds, if one is available satisfactory to the Department, and the ownership of all Series 2025C Bonds shall be transferred on the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond

Depository for the Series 2025C Bonds, of the availability of Series 2025C Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 2025C Bonds and, upon surrender to the Trustee of the Outstanding Series 2025C Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 2025C Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 2025C Bonds as of the date of the termination of the existing book-entry ownership system for the Series 2025C Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 2025C Bonds, all of the Series 2025C Bonds must be held under such book-entry system. Prior to any transfer of the Series 2025C Bonds outside the book-entry system (including, but not limited to, any initial transfer outside the book-entry system) the Department, Bond Depository, or the transferor of a Series 2025C Bond shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

4. Notwithstanding any other provisions in Article II of this 2025C Series Supplement, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.7. Redemption Prices and Terms. The Series 2025C Bonds shall not be subject to redemption prior to maturity except as follows:

1. Special Redemption from Unexpended Proceeds. The Series 2025C Bonds are subject to special redemption from amounts transferred to the 2025C Special Redemption Account in accordance with Section 5.2 hereof, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025C Bonds to be so redeemed pursuant to this Section 2.7.1 shall be equal to (a) for all Series 2025C Bonds, other than the Taxable PAC Term Bond, 100% of the principal amount thereof; and (b) for the Taxable PAC Term Bond, the applicable Redemption Price, as set forth in Exhibit D hereto; plus in any case accrued interest thereon to, but not including, the date of redemption; except that a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments and such portion of the Series 2025C Bonds shall be redeemed in accordance with Section 2.7.2 hereof. In the event of a redemption of the Taxable PAC Term Bond under this Section 2.7.1 on a date other than a redemption date listed on Exhibit D hereto, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed on Exhibit D hereto immediately preceding and succeeding such redemption date.

Such redemption shall occur on the first day of any month on or after [____], unless the Certificate Purchase Period is extended in accordance with this 2025C Series Supplement.

Except for the De Minimis Special Redemption, the Series 2025C Bonds to be redeemed in accordance with this subsection shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

2. Special Redemption from Mortgage Loan Principal Payments. The Series 2025C Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after [____], after giving notice as provided in Section 2.8 hereof, at a Redemption Price equal to 100% of the principal amount of the Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025BC Mortgage Certificates transferred to the 2025C Special Redemption Account in accordance with clauses (iii) and (iv) of Section 5.3.2 hereof.

In the event of a redemption pursuant to this Section 2.7.2 from Mortgage Loan Principal Payments relating to the 2025BC Mortgage Certificates, the Trustee shall select the particular Series 2025C Bonds to be redeemed as follows:

- (i) the Trustee shall redeem the Taxable PAC Term Bond, but only to the extent that the Outstanding principal amount of such Taxable PAC Term Bond following any such redemption is not less than the Taxable PAC Term Bond Outstanding Applicable Amount as of such date;
- (ii) amounts remaining following the redemptions described in clause (i) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all other Series 2025C Bonds (other than the Taxable PAC Term Bond) on a proportionate basis until the Outstanding principal amount of all Series 2025C Bonds has been reduced to the 2025C Cumulative Applicable Amount as of such date;
- (iii) amounts remaining following the redemptions described in clauses (i) and (ii) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025C Bonds, including the Taxable PAC Term Bond, on a proportionate basis after taking into account the amounts applied to redeem the Series 2025C Bonds pursuant to the above-described redemptions.

Any special redemption of the Series 2025C Bonds pursuant to Section 2.7.1 hereof (other than a De Minimis Special Redemption), will reduce the Taxable PAC Term Bond Outstanding Applicable Amount and the 2025C Cumulative Applicable Amount for the current and each future monthly period on a proportionate basis.

3. Special Redemption from Excess Revenues. The Series 2025C Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part, from time to time on the first day of any month on or after [____], after giving notice as provided in Section 2.8 hereof and in accordance with a Letter of Instructions, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued

interest to but not including the redemption date, from amounts transferred to the 2025C Special Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 hereof (including 2025B Transferred Excess Revenues and other revenues whether or not derived in connection with the Series 2025C Bonds).

In the event of a redemption pursuant to this Section 2.7.3 from excess Revenues, the Trustee shall apply amounts transferred to the 2025C Special Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 to redeem the Series 2025C Bonds Outstanding in the same manner provided in clauses (i) and (ii) under Section 2.7.2, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

4. Scheduled Mandatory Redemption. The Series 2025C Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in Article IV of the Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date, from amounts that have been transferred to the 2025C Principal Account from the 2025C Revenue Account.

\$[_____] Term Bond maturing [_____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [_____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Taxable PAC Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

The principal amount of the Series 2025C Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2025C Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to mandatory sinking fund redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

5. Optional Redemption. The Series 2025C Bonds (except for the Taxable PAC Term Bond) maturing on or after [____], are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date at the option of the Department after giving notice as provided in Section 2.8 hereof, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

The Taxable PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date, at the option of the Department after giving notice as provided in Section 2.8 hereof, at the Redemption Prices

set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
	100.000%
and thereafter	

If the Taxable PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

At least 45 days prior to any redemption date described in this Section 2.7, or such later date as the Trustee will accept, the Department shall give a Letter of Instructions to the Trustee accompanied by a Cashflow Certificate specifying the principal amount of Series 2025C Bonds to be redeemed and the date of such redemption and identifying the Series 2025C Bonds by the maturity date and interest rate of such Series 2025C Bonds and the source of funds to be utilized to redeem such Series 2025C Bonds.

Section 2.8. Notice of Redemption; Selection of Series 2025C Bonds to Be Redeemed.

1. Subject to Section 2.6 hereof, notice of the call for any redemption other than pursuant to Section 2.7.1 hereof, identifying the Series 2025C Bonds or portions thereof to be redeemed, shall be given by the Trustee as provided in Section 405 of the Indenture. If applicable, such notice shall provide that redemption of the Series 2025C Bonds is conditioned upon moneys being available for such purpose on the redemption date.

2. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2025C Bonds receives the notice.

3. Except as specified in Section 2.7.2 and Section 2.7.3 hereof, the Series 2025C Bonds to be redeemed in part shall be selected as provided in Section 404 of the Indenture. While the Series 2025C Bonds are held by the Bond Depository, Series 2025C Bonds shall be selected for redemption as described in Section 2.6 hereof.

Section 2.9. Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

1. Pursuant to the provisions of subsection 3 of Section 502 of the Indenture, there is established by this Section 2.9 for the Series 2025C Bonds an Account in each Fund, except for the Debt Service Reserve Fund and the Mortgage Reserve Fund, established by subsection 1 of Section 502 of the Indenture. Each such Account shall be known and designated as the “2025C _____ Account”, with the blank containing an appropriate reference to the Fund to which such Account relates. In addition, there are hereby established for the Series 2025C Bonds the following additional Funds, Accounts and Subaccounts:

- (i) a temporary Fund to be known and designated as the 2025C Bond Proceeds Fund;
- (ii) *Intentionally omitted*;
- (iii) within the 2025C Mortgage Loan Account, a (A) 2025C Down Payment Assistance Subaccount; and (B) 2025C Administrative Subaccount; and
- (iv) within the 2025C Revenue Account, a 2025C Capitalized Interest Subaccount.

2. Unless an Event of Default shall have occurred and be continuing, Revenues from the 2025BC Mortgage Certificates or from the investment or reinvestment of moneys on deposit in each Account for the Series 2025C Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts shall be for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts as required by this Section 2.9 is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

Section 2.10. Initial Deposits and Transfers into Funds, Accounts and Subaccounts. On the Issuance Date, as shall be more fully set forth in a Letter of Instructions, the Trustee shall deposit the proceeds of the Series 2025C Bonds into the 2025C Bond Proceeds Fund. There shall be transferred from the 2025C Bond Proceeds Fund the amounts specified in a Letter of Instructions authorizing the authentication and delivery of the Series 2025C Bonds, for deposit to the Funds, Accounts and Subaccounts specified therein. After completion of such transfers, the 2025C Bond Proceeds Fund shall be closed. After payment of all costs, any funds remaining in the 2025C Cost of Issuance Account shall be transferred to the Residual Revenues Fund pursuant to a Letter of Instructions from the Department.

Section 2.11. Form of Series 2025C Bonds. 1. Each Series 2025C Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this 2025C Series Supplement, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 2025C Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 2025C Bonds or as contained in any notice of redemption. There may be printed on or attached to each Series 2025C Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the principal amount thereof which shall have been paid and the portion of the principal amount thereof which remains Outstanding and unpaid.

2. Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, with the following modifications:

- (i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. TRC-1 Dated Date: [CLOSING DATE] \$[62,500,000]

Registered Owner: RBC CAPITAL MARKETS, LLC

Principal Amount: [SIXTY-TWO MILLION FIVE HUNDRED THOUSAND] DOLLARS”

- (ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.12. Intentionally Omitted.

Section 2.13. Transfers from 2025C Residual Revenues Account. Unless otherwise directed pursuant to a Letter of Instructions accompanied by a Cashflow Certificate, on each Interest Payment Date and each date fixed for the redemption of the Series 2025C Bonds, to the extent funds are not available in the 2025C Revenue Account to pay interest or principal due on the Series 2025C Bonds, the Trustee shall transfer from the 2025C Residual Revenues Account to the 2025C Interest Account or the 2025C Principal Account an amount which, when added to any amounts already on deposit therein, will equal the amount of interest and principal to become due and payable on the Series 2025C Bonds on such date.

Section 2.14. 2025C Mortgage Loan Account. The 2025C Mortgage Loan Account established pursuant to Section 2.9 hereof shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, the 2025C Mortgage Certificate. On [____], unless the Certificate Purchase Period is extended in accordance with Section 5.2 hereof, unexpended proceeds of the Series 2025C Bonds shall be transferred from 2025C Mortgage Loan Account to the 2025C Special Redemption Account in accordance with Section 2.7.1 hereof.

Section 2.15. 2025BC Mortgage Certificate Acquisition.

1. The Department has determined that the Supplemental Mortgage Security for the 2025BC Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates. Accordingly, the purchase of the 2025BC Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates in accordance with the Program Agreement, and no 2025BC Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 2025BC Mortgage Certificate.

2. On each applicable Certificate Purchase Date and pursuant to a Letter of Instructions, the Trustee shall purchase Ginnie Mae Certificates at the Ginnie Mae Certificate Purchase Price from amounts available in the 2025C Mortgage Loan Account. The Department shall specify the allocation of the 2025BC Mortgage Certificates to the Series 2025B Bonds and the Series 2025C Bonds in such Letter of Instructions. The Department shall deliver a copy of each such Letter of Instructions to the Compliance Agent.

3. Each 2025BC Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates shall be accepted by the Trustee only if:

- (i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor

depository institution (“PTC”) (“Book Entry Security”), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The “PTC Participant” (if not the Trustee) shall be a “financial intermediary” (as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the “Rules”) in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates, and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time; and

- (ii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price.

ARTICLE III

RESERVED

ARTICLE IV

RESERVED

ARTICLE V

OTHER MATTERS

Section 5.1. Reserved.

Section 5.2. Transfer of Unexpended Proceeds. On the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), unless the Certificate Purchase Period is extended in accordance with this Section 5.2, the Trustee shall transfer the amounts in the 2025C Mortgage Loan Account remaining unexpended for acquisition of 2025BC Mortgage Certificates in such amounts as provided in a Letter of Instructions from the 2025C Mortgage Loan Account to the 2025C Special Redemption Account to be applied to the redemption of Series 2025C Bonds pursuant to Section 2.7.1 hereof. The Certificate Purchase Period for amounts in the 2025C Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

1. *Intentionally omitted*; and
2. confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 2025C Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

Section 5.3. Application of Amounts in 2025C Revenue Account.

1. Unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate and a confirmation from each Rating Agency of the then current ratings on the Series 2025C Bonds, all Revenues received with respect to the 2025BC Mortgage Certificates shall be deposited in the 2025C Revenue Account. 2025B Transferred Excess Revenues shall also be deposited in the 2025C Revenue Account.

2. Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall transfer from the Revenue Fund amounts on deposit therein in accordance with a Letter of Instructions and in the following order of priority:

- (i) First, on each Interest Payment Date or any other date for the redemption of the Series 2025C Bonds, to the 2025C Interest Account, to the extent required so that the

balance in said account equals the amount of interest which will be due and payable on the Series 2025C Bonds on such Interest Payment Date or redemption date;

(ii) Second, monthly, upon receipt of Mortgage Loan Principal Payments and/or 2025B Transferred Excess Revenues, to the 2025C Principal Account, one-sixth of the aggregate amount required to pay maturing principal and the unsatisfied balance of any Sinking Fund Installment on any Series 2025C Bonds on the next Interest Payment Date;

(iii) Third, monthly, upon receipt of Mortgage Loan Principal Payments and/or 2025B Transferred Excess Revenues, to the 2025C Special Redemption Account, the amount required to reduce the Outstanding principal amount of the Taxable PAC Term Bond to the Taxable PAC Term Bond Outstanding Applicable Amount for such monthly period, and the Trustee shall use such funds either on the next Interest Payment Date, or if the Outstanding Series 2025C Bonds as of such Interest Payment Date are less than the 2025C Cumulative Applicable Amount, on the first day of the next month for which notice can be given following such Interest Payment Date to redeem Series 2025C Bonds pursuant to Section 2.7.2 hereof; and

(iv) Fourth, monthly, upon receipt of Mortgage Loan Principal Payments and/or 2025B Transferred Excess Revenues, to the 2025C Special Redemption Account, any remaining Mortgage Loan Principal Payments to be applied monthly to the redemption of Series 2025C Bonds pursuant to Section 2.7.2 hereof.

Section 5.4. Application of Residual Revenues. The Trustee shall transfer any amounts as set forth or described in a Letter of Instructions from the 2025C Residual Revenues Account to the 2025C Special Redemption Account to redeem Series 2025C Bonds in accordance with Section 2.7.3 hereof.

Section 5.5. Limitations on Mortgage Loans. The Department covenants and agrees that each Mortgage Loan contained in a mortgage pool represented by a 2025BC Mortgage Certificate shall satisfy the following requirements:

1. each 2025BC Mortgage Loan shall bear interest (which interest shall be payable in arrears) at the applicable rate in accordance with the Program Agreement;
2. each 2025BC Mortgage Loan shall have a term of 30 years and shall provide for level monthly payments and full amortization over the term thereof;
3. each 2025BC Mortgage Loan shall be secured by a Mortgage creating a first lien on the residence being financed with the proceeds of such 2025BC Mortgage Loan;
4. each 2025BC Mortgage Loan shall be (A) insured by the FHA pursuant to Section 203, 221(d)(2) or 234(c) of the National Housing Act of 1934, as amended, in accordance with the applicable standards of the FHA, (B) guaranteed by the VA under the Servicemen's Readjustment Act of 1945, as amended, in accordance with applicable standards of the VA, or (C) guaranteed by RHS under the Cranston-Gonzales National Affordable Housing Act of 1990;

5. each 2025BC Mortgage Loan shall be further secured by Supplemental Mortgage Security in the form of the guaranty provided by Ginnie Mae pursuant to a Ginnie Mae Certificate;

6. each residence financed with a 2025BC Mortgage Loan shall be a single family attached or detached house, a single unit in a condominium development or a planned unit development or a qualifying duplex (but not a triplex or fourplex or manufactured housing that is not permanently affixed to real property owned by the Borrower);

7. each 2025BC Mortgage Certificate shall be acquired by the Department with moneys disbursed from the 2025B Mortgage Loan Account and/or 2025C Mortgage Loan Account during the Certificate Purchase Period; and

8. such other requirements as may be set forth in the Program Agreement.

The Department covenants and agrees that each DPA Loan meets the requirements set forth in the Program Guidelines.

Section 5.6. Covenant Relating to the Program Agreement. The Department represents and covenants that the Program Agreement incorporates the requirements set forth in Article IV and Section 5.5 of this 2025C Series Supplement. The Department further covenants and agrees to obtain, prior to or upon any amendment thereof, a Counsel's Opinion that the form and substance of such amendment are consistent with the requirements of the Indenture and this 2025C Series Supplement.

Section 5.7. Depository. In accordance with Section 914 of the Indenture, the Department hereby appoints the Texas Treasury Safekeeping Trust Company as Depository for the purpose of holding, administering and investing the moneys and securities required to be credited to all Accounts, all as more fully provided in the Depository Agreement.

Section 5.8. Certain Requirements Applicable to Cashflow Statements. The Department covenants and agrees, with respect to each Cashflow Statement filed with the Trustee, that such Cashflow Statement shall demonstrate the sufficiency of the anticipated Revenues (as more fully set forth in Section 711 of the Indenture).

Section 5.9. Certain Conditions of Issuance of the Series 2025C Bonds. The Series 2025C Bonds shall be executed by the Department and, except for the Initial Bond, shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

1. an executed counterpart of this 2025C Series Supplement;
2. *intentionally omitted*;
3. an executed counterpart of the Depository Agreement in satisfaction of the requirements of subsection 1 of Section 914 of the Indenture, together with an opinion of counsel to the Depository regarding the enforceability thereof; and

4. the amounts specified in this 2025C Series Supplement to be deposited in the Accounts and Subaccounts as required therein.

Section 5.10. Sale of Series 2025C Bonds. The Series 2025C Bonds shall be sold to the Underwriters at an aggregate purchase price \$[PURCHASE PRICE] (representing the par amount of the Series 2025C Bonds[, plus a premium in the amount of \$[PREMIUM]]), subject to the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 5.11. Execution in Several Counterparts. This 2025C Series Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 5.12. Certain Duties of the Department. The Department covenants and agrees that, in addition to such other duties as may be required under the Indenture and this 2025C Series Supplement, the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the asset test set forth in subsection 2 of Section 512 of the Indenture during any period in which the Series 2025C Bonds remain Outstanding.

Section 5.13. No Recourse on Series 2025C Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 2025C Bonds or for any claim based thereon or on this 2025C Series Supplement against any Board member, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 2025C Bonds, and neither the Board members, officers or employees of the Department or the Trustee, nor any person executing or authenticating the Series 2025C Bonds shall be liable personally on the Series 2025C Bonds by reason of the issuance thereof.

Section 5.14. Protection of Trust Estate.

1. At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

- (i) grant more effectively all or any portion of the Trust Estate;
- (ii) maintain or preserve the lien of the Indenture and this 2025C Series Supplement or carry out more effectively the purposes hereof;
- (iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this 2025C Series Supplement;
- (iv) enforce any of the documents executed in connection with this 2025C Series Supplement;
- (v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 2025C Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or

(vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

2. The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 5.14; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 5.14 shall arise only if the Trustee has actual knowledge or has been notified in writing of any failure of the Department to comply with the provisions of this Section 5.14. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof. The Department shall be responsible for all reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein or in the Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, the accuracy or sufficiency of any description of collateral in such initial filings or the filing of any modifications or amendments to the initial filings required by any amendments to Chapter 9 of the Texas Business and Commerce Code. Unless the Trustee shall have been notified in writing by the Department that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and the information contained therein when filing any continuation statements or modifications thereto pursuant to this Section 5.14 or Section 1205 of the Indenture and when filing any continuation statements in the same filing offices as the initial filings were made.

Section 5.15. Continuing Disclosure Relating to Other Obligated Persons. The Board hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 2025C Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Board concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 5.16. Agreement Regarding Assumption of Certain Home Loans. The Board agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 5.17. Responsibilities of Trustee. Notwithstanding anything to the contrary in the Indenture: (a) subject to the provisions of subsection 2 of Section 902 of the Indenture, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct; and (b) the Trustee may act through agents or attorneys and shall not be responsible for the misconduct or negligence of such agents or attorneys appointed with due care. Subject to the provisions of Section 902 of the Indenture, the Department further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Trustee’s negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in the Indenture or this 2025C Series Supplement or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated

reasonably by the Department for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out of pocket and incidental expenses and legal fees and expenses occasioned thereby. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty.

Section 5.18. Verifications of Statutory Representations and Covenants. The verifications, representation and covenants of the Trustee in Section 5.18 of the 2025B Series Supplement expressly incorporated by reference into this 2025C Series Supplement.

Section 5.19. Instructions via Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”), given pursuant to the Indenture and delivered using Electronic Means; provided, however, that the Department shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the Department with the authority to provide such Instructions and containing specimen signatures of such Authorized Representative of the Department, which incumbency certificate shall be amended by the Department whenever a person is to be added or deleted from the listing. “Electronic Means” as used herein shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Department elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Department understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by or on behalf of an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by or on behalf of such Authorized Representative. The Department shall be responsible for ensuring that only Authorized Representatives of the Department transmit or authorize the transmission of such Instructions to the Trustee and that the Department and all Authorized Representatives of the Department are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Department. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Department agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by Department; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 5.20. Letter of Instruction; Written Instructions. The Trustee may conclusively rely on any Letter of Instructions or written instructions delivered to the Trustee and shall not be responsible for any loss or liability resulting from the investment of funds or otherwise, but only so long as the Trustee follows such Letter of Instructions or written instructions in all material respects.

[signature pages follow]

IN WITNESS WHEREOF, the Department and the Trustee have caused this 2025C Series Supplement to be signed, sealed, and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

Department's Signature Page to 2025C Series Supplement

TDHCA (RMRB 2025C)

Error! Unknown document property name.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

Trustee's Signature Page to 2025C Series Supplement

TDHCA (RMRB 2025C)

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EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BOND
TAXABLE SERIES 2025C

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate:	Dated Date:	CUSIP:	Maturity Date:
_____	_____	_____	_____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the "Department"), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or

¹ To be deleted from the Initial Bond, and be included only in Series 2025C Bonds registered in the name of DTC or its nominee.

in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 2025C Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2025C Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [January 1, 2026], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “Forty-Seventh Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [June] 1, 2025, authorizing the series of Bonds of which this Bond is a part (herein called the “2025C Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to

be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue Bonds, Taxable Series 2025C” (herein sometimes called the “Series 2025C Bonds”) issued in the aggregate initial principal amount of \$[62,500,000] under the Indentures for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans and (iii) paying Costs of Issuance. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF

DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 2025C Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 2025C Bonds are subject to redemption prior to stated maturity as set forth in the Series Supplement.

In lieu of redeeming Series 2025C Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 2025C Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 2025C Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 2025C Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2025C Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the

² To be deleted from the initially issued Bonds.

Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

TAXABLE PAC TERM BOND OUTSTANDING APPLICABLE AMOUNT

<u>Date</u>	<u>Taxable PAC Term Bond Outstanding Applicable Amount (\$)</u>	<u>Date</u>	<u>Taxable PAC Term Bond Outstanding Applicable Amount (\$)</u>
[CLOSING DATE]	\$[_____]		

[____]
and thereafter

-

EXHIBIT C

2025C CUMULATIVE APPLICABLE AMOUNT

<u>Date</u>	<u>2025C Cumulative Applicable Amount (\$)</u>	<u>Date</u>	<u>2025C Cumulative Applicable Amount (\$)</u>
[CLOSING DATE]	[\$62,500,000]		

[]
and thereafter

-

EXHIBIT D

UNEXPENDED PROCEEDS REDEMPTION PRICE FOR TAXABLE PAC TERM BOND

[TO COME]

TWENTIETH SUPPLEMENT TO AMENDED AND RESTATED DEPOSITORY AGREEMENT

Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$[187,500,000]
Residential Mortgage Revenue
and Refunding Bonds
Series 2025B

\$[62,500,000]
Residential Mortgage Revenue Bonds
Taxable Series 2025C

This agreement is the Twentieth Supplement (the “Twentieth Supplement”) to the Amended and Restated Depository Agreement dated as of [June] 1, 2025, among the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (as successor to the Texas Housing Agency and together with its successors and assigns, the “Department”); THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association (as successor trustee to MTrust Corp, National Association and together with its successors in trust under the Indenture referred to below, the “Trustee”); and the COMPTROLLER OF PUBLIC ACCOUNTS OF THE STATE OF TEXAS (the “State Comptroller”), acting by and through the Texas Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (together with its successors in such capacity, the “Trust Company”).

Preamble

The Department, the Trustee and the Trust Company entered into the Second Amended and Restated Depository Agreement, dated as of November 1, 1998 (as amended and supplemented from time to time, the “Amended and Restated Depository Agreement”), relating to the Department’s Residential Mortgage Revenue Bonds issued pursuant to that certain Residential Mortgage Revenue Bond Trust Indenture, dated as of November 1, 1987 (as amended and supplemented from time to time, the “Indenture”), between the Department and the Trustee.

The Department and the Trustee entered into that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture, dated as of July 1, 2019 (as amended and supplemented from time to time, the “Amended and Restated RMRB Indenture”), amending and restating the Indenture for the purpose of consolidating amendments previously made to the Indenture and making certain other changes to the Indenture.

Section 8.02 of the Amended and Restated Depository Agreement provides that it may be amended in any respect by an instrument in writing executed by the Department, the Trustee and the Trust Company and, in particular, that it may be amended in connection with the issuance of one or more additional Series of Bonds; provided that the Trustee shall have received with respect to such amendment, a Counsel’s Opinion that such amendment is not inconsistent with the provisions of the Indenture and the Texas Government Code, as amended, Chapters 404 and 2306, and does not materially and adversely affect the rights of the holders of the Series 2025BC Bonds (as hereinafter defined).

The Department is in the process of issuing its (i) Residential Mortgage Revenue and Refunding Bonds, Series 2025B (the “Series 2025B Bonds”), pursuant to the Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture, dated as of [June] 1, 2025 (the “2025B Supplemental Indenture”), between the Department and the Trustee, and (ii) Residential Mortgage Revenue Bonds, Taxable Series 2025C (the “Series 2025C Bonds,” and together with the Series 2025B Bonds, collectively referred to herein as the “Series 2025BC Bonds”) pursuant to a Forty-Seventh Supplemental Residential

Mortgage Revenue Bond Trust Indenture dated as of [June] 1, 2025, between the Department and the Trustee (the “2025C Supplemental Indenture,” and together with the Series 2025B Supplemental Indenture, collectively referred to in this Twentieth Supplement as the “Series 2025BC Supplemental Indentures,” and together with the Amended and Restated RMRB Indenture, collectively referred to herein as the “Trust Indenture”).

The Department desires and has requested the Trustee and the Trust Company to enter into this Twentieth Supplement to supplement the Amended and Restated Depository Agreement to create Accounts and Subaccounts under the Amended and Restated Depository Agreement corresponding to the Accounts and Subaccounts being created under the Trust Indenture in connection with the issuance of the Series 2025BC Bonds.

Agreement

In consideration of the mutual agreements contained in this Twentieth Supplement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Department, the Trustee and the Trust Company agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Unless the context requires otherwise, all defined terms contained in the Amended and Restated RMRB Indenture, the Series 2025BC Supplemental Indentures and the Amended and Restated Depository Agreement have the same meanings in this Twentieth Supplement as such defined terms are given in each of the foregoing documents.

Section 1.02. Interpretation. This Twentieth Supplement and all of the terms and provisions in it shall be liberally construed to effectuate the purposes hereof and to achieve the purpose of providing additional security for the Series 2025BC Bonds.

Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Twentieth Supplement have been inserted for convenience and reference only. They are not to be considered hereof and will not in any way modify or restrict the terms of this Twentieth Supplement.

Section 1.04. Amended and Restated Depository Agreement to Remain in Force. Except as supplemented by this Twentieth Supplement, the Amended and Restated Depository Agreement remains in full force and effect as to the matters covered by it.

Section 1.05. Continuing Binding Effect. The terms and provisions of the Amended and Restated Depository Agreement are in all respects binding upon and applicable to the parties to this Twentieth Supplement. Further, deposits, withdrawals and transfers to, from and among the Accounts and Subaccounts described in Exhibit “A” of moneys and securities pertaining to the Series 2025BC Bonds, and the investment of the moneys and securities in all respects, including the maintaining of records and the providing of reports, shall be governed by the terms and provisions of the Amended and Restated Depository Agreement, a copy of which is attached as Exhibit “B” hereto.

Section 1.06. Authority. This Twentieth Supplement is executed and delivered pursuant to the Act and the Amended and Restated Depository Agreement.

Section 1.07. Successors and Assigns. All covenants and agreements in this Twentieth Supplement among the Department, the Trustee and the Trust Company shall bind their respective successors and assigns, whether so expressed or not.

Section 1.08. Severability Clause. In case any provision in this Twentieth Supplement is found by a court to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired by such finding.

Section 1.09. Benefits of Twentieth Supplement. Nothing in this Twentieth Supplement, the Trust Indenture, or the Series 2025BC Bonds, express or implied, gives to any Person, other than the parties to this Twentieth Supplement, their successors under it, and the owners of Bonds, any benefit or any legal or equitable right, remedy or claim under this Twentieth Supplement.

Section 1.10. Governing Law. This Twentieth Supplement is governed by the laws of the State of Texas.

Section 1.11. Execution in Several Counterparts. This Twentieth Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 1.12. Compliance with Texas Government Code. The representations of the Trustee in Section 5.18 of each of the 2025B Supplemental Indenture and 2025C Supplemental Indenture are expressly incorporated by reference into this Twentieth Supplement.

ARTICLE II

CREATION AND OPERATION OF ACCOUNTS AND SUBACCOUNTS

Section 2.01. Creation of Accounts and Subaccounts. In accordance with Section 8.02 of the Amended and Restated Depository Agreement, the Department hereby creates and establishes with the Trust Company, but not within the Treasury of the State of Texas, the additional Accounts and Subaccounts described in Exhibit "A" attached hereto. Each Account and Subaccount shall correspond to the Trust Indenture Account or Subaccount of the same name.

Section 2.02. Investment of Certain Funds. The Department instructs the Trustee and the Trust Company to invest funds relating to the Series 2025BC Bonds in accordance with the Department's written instructions to the Trustee and the Trust Company.

(SIGNATURE PAGES FOLLOW)

EXECUTED as of the date first above written.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Director of Bond Finance

*Signature Page to
Twentieth Supplement to Depository Agreement*

TDHCA (RMRB 2025BC)

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THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

*Signature Page to
Twentieth Supplement to Depository Agreement*

TDHCA (RMRB 2025BC)

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TEXAS TREASURY SAFEKEEPING TRUST
COMPANY

By: _____
Mike Reissig, Chief Executive Officer

*Signature Page to
Twentieth Supplement to Depository Agreement*

EXHIBIT “A”

Accounts

1. 2025B Mortgage Loan Account of the Mortgage Loan Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
2. 2025B Cost of Issuance Account of the Cost of Issuance Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
3. 2025B Revenue Account of the Revenue Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
4. 2025B Interest Account of the Interest Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
5. 2025B Principal Account of the Principal Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
6. 2025B Special Redemption Account of the Special Redemption Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
7. 2025B Expense Account of the Expense Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
8. 2025B Residual Revenues Account of the Residual Revenues Fund (Section 2.9.1 of the 2025B Supplemental Indenture)
9. 2025B Bond Proceeds Fund (Section 2.9.1(i) of the 2025B Supplemental Indenture)
10. 2025B Rebate Fund (Section 2.9.1(ii) of the 2025B Supplemental Indenture)
11. 2025B Down Payment Assistance Subaccount of the 2025B Mortgage Loan Account (Section 2.9.1(iii)(A) of the 2025B Supplemental Indenture)
12. 2025B Administrative Subaccount of the 2025B Mortgage Loan Account (Section 2.9.1(iii)(B) of the 2025B Supplemental Indenture)
13. 2025B Capitalized Interest Subaccount of the 2025B Revenue Account (Section 2.9.1(iv) of the 2025B Supplemental Indenture)
14. 2025C Mortgage Loan Account of the Mortgage Loan Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
15. 2025C Cost of Issuance Account of the Cost of Issuance Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
16. 2025C Revenue Account of the Revenue Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
17. 2025C Interest Account of the Interest Fund (Section 2.9.1 of the 2025C Supplemental Indenture)

18. 2025C Principal Account of the Principal Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
19. 2025C Special Redemption Account of the Special Redemption Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
20. 2025C Expense Account of the Expense Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
21. 2025C Residual Revenues Account of the Residual Revenues Fund (Section 2.9.1 of the 2025C Supplemental Indenture)
22. 2025C Bond Proceeds Fund (Section 2.9.1(i) of the 2025C Supplemental Indenture)
23. 2025C Down Payment Assistance Subaccount of the 2025C Mortgage Loan Account (Section 2.9.1(iii)(A) of the 2025C Supplemental Indenture)
24. 2025C Administrative Subaccount, within the 2025C Mortgage Loan Account (Section 2.9.1(iii)(B) of the 2025C Supplemental Indenture)
25. 2025C Capitalized Interest Subaccount of the 2025C Revenue Account (Section 2.9.1(iv) of the 2025C Supplemental Indenture)

EXHIBIT “B”

Amended and Restated Depository Agreement

[continues next page]

PRICING CERTIFICATE

Re: Texas Department of Housing and Community Affairs Residential Mortgage Revenue and Refunding Bonds, Series 2025B (the “Series 2025B Bonds”)

Pursuant to Resolution No. 25-004 adopted by the Texas Department of Housing and Community Affairs (the “Department”) on October 10, 2024 (the “Resolution”), authorizing the issuance, sale and delivery of single family mortgage revenue bonds in one or more series or subseries in an aggregate principal amount not to exceed \$1,100,000,000, the undersigned Authorized Representative of the Board does hereby make and execute this Pricing Certificate.

Capitalized terms used in this Pricing Certificate and not otherwise defined shall have the meanings ascribed to such terms in the Resolution or in that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019 (as amended and supplemented from time to time, the “Indenture”), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

As authorized by Section 2.4 of the Resolution, I have acted on behalf of the Department in the issuance of the Series 2025B Bonds to the Underwriters pursuant to the terms of the Bond Purchase Agreement dated as of the date hereof (the “Purchase Agreement”), between the Department and RBC Capital Markets, LLC, as representative of the Underwriters (the “Representative”), the terms and provisions of which are hereby approved.

The Series 2025B Bonds shall have the following terms, conditions and provisions, all as authorized pursuant to the Resolution; provided, the provisions hereof and the exhibits hereto may be modified or revised in the Series Supplement executed in connection with the Series 2025B Bonds (hereinafter referred to as the “2025B Series Supplement”):

1. The Series 2025B Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on the Series 2025B Bonds shall be in default, the registered Series 2025B Bonds issued in lieu of Series 2025B Bonds surrendered for the transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 2025B Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date, the Series 2025B Bonds shall be dated as of the Issuance Date.

2. The Issuance Date of the Series 2025B Bonds shall be [CLOSING DATE].

3. The Series 2025B Bonds shall be issued in the aggregate principal amount of \$[187,500,000], for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans, (iii) repaying and/or refunding the Repaid FHLB Advances, thereby making funds available to acquire Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates and (iv) paying Costs of Issuance.

4. The Series 2025B Bonds shall be issued as Tax-Exempt Bonds.

5. The Series 2025B Bonds shall be designated as the “Residential Mortgage Revenue and Refunding Bonds, Series 2025B.”

6. The Series 2025B Bonds shall be issued in Authorized Denominations of \$5,000 principal amount or any integral multiples thereof.

7. The Series 2025B Bonds shall be sold to the Underwriters at an aggregate purchase price \$[PURCHASE PRICE] (representing the par amount of the Series 2025B Bonds, plus a premium in the amount of \$[PREMIUM]), on the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

8. The Series 2025B Bonds shall bear interest from the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for, payable on each January 1 and July 1 (each an “Interest Payment Date”), commencing [January 1, 2026], until stated maturity or the prior redemption thereof. The Series 2025B Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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9. The Series 2025B Bonds shall not be subject to redemption prior to maturity except as follows:

Special Redemption.

Special Redemption from Unexpended Proceeds. The Series 2025B Bonds are subject to special redemption from amounts transferred to the 2025B Special Redemption Account in accordance with the Indenture, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025B Bonds to be so redeemed pursuant to this Section shall be equal to (i) for all Series 2025B Bonds, other than the Premium PAC Term Bond, 100% of the principal amount thereof; and (ii) for the Premium PAC Term Bond, the applicable Redemption Price, as set forth in Exhibit D to the 2025B Series Supplement; plus in any case accrued interest thereon to, but not including, the date of redemption; except that a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments and such portion of the Series 2025B Bonds shall be redeemed in accordance with Section B below. In the event the Series 2025B Bonds are redeemed on a date other than a redemption date listed on Exhibit D to the 2025B Series Supplement, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed on Exhibit D to the 2025B Series Supplement immediately preceding and succeeding such redemption date.

Such redemption shall occur on the first day of any month on or after [____], unless the Certificate Purchase Period is extended in accordance with the Indenture. In no event will the redemption occur later than December 1, 2028.

Except for the De Minimis Special Redemption, the Series 2025B Bonds to be redeemed in accordance with this subsection shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

A. Special Redemption from Mortgage Loan Principal Payments. The Series 2025B Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after [January 1, 2026], after giving notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025B Mortgage Certificates transferred to the 2025B Special Redemption Account in accordance with the Indenture.

In the event of a redemption pursuant to this Section from Mortgage Loan Principal Payments relating to the 2025B Mortgage Certificates, the Trustee shall select the particular Series 2025B Bonds to be redeemed as follows:

- (i) the Trustee shall redeem the Premium PAC Term Bond, but only to the extent that the Outstanding principal amount of such Premium PAC Term Bond following any such redemption is not less than the Premium PAC Term Bond Outstanding Applicable Amount as set forth in Exhibit B to the 2025B Series Supplement (the “Premium PAC Term Bond Outstanding Applicable Amount”) as of such date;
- (ii) amounts remaining following the redemptions described in clause (i) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all other Series 2025B Bonds (other than the Premium PAC Term Bond), on a proportionate basis until the Outstanding principal amount of all Series 2025B Bonds has been reduced to the 2025B Cumulative Applicable Amount as set forth in Exhibit C to the 2025B Series Supplement (the “2025B Cumulative Applicable Amount”) as of such date;
- (iii) amounts remaining following the redemptions described in clauses (i) and (ii) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025B Bonds, including the Premium PAC Term Bond, on a proportionate basis after taking into account the amounts applied to redeem the Series 2025B Bonds pursuant to the above-described redemptions.

Any special redemption of the Series 2025B Bonds pursuant to Section A above (other than a De Minimis Special Redemption), will reduce the Premium PAC Term Bond Outstanding

Applicable Amount and the 2025B Cumulative Applicable Amount for the current and each future monthly period on a proportionate basis.

B. Special Redemption from Excess Revenues. The Series 2025B Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part, from time to time on the first day of any month on or after [January 1, 2026], after giving notice as provided in the Indenture and in accordance with a Letter of Instructions, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest to but not including the redemption date, from amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with the Indenture (including revenues whether or not derived in connection with the Series 2025B Bonds).

In the event of a redemption pursuant to this Section from excess Revenues, the Trustee shall apply amounts transferred to the 2025B Special Redemption Account from the Residual Revenues Fund in accordance with the Indenture to redeem the Series 2025B Bonds Outstanding in the same manner provided in clauses (i) and (ii) under Section B above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

C. Scheduled Mandatory Redemption. The Series 2025B Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in the Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest, if any, to but not including the redemption date, from amounts that have been transferred to the 2025B Principal Account from the 2025B Revenue Account.

\$[_____] Term Bond maturing [_____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Term Bond maturing [____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Term Bond maturing [____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Premium PAC Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

The principal amount of the Series 2025B Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2025B Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to mandatory sinking fund redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

Optional Redemption.

A. The Series 2025B Bonds (except for the Premium PAC Term Bond) maturing on or after [____], are subject to redemption prior to maturity, in whole or in part, at any time and from time to time on and after [OPT RED DATE] (the “Optional Redemption Date”), at the option of the Department, after giving notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2025B Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

B. The Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date, at the option of the Department after giving notice as provided in the Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date

Redemption Price

100.000%

and thereafter

If the Premium PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

C. At least 45 days prior to any redemption date described in this Section, or such later date as the Trustee will accept, the Department shall give a Letter of Instructions accompanied by a Cashflow Certificate to the Trustee specifying the principal amount of Series 2025B Bonds to be redeemed and the date of such redemption and identifying the Series 2025B Bonds by the maturity date and interest rate of such Bonds and the source of funds to be utilized to redeem such Bonds.

10. In accordance with the parameters contained in Section 2.4 of the Resolution, the undersigned does hereby find, certify and represent that the foregoing terms of the Series 2025B Bonds satisfy the following requirements and parameters contained within such Section 2.4:

- A. the interest rates for the Series 2025B Bonds do not exceed the Maximum Rate;
- B. the sales price for the Series 2025B Bonds to the Underwriters is not less than 95 percent, and not more than 108 percent, of the par amount of the Series 2025B Bonds; and
- C. the Repaid FHLB Advances to be repaid with the proceeds of the Series 2025B Bonds on or about the delivery date of the Series 2025B Bonds are identified on Schedule I hereto.

11. The Series 2025B Bonds shall be substantially in the form set forth in Exhibit A hereto with such insertions, changes and modifications as are required to conform the bond form to the terms of this Pricing Certificate or the Indenture. The Initial Series 2025B Bond shall be registered to the Representative.

12. Following issuance of the Series 2025B Bonds and the Department's Residential Mortgage Revenue Bonds, Taxable Series 2025C being issued concurrently, \$[675,000,000] of bonds will remain authorized under the Resolution.

13. The Series 2025B Bonds are being sold on terms advantageous to and in the best interests of the Department.

Executed as of the ____ day of _____, 2025.

Scott Fletcher, Director of Bond Finance
and Authorized Representative

*Signature Page to Pricing Certificate for
TDHCA RMRB 2025B*

SCHEDULE I

[TO COME FROM DEPARTMENT]

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE AND REFUNDING BOND
SERIES 2025B

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate:	Dated Date:	CUSIP:	Maturity Date:
_____	_____	_____	_____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or

¹ To be deleted from the Initial Bond, and be included only in Series 2025B Bonds registered in the name of DTC or its nominee.

in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 2025B Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2025B Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [January 1, 2026], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “Forty-Sixth Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [June] 1, 2025, authorizing the series of Bonds of which this Bond is a part (herein called the “2025B Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to

be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue and Refunding Bonds, Series 2025B” (herein sometimes called the “Series 2025B Bonds”) issued in the aggregate initial principal amount of \$[187,500,000] under the Indentures for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans, (iii) repaying and/or currently refunding the Repaid FHLB Advances, thereby making funds available to acquire Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates and (iv) paying Costs of Issuance. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 2025B Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 2025B Bonds are subject to redemption prior to stated maturity as set forth in the 2025B Series Supplement.

In lieu of redeeming Series 2025B Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 2025B Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 2025B Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 2025B Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2025B Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in

² To be deleted from the initially issued Bonds.

order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER
STATE OF TEXAS

Register No. _____

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Initial Bond Modifications

Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in this Exhibit A, except that the form of the single fully-registered Initial Bond shall be modified as follows:

- (i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. TRB-1 Dated Date: [CLOSING DATE] \$[187,500,000]

Registered Owner: RBC CAPITAL MARKETS, LLC

Principal Amount: [ONE HUNDRED EIGHTY-SEVEN MILLION FIVE HUNDRED THOUSAND] DOLLARS”

- (ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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[INSERT TABLE FROM 2025B PRICING CERTIFICATE]

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at

maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

- (iii) the Initial Bond shall be numbered TRB-1.

PRICING CERTIFICATE

Re: Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Taxable Series 2025C (the “Series 2025C Bonds”)

Pursuant to Resolution No. 25-004 adopted by the Texas Department of Housing and Community Affairs (the “Department”) on October 10, 2024 (the “Resolution”), authorizing the issuance, sale and delivery of single family mortgage revenue bonds in one or more series or subseries in an aggregate principal amount not to exceed \$1,100,000,000, the undersigned Authorized Representative of the Board does hereby make and execute this Pricing Certificate.

Capitalized terms used in this Pricing Certificate and not otherwise defined shall have the meanings ascribed to such terms in the Resolution or in that certain Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019 (as amended and supplemented from time to time, the “Indenture”), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

As authorized by Section 2.4 of the Resolution, I have acted on behalf of the Department in the issuance of the Series 2025C Bonds to the Underwriters pursuant to the terms of the Bond Purchase Agreement dated as of the date hereof (the “Purchase Agreement”), between the Department and RBC Capital Markets, LLC, as representative of the Underwriters (the “Representative”), the terms and provisions of which are hereby approved.

The Series 2025C Bonds shall have the following terms, conditions and provisions, all as authorized pursuant to the Resolution; provided, the provisions hereof and the exhibits hereto may be modified or revised in the Series Supplement executed in connection with the Series 2025C Bonds (hereinafter referred to as the “2025C Series Supplement”):

1. The Series 2025C Bonds shall be dated as of the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on the Series 2025C Bonds shall be in default, the registered Series 2025C Bonds issued in lieu of Series 2025C Bonds surrendered for the transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 2025C Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date, the Series 2025C Bonds shall be dated as of the Issuance Date.

2. The Issuance Date of the Series 2025C Bonds shall be [CLOSING DATE].

3. The Series 2025C Bonds shall be issued in the aggregate principal amount of \$[62,500,000], for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans and (iii) paying Costs of Issuance.

4. The Series 2025C Bonds shall be issued as Taxable Bonds.

5. The Series 2025C Bonds shall be designated as the “Residential Mortgage Revenue Bonds, Taxable Series 2025C.”

6. The Series 2025C Bonds shall be issued in Authorized Denominations of \$5,000 principal amount or any integral multiples thereof.

7. The Series 2025C Bonds shall be sold to the Underwriters at an aggregate purchase price \$[PURCHASE PRICE] (representing the par amount of the Series 2025C Bonds[, plus a premium in the amount of \$[PREMIUM]]), on the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

8. The Series 2025C Bonds shall bear interest from the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for, payable on each January 1 and July 1 (each an “Interest Payment Date”), commencing [January 1, 2026], until stated maturity or the prior redemption thereof. The Series 2025C Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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9. The Series 2025C Bonds shall not be subject to redemption prior to maturity except as follows:

Special Redemption.

Special Redemption from Unexpended Proceeds. The Series 2025C Bonds are subject to special redemption from amounts transferred to the 2025C Special Redemption Account in accordance with the Indenture, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2025C Bonds to be so redeemed pursuant to this Section shall be equal to (i) for all Series 2025C Bonds, other than the Taxable PAC Term Bond, 100% of the principal amount thereof; and (ii) for the Taxable PAC Term Bond, the applicable Redemption Price, as set forth in Exhibit D to the 2025C Series Supplement; plus in any case accrued interest thereon to, but not including, the date of redemption; except that a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments and such portion of the Series 2025C Bonds shall be redeemed in accordance with Section B below. In the event the Series 2025C Bonds are redeemed on a date other than a redemption date listed on Exhibit D to the 2025C Series Supplement, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed on Exhibit D to the 2025C Series Supplement immediately preceding and succeeding such redemption date.

Such redemption shall occur on the first day of any month on or after [____], unless the Certificate Purchase Period is extended in accordance with the Indenture.

Except for the De Minimis Special Redemption, the Series 2025C Bonds to be redeemed in accordance with this subsection shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

A. Special Redemption from Mortgage Loan Principal Payments. The Series 2025C Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after [January 1, 2026], after giving notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2025C Mortgage Certificates transferred to the 2025C Special Redemption Account in accordance with the Indenture.

In the event of a redemption pursuant to this Section from Mortgage Loan Principal Payments relating to the 2025C Mortgage Certificates, the Trustee shall select the particular Series 2025C Bonds to be redeemed as follows:

- (i) the Trustee shall redeem the Taxable PAC Term Bond, but only to the extent that the Outstanding principal amount of such Taxable PAC Term Bond following any such redemption is not less than the Taxable PAC Term Bond Outstanding Applicable Amount as set forth in Exhibit B to the 2025C Series Supplement (the “Taxable PAC Term Bond Outstanding Applicable Amount”) as of such date;
- (ii) amounts remaining following the redemptions described in clause (i) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all other Series 2025C Bonds (other than the Taxable PAC Term Bond), on a proportionate basis until the Outstanding principal amount of all Series 2025C Bonds has been reduced to the 2025C Cumulative Applicable Amount as set forth in Exhibit C to the 2025C Series Supplement (the “2025C Cumulative Applicable Amount”) as of such date;
- (iii) amounts remaining following the redemptions described in clauses (i) and (ii) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all Series 2025C Bonds, including the Taxable PAC Term Bond, on a proportionate basis after taking into account the amounts applied to redeem the Series 2025C Bonds pursuant to the above-described redemptions.

Any special redemption of the Series 2025C Bonds pursuant to Section A above (other than a De Minimis Special Redemption), will reduce the Taxable PAC Term Bond Outstanding Applicable Amount and the 2025C Cumulative Applicable Amount for the current and each future monthly period on a proportionate basis.

B. Special Redemption from Excess Revenues. The Series 2025C Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part, from time to time on the first day of any month on or after [January 1, 2026], after giving notice as provided in the Indenture and in accordance with a Letter of Instructions, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest to but not including the redemption date, from amounts transferred to the 2025C Special Redemption Account from the Residual Revenues Fund in accordance with the Indenture (including 2025B Transferred Excess Revenues and other revenues whether or not derived in connection with the Series 2025C Bonds).

In the event of a redemption pursuant to this Section from excess Revenues, the Trustee shall apply amounts transferred to the 2025C Special Redemption Account from the Residual Revenues Fund in accordance with the Indenture to redeem the Series 2025C Bonds Outstanding in the same manner provided in clauses (i) and (ii) under Section B above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

C. Scheduled Mandatory Redemption. The Series 2025C Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in the Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest, if any, to but not including the redemption date, from amounts that have been transferred to the 2025C Principal Account from the 2025C Revenue Account.

\$[_____] Term Bond maturing [_____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [_____] 1, 20[___]

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
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* Stated Maturity

\$[_____] Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

\$[_____] Taxable PAC Term Bond maturing [_____] 1, 20[___]

Redemption Date

Principal Amount (\$)

Redemption Date

Principal Amount (\$)

* Stated Maturity

The principal amount of the Series 2025C Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2025C Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to mandatory sinking fund redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

Optional Redemption.

A. The Series 2025C Bonds (except for the Taxable PAC Term Bond) maturing on or after [_____] , are subject to redemption prior to maturity, in whole or in part, at any time and from time to time on and after [OPT RED DATE] (the “Optional Redemption Date”), at the option of the Department, after giving notice as provided in the Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2025C Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

B. The Taxable PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after the Optional Redemption Date, at the

option of the Department after giving notice as provided in the Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
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100.000%

and thereafter

If the Taxable PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

C. At least 45 days prior to any redemption date described in this Section, or such later date as the Trustee will accept, the Department shall give a Letter of Instructions accompanied by a Cashflow Certificate to the Trustee specifying the principal amount of Series 2025C Bonds to be redeemed and the date of such redemption and identifying the Series 2025C Bonds by the maturity date and interest rate of such Bonds and the source of funds to be utilized to redeem such Bonds.

10. In accordance with the parameters contained in Section 2.4 of the Resolution, the undersigned does hereby find, certify and represent that the foregoing terms of the Series 2025C Bonds satisfy the following requirements and parameters contained within such Section 2.4:

- A. the interest rates for the Series 2025C Bonds do not exceed the Maximum Rate; and
- B. the sales price for the Series 2025C Bonds to the Underwriters is not less than 95 percent, and not more than 108 percent, of the par amount of the Series 2025C Bonds.

11. The Series 2025C Bonds shall be substantially in the form set forth in Exhibit A hereto with such insertions, changes and modifications as are required to conform the bond form to the terms of this Pricing Certificate or the Indenture. The Initial Series 2025C Bond shall be registered to the Representative.

12. Following issuance of the Series 2025C Bonds and the Department's Residential Mortgage Revenue and Refunding Bonds, Series 2025B being issued concurrently, \$[675,000,000] of bonds will remain authorized under the Resolution.

13. The Series 2025C Bonds are being sold on terms advantageous to and in the best interests of the Department.

Executed as of the ____ day of _____, 2025.

Scott Fletcher, Director of Bond Finance
and Authorized Representative

*Signature Page to Pricing Certificate for
TDHCA RMRB 2025C*

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BOND
TAXABLE SERIES 2025C

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate: _____ Dated Date: _____ CUSIP: _____ Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the "Department"), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or

¹ To be deleted from the Initial Bond, and be included only in Series 2025C Bonds registered in the name of DTC or its nominee.

in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter, and on any other date on which this Bond is subject to redemption (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged. The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 2025C Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2025C Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such Interest Payment Date, or unless such date of authentication shall be prior to [January 1, 2026], in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), and Chapter 1371, Texas Government Code, as amended, and under and pursuant to an indenture of the Department entitled “Amended and Restated Residential Mortgage Revenue Bond Trust Indenture”, dated as of July 1, 2019, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “Forty-Seventh Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of [June] 1, 2025, authorizing the series of Bonds of which this Bond is a part (herein called the “2025C Series Supplement” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds issued and to

be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue Bonds, Taxable Series 2025C” (herein sometimes called the “Series 2025C Bonds”) issued in the aggregate initial principal amount of \$[62,500,000] under the Indentures for the purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of the 2025BC Mortgage Certificates, including providing down payment and closing cost assistance with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2025BC Mortgage Loans and (iii) paying Costs of Issuance. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond. To the extent of any conflict between the terms and provisions of the Indentures and the terms and provisions of this Bond, the Indentures shall govern and control.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF

DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 2025C Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in principal amount of the Bonds of each series so affected then outstanding under the Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate principal amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 2025C Bonds are subject to redemption prior to stated maturity as set forth in the 2025C Series Supplement.

In lieu of redeeming Series 2025C Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 2025C Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 2025C Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 2025C Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2025C Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the

² To be deleted from the initially issued Bonds.

Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
[Vice] Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON INITIAL BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER
STATE OF TEXAS

Register No. _____

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN THE INITIAL BOND]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Initial Bond Modifications

Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in this Exhibit A, except that the form of the single fully-registered Initial Bond shall be modified as follows:

- (i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. TRC-1 Dated Date: [CLOSING DATE] \$[62,500,000]

Registered Owner: RBC CAPITAL MARKETS, LLC

Principal Amount: [SIXTY-TWO MILLION FIVE HUNDRED THOUSAND]
DOLLARS”

- (ii) The first paragraph shall be replaced with the following:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Issuance Date of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on [January 1, 2026], and each July 1 and January 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such principal amount shall be discharged, in accordance with the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
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[INSERT TABLE FROM 2025C PRICING CERTIFICATE]

The principal amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at

maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

- (iii) the Initial Bond shall be numbered TRC-1.