

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2018

NEW ISSUE: BOOK-ENTRY ONLY

RATING: See "RATING" herein

In the opinion of Kutak Rock LLP, Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the 2018 Series 2 Bonds (the "2018 Series 2 Bonds") (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals and, for tax years beginning prior to January 1, 2018, on corporations; and (iii) is not included in the adjusted current earnings of corporations for purposes of calculating the alternative minimum tax under the Code. No federal alternative minimum tax applies to corporations for tax years beginning after December 31, 2017. In the further opinion of Bond Counsel, under existing statutes, the 2018 Series 2 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except for estate taxes imposed by Chapter 198, Florida Statutes, as amended, and the tax imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. For a more complete discussion of certain tax aspects of purchasing or owning the 2018 Series 2 Bonds, see "TAX MATTERS" herein



\$175,000,000\*
FLORIDA HOUSING FINANCE CORPORATION
Homeowner Mortgage Revenue Bonds
2018 Series 2

Dated: Date of Delivery

Due: As shown on the inside cover page

This Official Statement is furnished with respect to the offering for sale by the Florida Housing Finance Corporation of its \$175,000,000\* Homeowner Mortgage Revenue Bonds, 2018 Series 2 (the "2018 Series 2 Bonds"). The Bonds are being offered pursuant to a Trust Indenture, dated as of October 1, 1995 (the "Original Indenture"), as amended and supplemented by a Forty-Seventh Supplemental Trust Indenture, dated as of December 1, 2018 (the "Supplemental Indenture") (as so amended and supplemented together with any prior amendments or supplements to the Original Indenture, collectively referred to as the "Indenture"), each between the Florida Housing Finance Agency (the "Agency") or the Florida Housing Finance Corporation, as statutory successor to the Agency (collectively, "Florida Housing"), and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (the "Trustee").

The 2018 Series 2 Bonds are issuable only in fully registered form, without coupons, initially in denominations of \$5,000 and integral multiples thereof. When issued, the 2018 Series 2 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2018 Series 2 Bonds. Accordingly, principal of and interest on the 2018 Series 2 Bonds will be paid by Trustee, directly to DTC as the registered owner thereof. DTC will in turn remit such principal and interest to its Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the 2018 Series 2 Bonds. See "APPENDIX C - BOOK-ENTRY ONLY SYSTEM" attached hereto.

The 2018 Series 2 Bonds will bear interest from their date of delivery to their maturity or prior redemption at the rates set forth on the inside cover page hereof, payable on each January 1 and July 1, commencing July 1, 2019.

The 2018 Series 2 Bonds are subject to redemption, including optional redemption, mandatory sinking fund redemption and special redemption, in whole or in part, prior to their stated maturities, as more fully set forth herein. It is expected that a substantial portion of the 2018 Series 2 Bonds will be redeemed prior to their stated maturities. See "REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS" herein.

The 2018 Series 2 Bonds are being issued by Florida Housing under and pursuant to the Indenture to make funds available to (i) finance, purchase or acquire, along with other funds available to Florida Housing, Mortgage-Backed Securities (as defined herein) (or participations therein) guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac") and backed by first-lien mortgage loans made to eligible persons or families to finance the purchase of single family, owner-occupied residences, which satisfy the Series Program Determinations set forth in the Supplemental Indenture, in order to effectuate Florida Housing's public purpose of providing safe and sanitary affordable housing, all in accordance with the Act (as such term is defined herein) and the Indenture, and (ii) make deposits in other Funds and Accounts as described herein. See "ESTIMATED SOURCES AND USES OF 2018 SERIES 2 BONDS" herein. The 2018 Series 2 Bonds are secured on a parity with the Prior Bonds (as defined herein) and any Additional Bonds (as defined herein) that may be issued under the Indenture. See "SECURITY FOR THE BONDS" herein.

FLORIDA HOUSING HAS NO TAXING POWER. THE 2018 SERIES 2 BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE") OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF, AND NEITHER THE STATE NOR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE 2018 SERIES 2 BONDS. THE 2018 SERIES 2 BONDS ARE LIMITED OBLIGATIONS OF FLORIDA HOUSING AND ARE PAYABLE AS TO PRINCIPAL, INTEREST AND PREMIUM, IF ANY, SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors are directed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2018 Series 2 Bonds are offered for delivery when, as and if issued by Florida Housing and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and the approval of legality by Kutak Rock LLP, Atlanta, Georgia, Bond Counsel to Florida Housing. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York, and for Florida Housing by its Special Counsel and Disclosure Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Caine Mitter & Associates Incorporated, New York, New York, is serving as Financial Advisor to Florida Housing. It is expected that the 2018 Series 2 Bonds will be delivered in book-entry form through the facilities of DTC in New York, New York, on or about December \_\_, 2018.

Citigroup
Morgan Stanley
RBC Capital Markets
Raymond James
BofA Merrill Lynch

Dated: \_\_\_\_\_, 2018
\* Preliminary; subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

**MATURITY SCHEDULE\***

**\$175,000,000\***

**FLORIDA HOUSING FINANCE CORPORATION  
Homeowner Mortgage Revenue Bonds  
2018 Series 2**

**\$28,595,000 2018 Series 2 Serial Bonds**

<u>Year</u>	<u>Principal Amount Due January 1</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP**</u>	<u>Principal Amount Due July 1</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP**</u>
2020	-				\$1,160,000			
2021	\$1,195,000				1,230,000			
2022	1,260,000				1,300,000			
2023	1,330,000				1,370,000			
2024	1,410,000				1,450,000			
2025	1,485,000				1,530,000			
2026	1,575,000				1,615,000			
2027	1,660,000				1,705,000			
2028	1,755,000				1,805,000			
2029	1,855,000				1,905,000			

\$17,275,000 \_\_\_% 2018 Series 2 Term Bonds due July 1, 2033 (Price: \_\_\_%) CUSIP\*\*: \_\_\_\_\_  
 \$27,675,000 \_\_\_% 2018 Series 2 Term Bonds due July 1, 2038 (Price: \_\_\_%) CUSIP\*\*: \_\_\_\_\_  
 \$48,785,000 \_\_\_% 2018 Series 2 Term Bonds due January 1, 2045 (Price: \_\_\_%) CUSIP\*\*: \_\_\_\_\_  
 \$52,670,000 \_\_\_% 2018 Series 2 Premium PAC Bonds due January 1, 2050 (Price: \_\_\_%) CUSIP\*\*: \_\_\_\_\_

\*Preliminary; subject to change

\*\*Florida Housing is not responsible for the use of the CUSIP numbers referenced in this Official Statement nor is any representation made by Florida Housing as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

No dealer, broker, salesperson or other person has been authorized by Florida Housing or by the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2018 Series 2 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by Florida Housing and by other 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 by Florida Housing. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of Florida Housing since the date hereof. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under 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, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the 2018 Series 2 Bonds. This Official Statement speaks only as of its date. The information contained herein is subject to change. For a complete description of the terms and conditions of the 2018 Series 2 Bonds, reference is made to the proceedings authorizing the issuance and sale of the 2018 Series 2 Bonds. The descriptions of the 2018 Series 2 Bonds and the documents authorizing and securing the 2018 Series 2 Bonds contained herein do not purport to be comprehensive or definitive. All references to and description of such documents herein are qualified in their entirety by reference to such documents. Copies of such documents not reproduced in this Official Statement may be obtained from the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301, telephone (850) 488-4197.

Prior to delivery of the 2018 Series 2 Bonds, Florida Housing will covenant in the Supplemental Indenture (as herein defined) to provide or cause to be provided for the benefit of the Registered or Beneficial Owners certain financial information and operating data as well as notices of certain events, if material, on a continuing basis. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 SERIES 2 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2018 SERIES 2 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2018 SERIES 2 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES IN WHICH THE 2018 SERIES 2 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2018 SERIES 2 BONDS OR UPON THE

ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FLORIDA HOUSING'S ACQUISITION OF MORTGAGE-BACKED CERTIFICATES AND RECEIPT OF FUTURE REVENUES THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

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## OFFICIAL STATEMENT

**\$175,000,000\***

### **FLORIDA HOUSING FINANCE CORPORATION**

#### **Homeowner Mortgage Revenue Bonds**

#### **2018 Series 2**

### INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page, and Appendices hereto, is to set forth certain information in connection with the issuance and sale by the Florida Housing Finance Corporation of its \$175,000,000\* Homeowner Mortgage Revenue Bonds, 2018 Series 2 (the “2018 Series 2 Bonds”). Certain capitalized terms that are used and not otherwise defined in this Official Statement shall have the definitions ascribed to them in “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto. In addition, certain capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The 2018 Series 2 Bonds are being issued pursuant to Sections 420.501-420.55, Florida Statutes, as amended, known as the Florida Housing Finance Corporation Act (the “Act”), under and pursuant to a Trust Indenture, dated as of October 1, 1995 (the “Original Indenture”), as amended and supplemented by a Forty-Seventh Supplemental Trust Indenture, dated as of December 1, 2018 (the “Supplemental Indenture”) (as so amended and supplemented together with any prior amendments or supplements to the Original Indenture, collectively referred to as the “Indenture”), each between the Florida Housing Finance Agency (the “Agency”) or the Florida Housing Finance Corporation, as statutory successor to the Agency (collectively, “Florida Housing”), and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (the “Trustee”) and pursuant to certain resolutions of Florida Housing adopted on August 18, 1995 and October 27, 2017 (collectively, the “Resolution”).

Florida Housing has previously issued multiple series of its Homeowner Mortgage Revenue Bonds (collectively, the “Prior Bonds”) under the Indenture. As of September 30, 2018, \$508,011,472 aggregate principal amount of Prior Bonds remained Outstanding. See “APPENDIX F – OUTSTANDING BONDS” attached hereto. The 2018 Series 2 Bonds, the Prior Bonds and all other bonds that may be issued from time to time under the Indenture (“Additional Bonds”) are referred to herein collectively as the “Bonds.” The Prior Bonds are, and the Additional Bonds will be, on parity, equally and ratably secured by the Revenues pledged under the Indenture, with the 2018 Series 2 Bonds. Additional Bonds may be issued by Florida Housing for the purposes, upon the terms and subject to the conditions provided in the Indenture. See “SECURITY FOR THE BONDS – Additional Bonds,” herein. Proceeds of the Prior Bonds have been used to fund Mortgage-Backed Securities and Loans. As of September 30, 2018, the total aggregate principal amount of Mortgage-Backed Securities (in the amount of \$379,892,064) and whole mortgage loans (in the amount of \$41,162,107) securing the Prior Bonds was \$421,054,171. See “APPENDIX G - EXISTING MORTGAGE-BACKED SECURITIES AND LOANS” attached hereto. Additionally, as of September 30, 2018, \$127,553,592 of proceeds of Prior Bonds were available to purchase Mortgage-Backed Securities. See “THE PROGRAM – Amounts Available to Purchase Mortgage-Backed Securities or Loans” herein.

The 2018 Series 2 Bonds are being issued by Florida Housing under and pursuant to the Indenture to make funds available to (i) finance, purchase or acquire, along with other funds available to Florida Housing, Mortgage-Backed Securities (as defined herein) (or participations therein) guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“Fannie Mae”), or the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and backed by first-lien mortgage loans made to eligible persons or families to finance the

purchase of single family, owner-occupied residences, which satisfy the Series Program Determinations set forth in the Supplemental Indenture, in order to effectuate Florida Housing's public purpose of providing safe and sanitary affordable housing, all in accordance with the Act (as such term is defined herein) and the Indenture, and (ii) make deposits in other Funds and Accounts as described herein. See "ESTIMATED SOURCES AND USES OF 2018 SERIES 2 BONDS" herein. The 2018 Series 2 Bonds are secured on a parity with the Prior Bonds (as defined herein) and any Additional Bonds (as defined herein) that may be issued under the Indenture. See "SECURITY FOR THE BONDS" herein.

Florida Housing has issued separate series of mortgage revenue bonds under a separate Master Trust Indenture, dated as of December 1, 2009, as supplemented (collectively, the "2009 Indenture"), which was initially executed in connection with Florida Housing's implementation of the U.S. Treasury New Issue Bond Program (the "2009 Indenture Program"). Florida Housing may use a portion of the proceeds of the 2018 Series 2 Bonds, or other Bonds issued under the Indenture, in connection with the proceeds available under the 2009 Indenture to acquire participation interests in Mortgage-Backed Securities. To the extent Florida Housing purchases participation interests in Mortgage-Backed Securities, the 2009 Indenture and the Indenture will have an equal priority lien on such Mortgage-Backed Securities in proportion to the respective participation interests, but such interests may not be equal with respect to payments of interest. Florida Housing reserves the right to use all or a portion of the proceeds of the 2018 Series 2 Bonds to acquire Mortgage-Backed Securities (or participations therein) under the Program or under any other similar single family housing program that it may initiate in the future.

Under the Program, it is currently anticipated that Florida Housing will use moneys made available from the issuance of the 2018 Series 2 Bonds to purchase Mortgage-Backed Securities (or participations therein) guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae, or Freddie Mac. Mortgage-Backed Securities (or participations therein) purchased with proceeds of the 2018 Series 2 Bonds (the "2018 Series 2 Certificates") will be backed by mortgage loans (or participations therein) (the "2018 Series 2 Loans") made by participating lending institutions ("Lenders") to borrowers who meet the requirements of the Program. 2018 Series 2 Loans may be Conventional, FHA Insured, VA Mortgage Guaranteed and USDA/RD loans, are required to be made to persons or families that meet certain income restrictions (the "Eligible Persons and Families"), and are required to be secured by a first mortgage lien on a single family owner-occupied residence consisting of up to four family dwelling units located in the State of Florida which meet certain sales price restrictions and the requirements of the Program ("Single Family Residence" or "Residences"). See "SECURITY FOR THE BONDS – Mortgage-Backed Securities and Loans" and "THE PROGRAM – The 2018 Homeowner Mortgage Revenue Bond Program" herein.

Pursuant to separate Mortgage Purchase Agreements between Florida Housing and each Lender (collectively, the "Mortgage Purchase Agreement"), all 2018 Series 2 Loans originated by a Lender must be sold with servicing released to the Servicer who will aggregate such loans into pools to be exchanged for Mortgage-Backed Securities. Pursuant to the terms of a Servicing Agreement dated as of October 1, 2016, as amended (the "Servicing Agreement"), between Florida Housing and the Servicer, subsequent to the delivery of a 2018 Series 2 Certificate, the related 2018 Series 2 Loans will be serviced by the Servicer at the direction of the respective issuer of such 2018 Series 2 Certificate. Florida Housing has also retained a program administrator to ensure compliance with certain Code and Program provisions. For information regarding the Servicer and the Program Administrator, see "THE PROGRAM – The Master Servicer" and "The Administrator" herein.

Florida Housing may contribute funds from sources outside the Indenture, including proceeds of bonds issued under the 2009 Indenture or other separate indentures of Florida Housing, in order to finance all or a portion of the 2018 Series 2 Loans that back the 2018 Series 2 Certificates. The scheduled principal payments and principal prepayments received with respect to the portion of any 2018 Series 2 Certificate allocable to the contributed funds are not pledged under the Indenture, do not constitute



“Revenues” or “Prepayments” under the Indenture, and will be reimbursed to Florida Housing or transferred to the Trustee under the 2009 Indenture or other separate indenture, as applicable, as received. The term “2018 Series 2 Certificates” does not include that portion of the 2018 Series 2 Loans allocable to such contributed funds (except for purposes of the definition of 2018 Series 2 Corporation Fee). To the extent Florida Housing purchases portions of or participation interests in Mortgage-Backed Securities with proceeds of the 2018 Series 2 Bonds and funds available to Florida Housing under other indentures, the Indenture and such other indenture or indentures shall have an equal priority lien on such Mortgage-Backed Securities in proportions to their respective portions or participation interests.

The 2018 Series 2 Bonds are limited obligations of Florida Housing, the principal of and Redemption Price, if any, and interest on which are payable solely from the revenues, income and receipts of Florida Housing pledged to the payment thereof pursuant to the Indenture and secured by the pledge and assignment of the Loans, Mortgage-Backed Securities and other assets pledged and assigned thereby as described therein. The amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as provided therein and from time to time by law, and all Bonds, including the 2018 Series 2 Bonds, the Prior Bonds and any Additional Bonds which may be issued from time to time, will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Indenture. See “SECURITY FOR THE BONDS” herein.

**FLORIDA HOUSING HAS NO TAXING POWER. THE 2018 SERIES 2 BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE “STATE”) OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF, AND NEITHER THE STATE NOR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE 2018 SERIES 2 BONDS. THE 2018 SERIES 2 BONDS ARE LIMITED OBLIGATIONS OF FLORIDA HOUSING AND ARE PAYABLE AS TO PRINCIPAL, INTEREST AND PREMIUM, IF ANY, SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE INDENTURE.**

Brief descriptions of Florida Housing, the 2018 Series 2 Bonds, the security for the 2018 Series 2 Bonds, the Program, and the Indenture are included in this Official Statement. All references herein to the Indenture and the other documents and agreements described herein are qualified in their entirety by reference to the Indenture and such documents and agreements, and references herein to the 2018 Series 2 Bonds are qualified in their entirety by reference to the actual forms thereof and to the relevant information with respect thereto included in the documents and agreements, copies of which are available for inspection at the offices of Florida Housing. Copies of such documents not reproduced in this Official Statement may be obtained from Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301, telephone (850) 488-4197.

## **FLORIDA HOUSING**

### **Purpose**

Florida Housing is a public body corporate and politic within the Department of Economic Opportunity of the State of Florida (the “State”), organized and existing under and pursuant to the Constitution and laws of the State, established in 1997 as the successor to Florida Housing Finance Agency (the “Agency”), a state agency and instrumentality of the Florida Department of Community Affairs pursuant to the Act. The Act reconstituted the Agency as the “Florida Housing Finance Corporation.” The legislature declared its intent that Florida Housing constitute “an entrepreneurial public corporation

organized to provide and promote the public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.” Effective May 1, 1998, pursuant to the Act, all assets and liabilities, including any outstanding contractual obligations of the Agency, were transferred to Florida Housing as legal successor in all respects to the Agency. All references to “Florida Housing” shall refer to Florida Housing Finance Agency or Florida Housing Finance Corporation as the context requires. Florida Housing is authorized to borrow money through the issuance of notes and bonds to fulfill its public purpose as set forth in the Act, including the provision of financing for affordable multifamily and single family housing throughout the State for persons or families of low, middle or moderate income as well as for certain targeted populations.

### **Governing Body and Key Staff of Florida Housing**

In accordance with the Act, the powers of Florida Housing are vested in a Board of Directors composed of nine members, one of whom is an ex-officio voting member and is the executive director of the Department of Economic Opportunity, or her designee, and eight of whom are appointed by the Governor of the State of Florida and are subject to confirmation by the State Senate. The Chair and Vice Chair are elected annually by Florida Housing Board of Directors from among its members. Florida Housing is authorized to employ an Executive Director, technical experts and other officers, agents and employees, permanent and temporary. Florida Housing’s Board of Directors Chair, Vice Chair and Members are set forth on the following page:

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<u>Name</u>	<u>Position</u>	<u>Term Expires<sup>(1)</sup></u>	<u>Occupation</u>
Ray Dubuque	Chair	November 13, 2020	Retired Telecommunications Executive Citizen Representative
Ron Lieberman	Vice Chair	November 13, 2020	Steel Structures of Florida, Inc. Residential Building Industry Representative
Natacha Munilla Bastian	Member	November 13, 2018	Thunder Electrical Contractors, Inc. Commercial Builder Representative
Renier Diaz de la Portilla	Member	November 13, 2018	President, Renier Diaz de la Portilla, P.A. Former Local Government Elected Official Representative
Mario Facella	Member	November 13, 2020	Senior Lender, TD Bank, N.A. Banking Representative
LaTasha Green-Cobb	Member	November 13, 2020	Law Student at Florida A&M University Low Income Housing Advocate Representative
Creston Leifried	Member	November 13, 2018	Vice President, Coastal Reconstruction Group Labor Representative
Barney Smith	Member	November 13, 2018	President, The Smith & Young Company Citizen Representative
Julie Dennis	Ex-Officio Member	N/A	Designee, Division of Community Development of Florida Department of Economic Opportunity

<sup>1</sup>Members whose term expire on November 13, 2018 may continue to serve on the Board of Directors until such time as they are reappointed by the Governor of the State or their replacement is appointed by the Governor of the State.

Harold L. “Trey” Price is the Executive Director of Florida Housing. Mr. Price became Executive Director in April 2017. He had launched Price Point Strategies, LLC, a consulting and government affairs firm, in 2015 after working more than 14 years at Florida Realtors® the state’s largest trade association as a Public Policy Representative. In this capacity, he served as the liaison to Florida Housing, regularly communicating and interacting with leadership to help ensure issues regarding affordable housing were considered and included in critical discussions. In 2010, Mr. Price was instrumental in passing legislation that removed the cap on allocations from the state’s housing trust funds to finance affordable housing statewide. Additionally, he worked to pass dozens of notable and beneficial real estate-related laws, and prevent passage of laws that would damage Florida’s real estate industry and consumers. A second-generation Floridian, Mr. Price is a native of Okeechobee, and received a bachelor’s degree in political science and government from the University of Central Florida.

Barbara E. Goltz has held the position of Chief Financial Officer of Florida Housing since September 2000. Prior to accepting her position at Florida Housing, Ms. Goltz was a senior manager for the Florida Lottery from 1987 until 2000. She also held senior management positions with the Department of Education from 1975-1987. Ms. Goltz is a Certified Public Accountant and received a Bachelor of Science degree in Accounting from Florida State University.

David Westcott became Director of Homeownership Programs at Florida Housing in October 2005. In that capacity, he oversees all of Florida Housing’s homeownership and workforce housing programs. Prior to his appointment as Director of Homeownership Programs, he served as Florida Housing’s Multifamily Bonds Program Administrator for four years, and was responsible for administering all aspects of the Multifamily Mortgage Bond Program. Before that, he practiced real property and administrative law in both the public and private sectors. Mr. Westcott received his Bachelor of Science in Political Science in 1988 and his J.D. in 1991 from Florida State University.

The office of Florida Housing is located at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, telephone (850) 488-4197.

Florida Housing currently has approximately 125 employees. Florida Housing employees develop new programs and administer numerous new and ongoing single family and multifamily housing programs.

**Florida Housing neither has nor will assume responsibility for the accuracy or completeness of any information herein which has been furnished by others.**

### **Florida Housing's Other Homeowner Mortgage Revenue Bond Programs**

Florida Housing has previously financed a substantial portion of its single family program through the issuance of its Homeowner Mortgage Revenue Bonds (Special Program) pursuant to the 2009 Indenture. As of September 30, 2018, \$430,470,247 aggregate principal amount of such Homeowner Mortgage Revenue Bonds (Special Program) were outstanding. As of September 30, 2018, there were \$452,031,989 aggregate principal amount of mortgage-backed securities securing such Homeowner Mortgage Revenue Bonds (Special Program).

The above-described Homeowner Mortgage Revenue Bonds (Special Program) do not share in the security for the Homeowner Mortgage Revenue Bonds and as such the 2018 Series 2 Bonds will not be secured by the assets and revenues relating to such Homeowner Mortgage Revenue Bonds (Special Program). The facts presented about bonds issued under other single family indentures are presented for informational purposes only, and no guaranty as to the performance of the 2018 Series 2 Bonds is implied thereby.

## **THE 2018 SERIES 2 BONDS**

### **General Description**

The 2018 Series 2 Bonds will be dated, and interest thereon will be payable on the dates, as set forth on the cover page hereof. The 2018 Series 2 Bonds will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, and will mature on the dates and in the amounts, as set forth on the inside cover page hereof.

The 2018 Series 2 Bonds are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof. To the extent the 2018 Series 2 Bonds are no longer registered in the Book Entry System of DTC (as defined below), interest on the 2018 Series 2 Bonds is payable by check or draft mailed to the registered owner of each such Bond as set forth on the registration books of the Trustee on the fifteenth day of the month last preceding any Interest Payment Date; provided, however, that payment of such interest with respect to the 2018 Series 2 Bonds will be made by wire transfer in federal funds to any Bondholder in an aggregate principal amount of at least \$1,000,000 of such Bonds if such Bondholder has on or before the fifth (5<sup>th</sup>) Business Day prior to a Record Date requested in writing payment by such method.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the 2018 Series 2 Bonds. The 2018 Series 2 Bonds will be initially issued exclusively in book-entry only form, and the ownership of the 2018 Series 2 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Except as otherwise provided herein, so long as Cede & Co., as nominee of DTC, is the registered owner of the 2018 Series 2 Bonds, any references herein to the registered owners or owners of the 2018 Series 2 Bonds (except under "TAX MATTERS" herein) means Cede & Co, and does not mean the Beneficial Owners (as defined herein) of the 2018 Series 2 Bonds. Should the book-entry only system

described in “APPENDIX C - BOOK-ENTRY ONLY SYSTEM” attached hereto be discontinued, the provisions of the Indenture will be applicable to Beneficial Owners who become registered owners.

**REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS\***

The 2018 Series 2 Bonds are subject to redemption pursuant to optional redemption, mandatory sinking fund redemption and special redemption from unexpended proceeds, Prepayments and Excess Revenues, as more fully described below. In connection with certain redemptions, Florida Housing has the right to direct the maturity or maturities, and the amounts thereof, of 2018 Series 2 Bonds to be so redeemed. Applicable Federal tax law currently requires redemption of the 2018 Series 2 Bonds on or before certain dates and in certain amounts in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the 2018 Series 2 Bonds. See “THE PROGRAM – Federal Tax Law Requirements – Required Redemptions” herein.

Optional Redemption.

(i) The 2018 Series 2 Bonds are subject to redemption prior to their maturity, at the option of Florida Housing from any moneys available therefor, including, without limitation, the proceeds of the sale of Mortgage-Backed Securities or Loans, in whole or in part, on and after January 1, 2028, at any time for which notice can be given in accordance with the Indenture, of such maturities and in such amounts as directed by Florida Housing, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the date of redemption.

(ii) Notwithstanding the foregoing, the 2018 Series 2 Bonds may not be redeemed in part with proceeds of the sale of the 2018 Series 2 Certificates unless Florida Housing shall have provided a Cash Flow Certificate which projects Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each subsequent Bond Year.

Sinking Fund Redemption. The 2018 Series 2 Term Bonds are subject to mandatory redemption prior to maturity in each of the applicable years set forth below, in part, in each case at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the 2018 Series 2 Term Bonds on the dates and in the principal amounts shown below (subject to adjustment as described below):

2018 Series 2 Bonds Due July 1, 2033

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
January 1, 2030	\$1,955,000	January 1, 2032	\$2,185,000
July 1, 2030	2,015,000	July 1, 2032	2,245,000
January 1, 2031	2,065,000	January 1, 2033	2,305,000
July 1, 2031	2,130,000	July 1, 2033†	2,375,000

† Final Maturity

2018 Series 2 Bonds Due July 1, 2038

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
January 1, 2034	\$2,440,000	July 1, 2036	\$2,795,000
July 1, 2034	2,505,000	January 1, 2037	2,875,000
January 1, 2035	2,575,000	July 1, 2037	2,955,000
July 1, 2035	2,650,000	January 1, 2038	3,040,000
January 1, 2036	2,720,000	July 1, 2038†	3,120,000

† Final Maturity

\*Preliminary; subject to change

2018 Series 2 Bonds Due January 1, 2045

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
January 1, 2039	\$3,210,000	July 1, 2042	\$3,885,000
July 1, 2039	3,295,000	January 1, 2043	3,995,000
January 1, 2040	3,390,000	July 1, 2043	4,110,000
July 1, 2040	3,485,000	January 1, 2044	4,220,000
January 1, 2041	3,580,000	July 1, 2044	4,340,000
July 1, 2041	3,680,000	January 1, 2045†	3,810,000
January 1, 2042	3,785,000		

† Final Maturity

2018 Series 2 Premium PAC Bonds Due January 1, 2050

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
January 1, 2045	\$ 650,000	January 1, 2048	\$5,260,000
July 1, 2045	4,580,000	July 1, 2048	5,405,000
January 1, 2046	4,715,000	January 1, 2049	5,550,000
July 1, 2046	4,840,000	July 1, 2049	5,710,000
January 1, 2047	4,975,000	January 1, 2050†	5,870,000
July 1, 2047	5,115,000		

† Final Maturity

The Indenture provides that upon any purchase or redemption (other than from Sinking Fund Installments) of 2018 Series 2 Term Bonds of a maturity, there shall be credited toward each applicable remaining Sinking Fund Installment for such 2018 Series 2 Term Bond an amount (in Authorized Denominations) bearing the same ratio to such Sinking Fund Installment as the total principal amount of such 2018 Series 2 Term Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments of such 2018 Series 2 Term Bond to be credited; provided that, if Florida Housing files with the Trustee a Certificate specifying a different method for crediting Sinking Fund Installments upon any such purchase or redemption of 2018 Series 2 Term Bonds, and if a Cash Flow Certificate which projects Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year accompanies such Certificate, or if such purchase or redemption shall be made with funds transferred from the Program Fund pursuant to the Indenture, then such Sinking Fund Installments will be credited as provided in the Certificate delivered to the Trustee. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) will constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Special Redemption: Unexpended Proceeds of 2018 Series 2 Bonds.

(i) The 2018 Series 2 Bonds are subject to special redemption, at the option of Florida Housing, in whole or in part, at any time, from and to the extent there is determined by Florida Housing to be unexpended moneys, including reservation fees, if any, in the 2018 Program Account which cannot reasonably be expected to be used for their determined purposes.

(ii) The 2018 Series 2 Bonds are subject to special mandatory redemption, in whole or in part, on January 1, 2020 (as such date may be extended as described under the heading "BONDHOLDERS"

RISKS – Risks Related to Origination of Loans and Redemption of 2018 Series 2 Bonds from Unexpended Proceeds" herein) from and to the extent there is determined by Florida Housing to be unexpended money in the 2018 Program Account on December 1, 2019 (as such date may be extended).

(iii) Notwithstanding any extension of the special mandatory redemption date described in subparagraph (ii) above, if necessary to satisfy the requirements of the Code, the 2018 Series 2 Bonds shall be subject to special mandatory redemption on June 1, 2022 from and to the extent there is determined by Florida Housing to be unexpended money in the 2018 Program Account.

(iv) 2018 Series 2 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 2018 Series 2 Bonds redeemed pursuant to this provision shall be 100% of the principal amount of the 2018 Series 2 Bonds being redeemed, plus accrued interest to the date of redemption; provided that, except for a one-time redemption of unexpended proceeds of the 2018 Series 2 Bonds in an amount less than \$500,000 at par, any redemption of the 2018 Series 2 Premium PAC Bonds pursuant to this provision shall be at the applicable Redemption Price that maintains the original yield to average life of such 2018 Series 2 Premium PAC Bonds, plus, in each case, accrued interest to the date of redemption.

Special Redemption: Prepayments. (i) The 2018 Series 2 Bonds are subject to special redemption at any time, in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date, from Prepayments received with respect to Loans and Mortgage-Backed Securities financed by any Series of Bonds. Any such redemption of 2018 Series 2 Bonds from Prepayments shall be at the option of Florida Housing and of such maturities and in such amounts as directed by Florida Housing, *except* as described in subparagraph (ii) below; *provided, however* that no 2018 Series 2 Premium PAC Bonds shall be redeemed from such Prepayments in amounts that would cause the principal amount of then Outstanding 2018 Series 2 Premium PAC Bonds to be less than the related Applicable Outstanding Balance for the applicable semiannual period set forth in the chart below.

(ii) To the extent not required to pay scheduled principal, interest or Sinking Fund Installments on the 2018 Series 2 Bonds or any other Bonds outstanding under the Indenture, the 2018 Series 2 Prepayments (as defined below) shall be applied as follows:

FIRST, to the redemption of 2018 Series 2 Premium PAC Bonds, but only to the extent that, after giving effect to such redemption, the aggregate principal amount of 2018 Series 2 Premium PAC Bonds on such redemption date is not less than the Applicable Outstanding Balance for the applicable semiannual period as set forth in the table below; and

SECOND, after applying 2018 Series 2 Prepayments as described in clause FIRST above, any remaining 2018 Series 2 Prepayments may be applied, *unless* otherwise required by the Code, at the option of Florida Housing, to any purpose permissible under the Indenture, including to redeem any Bonds, including the 2018 Series 2 Premium PAC Bonds; provided that the 2018 Series 2 Premium PAC Bonds may only be redeemed from such remaining 2018 Series 2 Prepayments if there are no other 2018 Series 2 Bonds Outstanding.

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<b>Semi Annual Period Ending</b>	<b>Applicable Outstanding Balance of 2018 Series 2 Premium PAC Bonds</b>
January 1, 2019	\$52,670,000
July 1, 2019	52,660,000
January 1, 2020	52,185,000
July 1, 2020	50,710,000
January 1, 2021	48,225,000
July 1, 2021	44,780,000
January 1, 2022	40,480,000
July 1, 2022	35,825,000
January 1, 2023	31,350,000
July 1, 2023	27,100,000
January 1, 2024	23,065,000
July 1, 2024	19,230,000
January 1, 2025	15,605,000
July 1, 2025	12,175,000
January 1, 2026	8,950,000
July 1, 2026	5,910,000
January 1, 2027	3,060,000
July 1, 2027	400,000
January 1, 2028	0

(iii) Such redemptions described in subparagraphs (i) and (ii) above may occur at such times and with such frequency as Florida Housing elects commencing on July 1, 2019. However, the redemptions described in clause FIRST of subparagraph (ii) above must occur at least once during each semiannual period commencing July 1, 2019 to the extent amounts under the Indenture are available therefor. In the event any 2018 Series 2 Premium PAC Bonds are redeemed from unexpended proceeds, each Applicable Outstanding Balance amount shall be recalculated on a pro rata basis (rounded to the nearest Authorized Denomination), based on the ratio that the principal amount of all 2018 Series 2 Premium PAC Bonds Outstanding after such redemption bears to the original principal amount of the 2018 Series 2 Premium PAC Bonds.

For purposes of this Official Statement, “2018 Series 2 Prepayments” means any payments on 2018 Series 2 Certificates other than regularly scheduled principal and interest payments thereon (including, subject to certain limitations described herein, any amounts received by or transferred to Florida Housing as a result of the sale, assignment, endorsement or disposition of a 2018 Series 2 Certificate), *unless* required to pay principal of or interest on 2018 Series 2 Bonds.

*Assumptions Used in Calculating 2018 Series 2 Premium PAC Bonds Applicable Outstanding Balances.* The Applicable Outstanding Balances are based on the assumption that the 2018 Series 2 Certificates prepay at a constant rate of 100% of the SIFMA Prepayment Model (as defined herein under the heading “ESTIMATED WEIGHTED AVERAGE LIVES OF 2018 SERIES 2 PREMIUM PAC BONDS”).

Special Mandatory Redemption: Principal Repayments and Prepayments.

(i) Currently, under Section 143(2)(A)(iv) of the Code, subject to a \$250,000 de minimis exception, repayments and prepayments of principal received more than ten years after the date of issuance of certain qualified mortgage bonds may not be used to make additional mortgage loans but must be used to retire or redeem bonds of the series on which such payments and prepayments of principal are allocable.



The Indenture provides that, as long as Section 143(2)(A)(iv) of the Code remains applicable to the 2018 Series 2 Bonds and such Section has not otherwise been amended, to the extent not required to make regularly scheduled principal payments on the 2018 Series 2 Bonds or applied to the redemption of the 2018 Series 2 Premium PAC Bonds described under “Special Redemption: Prepayments” above, all regularly scheduled principal repayments on the 2018 Series 2 Certificates and 2018 Series 2 Prepayments received on or after December \_\_, 2028 shall be applied to redeem the 2018 Series 2 Bonds on or before the next Interest Payment Date with respect to the 2018 Series 2 Bonds (at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, if applicable) which Interest Payment Date is at least six months from the date of receipt of such principal repayment or prepayment.

(ii) Florida Housing shall advise the Trustee of the appropriate Redemption Date for any redemption pursuant to this Section; provided no 2018 Series 2 Premium PAC Bonds shall be redeemed in amounts that would cause the principal amount of then Outstanding 2018 Series 2 Premium PAC Bonds to be less than the related Applicable Outstanding Balance unless no other 2018 Series 2 Bonds remain Outstanding.

Special Redemption: Excess Revenues. The 2018 Series 2 Bonds are also subject to special redemption at any time in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the date of such redemption, at the option of Florida Housing, except as otherwise required by the Code, from Excess Revenues as reflected in the most recent Cash Flow Statement; *provided, however*, that the minimum amount of Bonds to be redeemed from Excess Revenues, together with amounts of 2018 Series 2 Bonds that are to be redeemed as described under "Special Redemption: Prepayments" and “Special Mandatory Redemption: Principal Repayments and Prepayments” above, shall be at least \$25,000. Florida Housing shall direct the selection of 2018 Series 2 Bonds to be so redeemed pursuant to this subparagraph; provided no 2018 Series 2 Premium PAC Bonds shall be redeemed in amounts that would cause the principal amount of then outstanding 2018 Series 2 Premium PAC Bonds to be less than the related Applicable Outstanding Balance unless no other 2018 Series 2 Bonds remain outstanding or such redemption is required by the Code.

Redemption Notice and Payments. When any Bonds are to be redeemed, by Sinking Fund Installments or otherwise, the Trustee shall give notice of the redemption of the Bonds in the name of Florida Housing specifying (i) the Series and maturities of Bonds to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the CUSIP numbers and other distinguishing marks of the Bonds to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there will become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon will cease to accrue. Such notice shall be given by mailing a copy of such notice, postage prepaid, not less than fifteen (15) days nor more than sixty (60) days before the Redemption Date to the Owners of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books, but failure to so mail any such notice to any of such Owners shall not affect the validity of the proceedings for the redemption of other Bonds. In addition, the Trustee shall send a further notice of redemption to each Owner who has not presented his or her Bond for redemption within thirty (30) days subsequent to the redemption date. Each such notice shall be sent by first-class mail, postage prepaid. The obligation of the Trustee to give the notice required by the Indenture will not be conditioned upon the prior payment to the Trustee of moneys or Authorized Investments sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date. Any notice of optional redemption pursuant to the Indenture may, if directed by Florida Housing, be given specifying that the redemption of the Bonds so called for redemption is made conditional upon the deposit of sufficient amounts to pay the Redemption Price therefor on the redemption

date and, if amounts are not so available, such notice of redemption will be canceled and be null and void and the Bonds so called for redemption and subject to such conditional redemption notice will continue to remain Outstanding.

Notice of redemption having been given as described above, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof will be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless Florida Housing defaults in the payment of the Redemption Price and accrued interest), such Bonds will cease to bear interest, and such Bonds will no longer be considered as Outstanding. If moneys sufficient to pay the Redemption Price and accrued interest have not been made available by Florida Housing to the Trustee or the appropriate alternate Paying Agent or Paying Agents on the redemption date, such Bonds will 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. Florida Housing has the option to direct the Trustee to purchase bonds in lieu of redemption pursuant to the Indenture. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

#### **ESTIMATED WEIGHTED AVERAGE LIVES OF 2018 SERIES 2 PREMIUM PAC BONDS**

The weighted average life of a security refers to the average of the length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The weighted average lives of the 2018 Series 2 Premium PAC Bonds will be influenced by, among other factors, the timing and extent of origination of 2018 Series 2 Loans and the rate at which principal payments, including scheduled payments and principal prepayments, are made on the 2018 Series 2 Loans.

Levels of prepayment on mortgage loans are commonly measured by a prepayment standard or model. The standard used in this Official Statement is The Standard Prepayment Model (the "SIFMA Prepayment Model") of the Securities Industry and Financial Markets Association ("SIFMA") formerly the Bond Market Association and formerly the Public Securities Association. The SIFMA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of mortgage loans. The SIFMA Prepayment Model does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans. "100% SIFMA" assumes prepayment rates of 0.2 percent per year of the then-unpaid balance of the pool of mortgage loans in the first month of the life of the pool of 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 thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, 100% SIFMA assumes a constant prepayment rate of 6 percent per year. Multiples will be calculated from this prepayment rate standard, e.g. "200% SIFMA" assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12 percent per year in month thirty and remaining constant at 12 percent per year thereafter. "0% SIFMA" assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The SIFMA Prepayment Model is one of several recognized models used for estimating payments of mortgage loans and does not purport to be a prediction of the anticipated rate of prepayments of the 2018 Series 2 Loans. There is no assurance that prepayments of the 2018 Series 2 Loans will conform to any of the assumed prepayment rates set forth in the table below. See "BONDHOLDERS' RISKS – Prepayment Risks" herein.

The projected weighted average lives of the 2018 Series 2 Premium PAC Bonds are based on many assumptions, some of which may not reflect actual results. These assumptions include: (i) 2018 Series 2 Certificates will be purchased in an aggregate principal amount of \$175,000,000\* with funds on deposit in the 2018 Program Account of the Program Fund; (ii) 2018 Series 2 Certificates are expected to be purchased during the period from March 1, 2019 through October 1, 2019; (iii) the 2018 Series 2 Loans will be 30-year mortgage loans; (iv) the 2018 Series 2 Loans are prepaid at the indicated percentage of SIFMA based on the SIFMA Prepayment Model; (v) all scheduled principal and interest payments on the 2018 Series 2 Loans are received in full and on schedule; (vi) none of the 2018 Series 2 Bonds will be redeemed as described herein under "REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS – Optional Redemption"; (vii) any payment by a mortgagor or other recovery of principal on a 2018 Series 2 Loan other than a scheduled installment of principal and the portion of any Insurance Proceeds, Liquidation Proceeds or other payments representing such principal will be used to redeem 2018 Series 2 Premium PAC Bonds as described under subheading "Special Redemption: Prepayments"; (viii) any 2018 Series 2 Prepayments not used to redeem 2018 Series 2 Premium PAC Bonds pursuant to clause (ix) above will be used to redeem 2018 Series 2 Bonds, excluding the 2018 Series 2 Premium PAC Bond, on a pro-rata basis; (x) 2018 Series 2 Bonds will not be redeemed with Excess Revenues or Prepayments or excess revenues allocable to any other series of Bonds; (xi) moneys invested in the 2018 Program Account of the Program Fund will be invested at an assumed rate of interest of 0% and will be invested and repaid as described herein under "INVESTMENT OF CERTAIN FUNDS"; and (xii) the 2018 Series 2 Loans will bear interest at a weighted average coupon of 5.59%\* per annum.

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**Estimated Weighted Average Lives (in Years)<sup>†\*</sup>  
of 2018 Series 2 Premium PAC Bonds\***

<b>Prepayment Speed (SIFMA)<sup>(1)</sup></b>	<b>2018 Series 2 Premium PAC Bonds<sup>(2)</sup></b>
0%	27.6
25	18.3
50	14.7
75	6.2
100	5.0
200	5.0
300	5.0
400	5.0
500	5.0

\*Preliminary, subject to change

† 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 bond to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

(1) The weighted average lives reflect receipt of prepayments on the 2018 Series 2 Certificates at the related percentages of the SIFMA Prepayment Model.

(2) The 2018 Series 2 Premium PAC Bond and the associated Applicable Outstanding Balances table have been structured based on the assumption that the 2018 Series 2 Certificates prepay at a constant rate of 100% of the SIFMA Prepayment Model.

The assumptions upon which the estimated weighted average lives were calculated include the assumption that the 2018 Series 2 Certificates are purchased during the period from March 1, 2019 through October 1, 2019. As described herein under the heading “REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS - Special Redemption: Unexpended Proceeds of 2018 Series 2 Bonds,” the 2018 Series 2 Bonds are subject to special mandatory redemption on certain dates to the extent there are unexpended proceeds in the 2018 Program Account as described under such heading unless Florida Housing takes action to extend such special mandatory redemption dates as described herein under the heading “BONDHOLDERS RISKS - Risks Related to Origination of Loans and Redemption of 2018 Series 2 Bonds from Unexpended Proceeds.” No assurance can be provided that the dates of such special mandatory redemptions will be extended.

FLORIDA HOUSING MAKES NO REPRESENTATION AS TO THE PERCENTAGE OF THE PRINCIPAL BALANCE OF THE 2018 SERIES 2 LOANS THAT WILL BE PAID AS OF ANY DATE, AS TO THE OVERALL RATE OF PREPAYMENT OR AS TO THE PROJECTIONS OR METHODOLOGY SET FORTH UNDER THIS SUBHEADING.

FLORIDA HOUSING MAY, BUT IS NOT OBLIGATED TO, APPLY PREPAYMENTS AND OTHER REVENUES, AND MAY REDEEM BONDS, IN ANY MANNER PERMITTED BY THE INDENTURE. FURTHERMORE, 2018 SERIES 2 BONDS MAY BE REDEEMED FROM PREPAYMENTS FROM OTHER SERIES OF BONDS ISSUED UNDER THE INDENTURE.

## **Structuring Assumptions**

The 2018 Series 2 Bonds are structured based upon the assumptions of (i) timely receipt of principal of and interest due on 2018 Series 2 Certificates and (ii) no Prepayments occurring. If Prepayments occur (and it is anticipated that Prepayments will in fact occur), it is expected that a substantial portion of the 2018 Series 2 Bonds will be redeemed prior to their stated maturity. See “REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS” herein.

The Applicable Outstanding Balances for the 2018 Series 2 Premium PAC Bonds have been structured based on the assumption that the 2018 Series 2 Certificates prepay at constant rate of 100% of the SIFMA Prepayment Model. There is no assurance that prepayments will conform to any assumed rate of prepayment.

## **ESTIMATED SOURCES AND USES OF 2018 SERIES 2 BONDS**

The 2018 Series 2 Bonds proceeds and certain other available moneys are expected to be applied approximately as follows:

### **Sources of Funds:**

Par Amount of 2018 Series 2 Bonds  
2018 Series 2 Bond Premium  
Florida Housing Contribution  
Total Sources:

### **Uses of Funds:**

Deposit to Program Fund  
Deposit to Capitalized Interest Account  
Deposit to Costs of Issuance Fund<sup>(1)</sup>  
Total Uses:

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<sup>(1)</sup> Includes Bond underwriting fees and expenses. See “UNDERWRITING” herein.

## **SECURITY FOR THE BONDS**

Under the Indenture, all Bonds are secured by an assignment and pledge of, and security interest in (1) all right, title and interest of Florida Housing or the Trustee in and to the proceeds of the sale of the Bonds, the Revenues and all other moneys, securities, loans and other investments held in or credited to the Funds and Accounts (except to the extent that a Fund or Account or portion thereof shall have been excluded from the Trust Estate by a supplemental indenture) from time to time held by the Trustee and the earnings thereon until applied in accordance with the terms of the Indenture, except that the Trust Estate shall not include moneys, securities or other investments required to be deposited in the Special Reserve Fund, the Rebate Fund, the Costs of Issuance Account or the Subsidy Account, (2) all right, title and interest of Florida Housing in and to the Loans and Mortgage-Backed Securities and the notes evidencing the same, and (3) all right, title and interest of Florida Housing in and to any and all other real or personal property of every name and nature from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by Florida Housing, or by anyone on its behalf or with its written consent, to the Trustee which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. For a more complete description of the security afforded by the Mortgage-Backed Securities and Loans, see “SECURITY FOR THE BONDS – Mortgage-Backed Securities and Loans” below. For a description of the outstanding Prior Bonds, see “SECURITY FOR THE BONDS – Outstanding Bonds” herein.

Payment of debt service on the Bonds depends primarily upon payment of the principal of and interest on the Mortgage-Backed Securities and the Loans and upon the investment of moneys in the pledged Funds and Accounts held pursuant to the Indenture. In the event that the experience of Florida Housing varies significantly from current expectations with respect to payments of principal and interest and recoveries of principal on the Mortgage-Backed Securities and Loans, or to the extent that investment income from pledged Funds and Accounts is less than the amount anticipated by Florida Housing, the moneys available for the payment of debt service on the Bonds may be adversely affected. See “BONDHOLDERS’ RISKS” herein.

Amounts on deposit in the Funds and Accounts may be applied only as provided in the Indenture. Amounts in the Program Fund and the Revenue Fund may, however, at the request of Florida Housing, be withdrawn free and clear of the pledge of the Indenture if Florida Housing files with the Trustee (i) a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year and (ii) a Parity Certificate.

**FLORIDA HOUSING HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF, AND NEITHER THE STATE NOR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY AGENCY OR LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE BONDS ARE LIMITED OBLIGATIONS OF FLORIDA HOUSING AND ARE PAYABLE AS TO PRINCIPAL, INTEREST AND PREMIUM, IF ANY, SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE INDENTURE.**

### **Mortgage-Backed Securities and Loans**

General. Pursuant to the Indenture, Florida Housing is permitted to purchase (i) Mortgage-Backed Securities backed by mortgage loans originated pursuant to the Program and the Mortgage Purchase Agreements, or (ii) Loans. **Mortgage loans underlying Mortgage-Backed Securities originated pursuant to the Program do not constitute “Loans” under the Indenture and are not pledged to secure the Bonds, but instead secure the Mortgage-Backed Securities securing the Bonds.**

For a description of the Mortgage-Backed Securities and Loans currently held under the Indenture, see “THE PROGRAM – Existing Mortgage-Backed Securities and Loans” herein. For a general description of the mortgage-backed security programs of GNMA, Fannie Mae and Freddie Mac, see “APPENDIX D – GNMA, FANNIE MAE AND FREDDIE MAC PROGRAMS” attached hereto. Florida Housing expects that all of the funds made available from the issuance of the 2018 Series 2 Bonds will be used to purchase Mortgage-Backed Securities. See “ESTIMATED SOURCES AND USES OF 2018 SERIES 2 BONDS” herein.

Although the Mortgage-Backed Securities purchased pursuant to the Program and the Mortgage Purchase Agreements and the Loans secure all Series of Bonds equally, the type of Mortgage-Backed Securities and the terms of the Loans which may be purchased from the proceeds of a particular Series of Bonds are set forth in the Supplemental Indenture relating to that Series of Bonds.

Series Program Determinations include the types of facilities financeable, whether each Loan must be secured by a first lien mortgage, second lien mortgage, a combination or no lien, whether each Loan shall have approximately equal monthly payments or shall be a graduated payment mortgage loan or have a fixed

or variable rate of interest, maximum term, required mortgage insurance, other insurance or additional collateral in lieu thereof, if any, and the level of coverage thereof.

A portion of the proceeds of the 2018 Series 2 Bonds may be used in connection with the 2009 Indenture Program to acquire participation interests in mortgage-backed securities. To the extent Florida Housing purchases participation interests in mortgage-backed securities, the 2009 Indenture and the Indenture will have an equal priority lien on such mortgage-backed securities in proportion to the respective participation interests, but such interests may not be equal with respect to payments of interest.

Florida Housing may contribute funds from sources outside the Indenture, including proceeds of bonds issued under the 2009 Indenture or other separate indentures of Florida Housing, in order to finance all or a portion of the 2018 Series 2 Loans that back the 2018 Series 2 Certificates. The scheduled principal payments and principal prepayments received with respect to the portion of any 2018 Series 2 Certificate allocable to the contributed funds are not pledged under the Indenture, do not constitute “Revenues” or “Prepayments” under the Indenture, and will be reimbursed to Florida Housing as received. The term “2018 Series 2 Certificates” does not include that portion of the 2018 Series 2 Loans allocable to such contributed funds.

Mortgage-Backed Securities. Pursuant to the Indenture, each Mortgage-Backed Security (or participations therein) must be a Fannie Mae Security, a GNMA Security or a Freddie Mac Security (or such other security backed by a loan or loans which is specified in a Supplemental Indenture, the purchase of which will not adversely affect the Rating Quality of the Outstanding Bonds).

Each mortgage loan underlying a Mortgage-Backed Security pursuant to the applicable Mortgage Purchase Agreement must be evidenced by a mortgage note secured by a first mortgage lien on the Single Family Residence acquired thereby, and made to finance Single Family Residences substantially in accordance with the then current underwriting policies of FHA, VA, USDA/RD, GNMA, Fannie Mae, and Freddie Mac, as applicable, and must meet all other requirements established by the Program documents and the then current criteria set forth in the GNMA Guide, Freddie Mac Guide or the Fannie Mae Guide, as applicable, subject to the final review of the Servicer.

All mortgage loans underlying Mortgage-Backed Securities and originated under the Program are required either (i) to be insured by FHA or guaranteed by VA or USDA/RD before they are pooled by the Servicer and delivered to GNMA, or (ii) to be insured by a private mortgage insurance policy (if in an amount in excess of certain loan-to-value ratios) before they are pooled by the Servicer and delivered to Fannie Mae upon the issuance of a Fannie Mae Security or delivered to Freddie Mac upon the issuance of a Freddie Mac Security. Each Lender is required to obtain and maintain an errors and omissions policy and fidelity bond in amounts required by GNMA, Fannie Mae or Freddie Mac, as applicable.

The Servicer is required to remit to GNMA, Fannie Mae or Freddie Mac all scheduled payments of principal, interest and any principal prepayments that are payable with respect to the applicable GNMA Security, Fannie Mae Security or Freddie Mac Security when any of the same shall be due and payable (excluding the scheduled interest on a GNMA Security, Fannie Mae Security or Freddie Mac Security received in the month such GNMA Security, Fannie Mae Security or Freddie Mac Security is purchased) and to meet all its obligations under the GNMA Guide, the GNMA Guaranty Agreements, the Fannie Mae Guide and the Pool Purchase Contract or contractual agreements entered into between the Servicer and GNMA, Fannie Mae or Freddie Mac.

Loans. The following discussion generally describes the Loans previously purchased by Florida Housing as whole loans under the Program, except as described below with respect to DPA Loans, all of which were purchased prior to December 31, 2002. Since such date, except as described below with respect

to DPA Loans, Florida Housing has used lendable proceeds of Bonds primarily to purchase Mortgage-Backed Securities backed by eligible mortgage loans.

Loans purchased by Florida Housing under the Program must satisfy certain requirements, including (i) the Loan must be evidenced by a promissory note and a properly recorded mortgage, (ii) the Loan (other than a DPA Loan) must be secured by a valid first lien (subject only to permitted encumbrances) on the Single Family Residence, (iii) the mortgagor shall not be in default in the payment of any installment of principal or interest, escrow funds, real property taxes, or other obligations under the mortgage documents, (iv) the Single Family Residence must be covered by a valid policy of insurance, including coverages as required by Florida Housing, (v) the Loan must meet the prevailing investment quality standards for mortgage loans in the State, and (vi) the Loan must be originated after the date specified by Florida Housing for the purpose of selling or assigning such Loan to Florida Housing, and to finance residential housing for occupancy by the mortgagor.

Each Loan (other than a DPA Loan) purchased under the Indenture with proceeds of Bonds (i) provides for level monthly payments of principal and interest due on the first day of each month, including amounts for deposit in the escrow account to provide for timely payment of taxes, insurance and similar expenses, (ii) is assumable only as provided in the applicable Mortgage Purchase Agreement, (iii) complies in all respects with the applicable Program documents, the GNMA Guide, the Fannie Mae Guide, the Freddie Mac Guide, the Lender Guide and FHA, VA or USDA/RD rules and regulations, as applicable, and (iv) is the subject of a mortgagee's title insurance policy or a valid commitment for the issuance of a title insurance policy. The Servicer for the Loans financed with proceeds of Bonds is required to maintain, or require each mortgagor to maintain, the appropriate mortgage insurance policy (if applicable) and standard hazard insurance policy as long as the Loan is outstanding. If the Single Family Residence securing the mortgage loan is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, then the Servicer is required to maintain or require such mortgagor to maintain a flood insurance policy.

*DPA Loans.* As described above, since December 31, 2002, lendable proceeds of Bonds have been used to purchase Mortgage-Backed Securities. However, Florida Housing has used a portion of the proceeds of its Prior Bonds to purchase DPA Loans. Such DPA Loans have generally been (i) made in amounts not to exceed \$10,000, to eligible purchasers of Single Family Residences with loans that back Mortgage-Backed Securities financed with the same series of Bonds, (ii) non-amortizing and non-interest bearing and secured by second lien mortgages on such Single Family Residences, and (iii) payable in full upon the sale of the Single Family Residences securing such DPA Loans. It currently is not anticipated that any funds made available from the issuance of the 2018 Series 2 Bonds will be applied to the purchase of DPA Loans.

### **Special Reserve Fund**

The Indenture provides for the establishment of a Special Reserve Fund to be held by the Trustee. In the event there are insufficient monies in the Revenue Fund to make payments required by the Indenture, the Trustee shall withdraw certain available monies on deposit in the Special Reserve Fund and transfer to the Revenue Fund such available amounts as are necessary to provide sufficient funds for the required transfers from the Revenue Fund. At the direction of an Authorized Officer, the Trustee shall deposit into the Special Reserve Fund any securities, loans or other property not otherwise pledged under the Indenture. At any time, at the direction of an Authorized Officer, the Trustee will withdraw from the Special Reserve Fund and pay to Florida Housing, free and clear of the lien of the Indenture, such amounts, securities, loans or other property as shall be specified therein, including any interest or income earned thereon, unless otherwise restricted by a Supplemental Indenture. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Funds and Accounts – Special Reserve Fund” attached hereto.



The Supplemental Indenture establishes within the Special Reserve Fund a 2018 Series 2 Unrestricted Account (the “Unrestricted Account”) and a 2018 Series 2 Capitalized Interest Account (the “Capitalized Interest Account”). The Trustee is required to transfer from the Program Expense Account for the 2018 Series 2 Bonds to the Unrestricted Account, on July 1, 2019, and thereafter on each January 1 and July 1, the 2018 Series 2 Corporation Fee. On the date of issuance of the 2018 Series 2 Bonds, Florida Housing will deposit funds into the Capitalized Interest Account. At the time of purchase of a 2018 Series 2 Certificate, the Trustee is required to pay from the 2018 Series 2 Capitalized Interest Account to the Servicer the accrued portion of the purchase price of the 2018 Series 2 Certificate, to the extent funds are not available for such purpose in the Revenue Fund.

### **Investment of Funds and Accounts**

The table set forth in “APPENDIX E - INVESTMENTS OF FUNDS AND ACCOUNTS” attached hereto shows the investments of various funds and accounts established under the Indenture. See also, “INVESTMENT OF CERTAIN FUNDS” herein.

### **Cash Flow Certificates**

Florida Housing has covenanted in the Indenture to file a Cash Flow Certificate (i) prior to or concurrent with the issuance or remarketing of any Series of Bonds, (ii) on or within thirty (30) days after any January 1, if a Cash Flow Certificate has not been filed within the prior year or within thirty (30) days of the last day of such longer period as Florida Housing shall adopt, provided that the adoption of such period shall not, in and of itself, adversely affect the Rating Quality on the Bonds, (iii) upon purchase or redemption of Bonds in a manner other than as contemplated in the most recent Cash Flow Certificate filed by Florida Housing with the Trustee and (iv) at such other times as required by the Indenture, and may file a Cash Flow Certificate at any time in its discretion; provided that Florida Housing is not required to file a Cash Flow Certificate as aforesaid if Florida Housing certifies in writing to the Trustee that the assumptions for the most recently filed Cash Flow Certificate are still correct, and in the case of (ii) above if a Cash Flow Certificate has not been filed within the prior year each Rating Agency is notified of Florida Housing’s intention to not prepare a new Cash Flow Certificate and does not object to the same within ten (10) days, in which case such most recently filed Cash Flow Certificate shall be deemed a newly filed Cash Flow Certificate as required aforesaid.

If a Cash Flow Certificate indicates at any time that projected Revenues are not sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year, Florida Housing shall immediately notify each of the Rating Agencies of the same.

A Cash Flow Certificate shall be filed with the Trustee, with a copy to each Rating Agency, and shall set forth projected Revenues, Program Expenses and Accrued Debt Service for each Bond Year during which Bonds Outstanding on the date of such Cash Flow Certificate are anticipated to remain Outstanding based upon the reasonable expectations of Florida Housing at the time such Certificate is filed showing, as of the date for which such Certificate is required:

- (i) as to projected Revenues, the amounts of Revenues estimated to be available for the payment of such Principal Installments and interest when due, derived from all Loans and Mortgage-Backed Securities purchased or financed and reasonably expected to be purchased or financed from the proceeds of such Bonds or other moneys held under the Indenture, and derived from the investment of proceeds of all Bonds and Revenues, which estimate shall give effect to:

(A) estimated amounts of Prepayments of Loans and Mortgage-Backed Securities, at the times and in amounts set forth in the Certificate;

(B) scheduled payments of principal and interest (less Servicing Fees) with respect to Loans and Mortgage-Backed Securities, giving effect to the estimated Prepayments;

(C) estimated income, based on such projected rates of return as shall be acceptable to each Rating Agency, receivable from the investment of amounts held in all Funds and Accounts under the Indenture (other than amounts in any Rebate Account, unrestricted amounts in the Special Reserve Fund or amounts in the Special Reserve Fund restricted for purposes other than payment of Bonds) on the date of the Certificate, at times and in amounts set forth in the Certificate; and

(D) amounts held in the Program Fund, the Bond Reserve Fund, the Mortgage Reserve Fund and the Redemption Fund on the date of the Certificate, plus any amounts in the Special Reserve Fund restricted therein by a Supplemental Indenture, which are estimated to be available in accordance with the provisions of the Indenture for payment of Principal Installments and interest at times and in amounts set forth in the Certificate (assuming that the Bond Reserve Fund and Mortgage Reserve Fund are at no time drawn below their respective Requirements);

(ii) as to Program Expenses, the estimated Program Expenses for each such Bond Year, which estimates shall be consistent with the Annual Program Budget for the fiscal year of which such Bond Year or Bond Years are a part; and

(iii) as to Accrued Debt Service, the due dates and amounts of all Principal Installments of and interest on Outstanding Bonds;

except that (y) to the extent specified in a Supplemental Indenture, a Fund or Account established in said Supplemental Indenture shall not be taken into account when preparing such Cash Flow Certificate and (z) amounts credited to the Special Reserve Fund shall not be taken into account unless directed by Florida Housing and upon the written consent of the Rating Agency. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon Florida Housing's reasonable expectations at the time such Cash Flow Certificate is filed and which Cash Flow Certificate shall contain similar assumptions as required by the Rating Agency in the most recent Cash Flow Certificate filed by Florida Housing with the Trustee. Upon filing a Cash Flow Certificate with the Trustee, Florida Housing shall thereafter administer the Program and perform its obligations thereunder in accordance, in all material respects, with the assumptions set forth in such Cash Flow Certificate. Except with respect to actions being taken contemporaneously with the delivery of a Cash Flow Certificate, facts reflected in a Cash Flow Certificate may be as of a date or reasonably adjusted to a date not more than 180 days prior to the date of delivery of such statement.

The listing of Revenues from Loans, Mortgage-Backed Securities and Authorized Investments shall be supported by a schedule identifying the Loans, Mortgage-Backed Securities and Authorized Investments by maturity and interest rate which shall be furnished to the Trustee upon request. Florida Housing shall also supply, at the request of the Trustee, a schedule showing the sources and applications of moneys used, including, particularly, amounts used to pay or redeem Bonds, transferred between Funds and used to pay Costs of Issuance and capitalized interest.

## **Outstanding Bonds**

The table set forth in “APPENDIX F – OUTSTANDING BONDS” attached hereto lists each series of Prior Bonds, the original principal amount issued and the principal amount outstanding.

## **Additional Bonds**

The Indenture permits the issuance of Additional Bonds to provide funds for the purpose of purchasing Mortgage-Backed Securities and Loans, but only upon complying with certain conditions set forth in the Indenture including: (1) the preparation of a Cash Flow Certificate taking into account the issuance of such Additional Bonds and the Mortgage-Backed Securities or Loans reasonably expected to be financed with the proceeds of such Additional Bonds and projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year; and (2) written verification from each Rating Agency (i) that the rating on such Series of Additional Bonds is not lower than the Rating Quality of the Bonds Outstanding prior thereto, or (ii) to the effect that the issuance of such Series of Additional Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds. The Prior Bonds, the 2018 Series 2 Bonds and any Additional Bonds issued under the Indenture will be on a parity and will be entitled to the equal benefits, protection and security of the provisions, covenants and agreements of the Indenture.

## **BONDHOLDERS' RISKS**

**The 2018 Series 2 Bonds are limited obligations of Florida Housing payable solely from the revenues described herein and pledged to the Bonds. No representations or assurances can be given to the effect that the Trust Estate will generate sufficient revenues to meet the payment obligations to the Bondholders of the Bonds. Further legislation, regulatory actions, economic conditions, changes in the demand for services, or other factors could adversely affect the Program’s ability to generate revenues. The Underwriters have made no independent investigation of the extent to which any such factors will have an adverse impact on the revenues of the Program.**

## **Certain Risks**

The Indenture permits Florida Housing to issue, on a parity basis with the 2018 Series 2 Bonds, additional series of Bonds. See “SECURITY FOR THE BONDS” herein. Under certain circumstances (including a default in the payment of any other Series of Bonds), amounts otherwise allocable to the payment of the 2018 Series 2 Bonds may be required to be applied to pay other Bonds. See, “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” attached hereto.

The remedies available to the Holders of 2018 Series 2 Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions the remedies set forth in the 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 2018 Series 2 Bonds will 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 the application of equitable principles.

## **Risks Related to Origination of Loans and Redemption of 2018 Series 2 Bonds from Unexpended Proceeds**

The 2018 Series 2 Bonds are subject to redemption from unexpended proceeds transferred to the Redemption Fund from the 2018 Program Account, as described herein under the heading "REDEMPTION

PROVISIONS FOR THE 2018 SERIES 2 BONDS – Special Redemption: Unexpended Proceeds of 2018 Series 2 Bonds". Florida Housing has structured the cash flows for the 2018 Series 2 Bonds to require the redemption of the 2018 Series 2 Bonds from unexpended proceeds on the date described in subparagraph (ii) under such heading; provided, however, that Florida Housing may elect to extend such redemption date so long as (i) the Trustee receives a written instruction from Florida Housing that contains the date to which the redemption date should be extended and a confirmation that a Cash Flow Certificate has been sent to the Rating Agency then rating the 2018 Series 2 Bonds, (ii) the Trustee has not received notice from the Rating Agency that such extension will, in and of itself, adversely affect the then current rating on the 2018 Series 2 Bonds, and (iii) no Event of Default has occurred and is continuing under the Indenture. Florida Housing shall also provide to the Rating Agency in connection with any such extension information as to whether any Investment Agreement pursuant to which moneys in the Program Fund shall have been invested prior to such extension will continue in effect after such extension, and, if not, information as to how moneys in the Program Fund will be invested in connection with such extension. Notwithstanding the foregoing, Florida Housing shall not extend any unexpended proceeds redemption date to a date later than June \_\_, 2022 unless Florida Housing shall have delivered to the Trustee and the Rating Agency not less than five (5) days prior to the then scheduled date an opinion of Bond Counsel that such extension will not adversely affect the exclusion of interest on the 2018 Series 2 Bonds from gross income for federal income tax purposes.

The entire amount of 2018 Series 2 Bond proceeds may not be used to purchase 2018 Series 2 Certificates because (i) prevailing interest rates may decrease after the sale of the 2018 Series 2 Bonds to the extent that the lendable proceeds of the Program are significantly less attractive to potential borrowers, and/or (ii) competitive mortgage programs, including certain single family mortgage revenue bonds which are outstanding or may be issued by Florida Housing or local Florida housing finance authorities from time to time (such single family mortgage revenue bonds programs are collectively referred to as the "Other Single Family Mortgage Loan Programs"), may contain features relating to qualification for mortgage loans, income limits, purchase price limits, down payment and closing costs assistance and other relevant matters which may be more attractive than the features incorporated within the Program.

Certain proceeds of Prior Bonds are anticipated to be available on the date of issuance of the 2018 Series 2 Bonds. See, "THE PROGRAM – Amounts Available to Purchase Mortgage-Backed Securities or Loans" herein. The nature and extent of the effects of the Other Single Family Mortgage Loan Programs on the amount and timing of originations of 2018 Series 2 Loans under the Program depend, in large part, on factors outside the control of Florida Housing, including market demands and conditions and the levels of interest rates. No assurance can be given that the availability of loans under the Other Single Family Mortgage Loan Programs or from conventional lenders will not adversely affect the amount and timing of origination of 2018 Series 2 Loans under the Program. Additionally, Florida Housing may elect to sell loans and/or mortgage-backed securities to Fannie Mae, to an investment bank through a "to-be-announced" ("TBA") market, or to other third parties, in lieu of financing such loans with the proceeds of 2018 Series 2 Bonds. Such sales may adversely affect the amount and timing of origination of 2018 Series 2 Loans under the Program. During the nine months ending September 30, 2018, Florida Housing financed approximately \$938,980,891 of loans, of which \$59,596,891 settled in the specified pool market, \$663,685,174 settled in the TBA conventional market and \$215,698,826 settled with the proceeds of bonds. In any of the circumstances described above, it may become necessary to redeem the 2018 Series 2 Bonds prior to their stated maturities. See "REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS" herein.

In addition, the Code imposes certain requirements on the borrowers who receive a mortgage under the Program. See "THE PROGRAM – Federal Tax Law Requirements" herein. These requirements may materially impair Florida Housing's ability to use the 2018 Series 2 Bonds proceeds to purchase the 2018 Series 2 Certificates. To the extent that these or other factors result in less than the entire amount deposited in the Program Fund being used to finance 2018 Series 2 Loans, 2018 Series 2 Bonds would be redeemed prior to maturity as described under "REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS –

Special Redemption: Unexpended Proceeds of 2018 Series 2 Bonds" herein. Certain of such factors are described below.

**Florida Housing has not redeemed bonds from unexpended proceeds under the Indenture or the 2009 Indenture since 2006.**

### **Disruption in Mortgage Market and Other Financial Markets**

Attributes of the real estate and mortgage markets have been subject to significant disruptions in recent years. Instability in the mortgage market may impact the demand for mortgage loans, resulting in unexpected rates of prepayments of 2018 Series 2 Certificates, which would also result in redemptions of the 2018 Series 2 Bonds. See "REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS" herein. Further, even if the prepayments are repaid at a rate that on average is consistent with the assumptions described herein, variations in the rate of prepayment over time could significantly affect redemption of the 2018 Series 2 Bonds.

A broad range of factors, including but not limited to those discussed herein, affecting credit markets, currency markets, debt and financial markets, both nationally and internationally must be considered by investors in making any investment decisions. Florida Housing can offer no guidance as to whether the volatility in the mortgage market and the financial markets generally will continue, and if so how these conditions might impact the ability of such participants to perform their obligations under the Program.

### **Revenues, Expenses and Cash Flow**

The ability of Florida Housing to pay the principal of and interest on the Bonds depends upon the receipt by the Trustee of sufficient payments from the Loans and Mortgage-Backed Securities and upon the investment or reinvestment of moneys held pursuant to the Indenture. Florida Housing has scheduled and intends to schedule the maturities and Sinking Fund Installments of each Series of Bonds under the Indenture such that the Revenues expected to be received and anticipated investment income from amounts held under the Indenture attributable to all Bonds will be sufficient to pay the principal of and interest on all Bonds and the Program Expenses attributable to all Bonds. Florida Housing is not required to, and in the future may not, schedule maturities and sinking fund installments for any particular Series of Bonds such that Revenues and anticipated investment income expected to be received and attributable to such Series of Bonds will be sufficient to pay the principal of and interest on, and Program Expenses attributable to, such Series of Bonds. To the extent that, among other things, one or more of the events set forth below occurs, Revenues may be insufficient for the payment of principal of and interest on the Bonds: (i) Loans purchased are not paid on a timely basis in accordance with their terms (and/or any guarantor or insurer of such a Loan, including Mortgage-Backed Securities, or a mortgage pool insurance policy provider with respect to such a Loan, fails to make payment on a timely basis pursuant to the terms of such guaranty, insurance policy or mortgage pool insurance policy); (ii) Prepayments of Loans or Mortgage-Backed Securities are received more rapidly or less rapidly than projected; (iii) investment income on or repayment of moneys in any one or more of the Accounts is less than projected; or (iv) Program Expenses exceed projections.

In connection with the issuance of each Series of Bonds, including the 2018 Series 2 Bonds, Florida Housing will be required to deliver, among other things, (i) a Cash Flow Certificate, dated as of the date of such delivery, giving effect to the proposed issuance of such Bonds, and (ii) written verification from the Rating Agency (a) that the rating on such Series of Bonds is not lower than the Rating Quality of the Bonds Outstanding prior thereto, or (b) to the effect that the issuance of such Series of Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds. See

“SECURITY FOR THE BONDS – Cash Flow Certificates” herein and “APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Conditions Precedent to Authentication and Delivery of a Series of Bonds” attached hereto.

### **GNMA, Fannie Mae and Freddie Mac Program Constraints**

The amounts of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA, VA and USDA/RD can insure or guarantee in any federal fiscal year are limited by statute and administrative procedures. If an appropriations act is not passed in any federal fiscal year or if either GNMA, FHA, Freddie Mac, Fannie Mae, VA or USDA/RD reaches the limits of its authority, or if the FHA maximum loan amount is not retained, or if GNMA, in its sole discretion, or the federal government, alters or amends the GNMA Certificate programs in such a way as to prevent the Lenders from originating 2018 Series 2 Loans during the Origination Period and the Servicer from issuing or delivering certificates, or if Fannie Mae or Freddie Mac, in its sole discretion, or the federal government, alters or amends the Fannie Mae Certificate or Freddie Mac Certificate programs in such a way as to prevent the Lenders from originating 2018 Series 2 Loans during the Origination Period and the Servicer from issuing or delivering 2018 Series 2 Certificates, the Lenders might not be able to originate 2018 Series 2 Loans and the Servicer might not be able to issue or deliver 2018 Series 2 Certificates in the anticipated principal amounts. The non-origination of 2018 Series 2 Loans or the inability of the Servicer to issue or deliver 2018 Series 2 Certificates to the Trustee in amounts contemplated by this financing would result in the redemption of 2018 Series 2 Bonds before their maturity. As noted above, GNMA, Fannie Mae and Freddie Mac may from time to time change their mortgage-backed securities programs and documents governing those programs. See APPENDIX D for discussions of the current GNMA, Fannie Mae and Freddie Mac programs, including recent actions taken by the federal government regarding its supervision and regulation of Fannie Mae and Freddie Mac.

### **Risks of Early Redemption**

The 2018 Series 2 Bonds are subject to redemption prior to maturity from unexpended bond proceeds, prepayments, Sinking Fund Installments and excess revenues as described under the heading “REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS” and “THE PROGRAM – Federal Tax Law Requirements” herein. Except with respect to the redemption of 2018 Series 2 Premium PAC Bonds from unexpended proceeds, the Redemption Price for any redemption is equal to the principal amount of the 2018 Series 2 Bonds being redeemed plus accrued interest to the redemption date.

As a result, any person who purchases a 2018 Series 2 Bond at a price in excess of its principal amount or who holds a 2018 Series 2 Bond with a market value in excess of par should consider the fact that the 2018 Series 2 Bonds may be subject to redemption at a Redemption Price equal to their principal amount plus accrued interest to the redemption date if such Bonds are redeemed before maturity for the reasons, among others, stated above.

### **Prepayment Risks**

There is no assurance that prepayments on the 2018 Series 2 Loans which back the 2018 Series 2 Certificates will be made at any prepayment rate. The rate of prepayment of pools of mortgage loans is influenced by geographic, social and economic conditions, as well as other factors. See, “ESTIMATED WEIGHTED AVERAGE LIVES OF 2018 SERIES 2 PREMIUM PAC BONDS” herein. Florida Housing makes no representations or warranties that any historical experience with respect to prepayments will conform to the assumptions made herein or that any particular prepayment rate or projected average life of the 2018 Series 2 Bonds will be achieved. See “REDEMPTION PROVISIONS FOR THE 2018 SERIES 2 BONDS – Special Redemption: Prepayments” herein. Further, even if the prepayments are received at a

rate that on average is consistent with the assumptions described herein, variations in the rate of prepayment over time could significantly affect redemption of the 2018 Series 2 Bonds.

### **Investment Agreements and Other Investments**

Money held in various accounts related to 2018 Series 2 Bonds may be invested under one or more Investment Agreements or, in the alternative, Florida Housing may invest in money market funds or other investments permitted under the Indenture, including, but not limited to, the State Treasury Fund and other Permitted Investments.

Because certain investments permitted under the Indenture may be exposed to changes in market value as well as price and yield volatility, the value of such investments could decline below their purchase price resulting in a loss of principal, and the investment earnings thereon could be less than anticipated, reducing available revenues. See “INVESTMENT OF CERTAIN FUNDS” herein.

Florida Housing makes no representations regarding (i) the ability of any investment provider to make payments required under the investment, (ii) the ability of any investment provider to maintain its current ratings, if any, (iii) the effect any downgrade in such ratings may have on the 2018 Series 2 Bonds or on the ratings then assigned to the 2018 Series 2 Bonds, or (iv) the Trustee’s ability to recover amounts owed by an investment provider in the event of a bankruptcy or other default under an investment.

### **Enforceability of Remedies; Bankruptcy**

The remedies available to the Trustee and holders of the Bonds upon an Event of Default under the Indenture or an event of default under the other documents described herein are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited by bankruptcy protection provided to borrowers, insurers or other participants described herein. The various legal opinions to be delivered concurrently with the delivery of the 2018 Series 2 Bonds will 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 the application of equitable principles.

The Servicemembers’ Civil Relief Act (the “SCRA”) protects service men and women called to active military duty by suspending enforcement of civil liabilities through foreclosure and providing relief from current obligations. Specifically, the SCRA provides that any obligation or liability bearing interest at a rate in excess of 6% per annum incurred by a person in active military duty prior to his or her entry into active military duty must be forgiven in the amount in excess of 6%. Fannie Mae has indicated that it will follow the requirements of the SCRA and forgive interest in excess of 6%; however, Fannie Mae requires the Servicer to advance the interest differential between the 6% collected from the borrower and the pass through rate on the Fannie Mae Securities. Fannie Mae will reimburse the Servicer for the interest differential amount they advance in connection with loans subject to SCRA. GNMA has indicated that, in the event the SCRA causes a deficiency in amounts received on the Loans backing GNMA Certificates, the Servicer, and not GNMA, would be responsible for paying such deficiency. There can be no assurance that the Servicer would be willing or able to pay any such deficiency. If any such deficiency is not paid by the Servicer, GNMA will pay such deficiency, to the extent required by its guaranty of the GNMA Certificate. Florida Housing is unable to determine whether the provisions of the SCRA will affect the willingness of Lenders to originate Loans, or the willingness of the Servicer to perform its obligations under the Mortgage Purchase Agreement.

## **No Redemption upon Taxability**

The 2018 Series 2 Bonds are not subject to redemption prior to maturity solely as a result of the interest on such 2018 Series 2 Bonds becoming includable in gross income for federal income tax purposes; nor will the interest rates on the 2018 Series 2 Bonds be increased in such an event. See “TAX MATTERS” herein for a discussion of the conditions under which interest on the 2018 Series 2 Bonds may not be excluded from federal income taxation.

## **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the 2018 Series 2 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the documents referred to herein.

## **THE PROGRAM**

### **General**

To alleviate the shortage of decent, safe and sanitary housing and the shortage of funds to provide such housing for persons of low, middle or moderate income within the State of Florida, Florida Housing has developed the Florida Housing Single Family Mortgage Program (the “Program”), which will cause Florida Housing to authorize the issuance of Bonds from time to time to finance the origination of mortgage loans and to provide for the securing of such mortgage loans through the purchase of Mortgage-Backed Securities.

### **Amounts Available to Purchase Mortgage-Backed Securities or Loans**

As of September 30, 2018, \$127,553,592 of proceeds of Prior Bonds were available to purchase Mortgage-Backed Securities. As of September 30, 2018, Florida Housing had received reservations totaling approximately \$90,336,907 and plans to settle loans with bond proceeds, in the specified pool market, in the TBA conventional market, and/or with Fannie Mae via the cash window, as Florida Housing deems appropriate. In order to assure the availability of funds for the Program, Florida Housing, pursuant to Resolution No. 2017-32 adopted on October 27, 2017, authorized an advance of not to exceed \$65,000,000 from Florida Housing monies to purchase Mortgage-Backed Securities prior to the issuance of certain series of Bonds, including the 2018 Series 2 Bonds. Prior to the issuance of the 2018 Series 2 Bonds, Florida Housing has not made an advance pursuant to the above-referenced resolution.

On April 30, 2010, Florida Housing adopted Resolution 2010-008 which expanded Florida Housing’s permitted uses on existing “Advances and Security Agreement” (the “Advance Agreement”) with the Federal Home Loan Bank of Atlanta (the “Federal Home Loan Bank”). Florida Housing is permitted to draw funds under the Advance Agreement for the purpose of providing a source of funds for the interim funding (or “warehousing”) of Mortgage Loans of Mortgage-Backed Securities, prior to the issuance of tax exempt bonds, such as the 2018 Series 2 Bonds.

Florida Housing is authorized to cause loans to be sold to Fannie Mae or Mortgage-Backed Securities to be sold to an investment bank through the “to-be-announced” (“TBA”) market. Florida Housing will monitor its pipeline of loans based upon factors including, but not limited to the following: the price at which Fannie Mae or an investment bank is willing to purchase loans or Mortgage-Backed Securities, as applicable, velocity of loan reservations, and amount of bond proceeds remaining to acquire loans. Depending upon these factors, Florida Housing will determine the best source of funding for loans or



Mortgage-Backed Securities originated under its lending programs which will be one or more of the following sources: (i) 2018 Series 2 Bonds proceeds, (ii) funds advanced by Fannie Mae to purchase loans, (iii) funds advanced by an investment bank to purchase Mortgage-Backed Securities, (iv) funds drawn under the Advance Agreement with the Federal Home Loan Bank to warehouse Mortgage Loans or purchase Mortgage-Backed Securities, or (v) proceeds of bonds issued under the 2009 Indenture, or (v) the above described \$65,000,000 to the extent other sources are not available. Florida Housing will manage its program with a goal of offering loans on a continuous basis.

A portion of the proceeds of the 2018 Series 2 Bonds may be used in connection with the 2009 Indenture Program to acquire participation interests in mortgage-backed securities. Florida Housing reserves the right to use all or a portion of the proceeds of the 2018 Series 2 Bonds to acquire mortgage-backed securities (or participations therein) under the Program or under any other similar single family housing program that it may initiate in the future. All of the loans underlying any such mortgage-backed securities (or participations therein) are expected to be thirty (30) year, level payment, fully amortizing loans complying with the requirements set forth below under the heading “Federal Tax Law Requirements”.

### Existing Mortgage-Backed Securities and Loans

The table set forth in “APPENDIX G - EXISTING MORTGAGE-BACKED SECURITIES AND LOANS” attached hereto sets forth the original principal amount Mortgage-Backed Securities and Loans financed under the Indenture and the principal amounts outstanding as of September 30, 2018.

### Non-MBS Delinquency Statistics

The table set forth below shows delinquency statistics for all Loans Outstanding under the Program as of September 30, 2018. Due to the full and timely payment guarantee of GNMA, Fannie Mae and Freddie Mac, no delinquency statistics are provided regarding loans underlying Mortgage-Backed Securities. The delinquency statistics disclosed below pertain only to Florida Housing’s whole loan portfolio under the Indenture. As of September 30, 2018, the total portfolio of Mortgage-Backed Securities and whole loans held under the Indenture was \$421,054,171. See “APPENDIX G - EXISTING MORTGAGE-BACKED SECURITIES AND LOANS” attached hereto. Of that amount, \$379,892,064 or 90.22% of the portfolio, represents Mortgage-Backed Securities and \$41,162,107 or 9.78% of the portfolio, represents whole loans (all of which originated prior to December 31, 2002).

	Outstanding Principal <u>Balance of Whole Loans*</u>	<u>% of Total</u>
Current Loans	\$38,422,272	93.34%
60-89 Days Delinquent	710,017	1.72
90+ Days Delinquent	1,215,361	2.95
Foreclosure in Process	<u>814,457</u>	<u>1.99</u>
TOTAL:	<u>\$41,162,107</u>	<u>100.00%</u>

\*Does not include approximately \$9,279,828 principal amount of DPA Loans financed with the proceeds of the Prior Bonds.

## **The 2018 Homeowner Mortgage Revenue Bond Program**

*The following information has been provided by Florida Housing and reflects the expected features and requirements of the 2018 Homeowner Mortgage Revenue Bond Program as of the date of this Official Statement. Florida Housing reserves the right to change the program terms (or the programs offered) set forth below.*

Florida Housing's 2018 Program. Florida Housing's 2018 Homeowner Mortgage Revenue Bond Program permits the purchase of Mortgage-Backed Securities backed by Conventional, FHA, VA Guaranteed and USDA/RD Loans made to low, moderate or middle income qualifying home-buyers. First lien mortgage loans are expected to be made available for the purchase of newly constructed or existing homes. Florida Housing expects to adjust the mortgage rates on its programs periodically to provide continuous mortgage origination at rates that respond to the market. The tax-exempt bond funded programs require the loans to be made to first-time home-buyers for the purchase of owner occupied homes. Florida Housing also expects to make second lien mortgage loans for down payment assistance available to qualifying home-buyers under the Program.

Origination Period. The origination period is expected to be completed by December 1, 2019, but may be extended as determined by Florida Housing in accordance with the provisions described herein under the heading "BONDHOLDERS' RISKS – Risks Related to Origination of Loans and Redemption of 2018 Series 2 Bonds from Unexpended Proceeds".

Mortgage Interest Rates. The interest rates on the 2018 Series 2 Loans will be at fixed rates, provided, however, that Florida Housing reserves the right to modify those interest rates.

Term of Loans. The 2018 Series 2 Loans will be thirty (30) year, fully amortizing loans, with level payments.

Lender Fee. In connection with the 2018 Series 2 Loans, the Program will provide to the Lender a net fee of 2.50% of the principal amount of each loan. 1.50% of such fee will be paid by Florida Housing and 1.00% of such fee will be paid by the borrower.

Initial Loan Set Asides. It is anticipated that \$\_\_\_\_\_ of the moneys made available from the issuance of the 2018 Series 2 Bonds initially will be offered to all Lenders for the origination of single family first lien mortgage loans under the Florida First Loan Program, Military Heroes and Florida Plus Loans. However, Florida Housing reserves the right to make available funds for origination of mortgages in other programs, including but not limited to (i) Florida Advantage Loans and (ii) Community Heroes Loans (formerly known as Florida Heroes Loans). All loans will be offered on a first-come, first-served basis.

Florida First Loans. Florida First Loans are first lien mortgage loans that have a thirty (30)-year term and are subject to purchase price and income limits which are set by HUD annually.

Military Heroes. This thirty (30)-year first lien mortgage loan program is designed to help both veterans and active duty military personnel with obtaining affordable housing. Florida Housing generally offers a pool for these loans at a lower interest rate for the purpose of assisting this special target group. This loan product may be used with Florida Housing's down payment and closing cost assistance second mortgage (Florida Assist).

Florida Housing's Second Mortgage Loan Programs. Certain homebuyers may qualify for second mortgage financing under Florida Housing's second mortgage loan programs, all of which are described in greater detail in "APPENDIX I – FLORIDA HOUSING'S SECOND MORTGAGE LOAN PROGRAMS" attached hereto.

*Although Florida Housing does not expect to use the proceeds of the 2018 Series 2 Bonds to offer the first lien mortgage loans described in the following paragraph, Florida Housing has previously offered such Program loans and reserves the right to use a portion of the proceeds of the 2018 Series 2 Bonds to offer such loans:*

Florida Advantage Loans. Florida Housing may set aside a portion of the proceeds of the 2018 Series 2 Bonds to be initially offered statewide for origination of single family first lien mortgage loans made to homebuyers with incomes of 80% or less of the state or county median income, whichever is greater, adjusted for family size and purchasing a home in one of the following designated categories within the county: (a) Urban Infill Areas, HOPE VI Project Areas and Front Porch Florida Communities, (b) borrowers receiving RD Self Help Loans and (c) Disabled Home Buyers (collectively, the "Florida Advantage Loan Funds") designated or recognized in the Program documents by Florida Housing. Until such time as Florida Housing shall designate otherwise, the "Urban Infill Areas" shall include the Targeted Areas and any currently existing enterprise zones, entitlement zones, empowerment zones or areas which have been delineated and/or designated by any local government of the State as an economically distressed area. "HOPE VI Project Areas" included in the Florida Advantage Loan Funds shall be designated by Florida Housing to take into account the HOPE VI grants as they are extended by HUD. Likewise, the "Front Porch Florida Communities" included in the Florida Advantage Loan Funds shall be designated by Florida Housing to take into account the designation of Front Porch Communities. "RD Self Help Loans" are 2018 Series 2 Loans made on properties constructed through the United States Department of Agriculture RD Rural Housing Service pursuant to Section 523 of Title V of the Housing Act of 1949, as amended (Mutual and Self Help Housing Loan Program). "Disabled Home Buyer Loans" are 2018 Series 2 Loans made to homebuyers defined as disabled by the Americans with Disabilities Act of 1990 or any person defined as handicapped by the Fair Housing Amendments Act of 1988. Disabled homebuyers meeting the aforementioned income limits and program purchase price limits are able to purchase a home in any area of the county. All Florida Advantage Loans have a loan term of thirty (30) years and are subject to purchase price and income limits which are set by HUD annually. Florida Housing may offer these loans at a lower interest rate for the purpose of assisting this special target group.

Florida Plus Loans. Florida Housing may set aside a portion of the proceeds of the 2018 Series 2 Bonds for origination statewide for single family loans under the "Florida Plus Loan Program." These first lien mortgage home loans have a cash assistance payment to the borrower (a "DPA Grant") up to 4.00% of the loan amount to be used for down payment and closing cost assistance. Such loans have a loan term of thirty (30) years and are subject to purchase price and income limits which are set by HUD annually.

### **The Master Servicer**

THE FOLLOWING INFORMATION ABOUT THE SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. SUCH INFORMATION HAS NOT BEEN VERIFIED BY FLORIDA HOUSING, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL AND IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY BY AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, FLORIDA HOUSING, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

The Servicer is U.S. Bank National Association. As of September 30, 2018, the Servicer serviced 1,473,118 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately \$230.5 billion. The Servicer currently services single-family mortgage loans for State and Local Housing Finance Authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of September 30, 2018, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately \$464.6 billion and a net worth of \$50.4 billion. For the nine months ending September 30, 2018, the Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately \$31.5 billion.

The Servicer is (i) an FHA- and VA-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities, and (iv) a FHLMC approved seller and servicer of FHLMC securities.

The Servicer is not liable for the payment of the principal of the Bonds or the interest or redemption premium, if any, thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the 5th largest financial services holding company in the United States.

### **The Administrator**

THE FOLLOWING INFORMATION ABOUT THE ADMINISTRATOR RELATES TO AND WAS SUPPLIED BY HOUSING AND DEVELOPMENT SERVICES, INC. D/B/A EHOUSINGPLUS (THE "ADMINISTRATOR"). SUCH INFORMATION HAS NOT BEEN VERIFIED BY FLORIDA HOUSING, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL AND IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY BY AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, FLORIDA HOUSING, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

The Administrator has the general responsibility for administering the Program and ensuring Program compliance in accordance with Sections 103 and 143 of the Code, in addition to Program parameters, as applicable.

The Administrator will track the Lender allocations and will not allow Lenders to reserve funds under the Program if there are no available proceeds. In addition, the Administrator will track the origination of 2018 Series 2 Loans for residences located in Targeted Areas to ensure compliance with the Code. The Administrator will use its internal system functions to set up Florida Housing's allocations, set up and update income limits, acquisition cost limits and new mortgage requirements; and track and monitor its funds, pipeline and Program constraints, where applicable.

The Administrator will create and publish to its website Program Guidelines, which will detail a step-by-step explanation of the process that Lenders will follow in order to successfully, originate and deliver eligible 2018 Series 2 Loans.

The Administrator will also review information provided by the participating lenders including all documents and information pertaining to the eligibility of loans to determine the eligible of such loans, including, without limitation, a review of information, certifications and other documents regarding (i) the First-Time Homebuyer requirement; (ii) residence requirement; (iii) income limits; (iv) acquisition cost

limits; (v) targeted area requirement; (vi) information reporting requirement; and (vii) the recapture tax, all as required and defined in Section 143 of the Code.

## **Federal Tax Law Requirements**

The Code provides that the interest on qualified mortgage bonds will not be included in the gross income of the owners thereof if, among other requirements, all of the non-refunding proceeds of the applicable series of bonds remaining after the payment of costs of issuance and the funding of a reasonably required reserve fund (the “lendable proceeds”) are applied to the purchase of mortgage loans of which at least ninety-five percent (95%) at the time such mortgage loans were made by the lending institutions, complied with certain mortgage eligibility requirements described below. The Code provides that (i) in determining whether ninety-five percent (95%) of the lendable proceeds of the issue are to be used to make mortgage loans satisfying the mortgage eligibility requirements, the issuer of the bonds may rely on certain specified affidavits of mortgagors and sellers and certain specified examinations made by the issuer or its agent, (ii) the issuer must in good faith attempt to meet all of the mortgage eligibility requirements before the mortgages are executed, and (iii) the issuer must correct any failure of a mortgage loan to meet such requirements within a reasonable period after such failure is discovered. Florida Housing has covenanted in the Indenture to comply with the Code and the procedures required by the Mortgage Purchase Agreement, and the Mortgage Purchase Agreement includes the affidavits and examinations which the Code specifies may be relied upon by Florida Housing in determining compliance with such requirements. These requirements and procedures are summarized below.

1. First-Time Homebuyer Requirement. The Code, as applied to the applicable series of bonds, requires that at least ninety-five percent (95%) of the net proceeds of the applicable series of bonds must be used to finance residences of Eligible Persons and Families (as defined in the Mortgage Purchase Agreement) who have not had a present ownership interest in a principal residence during the three (3)-year period preceding the date on which the mortgage is executed. The portion of such proceeds used to make mortgage loans in Targeted Areas are treated as used for such purpose, as will the portion of such proceeds used to make mortgage loans to certain veterans under the Community Heroes Loan program. Under the Code, Florida Housing may rely on its or its agents' examination of federal income tax returns and the mortgagors' affidavits to ascertain compliance with this requirement. The Mortgage Purchase Agreement requires each Lender to obtain and the Administrator to examine for each of the preceding three (3) years federal income tax returns of each of the mortgagors or a mortgagor's affidavit containing the statement that such mortgagor was not required by law to file any such income tax returns for such year, unless the mortgage loan is for a residence located in a Targeted Area.

2. Residence Requirement. As required by the Code, the Indenture and the Mortgage Purchase Agreement, all residences for which owner financing is provided with the proceeds of the 2018 Series 2 Bonds must be Single Family Residences. Both Florida Housing and the Eligible Persons and Families must reasonably expect that the financed residence (or in the case of two-, three- or four-family units, one of the units) will become the mortgagor's principal residence within a reasonable time (sixty (60) days) after the mortgage loan is executed or assumed. The Mortgage Purchase Agreement requires the Lender to obtain from each mortgagor a certification that at the closing of the mortgage loan such mortgagor intends to make the Single Family Residence his principal residence within sixty (60) days from the date of such closing. Under the Code, Florida Housing may rely on such certification for purposes of ascertaining compliance with this requirement.

3. Income Limitations. As required by the Code, the Indenture and the Mortgage Purchase Agreement, the family income of each mortgagor acquiring a Single Family Residence in a non-Targeted Area may not exceed the maximum family income prescribed by the U.S. Department of Housing and Urban Development and the U.S. Department of the Treasury, as applicable (i.e. one hundred fifteen percent

(115%) of the area median family income for families of three or more persons or one hundred percent (100%) of the area median family income for families of less than three persons). Those percentages are increased for Single Family Residences located in Targeted Areas. The Program requires that Eligible Persons and Families supply an affidavit setting forth their family income. Under the Code, Florida Housing may rely on such affidavits for purposes of ascertaining compliance with this requirement.

4. Purchase Price Limitations. The Mortgage Purchase Agreement requires that the “acquisition cost” (as defined in the Code) of each residence being financed may not exceed ninety percent (90%) of the “safe harbor” average area purchase price applicable to such residence (one hundred ten percent (110%) in the case of Targeted Areas). The determination of the average area purchase price applicable to each residence being financed must be made as of the date on which the Lender commits to make the mortgage loan or, if earlier, the date of purchase of the residence.

For dwelling structures consisting of two-, three- or four-family units that meet the requirements of Fannie Mae, GNMA or Freddie Mac, the maximum purchase price and other requirements are subject to various provisions of the Code.

In accordance with the Code, the United States Treasury Department has published certain “safe harbor” average area purchase price limitations for residences financed by bond financed mortgage loans in the State. The Program establishes limitations on the acquisition cost as described above (the "Maximum Acquisition Cost") of any Single Family Residence which comply with the Code. The Program requires that both the Eligible Persons and Families and the sellers of the Single Family Residences supply an affidavit setting forth the acquisition cost of the Single Family Residence and certifying that the Single Family Residence is a completed residential unit that includes only such land as reasonably maintains the basic livability of the residence. The Code prohibits the financing of a residence which will be used in the trade or business of the mortgagor; accordingly, the Program requires that the Eligible Persons and Families certify that they do not expect to so use the mortgaged property. Under the regulations promulgated by the United States Department of Treasury (the "Regulations"), Florida Housing may rely on such affidavits for purposes of ascertaining compliance with these requirements.

In the event that the Maximum Acquisition Cost is redetermined pursuant to the Code and Regulations, the Maximum Acquisition Cost in effect at the time a commitment is made to a mortgagor shall govern. The Maximum Acquisition Cost for a dwelling shall be determined at the earlier of the date of (i) the commitment to make a mortgage loan, or (ii) purchase of the Single Family Residence (including the original purchase date if the Single Family Residence had been the subject of temporary initial financing).

5. New Mortgage Requirement. The Code does not allow proceeds of a qualified mortgage bond issue to be used to acquire existing mortgages (thereby requiring Florida Housing to apply such proceeds only to newly originated mortgages), or to refinance existing mortgage loans, except construction period loans, bridge loans or other similar temporary initial financing of twenty-four (24) months or less. The Mortgage Purchase Agreement requires that the Eligible Persons and Families supply an affidavit certifying that the mortgage loan proceeds will not be used in a manner which would violate this requirement. Under the Code, Florida Housing may rely on such affidavits for purposes of ascertaining compliance with this requirement.

6. Requirements Relating to Assumptions. The Code requires that any mortgage loan financed with the proceeds of a qualifying mortgage revenue bond issue may be assumed only if the applicable mortgage eligibility requirements relating to principal residence (absence of home ownership for the prior three (3) years, intent to occupy the residence, income limitations, and acquisition cost limitations) applicable to a newly originated loan are met with respect to the assumption. The determination as to compliance with these requirements is to be made as of the date on which the mortgage loan is being

assumed. Accordingly, Florida Housing must determine the relevant average area purchase prices for each statistical area within the State and the current applicable median family income and must assure compliance with each of the applicable requirements of the Code for any such assumptions. The Mortgage Purchase Agreement provides that any person or family assuming a mortgage loan must meet each of the eligibility requirements and be approved by Florida Housing in the same manner as newly originated mortgages are approved.

7. Correction of Non-Compliance. The Code provides that Florida Housing is required to cure any failure of a mortgage loan to comply with Code requirements within a reasonable time after discovery of such failure. The Mortgage Purchase Agreement requires the Lenders to repurchase any such defective mortgage loans at the direction of the Servicer, and the mortgage documents provide that if a mortgagor under a mortgage loan is found not to be an Eligible Person or Family, such mortgage loan may be declared immediately due and payable.

8. Targeted Area Requirement. The Code requires an issuer of tax-exempt new money single-family mortgage revenue bonds to make at least the lesser of (i) twenty percent (20%) of the non-refunding lendable proceeds of such bonds or (ii) forty percent (40%) of the average annual aggregate principal amount of mortgages executed in the preceding three (3) calendar years for single family owner occupied residences located in Targeted Areas available to purchase mortgage loans made to finance Single Family Residences in the Targeted Areas for a period of at least one (1) year from the date of issuance of said bonds and to use reasonable diligence to place such proceeds in qualified mortgage loans in designated Targeted Areas. "Targeted Areas" include a qualified census tract (i.e., a census tract in which seventy percent (70%) or more of the families have income which is eighty percent (80%) or less of the statewide median family income), or an area of chronic economic distress, which has been designated by the State and approved by the Secretary of the Treasury and the Secretary of Housing and Urban Development. The Code specifically permits the purchase of a mortgage loan made to an eligible borrower who had a present ownership interest in a principal residence within the three-year period next preceding the execution of the mortgage if the residence financed with the proceeds of the mortgage loan is located within a Targeted Area. Income limits for purchasers in Targeted Areas cannot exceed one hundred forty percent (140%) of the median income for state or area, whichever is higher (one hundred twenty percent (120%) for families of one or two persons). However, up to one-third (1/3) of the loans relating to Single Family Residences located in Targeted Areas may be made without regard to income.

9. Information Reporting Requirement. The Code requires issuers of mortgage revenue bonds to file two (2) types of information reports with the Internal Revenue Service. Under the Code, not later than the fifteenth (15th) day of the second (2nd) calendar month after the close of the calendar quarter in which the applicable series of bonds are issued, Florida Housing is required to file an information report containing information on the applicable series of bonds. In addition, the Servicer on behalf of Florida Housing is required to file annual information reports containing information on the borrowers of the original proceeds of the bonds. These annual reports are required to be filed with respect to the one-year reporting periods ending June 30th of each year and must be filed by August 15th of each such year. Florida Housing has covenanted to file the reports required to be filed.

10. Arbitrage Requirements. The Code contains special arbitrage provisions applicable to issues of qualified mortgage bonds. First, the Code provides that the "effective interest rate" on the mortgage loans may not exceed the yield on the bonds of an issue by more than 1.125 percentage points. Second, the Code requires that issuers pay to the United States certain investment earnings on "nonpurpose investments" (investments other than mortgages) to the extent that the amount of such earnings exceeds the amount that would have been earned on such investments if those investments were earning a return equal to the yield on the issue. In addition, Florida Housing has covenanted to comply with the Tax Compliance Certificate to be executed by Florida Housing simultaneously with the issuance and delivery of the 2018

Series 2 Bonds which contains provisions designed to ensure that the arbitrage provisions of Sections 143(g) and 148 of the Code are satisfied.

11. Recapture Provision. The Code requires a payment to the United States from certain mortgagors with respect to mortgage loans upon sale or certain other dispositions of their homes financed by a mortgage loan (the “Recapture Provision”). The Recapture Provision requires that an amount determined to be the subsidy provided by qualified mortgage bond financing (but not in excess of fifty percent (50%) of the gain on the sale) be recaptured on disposition of the home. The recapture amount increases over the period of ownership, with full recapture occurring if the home is sold at any time during the fifth (5th) year following the mortgagor's acquisition of the residence. The recapture amount declines ratably to zero with respect to sales occurring in years six through nine (with no recapture if the residence is sold after the end of the ninth year after the mortgagor's acquisition of the residence). An exception excludes from recapture part or all of the subsidy in the case of assisted individuals whose income was less than prescribed amounts at the time of the disposition. It is the current policy of Florida Housing to reimburse mortgagors under the Program for payment of the above described recapture amounts. Such policy may be discontinued without notice at any time. Any such reimbursement will be made only from amounts not pledged under the Indenture.

12. Required Redemptions. The Code requires redemption of certain qualified mortgage bonds issued after 1988 from unexpended new money proceeds required to be used to make mortgage loans that have not been used within forty-two (42) months from the date of issuance of such qualified mortgage bonds (or in case of refunding of unexpended proceeds, within forty-two (42) months from the date of issuance of the original bonds), except for a \$250,000 de minimis amount. Additionally, for bonds issued after 1988, the Code permits repayments (including prepayments) of principal of mortgage loans financed with the proceeds of an issue of bonds to be used to make additional mortgage loans for only ten (10) years from the date of issuance of the bonds (or the date of issuance of the original bonds in the case of refunding), after which date such amounts must be used to redeem the related series of bonds except for a \$250,000 de minimis amount.

#### **DISCLOSURE REQUIRED BY SECTION 517.051, FLORIDA STATUTES**

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Financial Services – Office of Financial Regulation, under Section 517.051(1), Florida Statutes (“Rule 69W-400.003”), requires Florida Housing to disclose each and every default as to the payment of principal and interest with respect to securities issued or guaranteed by Florida Housing after December 31, 1975. Rule 69W-400.003 further provides, however, that if Florida Housing in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The 2018 Series 2 Bonds do not constitute a general debt, liability or obligation of Florida Housing, but are instead secured by amounts on deposit under the Indenture and by the Trust Estate discussed herein. The 2018 Series 2 Bonds are not being offered on the basis of the financial strength of Florida Housing. Accordingly, Florida Housing, in good faith, believes that disclosure of any such default on bonds with respect to which Florida Housing was merely a conduit issuer for multi-family housing, and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, or with respect to which Florida Housing is a guarantor, and the sole source of payment of the guaranty is a segregated fund that cannot be used for other purposes, would not be considered material by a reasonable investor in the 2018 Series 2 Bonds.

Florida Housing is aware of a number of defaults and/or prior, resolved defaults under conduit issues for multi-family housing for which Florida Housing served as issuer or guarantor. Since Florida Housing is not obligated to pay debt service on such issues except from payments made by the various



borrowers under their agreements or by Florida Housing under a segregated guaranty fund that cannot be used for other purposes, and such defaults in no way impact the 2018 Series 2 Bonds, specific disclosures relating to such defaults have been omitted. Florida Housing is not to its knowledge, and since its creation in 1980 has not been, in default as to principal and interest on single-family and homeownership bonds issued by Florida Housing.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Kutak Rock LLP, Bond Counsel to Florida Housing, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the 2018 Series 2 Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code imposed on individuals and, for tax years beginning prior to January 1, 2018, on corporations, and (iii) is not taken into account in determining the adjusted current earnings for purposes of calculating the federal alternative minimum tax imposed on corporations under the Code. No federal alternative minimum tax applies to corporations for tax years beginning after December 31, 2017. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by Florida Housing in connection with the 2018 Series 2 Bonds and has assumed compliance by Florida Housing with applicable requirements of the Code to assure the exclusion of interest on the 2018 Series 2 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, the 2018 Series 2 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except for estate taxes imposed by Chapter 198, Florida Statutes, as amended, and the tax imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the 2018 Series 2 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstances, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the 2018 Series 2 Bonds, or under state and local tax law.

### **Certain Ongoing Federal Tax Requirements and Covenants Applicable to the 2018 Series 2 Bonds**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2018 Series 2 Bonds in order that interest on the 2018 Series 2 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2018 Series 2 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2018 Series 2 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. Florida Housing has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2018 Series 2 Bonds from gross income under Section 103 of the Code.

## **Certain Collateral Federal Tax Consequences Applicable to the 2018 Series 2 Bonds**

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2018 Series 2 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 2018 Series 2 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2018 Series 2 Bonds.

Prospective owners of the 2018 Series 2 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the 2018 Series 2 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Bond Premium**

In general, if an owner acquires a 2018 Series 2 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the 2018 Series 2 Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that 2018 Series 2 Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond, such as a 2018 Series 2 Premium PAC Bond, callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. The amount of premium amortized for a period shall also reduce the bondholder’s cost basis in the Premium Bond for purposes of determining gain or loss upon sale or other disposition of the Premium Bond. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest on tax-exempt obligations, including the 2018 Series 2 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification”, or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding”, which means that the payor is required to deduct and withhold a tax from

the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2018 Series 2 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2018 Series 2 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2018 Series 2 Bonds under federal or state law and could affect the market price or marketability of the 2018 Series 2 Bonds.

Prospective purchasers of the 2018 Series 2 Bonds should consult their own tax advisors regarding the foregoing matters.

### **ABSENCE OF LITIGATION**

On the date of the delivery of the 2018 Series 2 Bonds, Florida Housing will deliver a certificate to the effect that there are no legal or governmental proceedings pending or, to the best of Florida Housing’s knowledge, threatened to restrain or enjoin the issuance, sale or delivery of the 2018 Series 2 Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other moneys and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the 2018 Series 2 Bonds or the Indenture.

### **LEGAL MATTERS**

All legal matters related to the authorization, issuance, sale and delivery of the 2018 Series 2 Bonds and with regard to the treatment of interest on the 2018 Series 2 Bonds under existing federal and state tax laws are subject to the approving opinions of Kutak Rock LLP, Atlanta, Georgia, Bond Counsel to Florida Housing. Copies of such opinions will be available at the time of delivery of the 2018 Series 2 Bonds and the proposed form of such opinion is set forth in APPENDIX A attached hereto.

Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York, and for Florida Housing by its Special Counsel and Disclosure Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

### **CONTINUING DISCLOSURE**

Securities and Exchange Commission (“SEC”) Rule 15c2-12, as amended (the “Rule”), requires that participating underwriters not purchase or sell municipal securities in connection with an offering unless the participating underwriters have reasonably determined that the issuer or other obligated person has undertaken certain continuing disclosure obligations. For the past five (5) years, Florida Housing has disseminated through the Trustee, in accordance with Rule requirements, audited financial statements relating to its various single family mortgage revenue bonds. For Fiscal Years 2013, and 2014, Florida Housing provided a direct link on EMMA for its Audited Financial Statements stored on Florida Housing's website. Florida Housing has now filed the Audited Financial Statements for Fiscal Years 2013, and 2014 directly on EMMA and going forward, to conform with best practices, will continue to file the Audited

Financial Statements directly on EMMA rather than providing the Audited Financial Statements by direct link to Florida Housing's website. While Florida Housing's Annual Financial Statements for Fiscal Year 2016 were timely filed, the Annual Financial Statements were not timely linked to CUSIPs for Florida Housing's Homeowner Mortgage Revenue Bonds, 2016 Series A and 2016 Series B, which were issued under the 2009 Indenture. Florida Housing has since corrected those filings.

Florida Housing will, while any 2018 Series 2 Bonds are Outstanding, provide to the Trustee, when completed, Annual Financial Information with respect to each Fiscal Year of Florida Housing commencing on or after January 1, 2018, which Annual Financial Information is expected to be completed within 180 days after the end of such Fiscal Year (the "Submission Date"). Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time. Florida Housing shall include with each such submission of Annual Financial Information a written representation addressed to the Trustee to the effect that the Annual Financial Information is the Annual Financial Information required pursuant to the continuing disclosure requirements set forth in the Indenture, and that such Annual Financial Information complies with such requirements. The Trustee shall provide the MSRB such Annual Financial Information on or before four (4) Business Days following the end of the Submission Date (the "Report Date") while any 2018 Series 2 Bonds are Outstanding or, if not received by the Trustee by the Submission Date, then within three (3) Business Days of its receipt by the Trustee.

Solely to the extent required by the Rule, Florida Housing shall submit to the Trustee (or provide the website address at which an electronic posting may be accessed) by the Submission Date Audited Financial Statements for each Fiscal Year commencing on or after January 1, 2018, when and if available while any 2018 Series 2 Bonds are Outstanding, whether as part of the Annual Financial Information or separately, which Audited Financial Statements the Trustee shall then provide to the MSRB by the Report Date. If Audited Financial Statements for any Fiscal Year are not so provided to the Trustee by the Submission Date and solely to the extent required by the Rule, Florida Housing shall provide to the Trustee (i) by the Submission Date, Unaudited Financial Statements for such Fiscal Year as part of the Annual Financial Information required to be delivered pursuant to the continuing disclosure requirements of the Indenture, and (ii) when available, Audited Financial Statements for such Fiscal Year, which Audited Financial Statements the Trustee shall provide to the MSRB within three (3) Business Days of its receipt thereof.

In addition, Florida Housing intends to voluntarily provide to the MSRB its Comprehensive Annual Financial Statements (the "CAFRs"), if prepared, and other pertinent financial information relevant to Florida Housing's outstanding Bonds. Notwithstanding such information as may be set forth in the CAFRs, only those assets specifically pledged under the Indenture secure the Bonds. If Florida Housing should so disseminate or include any such information in addition to what is required to comply with the Rule, Florida Housing shall have no obligation to update, provide or include such additional information in any future materials disseminated pursuant to the Indenture.

If a Listed Event occurs while any 2018 Series 2 Bonds are Outstanding, Florida Housing will provide a Listed Event Notice to the Trustee in a timely manner, not in excess of ten (10) business days after the occurrence of such event, and the Trustee shall, not in excess of ten (10) business days after the occurrence of such event, provide to the MSRB, such Listed Event Notice. Each Listed Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the applicable 2018 Series 2 Bonds. The Trustee is obligated to promptly advise Florida Housing whenever, in the course of performing its duties as Trustee under the Supplemental Indenture, the Trustee has actual knowledge of an occurrence which, if material, would require Florida Housing to provide a Listed Event Notice under the Indenture; provided, however, that the failure of the Trustee so to advise Florida Housing shall not constitute a breach by the Trustee of any of its duties and responsibilities under the Indenture. Florida Housing shall, while any 2018 Series 2 Bonds are Outstanding, provide, in a timely manner, notice of any failure of Florida

Housing to provide the Annual Financial Information by the Submission Date to the Trustee. Upon receipt of such notice, the Trustee shall promptly provide notice of such failure of Florida Housing to provide the Annual Financial Information by such date to the MSRB. The Trustee shall, while any 2018 Series 2 Bonds are Outstanding and without further directions or instruction from Florida Housing, promptly provide to the MSRB, notice of any failure to provide to the MSRB Annual Financial Information on or before the Report Date (whether caused by failure of Florida Housing to provide such information to the Trustee by the Submission Date or for any other reason). See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Certain Defined Terms – “Annual Financial Information” – and “Listed Event” attached hereto.

Any or all of the Annual Financial Information referenced above may be provided by way of cross reference to other documents available to the public on the MSRB Internet Web Site (currently [www.emma.msrb.org](http://www.emma.msrb.org)) or filed with the SEC. If the documents included by cross reference are an official statement, they must be available from the MSRB.

Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB (currently, portable document format (pdf) which must be word searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

Florida Housing may adjust the Submission Date and the Report Date if Florida Housing changes its Fiscal Year by providing written notice of the change of Fiscal Year and the new Submission Date and Report Date to the Trustee and to the MSRB, provided that the new Report Date shall be no more than one hundred ninety (190) days after the end of such new Fiscal Year and the new Submission Date shall be no more than ten (10) days prior to the new Report Date, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

Florida Housing’s and the Trustee’s obligations with respect to continuing disclosure relating to the 2018 Series 2 Bonds terminate immediately once the 2018 Series 2 Bonds are no longer Outstanding. Florida Housing’s and the Trustee’s continuing disclosure obligations, or any provision thereof, shall be null and void in the event that Florida Housing delivers to the Trustee an opinion of its counsel or Bond Counsel, addressed to Florida Housing and the Trustee, to the effect that those portions of the Rule which require these disclosure obligations, or any of such provisions, do not or no longer apply to the 2018 Series 2 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion. The Trustee shall, upon receipt of such opinion, promptly provide copies thereof to the MSRB.

The right is reserved to modify the disclosure to be provided if any such modification is made in a manner consistent with the Rule and the Indenture. Furthermore, to the extent that the Rule no longer requires the provision of all or any portion of the information to be provided, the obligation to provide such information also shall cease immediately.

References herein to “Fiscal Year” means the calendar year or any other twelve month period agreed to by Florida Housing.

The sole remedy in the event of any actual or alleged failure to comply with the above described agreement shall be an action in mandamus or for specific performance, to compel performance of Florida Housing’s obligations under the applicable requirements of the Indenture, and not for money damages in any amount. Any failure to comply with any provision of such undertaking shall not constitute an event of default with respect to the 2018 Series 2 Bonds, or an Event of Default under the Indenture.

## FINANCIAL STATEMENTS

Florida Housing's audited financial statements for the year ended December 31, 2017 are available on EMMA. No information contained on Florida Housing's website is deemed to be incorporated herein by reference or to be otherwise a part of this Official Statement. The 2018 Series 2 Bonds are not general obligations of Florida Housing, but are only limited obligations of Florida Housing, payable solely from the Trust Estate.

## INVESTMENT OF CERTAIN FUNDS

*The information set forth below relating to the State Treasury Fund was provided by the State Treasury, and neither Florida Housing nor the Underwriters will assume any responsibility for the accuracy and completeness of such information. The information set forth below indicates past performance of the State Treasury Fund and is no assurance of future performance of investments in the State Treasury Fund.*

Certain funds under the Indenture may be invested in the State of Florida Division of Treasury ("State Treasury") Special Purpose Investment Account (the "State Treasury Fund"). Funds held by the State Treasury are invested by internal and (since 1991) external investment managers. Florida Housing has invested in the State Treasury Fund the proceeds of bonds issued to fund its Homeowner Revenue Bond Program; as of September 30, 2018, approximately \$182,870,705 of funds held in accounts in connection with the previous bonds issued under the Indenture were invested in the State Treasury Fund. Depending upon market conditions at the time of pricing of the 2018 Series 2 Bonds, Florida Housing may choose to invest certain available amounts relating to the Bonds in the State Treasury Fund. Such investment will include amounts to be deposited to the 2018 Revenue Account and/or 2018 Redemption Account. The ratio of internally managed funds to externally managed funds within the State Treasury's investment portfolio has ranged from approximately 83% internal vs. 17% external on June 30, 1991, to approximately 53% internal vs. 47% external on September 30, 2018. The total portfolio cost value was \$5,130,416,324 on June 30, 1991, and \$23,474,197,592 on September 30, 2018.

Funds managed internally provide for routine as well as unexpected disbursements, with investment objectives being safety of principal and liquidity. The weighted average maturity of the liquidity pool is less than ninety (90) days. The duration of the bridge portfolio is less than two (2) years. Investment objectives are met by use of investments rated as investment grade which are readily convertible to cash with no loss of principal.

The external manager program was created to provide enhanced investment returns on funds not needed to meet cash flow. External investment strategy focuses on medium-term, fixed income securities, rather than money market instruments, intended to take advantage of higher returns historically achieved by such securities. Portfolio managers with varied specialties are hired to actively manage funds. These funds may be invested in demand notes, U.S. Government and agency obligations, corporate debt, including convertible bonds, taxable municipal debt, and mortgage-backed securities, asset-backed securities, derivative securities and options. In addition, not more than three percent (3%) of the funds of the Treasurer shall be invested in Yankee CD's, Euro-dollar CD's, U.S. dollar denominated Canada Bills and bank notes.

Investment in longer-term, fixed income securities, convertible bonds and mortgage-backed securities exposes assets to changes in market value. Mortgage-backed securities and convertible bonds have investment characteristics that differ from those of traditional fixed-income securities, which can result in greater price and yield volatility than is the case with traditional fixed-income securities.

The maximum term of investments by external managers in the regular medium-term program is six (6) years. The mix of securities used to achieve this duration is at the discretion of the manager. The standard leverage limitation is up to ten percent (10%) of the market value of their investments. Leveraging techniques include the use of reverse repurchase agreements or forward purchase commitments which are not covered by cash or near cash assets.

## **RATING**

### **General**

Moody's Investors Service ("Moody's") has assigned the 2018 Series 2 Bonds a rating of "\_\_\_\_". Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained from Moody's. Florida Housing has furnished to Moody's certain information and materials with respect to the 2018 Series 2 Bonds. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions made by the rating agencies. There is no assurance that the rating which has been assigned to the 2018 Series 2 Bonds will continue for any given period of time or that such rating will not be revised or withdrawn entirely by Moody's, if in the judgment of Moody's, circumstances so warrant. A downward revision or withdrawal of the rating may have an adverse effect on the market price of the 2018 Series 2 Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revisions or withdrawal at any time.

### **Previous Amendment to the Indenture Pertaining to Ratings**

On October 10, 2007, pursuant to that certain Thirty-Third Supplemental Indenture and the subsequent receipt of the consent of the Owners of a majority in principal amount of the Bonds then Outstanding, Florida Housing amended the definitions of "Rating Agency" or "Rating Agencies" and the definition of "Rating Quality" previously contained in the Indenture to effectively only require Florida Housing to maintain at least one (1) rating on the Bonds in place at all times. As a result of that amendment, the 2018 Series 2 Bonds will only be rated by Moody's.

## **FINANCIAL ADVISOR**

Caine Mitter & Associates Incorporated, New York, New York, is serving as Financial Advisor to Florida Housing with respect to the planning, structuring and sale of the 2018 Series 2 Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the 2018 Series 2 Bonds and provided other advice. The Financial Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard the issuance and sale of the 2018 Series 2 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

## **UNDERWRITING**

Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters") have agreed to purchase all of the 2018 Series 2 Bonds, pursuant to a Purchase Contract, dated \_\_\_\_\_, 2018 (the "Purchase Contract"). The senior managing underwriter for the 2018 Series 2 Bonds is Citigroup Global Markets Inc. The Underwriters have collectively agreed to purchase the

2018 Series 2 Bonds at a price equal to \$ \_\_\_\_\_, representing the aggregate principal amount of the 2018 Series 2 Bonds plus the original issue premium. Upon delivery of the 2018 Series 2 Bonds, the Underwriters will be paid an underwriting fee for the 2018 Series 2 Bonds equal to \$ \_\_\_\_\_ (including underwriters' expenses). The Purchase Contract provides that the Underwriters will purchase all of the 2018 Series 2 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices of the 2018 Series 2 Bonds may be changed from time to time by the Underwriters.

The information in the following paragraphs has been provided by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Morgan Stanley & Co. LLC, an underwriter of the 2018 Series 2 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, 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 2018 Series 2 Bonds.

Each of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for Florida Housing, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of Florida Housing. 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.

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**MISCELLANEOUS**

Copies of the Indenture, the Mortgage Purchase Agreements and the Servicing Agreement are on file at the offices of Florida Housing.

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 Florida Housing and the purchasers or owners of any of the 2018 Series 2 Bonds.

The execution and delivery of this Official Statement has been duly authorized by Florida Housing.

**FLORIDA HOUSING FINANCE  
CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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**APPENDIX A**

**FORM OF OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2018

Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

\$175,000,000  
Florida Housing Finance Corporation  
Homeowner Mortgage Revenue Bonds,  
2018 Series 2

Ladies and Gentlemen:

We have acted as bond counsel to the Florida Housing Finance Corporation (“Florida Housing”) in connection with the issuance of its Homeowner Mortgage Revenue Bonds, 2018 Series 2 (the “2018 Series 2 Bonds”). Capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Indenture (hereinafter defined).

Florida Housing is issuing the 2018 Series 2 Bonds in order to (i) provide funds to finance, purchase or acquire Mortgage-Backed Securities backed by Loans; and (ii) make deposits in amounts, if any, required or authorized by the Indenture to be paid into certain funds and accounts established therein, all as permitted by the Florida Housing Finance Corporation Act, Sections 420.501 et seq., Florida Statutes, as amended (the “Act”).

The 2018 Series 2 Bonds are dated as of their date of delivery and will mature on the respective dates and shall bear interest at the respective rates set forth in the Trust Indenture dated as of October 1, 1995 between the Florida Housing Finance Agency (the statutory predecessor to Florida Housing) and The Bank of New York Mellon Trust Company, N.A., formerly The Bank of New York Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including specifically the Forty-Seventh Supplemental Trust Indenture dated as of December 1, 2018 (as so supplemented and amended, the “Indenture”).

**FLORIDA HOUSING HAS NO TAXING POWER. THE 2018 SERIES 2 BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA OR OF ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE 2018 SERIES 2 BONDS. THE 2018 SERIES 2 BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY) AND INTEREST, SOLELY OUT OF THE ASSETS OF FLORIDA HOUSING PLEDGED THEREFOR PURSUANT TO THE INDENTURE.**

In connection with the issuance of the 2018 Series 2 Bonds, we have examined the following: (a) certified copies of the Act; (b) an executed copy of the Indenture; (c) certain resolutions adopted by Florida Housing on August 18, 1995 and October 27, 2017 in connection with the execution of the Indenture and the issuance of the 2018 Series 2 Bonds; and (d) such other documents, instruments, proceedings and opinions as we have deemed relevant in rendering this opinion.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, under existing law:

1. Florida Housing is a public corporation and a public body corporate and politic, duly created, organized and existing under the laws of the State of Florida. Pursuant to the Act, Florida Housing is empowered to issue the 2018 Series 2 Bonds and to perform its obligations under the Indenture.

2. The Indenture has been entered into by Florida Housing (or its predecessor, the Florida Housing Finance Agency) and, assuming due authorization and execution thereof by the other parties thereto, is valid and binding upon Florida Housing, is in full force and effect, is enforceable in accordance with its terms and creates a valid lien on and pledge of the Trust Estate (as defined in the Indenture). Such lien and pledge are for the payment of the principal of, premium (if any) and interest on, the 2018 Series 2 Bonds, on a parity with Bonds heretofore or hereafter issued.

3. The 2018 Series 2 Bonds have been duly authorized, executed and issued in accordance with the Act and the laws of the State, and represent valid and binding special obligations of Florida Housing payable from and secured by the Trust Estate in accordance with their terms and the terms of the Indenture.

4. Interest on the 2018 Series 2 Bonds is (a) excluded from gross income of the owners thereof for federal income tax purposes; (b) not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code") imposed on individuals and, for tax years beginning prior to January 1, 2018, on corporations; and (c) not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations under the Code. No federal alternative minimum tax applies to corporations for tax years beginning after December 31, 2017. The opinion expressed in the preceding sentence is conditioned upon compliance with certain procedures established by and provisions contained in the Indenture and in the program requirements set forth by Florida Housing in its agreements with participating lenders and U.S. Bank National Association, as master servicer, which are intended to ensure compliance with the provisions of the Code that must be satisfied subsequent to the issuance of the 2018 Series 2 Bonds in order that interest thereon be, or continue to be, excluded from gross income of the owners thereof for federal income tax purposes. Florida Housing has covenanted in the Indenture to take such actions as are required under the Code to maintain the exclusion from gross income of interest on the 2018 Series 2 Bonds for federal income tax purposes and refrain from taking any action which would cause the loss of said exclusion. Failure to comply with such requirements may cause the interest on the 2018 Series 2 Bonds to become subject to federal income taxation retroactive to the date of issuance of such 2018 Series 2 Bonds. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on, or the disposition of, the 2018 Series 2 Bonds.

5. The 2018 Series 2 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except for estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

All opinions as to the enforceability of the legal obligations of Florida Housing set forth herein are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, and (b) general principles of equity (whether arising in a proceeding at law or in equity) which may permit the exercise of judicial discretion.

In rendering the opinions set forth in paragraph (4) above, we are relying upon the mathematical accuracy of certain computations included in schedules prepared by Citigroup Global Markets Inc. as to the

mathematical accuracy of the yield on the 2018 Series 2 Bonds and on certain Mortgage-Backed Securities held under the Indenture.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

The scope of our engagement in relation to the issuance of the 2018 Series 2 Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. We have not been engaged to confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any Official Statement or any exhibits or appendices thereto or any other offering material relating to the 2018 Series 2 Bonds, except as may be otherwise set forth in our opinion to the purchasers of the 2018 Series 2 Bonds dated as of the date hereof.

We express no opinion with respect to any other document or agreement entered into by Florida Housing or by any other person in connection with the 2018 Series 2 Bonds other than as expressed herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

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## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture and is qualified in its entirety by reference to the Indenture. For a description of certain other provisions of the Indenture and certain proposed amendments, see “SECURITY FOR THE BONDS.”

#### Certain Defined Terms

“Accrued Debt Service” means, as of any date of calculation, unless otherwise specified in the Supplemental Indenture with respect to a particular Series of Bonds, an amount equal to the aggregate of the following with respect to each Series of Outstanding Bonds: (i) accrued and unpaid interest on the Outstanding Bonds of a Series (accrued and unpaid interest shall not include the Appreciated Amount of a Capital Appreciation Bond), plus (ii) (A) in the case of a Series of Bonds with Principal Installments scheduled on the first day of a month or months, the amount obtained by dividing the amount of the next succeeding Principal Installment by the number of months elapsed from the immediately preceding Principal Installment payment date to the next succeeding Principal Installment payment date, and then multiplying such amount by the number of full months elapsed since the immediately preceding Principal Installment payment date, and, (B) in the case of Principal Installments due on other dates, the amount obtained by dividing the amount of the next succeeding Principal Installment by the number of days elapsed from the immediately preceding Principal Installment payment date to the next succeeding Principal Installment payment date, and then multiplying such amount by the number of days elapsed since the immediately preceding Principal Installment date.

“Annual Financial Information” means, with respect to the 2018 Series 2 Bonds,

(A) (i) information as shall be necessary in order to update financial information set forth with respect to the 2018 Series 2 Bonds and the 2018 Homeowner Mortgage Revenue Bond Program in the Official Statement;

(ii) regarding the 2018 Series 2 Bonds and the 2018 Homeowner Mortgage Revenue Bond Program, the following categories of information: general information regarding the 2018 Series 2 Certificates (mortgage interest rates, initial principal amount and outstanding principal amount), insurance coverages, delinquency statistics, Bonds outstanding, outstanding investments and the status of reserve funds; and

(iii) solely to the extent required to be provided in order to comply with the Rule, the Audited Financial Statements for the preceding Fiscal Year (commencing with the Fiscal Year beginning on or after January 1, 2018), and Unaudited Financial Statements for such Fiscal Year if such Audited Financial Statements are unavailable, pursuant to the Supplemental Indenture; and

(B) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of such financial and operating data listed in (A) above.

“Applicable Outstanding Balance” means as of each Interest Payment Date, the principal amount of 2018 Series 2 Premium PAC Bonds projected to remain Outstanding, after taking into account scheduled principal payments and projected redemptions of 2018 Series 2 Premium PAC Bonds from 2018 Series 2 Prepayments at a rate equal to 100% of the SIFMA prepayment rate.

“Audited Financial Statements” means, with respect to Florida Housing, the annual financial statements, if any, of Florida Housing, audited by such auditor as shall then be required or permitted by State law. Audited Financial Statements shall be prepared in conformity with accounting principles generally accepted in the United States of America; provided, however, that, subject to the provisions of the Supplemental Indenture, Florida Housing may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall include a reference to the specific federal or State law or regulation describing such accounting basis and shall be provided by Florida Housing to the Trustee, who shall promptly provide such notice to the MSRB.

“Authorized Investments” means \$5,000 and integral multiples thereof.

“Authorized Investments” means and includes any of the following securities and other investments, if and to the extent the same are at the time legal for investment of Florida Housing’s funds and which shall mature or shall be subject to redemption by the holder of the investment thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended:

(i) Government Obligations;

(ii) Obligations (a) which are backed by the full faith and credit of any state of the United States of America, (b) of any agency or instrumentality of the United States of America or (c) of any public corporation sponsored by the United States of America, including, but not limited to, Freddie Mac, Fannie Mae and GNMA, provided that such obligations described in (a), (b) and (c) hereof at the time of investment shall not adversely affect the Rating Quality of the Bonds;

(iii) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary), provided that (a) the unsecured long-term debt obligations thereof are rated by each Rating Agency at least equal to the rating on the Series of Bonds, or (b) such entity has combined capital and surplus of at least \$25,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (i) or (ii) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating Quality of the Bonds or (c) the deposit of funds with such entity will not adversely affect the Rating Quality of the Bonds;

(iv) Repurchase agreements in respect of any of the securities described in (i) or (ii) of the definition of Authorized Investments, provided that physical delivery of such securities is taken either directly or through an authorized custodian of Florida Housing (or, in the case of book entry securities, by appropriate notation on the official records maintained with respect to the ownership thereof) and provided that such securities be maintained at levels and valuation frequencies satisfactory to Florida Housing and sufficient at all times to maintain the Rating Quality of the Bonds;

(v) Interest-bearing notes issued by a bank holding company having combined capital and surplus of at least \$500,000,000, provided that such investment does not adversely affect the Rating Quality of the Bonds;

(vi) Shares of (a) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above which



are of Rating Quality and rated “Aaa” by Moody’s, “AAA” by S&P or “AAA” by Fitch, or (b) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least \$50,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (i), (ii), (iii), (iv) or (v) above and which fund is of Rating Quality and rated “AA-m” or “AA-mG” or higher by S&P, “Aa” by Moody’s or “AA” by Fitch, or (c) money market funds which invest in tax exempt municipal securities, which funds are registered under the investment company act of 1940 whose shares are registered under the federal securities act of 1933 and rated “AAA-m” by S&P, “Aaa” by Moody’s or “AAA” by Fitch;

(vii) Any Investment Agreement with any provider as long as such Investment Agreement does not adversely affect the Rating Quality of the Bonds at the time the investment is made; and

(viii) Any other investment that will not adversely affect the Rating Quality of the Outstanding Bonds,

provided that it is expressly understood that the definition of Authorized Investments shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture by a Supplemental Indenture, thus permitting investments with different characteristics from those permitted above which Florida Housing deems from time to time to be in the interest of Florida Housing to include as Authorized Investments if at the time of inclusion such inclusion will not, in and of itself, adversely affect the Rating Quality of the Outstanding Bonds. For purposes of the Supplemental Indenture, the term “Authorized Investment” shall also include an investment through the State Treasurer pursuant to Section 17.61, Florida Statutes (the “State Pool”). Before making an investment in the State Pool, the Trustee shall receive a written confirmation from the Rating Agencies that such investment will not affect the Rating Quality of the Outstanding Bonds.

“Authorized Officer” means the Chairman, Vice Chairman, Secretary, any member of Florida Housing, its Executive Director, and any other officer or employee of Florida Housing authorized by resolution of Florida Housing (a copy of which will be provided to the Trustee) to perform the act or sign the document in question.

“Bondholder” or “Holder” or “Holder of Bonds” or “Owner” or similar term, when used with respect to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond.

“Bond” or “Bonds” means any of the bonds of Florida Housing authorized by the Indenture and issued pursuant to a Supplemental Indenture.

“Bond Payment Date” means each date on which interest or both Principal Installments and interest shall be payable on any of the Bonds according to their respective terms.

“Bond Year” means the 12-month period beginning on January 2 in any year and ending on January 1 in the succeeding year.

“Business Day” means a day on which banks in the city in which the Corporate Trust Office of the Trustee is located are not required or authorized by law to remain closed and on which the New York Stock Exchange is not closed.

“Cash Equivalent” means a letter of credit, insurance policy, surety, guarantee or other security arrangement (as defined and provided for in a Supplemental Indenture), which Cash Equivalent shall have such terms necessary to maintain the Rating Quality on the Bonds.

“Certificate Purchase Price” means those prices set forth in Exhibit “A” to the Servicing Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Excess Revenues” means excess revenues generated under the Indenture and deposited in the Revenue Fund and transferred to the Redemption Fund, including, without limitation, moneys resulting from a reduction of amounts required to be on deposit in the Bond Reserve Fund and Mortgage Reserve Fund and Revenues in excess of Accrued Debt Service on all Bonds and all requirements of the Indenture, including Program Expenses, as determined in a Cash Flow Certificate.

“Fannie Mae” means the Federal National Mortgage Association, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. § 1716 et seq., or any successor thereto. The term “Fannie Mae” refers to the entity identified as “FNMA” in the Original Indenture.

“Fannie Mae Certificate” or “Fannie Mae Security” means a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security, bearing interest at the Pass-Through Rate, issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Loans in the related mortgage pool.

“Florida Housing Fee” means the fee or fees established from time to time by Florida Housing by Supplemental Indenture in connection with the issuance of Bonds of one or more Series.

“Florida Housing Request” means a written request of Florida Housing signed by an Authorized Officer.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation or any successor thereto. The term “Freddie Mac” refers to the entity identified as “FHLMC” in the Original Indenture.

“Freddie Mac Certificate” or “Freddie Mac Security” means a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a Pool of Conventional Mortgage Loans, in book-entry form, recorded in the name or at the direction of the Trustee or its nominee, and guaranteed as to timely payment of principal and interest by Freddie Mac.

“GAAP” means accounting principles generally accepted in the United States of America as prescribed from time to time for governmental units by the Governmental Accounting Standards Board (“GASB”).

“GNMA” or “Ginnie Mae” means the Government National Mortgage Association or any successor thereto.

“GNMA Certificate” means the GNMA I or GNMA II Mortgage Pass-Through Certificate issued by GNMA in exchange for FHA and VA Mortgage Loans and in the form of Appendix IV-11 “Ginnie Mae I (SF, BD, GPM, and GEM Pools) Mortgage-Backed Certificate” or Appendix IV-25 “Ginnie Mae II (SF, GPM, GEM, and MH Pools) Mortgage-Backed Certificate,” as applicable, or any successor thereto of the GNMA Guide, registered in the name of the Trustee for the benefit of the Bondholders.

“GNMA Security” means a certificate bearing interest at a rate per annum as set forth in or determined in accordance with the applicable Supplemental Indenture, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by GNMA pursuant to GNMA’s GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based on and backed by Loans as provided in the GNMA Guide, which certificate shall unconditionally obligate the Servicer to remit monthly to the owner thereof (x) principal payments and prepayments made in respect of the pool of Loans represented by the GNMA Security and (y) interest in an amount equal to the Pass-Through Rate. GNMA shall guarantee to the owner of each GNMA Security (i) the timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Loans represented by the GNMA Security and (ii) the timely payment of principal in accordance with the terms of the principal in accordance with the terms of the principal amortization schedule applicable to the Loans represented by such GNMA Security.

“Government Obligations” means and includes direct general obligations of the United States of America or obligations the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America (including those the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is so fully and unconditionally guaranteed). This shall include custodial receipts evidencing ownership of future interest payments only, on noncallable bonds issued by the Resolution Funding Corporation, a mixed-ownership government corporation, chartered by the Federal Home Loan Bank Board pursuant to the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, provided the same are rated “AAA” by S&P and “Aaa” by Moody’s or “AAA” by Fitch. In the case of a “AAA” rating by S&P, no “r” subscript shall be permitted.

“Interest Payment Date” means any date upon which interest on the Bonds is payable in accordance with their terms and the terms of the Indenture or any Supplemental Indenture.

“Listed Event” means any of the following events with respect to the 2018 Series 2 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of any credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, 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 status of the 2018 Series 2 Bonds, or other material events affecting the tax status of any of the 2018 Series 2 Bonds;
- (vii) Modifications to rights of holders of the 2018 Series 2 Bonds, if material;
- (viii) 2018 Series 2 Bond calls, if material, and tender offers;
- (ix) Defeasances;

- (x) Release, substitution, or sale of property securing repayment of the 2018 Series 2 Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of Florida Housing (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for Florida Housing in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of Florida Housing, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of Florida Housing);
- (xiii) The consummation of a merger, consolidation, or acquisition involving Florida Housing or the sale of all or substantially all of the assets of Florida Housing, 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, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of the trustee, if material.

“Loan” or “Loans” means a loan or comparable instrument(s) which satisfies the requirements of the Indenture, and includes a participation or other beneficial or legal interest in a loan.

“Mortgage” means the mortgage or trust deed securing repayment of a Loan.

“Mortgage-Backed Security” means a Fannie Mae Security, a Freddie Mac Security or a GNMA Security backed by a Loan or Loans (or such other security backed by a Loan or Loans which is specified in a Supplemental Indenture, the purchase of which will not adversely affect the Rating Quality of the Outstanding Bonds), in each case registered in the name of the Trustee. The definition of “Mortgage-Backed Security” shall not include, unless otherwise specified in a Supplemental Indenture, any Mortgage-Backed Security which is not credited to the Program Fund.

“Mortgage Purchase Agreement” means collectively, those certain Master Mortgage Purchase Agreement (Multiple Originators), dated as of December 17, 2004 or June 1, 2005, as applicable, among Florida Housing, the Servicer and a Lender thereunder, as the same may be amended and supplemented.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by the Indenture.

“Outstanding” when used with respect to Bonds, means, as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

(i) any bond canceled or delivered to the Trustee for cancellation on or before such date;

(ii) any bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(iii) Bonds deemed to have been paid as provided in the Indenture.

“Parity Certificate” means a Certificate, giving effect to any action contemplated to be taken in connection with the filing thereof, showing that (a) the sum of (i) the moneys, Authorized Investments and Cash Equivalents then credited to the Program Fund, the Revenue Fund (but excluding moneys held therein for the payment of interest on Outstanding Bonds or Program Expenses), the Bond Reserve Fund, the Mortgage Reserve Fund and the Redemption Fund (but not including any moneys or Authorized Investments held therein for the payment of Bonds no longer deemed Outstanding under the Indenture), (ii) the unpaid principal amount of all Loans and Mortgage-Backed Securities credited to the Program Fund and (iii) such other amounts, if any, as may be specified by a Supplemental Indenture (which may be part or all of the assets in the Special Reserve Fund), equals or exceeds (b) an amount equal to (i) 102% (or such lesser percentage as does not adversely affect the Rating Quality of the Bonds) of the principal amount of Outstanding Bonds of all Series plus (ii) the Reinvestment Risk and any other credit shortfall identified by a Rating Agency, and (iii) an amount equal to the greater of (A) 1% of the aggregate unpaid principal balance of all 1997 Loans and 1998 Loans, or (B) two times the principal balance of the largest 1997 Loan in the 1997 Program and the largest 1998 Loan in the 1998 Program.

“Pass-Through Rate” shall mean, the rate of interest on a Mortgage-Backed Security, which shall be the rate or rates of interest set forth in or determined in accordance with the respective Supplemental Indenture less the applicable Servicing Fees and the GNMA, Fannie Mae and/or Freddie Mac Guarantee Fee.

“Prepayment” means (a) any payments on the Mortgage-Backed Securities other than regularly scheduled principal and interest payments thereon and (b) any moneys received or recovered by Florida Housing 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 Loan) on any Loan other than the scheduled payments of principal called for by such Loan, whether (i) by voluntary prepayment made by the mortgagor, (ii) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (iii) in the event of a default thereon by the mortgagor, by the acceleration, sale, assignment, endorsement or other disposition of such Loan by Florida Housing or by any other proceedings taken by Florida Housing, including, without limitation, payments received from any private mortgage insurer and (iv) unless otherwise specified in the related Supplemental Indenture authorizing a Series of Bonds, amounts received or transferred to Florida Housing as a result of the sale, assignment, endorsement or disposition of a Loan or Mortgage-Backed Security.

Nothing in the preceding definition shall be construed to constitute a Prepayment in the event that Florida Housing makes a good-faith substitution of a Loan for another Loan or in the event Florida Housing authorizes a mortgagor to apply the proceeds of hazard insurance to restore the mortgage premises.

A Prepayment shall not include any moneys received or recovered by Florida Housing with respect to any Loan to the extent that delinquencies or defaults of payments of principal on such Loan required that moneys be withdrawn from the Bond Reserve Fund to pay principal on the Bonds.

“Principal Installment” means, as of any date of calculation, (i) the principal amount of all Bonds due on a specified date with respect to which no Sinking Fund Installments have been provided, plus (ii) any Sinking Fund Installments due on such specified date.

“Program” means Florida Housing’s Homeowner Mortgage Revenue Bond Program pursuant to which Florida Housing has determined to finance or acquire Loans and/or Mortgage-Backed Securities and/or to otherwise effectuate its public purpose of providing housing, all in accordance with the Act and the Indenture.

“Program Expenses” means all Florida Housing’s expenses of administering the Program under the Indenture and the Act and shall include without limiting the generality of the foregoing: Corporation Fees, salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; insurance premiums, (including, without limitation, premiums for pool insurance policies and special hazard insurance policies), legal, accounting, rebate analysis management, consulting and banking services and expenses; the fees and expenses of the Trustee, any Depositories and Paying Agents; the fees and expenses of the Servicer relating to the conduct of remedial or enforcement activities in connection with any Loan; Costs of Issuance not paid from proceeds of Bonds; and payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by Florida Housing under the provisions of the Indenture and any Supplemental Indenture, all to the extent properly allocable to the Program.

“Rating Agencies” or each “Rating Agency” means any one or more of Fitch, Moody’s and S&P as shall have at the time ratings in effect for any Bonds Outstanding, except that as used in Section 2.16(g) of the Indenture, “Rating Agency” means any one or more of Fitch, Moody’s and S&P designated for Bonds of a Series in the Supplemental Indenture pursuant to which such Bonds are issued. Pursuant to the Indenture, Florida Housing has covenanted to provide all reasonably requested information and pay the fees required to keep at least one rating on the Bonds in place at all times.

“Rating Quality” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “Rating Quality” will not, as confirmed in writing received by the Trustee from the Rating Agency or Rating Agencies then rating the Bonds of such Series at the request of the Agency, impair the ability of the Agency to maintain the rating or ratings initially received from each such Rating Agency - “AA” by Fitch and/or “Aa” by Moody’s and/or “AA” by S&P - with respect to the Bonds and, if not with respect to a particular Series of Bonds, will not cause any Rating Agency then rating the Bonds at the request of the Agency to lower or withdraw the rating it has assigned to the Bonds.

“Record Date” means such date or dates set forth in the Supplemental Indenture authorizing the particular Series of Bonds.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture and the applicable Supplemental Indenture.

“Redemption Record Date” means such date or dates set forth in the Supplemental Indenture authorizing the particular Series of Bonds.

“Reinvestment Risk” means, at the time of its calculation, (a) \$10,000 plus (b) 1/12<sup>th</sup> of the unpaid principal balance of Loans multiplied by the rate of interest payable under the Investment Agreement pursuant to which amounts credited to the Program Fund have been invested, or, if not so invested, the rate of 2 1/2 % per annum, less the principal amount of Bonds Outstanding multiplied by the true interest cost of

the Bonds Outstanding. Florida Housing shall determine the true interest cost of the Bonds Outstanding and shall advise the Trustee of such determination in such a manner and at such times as shall enable the Trustee to determine the Reinvestment Risk when required to do so under the Indenture.

“Revenues” means (i) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by Florida Housing from, the Mortgage-Backed Securities and Loans or any way in connection therewith, including Prepayments, (ii) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, and (iii) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to the Indenture and all other payments and receipts received with respect to Loans or Mortgage-Backed Securities, including the proceeds, of mortgage insurance claims. (but excluding commitment fees, service fees and Escrow Payments and, unless otherwise provided in a Supplemental Indenture, any income or earnings on amounts credited to the Special Reserve Fund).

“Serial Bonds” means the Bonds of any Series so designated in a Supplemental Indenture.

“Servicing Fee” means (a) a GNMA servicing fee payable to the Servicer for servicing and administration of 2018 Series 2 Loans, (b) a Freddie Mac servicing fee payable to the Servicer for servicing and administration of 2018 Series 2 Loans, or (c) a Fannie Mae servicing fee payable to the Servicer for servicing and administration of 2018 Series 2 Loans.

“Sinking Fund Installment” means, as of any particular date of calculation and with respect to any Series of Bonds, the amount of money required to be applied, on any Bond Payment Date, as the Redemption Price of Bonds prior to maturity pursuant to the Supplemental Indenture for such Series, as such installment shall have been previously reduced (a) by the principal amount of any Bonds of such Series of the maturity with respect to which such Sinking Fund Installment is payable which (i) are purchased by the Trustee in accordance with the provisions of the Indenture, or (ii) are purchased or redeemed by the Trustee at least 45 days prior to such Bond Payment Date, (a) as provided in the Indenture.

“Term Bonds” means the Bonds of any Series so designated in a Supplemental Indenture.

“2018 Series 2 Bonds” or “2018 Series 2 Bond” means any of the 2018 Series 2 Bonds.

“2018 Series 2 Capitalized Interest Account” means the Account within the Special Reserve Fund so designated which is created and established pursuant to the Supplemental Indenture.

“2018 Series 2 Corporation Fee” means the Agency Fee of Florida Housing with respect to the 2018 Series 2 Bonds, which shall be transferred automatically by the Trustee from the 2018 Program Expense Account to the 2018 Unrestricted Account on July 1, 2019 and thereafter on each January 1 and July 1, and shall be equal to the product of (A) the aggregate unpaid principal balances of 2018 Series 2 Certificates outstanding on such January 1 or July 1, as applicable, before any redemptions on such dates, times (B) 0.002, divided by (C) 2.

“2018 Series 2 Certificate” means a Mortgage-Backed Security, or any portion thereof or participation interest therein, purchased or acquired with proceeds of the 2018 Series 2 Bonds. Florida Housing may contribute funds from sources outside the Indenture, which may include funds available to Florida Housing under other indentures, in order to finance all or a portion of the 2018 Series 2 Loans that underlie the 2018 Series 2 Certificates. The scheduled principal payments and principal prepayments received with respect to the portion of any 2018 Series 2 Certificate allocable to the contributed funds are not pledged under the Indenture, do not constitute Revenues or Prepayments under the Indenture, and

shall be reimbursed to or to the order of Florida Housing as received. The term “2018 Series 2 Certificate” does not include the portion of the 2018 Series 2 Loans allocable to such contributed funds (except for purposes of the definition of 2018 Series 2 Corporation Fee). To the extent Florida Housing purchases portions of or participation interests in Mortgage-Backed Securities with proceeds of the 2018 Series 2 Bonds and funds available to Florida Housing under other indentures, the Indenture and such other indenture or indentures shall have an equal priority lien on such Mortgage-Backed Securities in proportions to their respective portions or participation interests.

“2018 Series 2 Loan” means a first-lien mortgage loan acquired with or originated from proceeds of the 2018 Series 2 Bonds, which loan shall conform in all respects to the Series Program Determinations for the 2018 Series 2 Bonds set forth in the Supplemental Indenture, as the same may hereafter be supplemented or amended.

“2018 Series 2 Premium PAC Bond” means those 2018 Series 2 Bonds maturing on January 1, 2050\*.

“2018 Series 2 Prepayments” means any payments on 2018 Series 2 Certificates other than regularly scheduled principal and interest payments thereon (including any amounts received by or transferred to Florida Housing as a result of the sale, assignment, endorsement or disposition of a 2018 Series 2 Certificate), *unless* required to pay principal of or interest on 2018 Series 2 Bonds.

“2018 Series 2 Term Bonds” means the 2018 Series 2 Bonds maturing on July 1, 2033\*, July 1, 2038\*, January 1, 2045\* and January 1, 2050\*.

“Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

### **Investment and Deposit of Funds and Accounts**

Moneys in the Funds and Accounts held by the Trustee (except the Special Reserve Fund) shall be invested or deposited by the Trustee, upon written direction of an Authorized Officer, in Authorized Investments, the maturity or redemption date at the option of the holder of which shall coincide as nearly as practicable with the times at which moneys in said Funds and Accounts will be required for the purposes provided in the Indenture.

Authorized Investments held by the Trustee in any Fund or Account under the provisions of the Indenture shall be deemed at all times to be a part of such Fund or Account and any loss on an Authorized Investment shall be charged to such Fund or Account, but any income or interest earned by, or increment to, a Fund or Account due to any such Investment, net of any losses suffered as a result of such investments, shall be transferred to the Revenue Fund upon receipt thereof; provided, however, that any income or interest earned by, or increment to, any Authorized Investment held in the Bond Reserve Fund or the Mortgage Reserve Fund shall be held in the Bond Reserve Fund or the Mortgage Reserve Fund, as the case may be, and not be transferred to the Revenue Fund if, following such transfer, the amount in the Bond Reserve Fund or the Mortgage Reserve Fund, as the case may be, would be less than the Bond Reserve Fund Requirement or the Mortgage Reserve Fund Requirement, as the case may be. On or before each Bond Payment Date, the Trustee shall examine the Authorized Investments held in all Funds and Accounts to determine if all such income or interest received has been deposited in the Revenue Fund unless required to be held in the Bond Reserve Fund or the Mortgage Reserve Fund.



Except as otherwise set forth in the Indenture, in computing the amount in any Fund or Account held by the Trustee under the provisions of the Indenture, Authorized Investments shall be valued at the lesser of their fair market value or their Amortized Value.

The Trustee shall attempt to sell at the best price obtainable, or present for redemption, any Authorized Investment whenever it shall be necessary in order to provide moneys to meet any payment from the Fund or Account for which such Authorized Investment was made. The Trustee shall advise Florida Housing in writing (or in such other form or in such other manner as shall be acceptable to Florida Housing) on or before the tenth day of each calendar month, of the details of all cash and investments held for the credit of and transactions in each Fund and Account in its custody under the provisions of the Indenture as of the end of the preceding month.

When transferring moneys from one Fund or Account to another, investments need not be liquidated, and all or a portion of such invested moneys may be credited to a particular Fund or Account from another. The Trustee shall check the accuracy of all calculations of investment earnings on all Authorized Investments. Investments authorized to be made by the Trustee pursuant to the Indenture may be made by the Trustee through its own bond or investment departments.

### **Funds and Accounts**

All Funds and Accounts shall be held by the Trustee in trust for application only in accordance with the provisions of the Indenture. The Trustee shall also establish such other funds or accounts as Florida Housing may direct in writing or as the Trustee shall determine may be reasonably required to carry out its duties under the Indenture, and moneys deposited therein shall be used and pledged only as provided in the directions of Florida Housing.

#### Program Fund.

(a) There shall be paid into the Program Fund, the amounts required to be so paid by the provisions of each Supplemental Indenture, any amounts transferred pursuant to the Indenture, and, to the extent directed in accordance with the Indenture, amounts received as Prepayments on Loans. The Trustee shall establish from time to time within the Program Fund one or more separate Accounts into which it shall deposit Prepayments on Loans. All Loans and Mortgage-Backed Securities shall be deemed to be held in the Program Fund except as otherwise provided in the Indenture.

(b) The Trustee shall from time to time pay out money from the Program Fund (i) for the purpose of acquiring, financing or purchasing Loans or Mortgage-Backed Securities in accordance with the Original Indenture and the terms of any applicable Supplemental Indenture, (ii) to pay or defease notes or bonds or other indebtedness issued by Florida Housing to finance or purchase Loans or Mortgage-Backed Securities in exchange for Loans or Mortgage-Backed Securities with respect to which such notes, bonds or other indebtedness were issued and/or the unexpended proceeds of such notes, bonds or other indebtedness and meeting any other requirements set forth in a Supplemental Indenture and (iii) for any other authorized purpose of Florida Housing in accordance with the Act and as permitted by the terms of any applicable Supplemental Indenture.

(c) The Trustee shall withdraw moneys from the Program Fund upon receipt of (i) the Mortgage-Backed Securities or the note evidencing the Loan, (ii) in the case of a Loan, confirmation from the Servicer that the Servicer has received the mortgage and title insurance policy related to the Loan, (iii) a Florida Housing Request stating (1) the name of the Lender or other person, firm or corporation to be paid, (2) the amount to be paid and (3) that all conditions precedent to the purchase or financing of the Loan or Mortgage-Backed Securities have been fulfilled and (iv) in the case of moneys deposited in an Account in

the Program Fund from Prepayments (x) a Cash Flow Certificate giving effect to the purchase of such Loans or Mortgage-Backed Securities (or all Loans or Mortgage-Backed Securities to be purchased or financed as contemplated by the Cash Flow Certificate) and (y) an opinion of Bond Counsel to the effect that the withdrawal of such moneys and their application to purchase or finance such Loans or Mortgage-Backed Securities will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes; provided, however, that in the event the Cash Flow Certificate does not project Revenues sufficient to pay Program Expenses and Accrued Debt Service when due for any Bond Year, Florida Housing may purchase such Loan or Mortgage-Backed Securities (or all Loans or Mortgage-Backed Securities to be purchased or financed as contemplated by the Cash Flow Certificate) if Florida Housing (A) notifies each Rating Agency, (B) delivers to the Trustee a Certificate to the effect that the deficiency in Cash Flow in each Bond Year in which a deficiency is projected is less than it would have been if all or a portion of the amount to be applied to the purchase or financing of such Loan or Mortgage-Backed Securities (or all Loans or Mortgage-Backed Securities to be purchased or financed as contemplated by the Cash Flow Certificate) had been transferred to the Redemption Fund and used to redeem Bonds or had been invested in Authorized Investments on available terms, and (C) receives from each Rating Agency a written determination that the purchase or financing of such Loans or Mortgage-Backed Securities will not result in a reduction, suspension or withdrawal of the rating maintained on the Bonds by such Rating Agency.

(d) Moneys in the Program Fund may be withdrawn and used to pay notes, bonds or other indebtedness issued to purchase or finance Loans or Mortgage-Backed Securities or, if the terms of such notes, bonds or other indebtedness so permit, to defease such notes, bonds or other indebtedness, upon receipt by the Trustee of a Certificate signed by an Authorized Officer setting forth (i) such notes, bonds or other indebtedness to be paid or defeased, (ii) the person to whom payment shall be made and (iii) the arrangements for the payment or defeasance of such notes, bonds or other indebtedness; provided, upon such payment or provision thereof, that (1) Florida Housing shall have acquired Loans or Mortgage-Backed Securities with respect to which such notes, bonds or other indebtedness were issued and/or the unexpended proceeds of such notes, bonds or other indebtedness, (2) the Loans or Mortgage-Backed Securities satisfy the requirements of the Original Indenture and (3) the Loans, Mortgage-Backed Securities or unexpended proceeds are subject to no lien prior to the lien and pledge of the Indenture. Notwithstanding any other provision of the Indenture, no security interest is granted by the Indenture in the moneys so withdrawn from the Program Fund to pay or defease notes, bonds or other indebtedness, the investments thereof or the income thereon. In the event that the moneys withdrawn from the Program Fund to pay or defease notes, bonds or other indebtedness, together with the income, if any, earned from the investment thereof, exceed the amount necessary to pay or defease such notes or other indebtedness and the interest thereon in accordance with the terms thereof, Florida Housing shall deposit any such excess moneys in the Program Fund.

(e) In the event Florida Housing shall at any time file with the Trustee a Parity Certificate, and a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year, taking into account the use or release of any moneys, Loans or Mortgage-Backed Securities pursuant to the Indenture, the Trustee may, upon receipt of a Florida Housing Request, use all or any part of such excess for any purpose specified by Florida Housing and in accordance with the Act, or transfer all or any part of the amount of such excess to Florida Housing, free and clear of the lien and pledge of the Indenture, for any lawful purpose of Florida Housing, provided that prior to the use or release of amounts representing Bond proceeds or Loans or Mortgage-Backed Securities acquired or financed by Bond proceeds or Prepayments thereof, Florida Housing shall also file an opinion of Co-Bond Counsel to the effect that the release will not adversely affect the tax-exempt status of interest on the Bonds, and provided further that, in the case of any transfer or release from the lien and pledge of the Indenture, Florida Housing shall notify each Rating Agency of the same.

Transfers From the Program Fund to the Redemption Fund.

(a) Any moneys deposited in the Program Fund (whether from payments pursuant to the Indenture, from the proceeds of a Series of Bonds or any other source) which are not used to purchase or finance Loans or Mortgage-Backed Securities in accordance with the Indenture may be transferred to the Redemption Fund pursuant to a Florida Housing Request at any time upon compliance with the provisions of paragraph (b) below.

(b) Prior to any transfer pursuant to paragraph (a) above, Florida Housing shall deliver to the Trustee (i) a Certificate specifying the amount to be transferred, the Series, maturities and the amount of each maturity to be redeemed from such moneys (and, in the case of Bonds for which Sinking Fund Installments have been established, the amounts to be credited toward those Installments) so that the total principal amount of Bonds to be redeemed at the applicable Redemption Prices equals the amount to be transferred and (ii) if such transfer is not consistent with the most recent Cash Flow Certificate filed by Florida Housing with the Trustee, a Cash Flow Certificate giving effect to such redemption of Bonds. In the event that the Cash Flow Certificate does not project Revenues sufficient to pay Program Expenses and Accrued Debt Service when due for any Bond Year, Florida Housing may nevertheless transfer such moneys if Florida Housing notifies each Rating Agency and delivers to the Trustee a Certificate to the effect that the deficiency in cash flow in each Bond Year in which a deficiency is projected is less than it would have been if all or a portion of such amounts to be transferred had been applied to the financing of Loans or Mortgage-Backed Securities or had been invested in Authorized Investments on available terms.

Payment of Costs of Issuance.

Upon the issuance, sale and delivery of any Series of Bonds pursuant to the Indenture, the Supplemental Indenture authorizing such Series of Bonds may provide for the establishment and maintenance of a Costs of Issuance Account for such Series and for the deposit therein of any proceeds of such Bonds in the Program Fund to be used to pay the Costs of Issuance of such Series of Bonds.

Revenue Fund.

(a) Subject to the terms of any warehousing arrangement entered into by Florida Housing in connection with the issuance of Bonds of a Series, any Revenues received by or on behalf of Florida Housing shall be paid to the Trustee promptly upon their receipt by or on behalf of Florida Housing and, in any event, at least once every two weeks. Except as provided in the Indenture, all Revenues shall be deposited by the Trustee to the credit of the Revenue Fund (provided that, if directed in a Supplemental Indenture, amounts representing accrued interest on the Loans and Mortgage-Backed Securities from the origination or issue date thereof to the date purchased by the Trustee shall be remitted to the applicable Servicer). There may also be deposited in the Revenue Fund, at the option of Florida Housing, any other moneys of Florida Housing, unless required to be otherwise applied as provided by the Indenture.

(b) Unless otherwise specified in the Supplemental Indenture for a particular Series of Bonds, the Trustee shall pay out of the Revenue Fund to the respective Paying Agents for any of the Bonds (i) on or before each Bond Payment Date, the amounts required for the payment of the Principal Installments if any, and interest due on the Outstanding Bonds on such date and (ii) on or before the date of purchase or redemption of any Bonds, the amounts required for the payment of accrued interest on Outstanding Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by such Paying Agents to such payments.

(c) In the event that any proceeds of a Series of Bonds are deposited in the Revenue Fund pursuant to the Indenture, Florida Housing shall deliver to the Trustee, at the time of such deposit, a

Certificate setting forth in a schedule the respective amounts so deposited to be used to pay interest on Bonds of such Series on each Bond Payment Date. The Trustee shall hold and apply any moneys so deposited in accordance with such Certificate until all such moneys have been so applied or until Florida Housing shall file with the Trustee a certificate to the effect that any moneys so deposited which remain in the Revenue Fund are no longer required to pay capitalized interest with respect to such Series of Bonds, in which event the Trustee at the written direction of Florida Housing shall transfer any such remaining moneys to the Program Fund or apply the same in accordance with the provisions of the Indenture. Florida Housing may at any time file with the Trustee a Certificate revising the schedule for application of such moneys.

(d) Subject to the provisions of the Indenture, any amount accumulated in the Revenue Fund in any Bond Year up to the unsatisfied balance of the Sinking Fund Installment payable in such Bond Year may, and if so directed in writing by Florida Housing shall, be applied (together with amounts accumulated in the Revenue Fund with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the fifteenth day preceding the last date on which the Trustee is required to give notice of the redemption of Bonds from such Sinking Fund Installment as follows:

(i) to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, such purchases to be made in such manner as Florida Housing shall determine; or

(ii) to the redemption, pursuant to the Original Indenture, of such Bonds if then redeemable by their terms.

The principal amount of any Bonds so purchased or redeemed shall be credited against such Sinking Fund Installment.

(e) As soon as practicable after the fifteenth day preceding the last date on which the Trustee is required to give notice of the redemption of Bonds from such Sinking Fund Installment pursuant to the Indenture, the Trustee shall proceed to call for redemption pursuant to the Indenture, on such due date, Bonds of the Series and maturity for which such Sinking Fund Installment was established in such an amount as shall be necessary to complete the retirement of a principal amount of the Bonds of such maturity equal to the unsatisfied balance of such Sinking Fund Installment. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Revenue Fund sufficient to pay the applicable Redemption Price thereof on the date of redemption. The Trustee shall pay out of the Revenue Fund to the appropriate Paying Agents on or before each such date of redemption the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(f) (1) The Program Expense Account is established in the Revenue Fund. Except as otherwise set forth by Supplemental Indenture, the Trustee shall transfer from other moneys credited to the Revenue Fund into the Program Expense Account on the first Business Day of each month, or more often if necessary, such amounts as shall be necessary to enable Florida Housing to pay or cause to be paid the Program Expenses in accordance with the Indenture. Florida Housing may at any time request the disbursement of moneys from the Program Expense Account to pay Program Expenses, other than Florida Housing Fees and fees of Fiduciaries, upon filing with the Trustee a Florida Housing Request stating (i) the name of the person(s) to whom payment is to be made, (ii) the amount to be disbursed, (iii) that the disbursement is for an appropriate Program Expense, (iv) that none of the items for which payment is to be made has been the basis for any prior disbursement from the Program Expense Account and (v) that such amount together with amounts previously disbursed, is within the limitations for such disbursements in the Annual Program Budget for the current Bond Year on file with the Trustee. No such Florida Housing

Request shall be necessary for the disbursement of Florida Housing Fees or the fees of Fiduciaries, which the Trustee shall disburse automatically.

(2) Florida Housing may at any time request the disbursement of moneys from the Program Expense Account to the Rebate Account to comply with the provisions of the Indenture.

(3) If at any time Florida Housing shall file with the Trustee an amended Annual Program Budget pursuant to the Indenture, Florida Housing may request the withdrawal of additional moneys from the Program Expense Account to pay Program Expenses which were not anticipated in the prior Annual Program Budget upon filing with the Trustee (i) a Certificate setting forth the amount to be so withdrawn and a list of the Program Expenses to be paid with such moneys and (ii) a Cash Flow Certificate giving effect to such amended Annual Program Budget projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year (except that no such Cash Flow Certificate shall be required if the amended Annual Program Budget does not result in an increase in the aggregate amount budgeted thereunder for Program Expenses). The Trustee, upon being furnished with such items, shall pay the requested amount to Florida Housing or to its order.

(g) On any Bond Payment Date or on such other date or dates as directed by a Florida Housing Request, the Trustee shall withdraw from the Revenue Fund the balance of any moneys remaining therein after making any payments required above in excess of Accrued Debt Service and deposit such balance to the credit of the following several Funds or Accounts the following amounts in the following order of priority:

First, to the credit of the Bond Reserve Fund, the amount, if any, needed to increase the amount in such Fund to equal the Bond Reserve Fund Requirement;

Second, to the credit of the Mortgage Reserve Fund, the amount, if any, needed to increase the amount in such Fund to equal the Mortgage Reserve Fund Requirement;

Third, if so directed in writing by Florida Housing, to the credit of the Redemption Fund to be used to redeem a like amount of Bonds; and

Fourth, to the credit of the Program Fund, the amount remaining in the Revenue Fund as of such date, unless Florida Housing shall have filed with the Trustee (i) a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year and (ii) a Parity Certificate, in which case the Trustee may, upon receipt of Florida Housing Request, transfer such remaining amount or any part thereof to Florida Housing, free and clear of the lien or pledge created by the Indenture, for any lawful purpose of Florida Housing.

Notwithstanding the preceding sentence, the Trustee shall not withdraw moneys from the Revenue Fund pursuant to clause "Third" or "Fourth" of the preceding sentence, to the extent that such withdrawal would cause the amount remaining in the Revenue Fund to be less than the Reinvestment Risk.

#### Mortgage Reserve Fund.

(a) Moneys deposited in the Mortgage Reserve Fund shall be withdrawn to pay taxes, insurance, foreclosure fees, including appraisal and legal fees, repairs to the residence and similar expenses included by Florida Housing in connection with any protection and enforcement of its rights with respect to any Loan credited to the Program Fund, upon receipt by the Trustee of a Certificate setting forth: (i) the property with respect to which payment is to be made, (ii) the name of the person or party to whom payment is to be made, (iii) the amount to be paid, (iv) that the payment is for expenses required in order for Florida

Housing to obtain or preserve unencumbered title to such property and (v) that other funds received or to be received with respect to such property are not available for the payment.

(b) If on any Bond Payment Date the amount in the Revenue Fund shall be less than the amount required to be in such Fund to make the payments required pursuant to the Indenture after applying any amounts in the Special Reserve Fund restricted to and available for such use, the Trustee shall apply amounts from the Mortgage Reserve Fund first to pay Principal Installments and then interest becoming due and payable on such Bond Payment Date on all Bonds Outstanding, to the extent necessary to make up the deficiency.

(c) If at any time the amount in the Mortgage Reserve Fund exceeds the Mortgage Reserve Fund Requirement and if no Event of Default under the Indenture shall have occurred and be continuing, the Trustee, upon receipt of a Florida Housing Request, shall transfer such excess amount or any portion thereof so requested to the Revenue Fund, or to any other Fund (except the Special Reserve Fund) upon the direction of Florida Housing.

(d) The Mortgage Reserve Fund Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents. In connection with any discussion in the Indenture of “moneys” on deposit in or held for the credit of the Mortgage Reserve Fund, “moneys” shall be deemed to include said Cash Equivalents.

**There are currently no moneys on deposit in the Mortgage Reserve Fund.**

Bond Reserve Fund.

(a) Upon the issuance, sale and delivery of any Series of Bonds pursuant to the Indenture, the Trustee shall deposit from the proceeds of such Bonds, the amount required to be paid into the Bond Reserve Fund by the provisions of the Supplemental Indenture authorizing such Series of Bonds, which amount, when added to the amount on deposit in the Bond Reserve Fund, shall at least be sufficient to equal the Bond Reserve Fund Requirement, calculated after giving effect to the issuance of such Series of Bonds.

(b) On such date or dates as Florida Housing shall direct by a Florida Housing Request, the Trustee shall (i) calculate the amount of the Bond Reserve Fund Requirement as of the next succeeding day and shall determine the amount, if any, which would then be in the Bond Reserve Fund (other than amounts attributable to income on Investment Securities) in excess of such Requirement (assuming the payment when due of the interest and Principal Installments on all Bonds Outstanding), and (ii) upon receipt of a Florida Housing Request, transfer all or a specified portion of such excess to the Revenue Fund, or to any other Fund (except the Special Reserve Fund) upon the direction of Florida Housing.

(c) If on any Bond Payment Date the amount in the Revenue Fund shall be less than the amount required to be in such Fund to make the payments required pursuant to the Indenture, the Trustee shall, after applying amounts pursuant to paragraph (b) above, if any, and other amounts pursuant to the Indenture, apply amounts from the Bond Reserve Fund first to pay interest becoming due and payable on such Bond Payment Date and then to pay Principal Installments on all Bonds Outstanding, to the extent necessary to make up the deficiency.

(d) The Bond Reserve Fund Requirement with respect to the applicable Series of Bonds may be funded through Cash Equivalents. In connection with any discussion in the Indenture of “moneys” on deposit in or held for the credit of the Bond Reserve Fund, “moneys” shall be deemed to include said Cash Equivalents.

**There are currently no moneys on deposit in the Bond Reserve Fund.**

Redemption Fund.

(a) Amounts deposited in the Redemption Fund shall be applied by the Trustee to the purchase or redemption of Bonds in accordance with the provisions of the Indenture and all applicable Supplemental Indentures.

(b) Upon any purchase or redemption (other than from Sinking Fund Installments) of Bonds of any Series and maturity for which Sinking Fund Installments have been established, there shall be credited toward each Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments to be credited; provided that, if there shall be filed with the Trustee by Florida Housing a Certificate specifying a different method for crediting Sinking Fund Installments upon any such purchase or redemption of Bonds, and if a Cash Flow Certificate which projects Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year shall accompany such Certificate, or if such purchase or redemption shall follow a transfer from the Program Fund pursuant to the Indenture, then such Sinking Fund Installments shall be so credited as shall be provided in the Certificate delivered to the Trustee. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Special Reserve Fund.

(a) At the direction of an Authorized Officer, the Trustee shall deposit in the Special Reserve Fund any securities, loans or other property not otherwise pledged under the Indenture.

(b) Notwithstanding the provisions of the Indenture, any moneys held in the Special Reserve Fund may be invested or reinvested in such securities, loans or other investments as may be directed by an Authorized Officer, which may include Authorized Investments, Loans or Mortgage-Backed Securities, but is not restricted thereto unless otherwise provided in a Supplemental Indenture. Any interest or income earned with respect to any said securities, loans or other property shall be applied as set forth in a Supplemental Indenture, except as otherwise provided in the Indenture.

(c) If on any date payments are required to be made from the Revenue Fund, and there are not sufficient funds in the Revenue Fund to make such payments, the Trustee shall withdraw (i) from the Special Reserve Fund amounts restricted for transfer to the Revenue Fund and (ii) to the extent necessary, after withdrawing any necessary amounts on deposit in the Mortgage Reserve Fund, from the unrestricted amounts in the Special Reserve Fund, and transfer to the Revenue Fund such available amounts as are necessary to provide sufficient funds for the required transfers from the Revenue Fund.

(d) At any time, at the direction of an Authorized Officer, the Trustee shall withdraw from the Special Reserve Fund and pay to Florida Housing, free and clear of the lien of the Indenture, such amounts, securities, loans or other property as shall be specified therein, including any interest or income earned thereon, unless otherwise restricted by a Supplemental Indenture.

(e) Upon the filing with the Trustee of a Florida Housing Request, Florida Housing may create a lien on all or any part of the moneys, investments or assets held in the Special Reserve Fund, and not otherwise restricted by a Supplemental Indenture or previous Florida Housing Request, to secure any

obligation of Florida Housing, and, if so specified in such Florida Housing Request, such lien shall be prior to the lien on the otherwise unrestricted moneys, investments or assets in the Special Reserve Fund granted by the Indenture to the Trustee in favor of the Outstanding Bonds. Such Florida Housing Request shall state (i) the name of the person(s) in whose favor the pledge is being made, (ii) the debt secured thereby, (iii) the conditions under which such pledge is to be discharged if different from payment and cancellation of the secured debt, (iv) which moneys, investments or other assets are subject to such lien and (v) the priority of such lien vis-à-vis the lien created by the Indenture or any other outstanding liens previously created with respect thereto.

### **Prepayments**

(a) Except as otherwise provided in subsections (b) and (c) below, all Prepayments shall be deposited in the Revenue Fund.

(b) A Supplemental Indenture may provide that all or a portion of the proceeds of Prepayments of Loans or Mortgage-Backed Securities financed from the proceeds of such Series of Bonds or from Loans or Mortgage-Backed Securities financed from such Prepayments received in any Bond Year, or any part thereof, shall be deposited in an Account in the Program Fund or the Redemption Fund. In such event, Prepayments received in each Bond Year shall be deposited into the Program Fund or the Redemption Fund, as the case may be, until such time as the amount of Prepayments so deposited shall equal the aggregate of the amounts which have been specified in all Supplemental Indentures to be so deposited.

(c) Notwithstanding the provisions of subsections (a) and (b) above, any moneys received as a consequence of damage, destruction or condemnation of any property securing a Loan may, at the option of Florida Housing expressed in a Florida Housing Request, be used to repair or restore such property, provided that the Loan continues to be insured or guaranteed to the extent required by any Supplemental Indenture, and otherwise shall be applied as a Prepayment of the Loan and be deposited in accordance with the provision of subsections (a) or (b) above.

### **Additional Bonds**

The Indenture provides that the issuance of Bonds of a Series shall be by a Supplemental Indenture or Supplemental Indentures duly authorized by Florida Housing and executed pursuant to the Indenture (sometimes referred to herein as “Additional Bonds”). Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall either specify or prescribe the manner of determining:

(a) The authorized principal amount and Series designation of such Series of Bonds;

(b) The purposes for which such Series of Bonds are being issued which shall be one or more of the following purposes: (i) the purchase of Mortgage-Backed Securities in order to finance Loans or the financing, purchasing or acquiring of Loans, (ii) the making of deposits in amounts, if any, required or authorized by the Supplemental Indenture to be paid into Funds or Accounts established in the Indenture or in the Supplemental Indenture from the proceeds of such Series of Bonds, (iii) the refunding of Bonds, (iv) to pay or defease notes or bonds or other indebtedness issued by Florida Housing to acquire, finance or purchase Loans or Mortgage-Backed Securities in exchange for Loans or Mortgage-Backed Securities with respect to which such notes, bonds or other indebtedness were issued and/or unexpended proceeds of the sale of such notes, bonds or other indebtedness and meeting any other requirements set forth in the Supplemental Indenture or (v) any other purpose as stated in the Supplemental Indenture not in conflict with the Original Indenture and permitted by the Act;



(c) The issue date or dates, the maturity date or dates and amounts of each maturity (or the method of determining the same) and, if interest is to be paid, the Interest Payment Dates and the first Interest Payment Date of the Bonds of such Series, and, if appropriate, any specification with respect to the calculation of Accrued Debt Service;

(d) The interest rate or rates (if any) or the maximum interest of the Bonds of such Series, or the manner of determining such rate or rates;

(e) The portion, if any, of the Series of Bonds that is Term Bonds that is Serial Bonds or that is otherwise designated by a specific name or term;

(f) The amount and due date of each Sinking Fund Installment, if any, or the method of determining the same, for the Bonds subject to a Sinking Fund Installment;

(g) The denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series, the forms of the Bonds and the Record Date or Dates and Redemption Record Dates for such Series of Bonds;

(h) If not already determined pursuant to the Indenture, the Paying Agents, Depositories, securities depository, if any, and the place or places for payment of the principal and Redemption Price, if any, of the Bonds of such Series;

(i) The Redemption Price or Redemption Prices, if any, and, subject to the provisions of the Original Indenture, the time or times and the terms and conditions upon which the Bonds of such Series may be redeemed prior to their maturities, including without limitation the method of selection for redemption as among maturities;

(j) The form of Bonds and the Trustee's certificate of authentication;

(k) The amounts to be deposited from the proceeds of such Series of Bonds in the Funds and Accounts created and established by the Indenture and the Supplemental Indenture;

(l) The amounts, if any, of the Bond Reserve Fund Requirement and the Mortgage Reserve Fund Requirement for such Series of Bonds;

(m) The Series Program Determinations;

(n) Whether Bonds of such Series are to be secured by credit enhancement and, if so, the form of credit enhancement to be obtained, the identity of the credit enhancement provider and the substantial form of the significant documents relating to the credit enhancement;

(o) If a collateral pledge will be made by Florida Housing in such Supplemental Indenture, the assets to be subject to such pledge;

(p) Whether Bonds of such Series are to contain any tender or put options or the like and, if so, whether and to what extent such tender or put option will be secured by a liquidity facility and any alternative liquidity facility and whether such Bonds are to be remarketed following or in connection with such tender or put;

(q) Such additional matters as may be necessary or appropriate to cause interest on the Bonds of the Series to be issued pursuant to such Supplemental Indenture to be excludable from gross income for

federal income tax purposes pursuant to Section 103(a) of the Code if it is intended that interest on the Bonds be so excludable and to prevent the issuance of such Series from adversely affecting the federal income tax treatment of any Outstanding Bonds and the interest thereon intended to be so excludable;

(r) Such provisions as shall be necessary or desirable to enable or cause Florida Housing or the original purchasers of such Series of Bonds to satisfy its or their obligations under federal or state securities laws with respect to the Bonds of such Series; and

(s) Any other provisions deemed advisable by Florida Housing and the Trustee not in conflict with the provisions of the Indenture.

### **Conditions Precedent to Authentication and Delivery of a Series of Bonds**

Except as provided in the Indenture, the Trustee shall authenticate and deliver, to or upon the order of Florida Housing, Bonds of a Series authorized to be issued pursuant to the Indenture and a Supplemental Indenture only upon delivery to the Trustee of:

(a) a copy of the Indenture and the applicable Supplemental Indenture, each certified by an Authorized Officer of Florida Housing;

(b) the written order of Florida Housing to the Trustee as to the delivery of such Bonds signed by an Authorized Officer describing such Bonds to be authenticated and delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered, and stating the purchase price of such Bonds;

(c) the amount, if any, necessary for deposit in (i) the Bond Reserve Fund so that the amount in such Fund shall at least equal the Bond Reserve Fund Requirement calculated immediately after the delivery of such Series of Bonds, (ii) the Mortgage Reserve Fund so that the amount in such Fund shall at least equal the Mortgage Reserve Fund Requirement, calculated immediately after the delivery of such Series of Bonds and (iii) the Special Reserve Fund;

(d) a Certificate of an Authorized Officer stating that, upon the issuance of such Series of Bonds, no Event of Default hereunder nor an event which with notice or lapse of time or both would become an Event of Default hereunder has occurred and is continuing;

(e) an opinion of Bond Counsel and/or Florida Housing counsel substantially to the effect that the Indenture and the Supplemental Indenture authorizing such Series of Bonds have been duly and lawfully authorized, executed and delivered by Florida Housing; that the Indenture and such Supplemental Indenture are valid and binding upon Florida Housing and enforceable in accordance with their terms, subject to State and federal laws affecting the enforcement of creditors' rights, and no other authorization for the Indenture or the Supplemental Indenture is required; that the Indenture creates the valid lien or pledge it purports to create; that the Bonds of such Series have been duly and validly authorized and issued and constitute valid and binding special obligations of Florida Housing, enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and such Supplemental Indenture and the Act, as amended to the date of such opinion, except that (i) no opinion need be expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter enacted for the relief of debtors and (ii) no opinion need be expressed as to the availability of the remedy of specific performance, mandamus, injunctive relief or any other equitable remedy;

(f) a Cash Flow Certificate taking into account the issuance of the Bonds and the Loans or Mortgage-Backed Securities reasonably expected to be financed with the proceeds of such Bonds and projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year;

(g) written verification from each Rating Agency (i) that the rating on such Series of Bonds is not lower than the Rating Quality of the Bonds Outstanding prior thereto, or (ii) to the effect that the issuance of such Series of Bonds will not, in and of itself, adversely affect the Rating Quality of any Outstanding Bonds;

(h) if such Series of Bonds is to have the benefit of a liquidity facility or be secured by credit enhancement, the executed liquidity facility or credit enhancement or evidence that all conditions precedent to the issuance of such liquidity facility of credit enhancement have been met as of the date of issuance of such Series of Bonds;

(i) a copy, duly certified by an Authorized Officer, of the Florida Housing Resolution and any amendments thereto, authorizing the issuance of the Bonds of such Series and the execution and delivery of the applicable Supplemental Indenture;

(j) a certified copy of the resolution of the State Board of Administration approving fiscal sufficiency of the Bonds; and

(k) such further documents and moneys as may be required by the provisions of the Supplemental Indenture.

#### **Conditions Precedent to Authentication and Delivery of a Series of Refunding Bonds**

The Trustee shall authenticate each Series of Refunding Bonds and deliver such Bonds to Florida Housing or upon its order only upon the receipt by the Trustee of:

(a) the documents referred to in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j) under the preceding subheading;

(b) written instructions to the Trustee to pay when due or to redeem all the Bonds to be refunded on such date or dates specified in such instructions;

(c) if the Bonds to be refunded are, upon issuance of the Refunding Bonds, to be deemed no longer Outstanding, either (i) moneys in an amount sufficient to effect payment of the maturing principal amount of or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to be the redemption date or maturity date, as the case may be, which moneys shall be held by the Trustee or any one or more of the alternate Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Government Obligations, the principal of and interest on which when due, together with the moneys, if any, deposited with the Trustee or such alternate Paying Agent or Paying Agents at such time, will be sufficient to pay when due the maturing principal amount of or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date or maturity date, as the case may be, which Government Obligations and moneys shall be held by the Trustee pursuant to the Indenture; and

(d) such further documents and moneys as may be required by the provisions of the Supplemental Indenture.

## **Purchase of Bonds; Tenders**

(a) Unless expressly provided otherwise in the Indenture, if at any time moneys are held in any Fund or Account under the Original Indenture or in a Supplemental Indenture to be used to redeem Bonds, in lieu of such redemption Florida Housing may direct the Trustee to use part or all of such moneys to purchase Bonds of the respective Series, interest rates and maturities that would otherwise be subject to redemption from such moneys. The purchase price of such Bonds shall not exceed the applicable Redemption Price of the Bonds which would be redeemed but for the operation of the Section of the Original Indenture described in this paragraph (accrued interest to be paid from the same Fund or Account from which accrued interest would be paid upon the redemption of such Bonds); provided that the purchase price may exceed the applicable Redemption Price if (i) the amount of purchase price in excess of the applicable Redemption Price is paid from moneys not held under the Indenture, or from moneys in the Special Reserve Fund not restricted as to use by a Supplemental Indenture or Florida Housing Request, or (ii) Florida Housing shall first file with the Trustee a Parity Certificate and a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Accrued Debt Service when due in each Bond Year, in the case of each such Certificate after giving effect to the proposed purchase. Any such purchase must be completed prior to the time notice would otherwise be required to be given to redeem the related Bonds. All Bonds so purchased shall be cancelled by the Trustee and applied as a credit against Florida Housing's obligation to redeem such Bonds from such moneys.

(b) Florida Housing may direct the Trustee, on behalf of Florida Housing, to request the submission of tenders following notice requesting such submission prior to making the purchases authorized pursuant to the preceding paragraph. Florida Housing may specify the maximum and minimum periods of time which shall transpire between the date upon which such notice is to be given and the date upon which such tenders are to be accepted. No tenders shall be considered or accepted at any price exceeding the price specified in the Original Indenture provision described in the preceding paragraph for the purchase of Bonds. Florida Housing shall accept bids with the lowest price and in the event the moneys available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and if there shall be tenders at an equal price above the amount of moneys available for purchase, then Florida Housing shall select randomly, or in such manner as it shall determine in its discretion, the Bonds tendered which shall be purchased.

(c) Savings resulting from the purchase of Bonds as described in this section at less than their respective redemption prices may be (i) used to purchase or redeem additional Bonds to the extent permitted by the provisions hereof and the relevant Supplemental Indenture or (ii), at the request of Florida Housing, transferred to the Revenue Fund or (iii), at the request of Florida Housing, and upon receipt of a Counsel's Opinion that such action will not adversely affect the tax-exempt status of interest on the Bonds, and upon the filing of a Cash Flow Certificate with the Trustee, withdrawn and paid to Florida Housing free and clear of the lien of the Indenture.

## **Discharge of Indenture in Entirety**

If Florida Housing pays or causes to be paid, or there is otherwise paid to the Bondholders of all Bonds the principal 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 Indenture, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of Florida Housing to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by Florida Housing to be prepared and filed with Florida Housing and, upon Florida Housing Request, shall execute and deliver to Florida Housing all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to Florida Housing all moneys

or securities held by them pursuant to the Indenture which are not required for the payment of principal or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to such payment or redemption.

### **Discharge of Indenture as to a Series of Bonds**

If Florida Housing shall pay or cause to be paid, or there shall otherwise be paid to the Bondholders of any or all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of Florida Housing to the Bondholders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

### **Defeasance of Bonds**

(a) Any Bond shall be deemed to be paid within the meaning of the Indenture and for all purposes of the Indenture and any Supplemental Indenture when payment of the principal amount of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture), either (a) shall have been made or caused to be made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Government Obligations (which may be subject to redemption prior to maturity, provided that in such case it shall be assumed that such Government Obligations are redeemed at their earliest possible redemption date) maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the earlier of: (I) proper notice of redemption for such Bonds shall have been previously given in accordance with the Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until Florida Housing shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Holders or Owners of the Bonds, in accordance with the Indenture, that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal amount or redemption price, if applicable, on said Bonds; or (II) the maturity of such Bonds.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit described in the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until Florida Housing shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (i) stating the date when the principal amount (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date;
- (ii) to call for redemption pursuant to the Indenture (and at such times as notice thereof may be given in accordance with the Indenture) any Bonds to be redeemed prior to maturity pursuant to (i) hereof; and

(iii) to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Holders of such Bonds and to the Rating Agency that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal amount or redemption price, if applicable, on said Bonds as specified in (i) above and whether or not such Bonds continue to be subject to redemption; provided that the foregoing shall in no way restrict the right of Florida Housing to reserve its right to redeem Bonds pursuant to the provisions thereof.

(b) All moneys so deposited with the Trustee as provided in the Indenture may at the direction of Florida Housing also be invested and reinvested in Government Obligations, maturing in the amounts and times described above; and all income from all Government Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Revenue Fund as and when realized and collected for such an application as are other moneys deposited in such Fund.

(c) Notwithstanding any provision of the Indenture which may be contrary, other than any excess as described in paragraph (b) above, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

(d) Anything in the Indenture to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Holder of each Bond affected thereby.

### **Defaults and Remedies**

Each of the following events constitutes an “Event of Default” under the Indenture:

(1) Florida Housing shall fail to pay any Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(2) Florida Housing shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable;

(3) Florida Housing shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture or in the Bonds, and such failure is not remedied after notice thereof pursuant to the Indenture;

(4) Florida Housing shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State, or if the State has limited or altered the rights of Florida Housing pursuant to the Act, as in force on the date of the Indenture, to fulfill the terms of any agreements made with the Holders of Bonds or in any way impaired the rights and remedies of Holders of Bonds while any Bonds are Outstanding.

Anything to the contrary notwithstanding, no default described in clause (3) above shall constitute an Event of Default until actual notice of such default by first class mail (postage prepaid) shall be given to Florida Housing by the Trustee or by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds Outstanding and Florida Housing shall have had sixty (60) days after receipt of such notice to correct said default or cause said default or caused said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by Florida Housing within the applicable period and diligently pursued until the default is corrected.

Upon the occurrence of an Event of Default, the Trustee may and, upon the written request of the Holders of at least a majority (and, in the case of a default described in paragraph (3) or (4) above, one hundred percent (100%)) in the aggregate principal amount of the Bonds Outstanding, shall give thirty (30) days' notice in writing to Florida Housing of its intention to declare all Bonds Outstanding immediately due and payable. At the end of such thirty (30)-day period the Trustee may, and upon such written request of such required number of Bondholders shall, by notice in writing to Florida Housing, declare all Bonds Outstanding immediately due and payable; then such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may, and upon the written direction of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding shall, annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Revenue Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (iii) all other amounts then payable by Florida Housing under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Bondholders to collect and enforce the payment of principal of and interest due or becoming due on Loans or Mortgage-Backed Securities and collect and enforce any rights in respect to the mortgages securing such Loans or Mortgage-Backed Securities and to require Florida Housing to carry out its duties and obligations under the terms of the Indenture, and to require Florida Housing to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds;

(iii) Civil action to require Florida Housing to account as if it were the trustee of an express trust for the Holders of Bonds;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds; and

(v) Enforcement of any other right of the Bondholders conferred by law or by the Indenture.

### **Individual Bondholder Action Restricted**

(a) No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture for any remedy under the Indenture unless:

(i) an Event of Default has occurred (A) as described in paragraphs (1) or (2) under “Defaults and Remedies” above, (B) as to which the Trustee has actual notice or (C) as to which the Trustee has been notified in writing;

(ii) the Holders or a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suite or proceeding in its own name;

(iii) such Bondholders shall have offered the Trustee indemnity as provided in the Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers granted in the Indenture or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained in the Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the Indenture on the moneys, funds and properties pledged under the Indenture for the equal and ratable benefit of all Holders of Bonds.

### **Application of Revenues and Other Moneys After Default**

(a) Florida Housing covenants that, if an Event of Default shall happen and shall not have been remedied, Florida Housing, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee (i) forthwith, all moneys and securities then held by Florida Housing in any Fund or Account under the Indenture and (ii) as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the Indenture.



(b) During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, Revenues, payments and receipts and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges of the Trustee, which may include reasonable attorney and other fees;

(ii) to the payment of the interest and Principal Installments or Redemption Price then due on the Bonds, subject to the provisions of the Indenture, as follows:

(A) Unless the principal of all of the Bonds shall have become or have been declared due and payable:

*First:* To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

*Second:* To the payment to the persons entitled thereto of the unpaid Principal Installments 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 amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

(B) If the principal of all of the Bonds shall have become or have 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

(iii) To the payment of the amounts required for reasonable and necessary Program Expenses.

### **Remedies Not Exclusive**

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

### **Remedies Vested in Trustee**

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants

any Holders of the Bonds. Subject to the provisions of the Indenture, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

### **Supplemental Indentures**

Florida Housing and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions of the Original Indenture, without the consent of, or notice to, the Bondholders for any one or more of the following purposes:

(1) To authorize Bonds of a Series and, in connection therewith, to specify and determine the matters and things referred to in the Original Indenture and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Original Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(2) To close the Original Indenture or any Supplemental Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Original Indenture or any Supplemental Indenture on, the delivery of Bonds or the issuance of other evidences of indebtedness;

(3) To add to the covenants and agreements of Florida Housing in the Original Indenture or any Supplemental Indenture other covenants and agreements to be observed by Florida Housing which are not contrary to or inconsistent with the Original Indenture or the applicable Supplemental Indenture as theretofore in effect;

(4) To add to the limitations and restrictions in the Original Indenture or any Supplemental Indenture other limitations and restrictions to be observed by Florida Housing which are not contrary to or inconsistent with the Original Indenture or the applicable Supplemental Indenture as theretofore in effect;

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture or any Supplemental Indenture, of the Revenues or of any other moneys, securities or funds;

(6) To modify any of the provisions of the Original Indenture or any Supplemental Indenture in any respect whatever, provided that (a) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding and (b) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(7) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Original Indenture or any Supplemental Indenture;

(8) To insert such provisions clarifying matters or questions arising under the Original Indenture or any Supplemental Indenture as are necessary or desirable and are not contrary to or inconsistent with the Original Indenture or the applicable Supplemental Indenture theretofore in effect;

(9) To make any change which, in the judgment of the Trustee (which with respect to matters affecting the security for the Bonds, may conclusively rely upon written evidence from each Rating Agency, that such change will not adversely affect the Rating Quality of the Bonds), is not to the material prejudice of the Bondholders;

(10) To provide a correction to any provision of the Indenture which shall be determined in a Counsel's Opinion to be necessary to avoid the exclusion of the Bonds from the treatment afforded by Section 103 of the Internal Revenue Code of 1954, as amended, and Section 143 of the Code, by reason of the classification of the Bonds as "mortgage subsidy bonds" within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended, and as "qualified mortgage bonds" within the meaning of Section 143 of the Code; provided, however, that no such correction shall impair in any material manner the rights or remedies of Bondholders or the security for the Bonds afforded by the Indenture;

(11) To provide a correction or modification to, or deletion of, any provision of the Indenture which shall be determined in a Counsel's Opinion to be necessary in order to enable Florida Housing to comply with, or to facilitate compliance by others with, federal or state securities laws or regulations; provided, however, that no such correction, modification or deletion shall impair in any material manner the rights or remedies of Bondholders or the security for the Bonds afforded by the Indenture; or

(12) To conform to the requirements of a Rating Agency, necessary to maintain Rating Quality, if a rating is then in effect for the Bonds.

### **Additional Powers of Amendment**

Any modification or amendment of the Indenture or any Supplemental Indenture and of the rights and obligations of Florida Housing and of the Bondholders, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given and (ii) 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 a majority in aggregate 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 specified like Series and maturity remain Outstanding, 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 any calculation of Outstanding Bonds under this caption. 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 the 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 any Fiduciary without its written assent thereto. For the purposes of this caption, a Series of Bonds shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Holders of such Series of Bonds. The Trustee, relying upon Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on Florida Housing and the Bondholders.

### **Modifications by Unanimous Consent**

The terms and provisions of the Indenture or any Supplemental Indenture and the rights and obligations of Florida Housing and of the Bondholders may be modified or amended in any respect upon the issuance and filing by Florida Housing of a Supplemental Indenture and the consent of the Bondholders of all Bonds then Outstanding, such consent to be given as provided in the Indenture, except that no notice of such consent to Bondholders by mailing shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

## **Covenants of Florida Housing with Respect to the 2018 Series 2 Bonds**

Florida Housing shall not permit at any time or times any moneys made available to purchase 2018 Series 2 Certificates in accordance with the Indenture or any proceeds of the 2018 Series 2 Bonds to be used, directly or indirectly, in a manner which would result in the 2018 Series 2 Bonds being classified as “arbitrage bonds” within the meaning of Section 148 of the Code or not being classified as a “qualified mortgage bond” within the meaning of Section 143 of the Code and, without limiting the generality of the foregoing, Florida Housing shall:

(a) Include restrictions in all agreements relating to the purchase of 2018 Series 2 Certificates with the moneys made available from the issuance of the 2018 Series 2 Bonds so as to permit the financing of 2018 Series 2 Loans only in compliance with the Code, and establish and maintain reasonable procedures to ensure compliance with the requirements of the Code, if applicable, with respect to qualified mortgage bonds. Any failure to meet such requirements shall be corrected by Florida Housing within a reasonable period after failure is discovered;

(b) Establish such other separate accounts within the Funds established pursuant to the Indenture as are necessary to adequately trace the direct and indirect proceeds and investment proceeds of the 2018 Series 2 Bonds, including the moneys made available for the purchase of 2018 Series 2 Certificates in accordance with the Indenture and in accordance with the requirements of the Code;

(c) Specifically require that no mortgagor (nor any related person, as defined in Section 144(a)(3) of the Code) shall purchase 2018 Series 2 Bonds pursuant to any agreement, formal or informal, in an amount related to the amount of such mortgagor’s 2018 Series 2 Loan to be acquired, or to be financed by a 2018 Series 2 Certificate to be acquired, under the Program by Florida Housing;

(d) Continuously monitor the nonmortgage investments made directly or indirectly with the proceeds of the 2018 Series 2 Bonds and take immediate and appropriate action to reduce the amount invested in nonmortgage investments with a yield materially higher than the yield on the 2018 Series 2 Bonds as may be required by the Code and agree to make such rebate payments as may be required by the Code;

(e) Take such other action as may be necessary or desirable to maintain the exclusion of interest on the 2018 Series 2 Bonds from gross income for federal income tax purposes in accordance with Section 103(a) of the Code; and

(f) (1) Comply with the provisions of the Non-Arbitrage Certificate (and any exhibits and memoranda thereto) that is to be delivered in connection with the 2018 Series 2 Bonds on the date of issuance thereof, except to the extent provided in an opinion of Kutak Rock LLP (or other nationally recognized bond counsel) to the effect that such action (or inaction) will not cause interest on the 2018 Series 2 Bonds to be included in gross income for federal income tax purposes; and (2) not amend any provision of the Indenture related to federal tax law, unless it shall obtain, in addition to any other requirements of the Indenture, an opinion of Kutak Rock LLP (or other nationally recognized bond counsel) to the effect that such amendment will not cause interest on the 2018 Series 2 Bonds to be included in gross income for federal income tax purposes.

## **Covenants of Florida Housing Applicable to all Bonds**

Florida Housing shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage-Backed Securities, Loans and the Program agreements, including the prompt payment of all payments and all other amounts

due Florida Housing thereunder. Florida Housing shall not, without good cause, release the obligations of any mortgagor under any Loan, any issuer under any Mortgage-Backed Security or any Lender under any Program agreement, except as expressly provided therein and in the Indenture, and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of Florida Housing and of the Bondholders under or with respect to each Mortgage-Backed Security and Loan and the Program agreements, provided that this provision shall not be construed to prevent Florida Housing from (i) settling a default thereof on any Loan or Mortgage-Backed Security on such terms as Florida Housing shall determine to be in the best interests of Florida Housing and the Bondholders or (ii) releasing any mortgagor from, or waiving, any of such mortgagor's obligations under the respective Loan to the extent necessary to preserve the tax-exempt status of the Bonds or as otherwise authorized in a Supplemental Indenture.

### **Rights of Parity Bond Insurers**

Several of the Series of Prior Bonds are the subject of respective municipal bond insurance policies. The insurers who issued such policies have been given certain rights, including that each such insurer will be deemed, under the Original Indenture, to be the sole holder of the Prior Bonds it has insured for the purpose of exercising any voting right or privilege, giving consent or direction, or taking any other action that Bondholders are entitled to take pursuant to the Original Indenture.

### **Payments**

In any case where the Bond Payment Date or the date fixed for redemption of any Bonds shall be a day that is not a Business Day, then payment of interest on or Principal Installments or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

### **Applicable Law**

The Indenture shall be governed exclusively by the applicable laws of the State.

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## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

*The information in this caption concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and neither Florida Housing nor the Underwriters makes any representation or warranty or take any responsibility for the accuracy or completeness of such information.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2018 Series 2 Bonds (the "Securities"). The Securities 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 Securities and will be deposited with DTC.

DTC, the world's largest securities 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](http://www.dtcc.com).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 confirmation 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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

Redemption notices shall be sent to DTC. If less than all of the Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Florida Housing 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 the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities 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 detailed information from Florida Housing 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, DTC's nominee, the Trustee, or Florida Housing, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Florida Housing 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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Tender Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Florida Housing or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.



Portions of the foregoing information regarding the book-entry only system have been provided by DTC. Accordingly, Florida Housing is not making any representation concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. There can be no assurance that DTC or the DTC Participants will abide by the procedures described herein or that such procedures will not be changed from time to time. In the event a successor securities depository is designated, it may establish different procedures.

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## APPENDIX D

### GNMA, FANNIE MAE AND FREDDIE MAC PROGRAMS

#### GNMA and the GNMA Certificates

The summary and explanation of the Government National Mortgage Association (“GNMA” or “Ginnie Mae”), GNMA’s mortgage-backed securities program and the other documents referred to herein do not purport to be complete. Reference is made to the *Ginnie Mae Mortgage-Backed Securities Guide* (HUD Handbook 5500.3) (the “GNMA Guide”) and to said documents for full and complete statements of their provisions. At the time of printing this Official Statement, the GNMA Guide can be accessed at <http://www.ginniemae.gov/guide/guidtoc.asp>, and general information regarding GNMA can be accessed at <http://www.ginniemae.gov>. Florida Housing makes no representations regarding the content or accuracy of the information provided at either of such websites, and such websites are not part of this Official Statement. Further, the procedures and fees described below and in the GNMA Guide are those currently in effect and are subject to change at any time by GNMA.

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. GNMA’s powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 *et seq.*).

GNMA is authorized by Section 306(g) of Title III of the National Housing Act, as amended, to guarantee the timely payment of the principal of and interest on certificates (“GNMA Certificates”) that represent an undivided ownership interest in a pool of mortgage loans that are: (i) insured by the Federal Housing Administration (“FHA”) under the National Housing Act of 1934, as amended; (ii) guaranteed by the Department of Veterans Affairs under the Servicemen’s Readjustment Act of 1944, as amended; (iii) guaranteed by the Rural Housing Service (“RHS”) of the USDA/RD pursuant to Section 502 of Title V of the Housing Act of 1949, as amended; or (iv) guaranteed by the Secretary of Housing and Urban Development (“HUD”) under Section 184 of the Housing and Community Development Act of 1992, as amended and administered by the Office of Public and Indian Housing (“PIH”). The GNMA Certificates are issued by approved servicers and not by GNMA. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates. 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 December 9, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed certificates of the type being delivered to the Trustee on behalf of Florida Housing (“GNMA Guaranty Agreements”) are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.” In order to meet its obligations under such guaranties, GNMA, in its corporate capacity under Section 306(d) 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 guaranties of the timely payment of the principal of or interest on all GNMA Certificates. The Treasury is authorized to purchase any obligations 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 GNMA’s guaranties. Under the terms of its guaranties, GNMA warrants that, in the event it is called upon at any time to make payment on its guaranties, 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.

GNMA administers two guarantee programs the “Ginnie Mae I MBS Program” and the “Ginnie Mae II MBS Program.” The Ginnie Mae I MBS Program is based on single-issuer pools in which the underlying mortgage loans generally have the same or similar maturities and bear the same interest rate. Ginnie Mae I payments are made to holders on the 15th day of each month. The Ginnie Mae II MBS Program permits multiple-issuer as well as single-issuer pools. Loans with different interest rates, within a one percent (1%) range, may be included in the same pool or loan package under the Ginnie Mae II MBS Program. Ginnie Mae II MBS payments are made to holders on the 20<sup>th</sup> day of each month.

To issue GNMA Certificates, the Servicer must apply for and receive from GNMA a Commitment to Guarantee Mortgage-Backed Securities (“GNMA Commitment”). A GNMA Commitment authorizes the Servicer to issue GNMA Certificates up to a stated amount during a one year period following the date thereof. The Servicer is obligated to pay GNMA commitment fees and guaranty fees.

Each GNMA Certificate is to be backed by a mortgage pool consisting of mortgage loans in a minimum aggregate amount of \$1,000,000 (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 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, then 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 Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the mortgage loans received by the Servicer in the previous month. Each GNMA II Certificate will require the Servicer to pass through to the central paying and transfer 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 Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the mortgage loans received by the 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, upon execution of the GNMA Guaranty Agreement (defined below), issuance of a GNMA Certificate by the Master Servicer and subsequent sale of such GNMA Certificate to the Trustee, will have guaranteed to the Trustee as holder of such GNMA Certificate the timely payment of principal of and interest on such GNMA Certificate.

Under contractual arrangements to be made between the Servicer and GNMA, and pursuant to the GNMA Guaranty Agreement, the Servicer is responsible for servicing the mortgage loans constituting GNMA Pools in accordance with FHA, RD or VA regulations, as applicable, and GNMA regulations.

The monthly remuneration of the Servicer for its servicing functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Certificates outstanding. In compliance with GNMA regulations and policies, the total of these servicing and guaranty fees equals 0.50% per annum calculated on the principal balance of each mortgage loan outstanding on the last day of the month preceding such calculation. The Pass-Through Rate is determined by deducting from the Mortgage Rate the 0.50% servicing and guaranty fees because the servicing and guaranty fees are deducted from payments on the mortgage loans before payments are passed through to the Trustee.

It is expected that interest and principal payments on the mortgage loans received by the Servicer will be the source of money for payments on the GNMA Certificates. If such payments are less than the

amount then due, the Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments on the GNMA Certificates. GNMA guarantees such timely payment in the event of the failure of the Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors). If such payments are not received as scheduled the Trustee has recourse directly to GNMA.

The 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 in accordance with the GNMA Mortgage-Backed Securities Guide (the “GNMA Guide”).

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 Servicer, including (i) a request to GNMA to make a payment of principal of or interest on a GNMA Certificate when the mortgagor is not in default under the mortgage note, (ii) insolvency of the Servicer, or (iii) default by the Servicer under any other guaranty agreement with GNMA, GNMA shall have the right, by letter to the Servicer, to effect and complete the extinguishment of the Servicer’s interest in the related mortgage loans, and the related mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Certificates. In such event, all power and authority of the Servicer with respect to the servicing of such GNMA Pools, including the right to collect the servicing fee, also will terminate and expire. The authority and power of the Servicer under the terms of the GNMA Guide will be required to pass to and be vested in GNMA, and GNMA will be the successor in all respects to the Servicer in its capacity as servicer, and will be subject to all duties placed on the Servicer by the GNMA Guide. 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.

#### Fannie Mae and the Fannie Mae Certificates

The summary and explanation of the Federal National Mortgage Association (“FNMA” or “Fannie Mae”), Fannie Mae’s mortgage-backed securities program and the other documents referred to herein do not purport to be complete. Reference is made to said documents for full and complete statements of their provisions. Said documents and the MBS Program are subject to change at any time by Fannie Mae. At the time of printing this Official Statement, general information regarding Fannie Mae can be accessed at <http://www.fanniemae.com>. Florida Housing makes no representations regarding the content or accuracy of the information provided at such website, and such website is not part of this Official Statement.

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. Fannie Mae became a stockholder-owned and privately managed corporation in 1968. As discussed above, Fannie Mae is subject to the supervision and regulation of the FHFA to the extent provided in the HERA. The Secretary of HUD also 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. Fannie Mae operates a mortgage-backed securities program pursuant to which Fannie Mae issues securities 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 of America.*

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides published by Fannie Mae (the “Fannie Mae Guides”), as modified by the Pool Purchase Contract, and in the case of mortgage loans such as the 2018 Series 2 Loans, a Trust Indenture dated as of November 1, 1981, as amended (the “Trust Indenture”), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in the MBS Prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”). The Fannie Mae Prospectus is updated and supplemented from time to time.

Copies of the Fannie Mae Prospectus and Fannie Mae’s most recent annual and quarterly reports and proxy statements are available without charge from the Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016. At the time of printing this Official Statement, these documents can be accessed at:

[http://www.fanniemae.com/markets/mbssecurities/prospectuses/pro\\_role.jhtml](http://www.fanniemae.com/markets/mbssecurities/prospectuses/pro_role.jhtml).

However, information on the Fannie Mae’s website is not part of this Official Statement.

The summary of the MBS Program set forth under this caption does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides, the Fannie Mae Certificates, the Fannie Mae Prospectus and the other documents referred to herein.

Each Fannie Mae Certificate represents the entire interest in a specified pool of conventional mortgage loans purchased by Fannie Mae and identified in records maintained by Fannie Mae. The Pool Purchase Contract will require that each Fannie Mae Certificate be in a minimum amount of \$500,000. Each Fannie Mae Certificate will bear interest at the pass-through rate specified thereon.

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 principal balance of any foreclosed or other finally liquidated mortgage loans, 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 the Fannie Mae Certificates, would consist solely of payments and other recoveries on the underlying conventional mortgage loans, and accordingly, monthly distributions to the Trustee, as the holder of the Fannie Mae Certificates, and payments on the Bonds could be adversely affected by delinquent payments and defaults on such conventional mortgage loans. 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 to assist Fannie Mae in any manner, subject, however, to the recent actions discussed in the Statement (as defined above under the caption “Treasury and Federal Housing Finance Agency Action Regarding Fannie Mae and Freddie Mac”).

Payments on a Fannie Mae Certificate will be made to the Trustee 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 (l) the principal due on the mortgage loans in the related pool underlying such Fannie Mae Certificate during the period

beginning on the second day of the month before the month of such distribution and ending on the first day of such month of distribution, (2) 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 any mortgage loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the mortgage loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest or because of Fannie Mae's election to repurchase such mortgage loan under certain other circumstances as permitted by the Trust Indenture), (3) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution, and (4) 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, on 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 before the month of distribution but is under no obligation to do so.

#### Freddie Mac and the Freddie Mac Certificates

The following summary of the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), the Freddie Mac Guarantor Program, the Freddie Mac Certificates and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements and any other documents made available by Freddie Mac. Copies of these documents can be obtained by writing, calling or e-mailing Freddie Mac's Investor inquiry Department at 8200 Jones Branch Drive, McLean, Virginia 22102 (800-336-FMPC; e-mail: [Investor\\_Inquiry@freddiemac.com](mailto:Investor_Inquiry@freddiemac.com)). Florida Housing does not and will not participate in the preparation of Freddie Mac's Mortgage Participation Certificates Offering Circular, Information Statement or Supplements. At the time of printing this Official Statement, general information regarding Freddie Mac can be accessed at <http://www.freddiemac.com>. Florida Housing makes no representations regarding the content or accuracy of the information provided at such website, and such website is not part of this Official Statement.

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act (Title III of the Emergency Home Finance Act of 1970, as amended (12 U.S.C. §§ 1451-1459) (the "Freddie Mac Act"). As discussed above, Freddie Mac is subject to the supervision and regulation of the FHFA to the extent provided in the HERA.

Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families) and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

*The obligations of Freddie Mac, including its obligations under the Freddie Mac Certificates, are obligations solely of Freddie Mac and are not backed by, or entitled to, the full faith and credit of the United States of America.*

Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to assist Freddie Mac in any manner, subject, however, to the recent actions discussed in the Statement (as defined above under the caption “Treasury and Federal Housing Finance Agency Action Regarding Fannie Mae and Freddie Mac”).

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac Certificate representing an undivided interest in a pool consisting of the same mortgages (the “Guarantor Program”). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Certificates will be mortgage pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. Freddie Mac Certificates are issued only in book-entry form through the Federal Reserve Banks’ book-entry system. Each Freddie Mac Certificate represents an undivided interest in a pool of mortgages. Payments by borrowers on the mortgages in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Certificates representing interests in that pool. The minimum original principal balance for a pool of mortgages is generally \$1,000,000. All of the mortgages are either conventional mortgages or mortgages guaranteed or insured by FHA, the Department of Veterans Affairs or the Rural Housing Service. Conventional mortgages are pooled separately from mortgages guaranteed or insured by FHA, the Department of Veterans Affairs or the Rural Housing Service.

Freddie Mac issues two types of Freddie Mac Certificates – Gold PCs and ARM PCs. Gold PCs are backed by fixed-rate, level payment, fully amortizing mortgages or balloon/reset mortgages. ARM PCs are backed by adjustable rate mortgages.

Payments on Freddie Mac Certificates begin on or about the fifteenth day of the first month following issuance for a Gold PC and on or about the 15<sup>th</sup> day of the second month after issuance for an ARM PC. Each month, Freddie Mac passes through to record holders of Freddie Mac Certificates their proportionate share of principal payments on the mortgages in the related pool and one month’s interest at the applicable pass-through rate. The pass-through rate for a Freddie Mac Certificate is determined by subtracting from the lowest interest rate on any of the mortgages in the pool the applicable servicing fee and Freddie Mac’s management and guarantee fee, if any. The interest rates on the mortgages in a pool formed under Freddie Mac’s Guarantor Program must fall within a range from the pass-through rate on the Freddie Mac Certificate plus the minimum required servicing fee through the pass-through rate plus any additional amount determined by Freddie Mac.

Freddie Mac guarantees to each holder of a Freddie Mac Certificate, on each monthly payment date, its proportionate share of scheduled principal payments on the related mortgages, and interest at the applicable pass-through rate, in each case whether or not received. The full and final payment on each Freddie Mac Certificate will be made no later than the payment date that occurs in the month in which the last monthly payment on the Freddie Mac Certificate is scheduled to be made.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Certificates are obligations of Freddie Mac only. The Freddie Mac Certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Certificates would consist solely of payment and other recoveries on the related mortgage; accordingly, delinquencies and defaults on the mortgages would affect



distributions on the Freddie Mac Certificates and could adversely affect payments on the Bond of such Series. 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 to assist Fannie Mae in any manner, subject, however, to the recent actions discussed in the Statement (as defined above under the caption "Treasury and Federal Housing Finance Agency Action Regarding Fannie Mae and Freddie Mac").

All mortgages purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage and the credit worthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgages, the loan-to-value ratio and age of the mortgages, the type of property securing the mortgages and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgages it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgages in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac administration of escrow accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage and when to initiate such measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. Freddie Mac generally repurchases from a pool any mortgage that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders.

### **Treasury and Federal Housing Finance Agency Action Regarding Fannie Mae and Freddie Mac**

The Housing and Economic Recovery Act of 2008 ("HERA") establishes the Federal Housing Finance Agency ("FHFA"), an independent agency of the federal government, as the new supervisory and general regulatory authority for Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac are subject to the supervision and regulation of FHFA to the extent provided in HERA, and the Director of FHFA has general regulatory authority over Fannie Mae and Freddie Mac to ensure that the purposes of HERA, the authorizing statutes and any other applicable laws are carried out.

On September 7, 2008, the U.S. Treasury released a statement (the "Statement") by the Secretary of the United States Treasury (the "Treasury") entitled "Treasury and Federal Housing Finance Agency Action to Protect Financial Markets and Taxpayers." According to the Statement, Fannie Mae and Freddie Mac were both placed into conservatorship by the FHFA, and certain other actions were taken by the Treasury and FHFA. Florida Housing cannot predict the long term consequences of the conservatorship of these entities and the corresponding impact on the participants and the Program. For the full text of the Statement and related documents, see [www.treas.gov](http://www.treas.gov). The Statement, as it existed on the Treasury website on September 7, 2008, is incorporated into this Official Statement by reference, but Florida Housing assumes no responsibility for maintaining the Statement, or for any other content on the website and assumes no responsibility for the accuracy of statements made therein.

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**APPENDIX E**  
**INVESTMENTS OF FUNDS AND ACCOUNTS**  
**(As of September 30, 2018)\***

Series	Provider	Interest Rate
<u>2009 Series 2</u>		
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
<u>2011 Refunding Series 1-3</u>		
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
HAP Loan Loss	Fidelity Treasury Money Market	N/A
<u>2015 Series 1</u>		
Cap-I	State Treasury Fund	N/A <sup>1</sup>
Program Account	State Treasury Fund	N/A <sup>1</sup>
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
<u>2016 Series 1</u>		
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
<u>2016 Series 2</u>		
Cap-I	State Treasury Fund	N/A <sup>1</sup>
Program Account	State Treasury Fund	N/A <sup>1</sup>
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
<u>2017 Series 1</u>		
Cost of Issuance Account	Fidelity Treasury Money Market	N/A
Cap-I	State Treasury Fund	N/A <sup>1</sup>
Loan Sub Account	State Treasury Fund	N/A <sup>1</sup>
Loan Sub Account (2017-1; 2016-2)	State Treasury Fund	N/A <sup>1</sup>
DPA Loan Sub Account	State Treasury Fund	N/A <sup>1</sup>
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>
<u>2018 Series 1</u>		
Cost of Issuance Account	Fidelity Treasury Money Market	N/A
Cap-I	State Treasury Fund	N/A <sup>1</sup>
Loan Sub Account	State Treasury Fund	N/A <sup>1</sup>
Float Funds <sup>2</sup>	State Treasury Fund	N/A <sup>1</sup>

<sup>1</sup> Funds were invested with the Florida Division of Treasury's Special Purpose Investment Account (the "State Treasury Fund") as described in "INVESTMENT OF CERTAIN FUNDS" in the Official Statements of Florida Housing for its Homeowner Mortgage Revenue Bonds.

<sup>2</sup> Float Funds comprise amounts in the Revenue Fund and Redemption Fund.

\*Florida Housing has the right to transfer, at any time, any of the funds and accounts currently invested in money market funds to the State Treasury Fund.

Source: Florida Housing Finance Corporation

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**APPENDIX F**

**OUTSTANDING BONDS  
(As of September 30, 2018)**

<u>Series</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>
2009 Series 2	10/01/09	\$100,000,000	\$ 23,850,000
2011 Series 1-3	3/31/11	85,210,000	6,060,000
2015 Series 1	12/2/15	55,000,000	43,295,000
2016 Series 1	3/31/16	59,460,000	41,196,472
2016 Series 2	6/16/16	75,000,000	71,400,000
2017 Series 1	12/22/17	200,000,000	197,210,000
2018 Series 1	8/22/2018	<u>125,000,000</u>	<u>125,000,000</u>
TOTAL		\$699,670,000	\$508,011,472

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Source: Bank of New York Mellon Trust Company, N.A. (Trustee for the Bonds)

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**APPENDIX G**

**EXISTING MORTGAGE-BACKED SECURITIES AND LOANS  
(As of September 30, 2018)\***

Series	Mortgage Rate	Original Principal Amount	Outstanding Principal Amount
1996 1-2 (Loans) <sup>1</sup>	4.38%	\$75,150	\$59,431
1996 1-2 (Loans) <sup>1</sup>	6.32	529,313	21,493
1996 1-2 (Loans) <sup>1</sup>	7.03	8,530,066	889,775
1996 3 (Loans) <sup>1</sup>	3.63	146,148	113,344
1996 3 (Loans) <sup>1</sup>	4.38	72,420	61,202
1996 3 (Loans)1	6.85	11,746,869	1,644,547
1998 1-4 (Loans) <sup>1</sup>	3.00	969,250	215,410
1998 1-4 (Loans) <sup>1</sup>	3.38	116,777	98,500
1998 1-4 (Loans) <sup>1</sup>	4.13	75,400	70,227
1998 1-4 (Loans) <sup>1</sup>	4.38	66,239	65,471
1998 1-4 (Loans) <sup>1</sup>	4.50	68,935	44,502
1998 1-4 (Loans) <sup>1</sup>	4.75	44,625	37,745
1998 1-4 (Loans) <sup>1</sup>	5.75	14,742,460	2,424,654
1998 1-4 (Loans) <sup>1</sup>	6.13	471,545	260,137
1998 1-4 (Loans) <sup>1</sup>	6.20	22,219,717	3,195,507
1998 1-4 (Loans) <sup>1</sup>	7.10	314,700	79,039
1999 1-3 (Loans) <sup>1</sup>	3.00	6,063,691	1,626,078
1999 1-3 (Loans) <sup>1</sup>	3.13	58,600	43,544
1999 1-3 (Loans) <sup>1</sup>	3.88	92,237	86,266
1999 1-3 (Loans) <sup>1</sup>	4.00	72,750	81,649
1999 1-3 (Loans) <sup>1</sup>	4.13	138,564	131,296
1999 1-3 (Loans) <sup>1</sup>	4.38	228,770	247,015
1999 1-3 (Loans) <sup>1</sup>	5.75	30,210,402	4,684,338
1999 1-3 (Loans) <sup>1</sup>	6.13	5,605,754	1,032,269
1999 1-3 (Loans) <sup>1</sup>	6.95	272,544	16,020
1999 1-3 (Loans) <sup>1</sup>	7.10	2,252,414	592,453
1999 1-3 (Transferred Mortgage-Backed Securities)	8.90	10,168,135	23,173
1999 6-9 (Loans) <sup>1</sup>	3.00	2,678,054	794,147
1999 6-9 (Loans) <sup>1</sup>	3.63	51,892	52,026
1999 6-9 (Loans) <sup>1</sup>	3.88	66,800	56,678
1999 6-9 (Loans) <sup>1</sup>	4.25	74,579	128,900
1999 6-9 (Loans) <sup>1</sup>	4.38	58,811	62,768
1999 6-9 (Loans) <sup>1</sup>	4.50	2,698,645	565,409

Series	Mortgage Rate	Original Principal Amount	Outstanding Principal Amount
1999 6-9 (Loans) <sup>1</sup>	4.63	154,985	118,502
1999 6-9 (Loans) <sup>1</sup>	4.75	77,300	47,268
1999 6-9 (Loans) <sup>1</sup>	4.88	52,859	38,127
1999 6-9 (Loans) <sup>1</sup>	6.95	10,846,148	1,956,365
1999 6-9 (Loans) <sup>1</sup>	7.10	8,224,287	1,421,976
2000 1-3 (Transferred Mortgage-Backed Securities)	8.60	54,159,400	68,605
2000 3-6 (Loans) <sup>1</sup>	3.00	2,380,488	793,201
2000 3-6 (Loans) <sup>1</sup>	3.88	82,719	63,935
2000 3-6 (Loans) <sup>1</sup>	4.00	140,373	68,848
2000 3-6 (Loans) <sup>1</sup>	4.13	58,550	59,496
2000 3-6 (Loans) <sup>1</sup>	4.38	252,833	263,281
2000 3-6 (Loans) <sup>1</sup>	4.50	3,269,110	817,631
2000 3-6 (Loans) <sup>1</sup>	4.63	129,563	92,945
2000 3-6 (Loans) <sup>1</sup>	6.90	2,187,723	429,509
2000 3-6 (Loans) <sup>1</sup>	7.25	18,600,110	3,180,835
2000 1, 2 & 7 (Transferred Mortgage-Backed Securities)	8.60	41,480,006	93,626
2000 10-12 (Loans) <sup>1</sup>	3.00	1,694,159	514,567
2000 10-12 (Loans) <sup>1</sup>	3.88	378,038	286,582
2000 10-12 (Loans) <sup>1</sup>	4.00	75,027	68,608
2000 10-12 (Loans) <sup>1</sup>	4.13	126,306	94,956
2000 10-12 (Loans) <sup>1</sup>	4.38	570,432	448,524
2000 10-12 (Loans) <sup>1</sup>	4.50	5,243,217	1,523,245
2000 10-12 (Loans) <sup>1</sup>	4.63	144,022	128,795
2000 10-12 (Loans) <sup>1</sup>	4.75	138,203	97,527
2000 10-12 (Loans) <sup>1</sup>	6.49	7,160,480	1,145,201
2000 10-12 (Loans) <sup>1</sup>	6.78	80,489	81,486
2000 10-12 (Loans) <sup>1</sup>	6.90	17,664,468	3,857,370
2000 10-12 (Loans) <sup>1</sup>	7.05	5,625,483	1,088,518
2001 (Loans) <sup>1</sup>	3.75	68,041	72,942
2001 (Loans) <sup>1</sup>	4.25	64,401	52,625
2001 (Loans) <sup>1</sup>	4.38	75,262	70,351
2001 (Loans) <sup>1</sup>	4.95	8,169,802	2,797,051
2006 1 (Mortgage-Backed Securities)	4.60	2,641,426	359,687
2006 1 (Mortgage-Backed Securities)	5.19	7,056,821	1,438,397
2006 1 (Mortgage-Backed Securities)	5.34	6,599,387	1,181,789
2006 1 (Mortgage-Backed Securities)	5.75	67,716	44,548
2006 1 (Mortgage-Backed Securities)	5.85	838,270	44,906
2009 2 (Mortgage Backed Securities)	5.25	3,491,674	1,374,991
2009 2 (Mortgage Backed Securities)	5.50	343,746	89,712
2009 2 (Mortgage Backed Securities)	5.75	69,700,121	19,304,041



Series	Mortgage Rate	Original Principal Amount	Outstanding Principal Amount
2009 2 (Mortgage Backed Securities)	6.00	8,659,892	2,562,357
2009 2 (Mortgage Backed Securities)	6.50	13,559,542	3,283,371
2015 1 (Mortgage Backed Securities)	4.25	1,101,905	1,040,177
2015 1 (Mortgage Backed Securities)	4.50	6,088,189	5,070,218
2015 1 (Mortgage Backed Securities)	4.63	159,013	147,718
2015 1 (Mortgage Backed Securities)	4.75	40,170,188	32,552,492
2016 1 (Mortgage Backed Securities)	4.60	105,712	79,552
2016 1 (Mortgage Backed Securities)	4.99	1,741,613	1,105,894
2016 1 (Mortgage Backed Securities)	5.10	4,154,581	2,875,970
2016 1 (Mortgage Backed Securities)	5.25	6,145,176	3,176,879
2016 1 (Mortgage Backed Securities)	5.49	129,000	100,528
2016 1 (Mortgage Backed Securities)	5.50	9,638,390	5,729,529
2016 1 (Mortgage Backed Securities)	5.69	10,432,551	5,943,605
2016 1 (Mortgage Backed Securities)	5.72	11,197,114	6,375,393
2016 1 (Mortgage Backed Securities)	5.75	9,504,049	6,050,357
2016 1 (Mortgage Backed Securities)	5.95	247,053	112,135
2016 1 (Mortgage Backed Securities)	5.97	7,539,315	4,782,529
2016 1 (Mortgage Backed Securities)	6.10	6,266,850	4,146,550
2016 2 (Mortgage Backed Securities)	4.00	302,280	294,856
2016 2 (Mortgage Backed Securities)	4.25	8,128,714	7,269,371
2016 2 (Mortgage Backed Securities)	4.38	127,747	121,231
2016 2 (Mortgage Backed Securities)	4.50	8,652,255	8,143,474
2016 2 (Mortgage Backed Securities)	4.63	74,450	70,841
2016 2 (Mortgage Backed Securities)	4.75	57,909,336	56,879,740
2016 2 (Mortgage Backed Securities)	4.88	150,948	146,682
2016 2 (Mortgage Backed Securities)	5.00	173,992	170,763
2017 1 (Transferred Mortgage Backed Securities)	3.94	128,846	127,972
2017 1 (Transferred Mortgage Backed Securities)	4.00	91,250	105,386
2017 1 (Mortgage Backed Securities)	4.50	1,955,971	1,607,147
2017 1 (Mortgage Backed Securities)	4.75	94,183,935	81,319,395
2017 1 (Mortgage Backed Securities)	4.88	0	466,828
2017 1 (Mortgage Backed Securities)	5.00	32,758,109	32,508,856
2017 1 (Mortgage Backed Securities)	5.25	50,233,427	50,010,261
2017 1 (Transferred Mortgage Backed Securities)	5.43	680,847	520,399
2017 1 (Transferred Mortgage Backed Securities)	5.55	150,829	118,739
2017 1 (Transferred Mortgage Backed Securities)	5.60	372,160	182,943
2017 1 (Transferred Mortgage Backed Securities)	5.68	2,218,329	1,512,759
2017 1 (Transferred Mortgage Backed Securities)	5.70	1,261,259	850,217
2017 1 (Transferred Mortgage Backed Securities)	5.85	699,759	410,603
2017 1 (Transferred Mortgage Backed Securities)	5.93	5,073,529	3,712,614

Series	Mortgage Rate	Original Principal Amount	Outstanding Principal Amount
2017 1 (Transferred Mortgage Backed Securities)	5.95	3,111,544	2,060,095
2017 1 (Transferred Mortgage Backed Securities)	5.99	3,744,005	2,660,232
2017 1 (Transferred Mortgage Backed Securities)	6.00	97,100	92,756
2017 1 (Transferred Mortgage Backed Securities)	6.03	1,021,700	773,839
2017 1 (Transferred Mortgage Backed Securities)	6.05	672,743	425,254
2017 1 (Transferred Mortgage Backed Securities)	6.10	4,195,146	3,135,457
2017 1 (Transferred Mortgage Backed Securities)	6.20	10,216,267	7,262,025
2017 1 (Transferred Mortgage Backed Securities)	6.30	1,218,360	830,788
2017 1 (Transferred Mortgage Backed Securities)	6.45	2,611,328	1,951,203
2017 1 (Transferred Mortgage Backed Securities)	6.49	1,090,914	877,952
2017 1 (Transferred Mortgage Backed Securities)	6.55	1,450,312	1,112,420
2017 1 (Transferred Mortgage Backed Securities)	6.59	805,800	568,309
2017 1 (Transferred Mortgage Backed Securities)	6.61	216,325	179,282
2017 1 (Transferred Mortgage Backed Securities)	6.65	852,367	558,116
2017 1 (Transferred Mortgage Backed Securities)	6.76	1,429,059	1,053,604
2017 1 (Transferred Mortgage Backed Securities)	6.99	719,060	487,414
2017 1 (Transferred Mortgage Backed Securities)	7.09	<u>\$165,800</u>	<u>\$153,512</u>
TOTAL:		\$836,881,636	\$421,054,171

\*Does not include approximately \$9,279,828 principal amount of DPA Loans financed with the proceeds of the Prior Bonds. As of September 30, 2018, proceeds of Bonds remain unreserved for the purchase of Loans or Mortgage-Backed Securities in the amount of \$127,553,592.

<sup>1</sup>The Bonds from the following transactions were refunded into 2011 Refunding Series 1-3 on March 31, 2011: 1996 Series 1 & 2, 1996 Series 3, 1998 Series 1-3, 1999 Series 1-3, 1999 Series 6-8/2000 Series 1-2, 2000 Series 3-5 & 7, 2000 Series 10-12, and 2001.

Source: U.S. Bank National Association (Master Servicer)

**APPENDIX H**

**PRIMARY MORTGAGE INSURANCE  
(As of September 30, 2018)**

Note: The insurance statistics disclosed below cover only whole Loans held under the Indenture and do not cover loans underlying Mortgage-Backed Securities.

Issue	Insurance Provider	Outstanding Principal Balance as of 9/30/2018	Number of Loans as of 9/30/2018
<u>1996 1 &amp; 2</u>			
Conventional	Radian	\$165,513	6
FHA		291,671	7
VA		270,045	8
Uninsured		<u>243,470</u>	<u>10</u>
TOTAL		\$970,699	31
<u>1996 3</u>			
Conventional	Radian	\$ 631,587	22
FHA		443,349	14
VA		381,222	9
Uninsured		<u>362,935</u>	<u>15</u>
TOTAL		\$1,819,093	60
<u>1998 1, 2, 3, 4</u>			
Conventional	Radian	\$2,877,106	89
FHA		1,572,465	41
VA		500,345	13
RHS		309,717	10
Uninsured		<u>1,231,559</u>	<u>42</u>
TOTAL		\$6,491,192	195
<u>1999 1, 2, 3</u>			
Conventional	Radian	\$ 789,958	23
FHA		2,207,751	52
VA		918,191	20
RHS		1,256,366	39
Uninsured		<u>3,368,662</u>	<u>102</u>
TOTAL		\$8,540,928	236
<u>1999 6, 7, 8, 9</u>			
FHA		\$3,479,769	86
VA		397,901	7
RHS		329,915	7
Uninsured		<u>1,034,581</u>	<u>31</u>
TOTAL		\$5,242,166	131
<u>2000 3, 4, 5, 6</u>			
FHA		\$4,154,149	102
VA		169,581	3
RHS		402,126	9

Issue	Insurance Provider	Outstanding Principal Balance as of 9/30/2018	Number of Loans as of 9/30/2018
<u>2000 3, 4, 5, 6</u>			
	Uninsured	\$1,043,825	<u>33</u>
	TOTAL	\$5,769,681	147
<u>2000 10, 11, 12</u>			
	FHA	\$7,623,178	169
	VA	186,041	5
	RHS	396,736	11
	Uninsured	<u>1,129,424</u>	<u>32</u>
	TOTAL	\$9,335,379	217
<u>2001</u>			
	FHA	\$2,450,148	60
	VA	49,902	1
	RHS	43,919	1
	Uninsured	<u>449,000</u>	<u>12</u>
	TOTAL	<u>\$2,992,969</u>	<u>74</u>
	Grand Total	\$41,162,107	1,091

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Source: U.S. Bank National Association (Master Servicer)

## APPENDIX I

### FLORIDA HOUSING'S SECOND MORTGAGE LOAN PROGRAMS

Florida Assist Down Payment Loans. Florida Housing may lend, in connection with a Program first mortgage, on a first-come, first-served basis, an amount as determined in underwriting equal to the lesser of (i) up to 25% (but not to exceed \$10,000) of the purchase price of the Single Family Residence for homebuyers with incomes of 120% or less of the state or county median income, whichever is greater, adjusted for family size, or (ii) the amount necessary under Florida Housing's or the Certificate Provider's requirements to meet the ratio of monthly mortgage payment (principal, interest, taxes and insurance) to monthly income. No interest will be charged. Repayment of principal is deferred for the term of the first mortgage, except in the event the Single Family Residence is sold, refinanced, rented or transferred, at which time the Florida Assist Down Payment Loan will become payable in full. The Florida Assist Down Payment Loans will be secured by second mortgages on the Single Family Residences.

Amortizing Second Loans. Florida Housing may lend, in connection with a Program first mortgage, on a first-come, first-served basis, an amount as determined in underwriting up to \$10,000 for the purposes of providing down payment and closing costs assistance to home buyers whose incomes are at or below 140% of Area Median Income (AMI). All Amortizing Second Loans will be fully amortized at an interest rate no greater than five percent (5%) per annum, over a 15-year term, and will have fixed level monthly payments. The unpaid balance of each Amortizing Second Loan shall become payable in full in the event of sale, transfer, refinancing or satisfaction of the first mortgage loan or until such time as the mortgagor ceases to occupy the Single Family Residence. The Amortizing Second Loan will be secured by second mortgages on the Single Family Residences.

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