

NEW ISSUE – BOOK-ENTRY ONLY

RATING: Moody's: "Aaa"  
(See "RATING" herein)

In the opinion of Foley & Judell, L.L.P., Bond Counsel, under existing law and assuming continuous compliance with certain covenants described herein, interest on the Series 2019A Bonds (as defined below) is excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is further of the opinion that, under existing law, interest on the Series 2019A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. In addition, in the opinion of Bond Counsel, under the Act (as defined below), the Series 2019A Bonds and the interest thereon are exempt from all state and local taxes in Louisiana. See "TAX EXEMPTION" herein and the proposed form of opinion of Bond Counsel attached hereto as "APPENDIX C" for a description of certain other federal tax consequences of ownership of the Series 2019A Bonds.



\$50,000,000\*

**LOUISIANA HOUSING CORPORATION**  
**Single Family Mortgage Revenue Bonds**

**(Home Ownership Program), Series 2019A-1 (Non-AMT)**

\$6,730,000\*

**LOUISIANA HOUSING CORPORATION**  
**Single Family Mortgage Revenue Refunding Bonds,**  
**Series 2019A-2 (Non-AMT)**

**Dated:** Date of Delivery

**Due:** As shown on inside cover page

This Official Statement has been prepared on behalf of the Louisiana Housing Corporation (the "Issuer"), duly created, organized and existing pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), to provide certain information with respect to the issuance of (i) the \$50,000,000\* Louisiana Housing Corporation Single Family Mortgage Revenue Bonds (Home Ownership Program), Series 2019A-1 (Non-AMT) (the "Series 2019A-1 Bonds"), and (ii) the \$6,730,000\* Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds, Series 2019A-2 (Non-AMT) (the "Series 2019A-2 Bonds," and, together with the Series 2019A-1 Bonds, the "Series 2019A Bonds"). The Series 2019A Bonds are being issued pursuant to and secured by an Indenture of Trust dated as of May 1, 1998 (the "Master Indenture"), by and between the Issuer and Hancock Whitney Bank (successor to Hancock Bank of Louisiana), as trustee (the "Trustee"), as supplemented and amended by a Thirty-Eighth Series Supplemental Indenture dated as of March 1, 2019 (the "38th Supplemental Indenture," and, together with the Master Indenture, the "Indenture"), by and between the Issuer and the Trustee.

The Series 2019A Bonds will be dated their Date of Delivery and mature at the times, in the amounts, and bear interest at the rates as set forth on the inside cover page hereof. Interest is paid (each, an "Interest Payment Date") on June 1 and December 1 of each year, commencing June 1, 2019. If an Interest Payment Date is not a Business Day, interest will be paid on the Business Day next succeeding such day without additional interest and with the same force and effect as if made on the specified date for such payment.

The Series 2019A Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. The Series 2019A Bonds are subject to optional redemption, mandatory redemption, and scheduled sinking fund redemption prior to maturity on the terms described herein. See "THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds" herein.

The Series 2019A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Series 2019A Bonds. So long as the Series 2019A Bonds are held by DTC, the principal of and interest on the Series 2019A Bonds will be payable by wire transfer to DTC, which in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Series 2019A Bonds, as more fully described herein. Individual purchases of the Series 2019A Bonds will be made in book-entry form and individual purchasers of the Series 2019A Bonds will not receive certificates representing their interest in the Series 2019A Bonds purchased. See "APPENDIX G – Book-Entry Only System" herein.

The proceeds of the Series 2019A-1 Bonds will finance the purchase of mortgage-backed securities. See "THE PROGRAM" herein. The proceeds of the Series 2019A-2 Bonds will be used to refund a series of previously issued single family mortgage revenue bonds of the Louisiana Housing Finance Agency (the predecessor of the Issuer), all as more specifically described under the caption "INTRODUCTION" herein. The mortgage-backed securities previously pledged as security for the Prior Bonds (as herein defined) will be transferred to the Trustee and shall constitute a part of the Trust Estate. See "INTRODUCTION" herein.

**THE SERIES 2019A BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER, SECURED SOLELY BY A PLEDGE OF THE TRUST ESTATE IN THE MANNER PROVIDED BY THE INDENTURE. THE SERIES 2019A BONDS DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, ANY MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. SEE "THE SERIES 2019A BONDS – LIMITED OBLIGATIONS" AND "SECURITY FOR THE SERIES 2019A BONDS – GENERAL" HEREIN.**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THIS COVER PAGE IS NOT INTENDED TO BE A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2019A Bonds are offered when, as and if issued by the Issuer and received by the Underwriters, subject to prior sale, withdrawal or modification of such offer without notice, subject to the approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana, Underwriters' Counsel. Government Consultants, Inc., Baton Rouge, Louisiana, serves as independent Municipal Advisor to the Issuer. It is expected that the Series 2019A Bonds will be available for delivery in book-entry only form to DTC in New York, New York, on or about March 28, 2019\*, against payment therefor.

**George K. Baum & Company, Inc.**

**J.P. Morgan**

**Raymond James®**

The date of this Official Statement is March \_\_, 2019.

\* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. 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 or qualification under the securities laws of such jurisdiction.

**MATURITIES, AMOUNTS, INTEREST RATES AND PRICES\***

**BASE CUSIP: \_\_\_\_\_ †**

**\$50,000,000\***

**LOUISIANA HOUSING CORPORATION  
Single Family Mortgage Revenue Bonds  
(Home Ownership Program),  
Series 2019A-1 Bonds (Non-AMT)**

**\$6,950,000 SERIAL BONDS**

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip†</u>	<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip†</u>
6/1/20	\$530,000				12/1/23	\$575,000			
12/1/20	535,000				6/1/24	580,000			
6/1/21	540,000				12/1/24	590,000			
12/1/21	545,000				6/1/25	595,000			
6/1/22	555,000				12/1/25	605,000			
12/1/22	560,000				6/1/26	175,000			
6/1/23	565,000								

\$5,265,000\* \_\_\_\_\_% per annum Term Bonds Due June 1, 2039; Price \_\_\_\_\_%; Cusip \_\_\_\_\_ †

\$6,145,000\* \_\_\_\_\_% per annum Term Bonds Due June 1, 2044; Price \_\_\_\_\_%; Cusip \_\_\_\_\_ †

\$23,000,000\* \_\_\_\_\_% per annum Premium PAC Term Bonds Due June 1, 2049; Price \_\_\_\_\_%; Cusip \_\_\_\_\_ †

\$8,640,000\* \_\_\_\_\_% per annum Term Bonds Due December 1, 2049; Price \_\_\_\_\_%; Cusip \_\_\_\_\_ †

**\$6,730,000**

**LOUISIANA HOUSING CORPORATION  
Single Family Mortgage Revenue Refunding Bonds,  
Series 2019A-2 (Non-AMT)**

**\$3,635,000 SERIAL BONDS**

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip†</u>	<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip†</u>
6/1/26	\$180,000				12/1/28	\$385,000			
12/1/26	360,000				6/1/29	390,000			
6/1/27	365,000				12/1/29	400,000			
12/1/27	375,000				6/1/30	400,000			
6/1/28	375,000				12/1/30	405,000			

\$3,095,000\* \_\_\_\_\_% per annum Term Bonds Due June 1, 2034; Price \_\_\_\_\_%; Cusip \_\_\_\_\_ †

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services, which is operated on behalf of the ABA by S&P Global Market Intelligence, a division of McGraw Hill Financial. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. Neither the Issuer, the Municipal Advisor, the Underwriters nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019A Bonds.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representations with respect to the Series 2019A Bonds 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 sales of, the Series 2019A 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 obtained from the Issuer and other sources which are believed to be reliable. The information regarding DTC and DTC's book-entry system has been obtained from DTC, but is not guaranteed as to accuracy or completeness by the Issuer or the Underwriters. The information regarding the Master Servicer has been obtained from the Master Servicer, but is not guaranteed as to accuracy or completeness by the Issuer or the Underwriters. 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 will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, DTC or the Master Servicer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriters and any one or more of the purchasers or registered owners of the Series 2019A Bonds.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2019A Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements.

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**THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.**

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**BY ITS PURCHASE OF THE SERIES 2019A BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF ITS OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE SERIES 2019A BONDS.**

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**THE INVESTOR, BY ITS PURCHASE OF THE SERIES 2019A BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING**

**PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.**

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THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO THE 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. THE ISSUER HAS NO DUTY, OBLIGATION OR EXPECTATION TO UPDATE ANY OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2019A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE OFFERED BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE, AND SUCH PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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THE SERIES 2019A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2019A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2019A BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

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THE PRELIMINARY OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING

WEBSITE: WWW.MUNIOS.COM. THE FINAL OFFICIAL STATEMENT WILL BE PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND FORM (“*ORIGINAL BOUND FORMAT*”) OR ELECTRONIC FORMAT ON THE SAME WEBSITE. THE FINAL OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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**THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN DEEMED FINAL BY THE ISSUER AS OF ITS DATE WITHIN THE MEANING OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR THE OMISSIONS OF THE OFFERING PRICE(S), INTEREST RATE(S), SELLING COMPENSATION, AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT PER MATURITY, DELIVERY DATE(S), RATING(S) AND OTHER TERMS OF THE SERIES 2019A BONDS DEPENDING ON SUCH MATTERS, ALL OF WHICH ARE PERMITTED OMISSIONS UNDER RULE 15c2-12.**

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## PRELIMINARY OFFICIAL STATEMENT

**\$50,000,000\***  
**LOUISIANA HOUSING CORPORATION**  
**Single Family Mortgage Revenue Bonds**  
**(Home Ownership Program),**  
**Series 2019A-1 (Non-AMT)**

**\$6,730,000\***  
**LOUISIANA HOUSING CORPORATION**  
**Single Family Mortgage Revenue**  
**Refunding Bonds,**  
**Series 2019A-2 (Non-AMT)**

### INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to set forth certain information in connection with the sale, issuance and delivery by the Louisiana Housing Corporation (the “*Issuer*”) of its Single Family Mortgage Revenue Bonds (Home Ownership Program), Series 2019A-1 (Non-AMT) in an aggregate principal amount of \$50,000,000\* (the “*Series 2019A-1 Bonds*”) and (ii) its Single Family Mortgage Revenue Refunding Bonds, Series 2019A-2 (Non-AMT) in an aggregate principal amount of \$6,730,000\* (the “*Series 2019A-2 Bonds*,” and, together with the Series 2019A-1 Bonds, the “*Series 2019A Bonds*”). The Series 2019A Bonds are being issued on March 28, 2019\* (the “*Date of Delivery*”) pursuant to the provisions of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “*Act*”), and are further being issued pursuant to and secured by an Indenture of Trust dated as of May 1, 1998 (the “*Master Indenture*”), by and between the Issuer and Hancock Whitney Bank (successor to Hancock Bank of Louisiana), as trustee (the “*Trustee*”), as supplemented and amended by a Thirty-Eighth Series Supplemental Indenture dated as of March 1, 2019 (the “*38<sup>th</sup> Supplemental Indenture*,” and, together with the Master Indenture, the “*Indenture*”), by and between the Issuer and the Trustee.

The capitalized terms used, but not defined, in this Official Statement shall have the meanings provided in **APPENDIX B** or as provided in the 38<sup>th</sup> Supplemental Indenture.

#### *The Series 2019A-1 Bonds*

#### **Proceeds Available to Purchase Guaranteed Mortgage Securities**

The Series 2019A-1 Bonds are being issued to provide funds, together with other available funds, to finance the purchase of guaranteed mortgage-backed securities (“*Guaranteed Mortgage Securities*”) backed by qualifying mortgage loans (collectively, the “*Series 2019A-1 Mortgage Loans*”) made by participating mortgage lenders to qualified persons or families of low or moderating income to finance the purchase of single family residences for use as a primary residence for such persons in the State of Louisiana (the “*State*”). Series 2019A-1 Mortgage Loans are expected to be comprised of (i) approximately \$48,250,000\* of Assisted Program Loans (as defined in **APPENDIX B**) and (ii) approximately \$3,500,000\* of HOME-Assisted Program Loans (as defined in **APPENDIX B**). See “**THE PROGRAM – Assisted Program Loans**” and “**HOME-Assisted Program Loans**” herein for additional information. Each of the Guaranteed Mortgage Securities provides a guarantee of timely payment of the

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\* Preliminary, subject to change.

interest and principal of the Series 2019A-1 Mortgage Loans by either the Government National Mortgage Association, Fannie Mae or the Federal Home Loan Mortgage Corporation. See **“GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PROGRAM,” “FANNIE MAE PROGRAM”** and **“FEDERAL HOME LOAN MORTGAGE CORPORATION PROGRAM”** herein.

Pursuant to a Mortgage Origination and Sale Agreement (the *“Origination Agreement”*) with the Issuer, mortgage lenders (the *“Originating Lenders”*) approved by Standard Mortgage Corporation (the *“Master Servicer”*) have been authorized by the Issuer to originate Series 2019A-1 Mortgage Loans to qualified persons or families of low or moderate income within the State of Louisiana (the *“State”*) and to sell such loans to the Master Servicer for pooling by the Master Servicer into Guaranteed Mortgage Securities in accordance with a Master Servicing Agreement (the *“Master Servicing Agreement”*), together with the Origination Agreement, the *“Series 2019A Program Documents”*).

The Series 2019A-1 Mortgage Loans, related Guaranteed Mortgage Securities and related weighted average coupon (*“WAC”*) expected to be financed with the Series 2019A-1 Bonds are assumed to have the following characteristics:

Type	Par Amount*	Series 2019A-1 Mortgage Loan WAC*	Guaranteed Mortgage Security WAC*	Term (Months)
Assisted Program Loans	\$48,250,000	5.18%	4.61%	360
HOME-Assisted Program Loans	\$3,500,000	3.25%	2.68%	360

As of February 14, 2019, the Issuer has accepted approximately \$23,802,168\* of reservations for Series 2019A-1 Mortgage Loans to be pooled into Guaranteed Mortgage Securities. Such Guaranteed Mortgage Securities are expected to be purchased by the Trustee from funds on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund and will be credited to the Series 2019A Revenue Account of the Revenue Fund and shall constitute part of the Trust Estate. No assurance can be made that the reserved loans referenced herein will be purchased and pooled into Guaranteed Mortgage Securities by the Master Servicer.

## **Program Loans**

**Assisted Program Loans.** Assisted Program Loans backing Guaranteed Mortgage Securities expected to be purchased by the Trustee on and after the Date of Delivery will have 30-year terms with level monthly payments of principal and interest and bear an interest rate of 4.75% per annum, 5.00% per annum, or 5.25% per annum; provided, however, in accordance with the provisions of the Indenture, the Issuer may be required to reduce the interest rate on a portion of the Assisted Program Loans in order to comply with the provisions set forth in Section 143(g)(2) of the Internal Revenue Code of 1986, as amended (the *“Code”*) which requires that the effective rate of mortgage interest cannot exceed bond yield by more

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\* Preliminary, subject to change.

than 1.125%. In addition, in accordance with the provisions of the Indenture, the Issuer has reserved the right to change the mortgage rates on the Assisted Program Loans if necessary during the origination period of the Program to ensure full expenditure of the Series 2019A-1 Bond proceeds. An Eligible Borrower obtaining an Assisted Program Loan will receive a cash payment (the “*Assistance Payment*”) in an amount equal to 4% of the principal amount of the Assisted Program Loan, which Assistance Payment shall be secured by a subordinate lien on the property purchased which may be forgiven if the Eligible Borrower meets certain program requirements. Such Assistance Payment may only be applied by the Eligible Borrower to pay closing costs and a portion of the required down payment for the Assisted Program Loan. See “**THE PROGRAM – Assisted Program Loans**” herein.

**HOME-Assisted Program Loans.** HOME-Assisted Program Loans backing Guaranteed Mortgage Securities expected to be purchased by the Trustee on and after the Date of Delivery will have 30-year terms with level monthly payments of principal and interest and bear an interest rate of 3.25% per annum; provided, however, in accordance with the provisions of the Indenture, the Issuer has reserved the right to change the mortgage rates on the HOME-Assisted Program Loans if necessary during the origination period of the Program to ensure full expenditure of the Series 2019A-1 Bond proceeds. Most, if not all, of the closing costs relating to each HOME-Assisted Program Loan (up to a limit of 9% of the mortgage loan amount depending on the income level of the Eligible Borrower), will be paid with the proceeds of a HOME-funded grant to the Eligible Borrower. Each HOME-Assisted Program Loan is being subsidized by the Issuer with the funds from the HOME Investment Partnership Program (the “*HOME Program*”) as administered and funded by the United States Department of Housing and Urban Development (“*HUD*”). The Issuer is expected to make a maximum of \$3,675,000\* of funds available through the HOME Program to fund a portion of each HOME-Assisted Program Loan and closing costs relating to such HOME-Assisted Program Loan. Fifty percent (50%) of each HOME-Assisted Program Loan will be funded with proceeds of the Series 2019A-1 Bonds, with the remaining fifty percent (50%) plus the amount of downpayment assistance of such HOME-Assisted Program Loan funded with amounts provided by the Issuer pursuant to the HOME Program.

### **Origination Period**

The Series 2019A-1 Bonds are subject to mandatory redemption on and after November 1, 2019\*, from and to the extent that the Issuer certifies that moneys remaining on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund on October 15, 2019\*, will not be applied to the purchase of Guaranteed Mortgage Securities. The November 1, 2019\* date may be extended as described in “**APPENDIX B –Summary of Certain Provisions of the Thirty-Eighth Series Supplemental Indenture – Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund**” hereto.

**General.** The Issuer reserves the right to change the mortgage rates on the Assisted Program Loans and the HOME-Assisted Program Loans if necessary to ensure full expenditure of the Series 2019A-1 Bond proceeds. Such changes may only be made if there is no adverse

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\* Preliminary, subject to change.

impact on the rating on the Series 2019A-1 Bonds and if there is no adverse impact on the tax exempt status of the Series 2019A-1 Bonds.

Each Series 2019A-1 Mortgage Loan must satisfy the rules and regulations under Section 143 of Code, rules and regulations of the Issuer under the Series 2019A Program Documents, and GNMA, Fannie Mae or FHLMC, as applicable. See **“THE PROGRAM”** herein. Lenders will originate and close Series 2019A-1 Mortgage Loans and sell such Series 2019A-1 Mortgage Loans on a servicing-released basis to the Master Servicer upon the approval by the Master Servicer of the documentation required by GNMA, Fannie Mae or FHLMC, as the case may be. The Master Servicer will service the Series 2019A-1 Mortgage Loans pursuant to the terms of the Master Servicing Agreement.

### ***The Series 2019A-2 Bonds***

The Series 2019A-2 Bonds are being issued to refund the outstanding Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds (Home Ownership Program), Series 2009A (Non-AMT), dated September 15, 2009 (the *“Prior Bonds”*).

On the Date of Delivery, (i) the proceeds of the Series 2019A-2 Bonds will be deposited into the Prior Bonds Escrow Fund, and shall be used, together with other funds made available by the Issuer, to refund such Prior Bonds and (ii) the guaranteed mortgage-backed securities previously financed by such Prior Bonds (the *“Transferred Certificates”*) will be assigned to the Trustee as part of the Trust Estate. See **“THE TRANSFERRED CERTIFICATES”** and **“APPENDIX F – Information Relating to the Transferred Certificates”** herein.

### **THE ISSUER**

The Issuer was created and organized pursuant to and in accordance with the provisions of the Act. The Issuer is empowered by the Act to finance mortgage loans with respect to residential real property for low and moderate income families and to issue revenue bonds which provide financing for such mortgage loans.

In accordance with the Act, the powers of the Issuer are vested in eleven (11) directors, one (1) of whom is an ex-officio director, six (6) of whom are appointed by the Governor of the State, two (2) of whom are appointed by the President of the State Senate and two (2) of whom are appointed by the Speaker of the State House of Representatives. Of the gubernatorial appointments, each must be a resident of the State, each must have at least five years of experience in one or more statutorily designated fields, not more than one member appointed shall be a resident of a single congressional district, and one member must be either a consumer of or an advocate for affordable housing. Each appointment by the Governor must be submitted to the State Senate for confirmation. The Chairman and Vice Chairman are selected by the Issuer from among its members. The Issuer is authorized to appoint an executive director of LHC subject to confirmation by the State Senate, and a secretary, and to employ technical experts and other officers, agents and employees, permanent and temporary, and to determine their qualifications, duties and compensation. The Issuer is charged with the responsibility of establishing policy for housing finance for all units, divisions, agencies, public corporations, and instrumentalities of the State involved directly or indirectly in financing single family or

multifamily housing. The Issuer is not a budget unit of the State, although the Issuer may receive State appropriations at any time deemed advisable by the State Legislature. The Issuer has no taxing power.

The following individuals are the Issuer's current commissioners:

Name	Position	Occupation
Lloyd S. "Buddy" Spillers	Chairman	Retired Ferriday, Louisiana
Jennifer Vidrine	Vice-Chairwoman	Mayor, City of Ville Platte Ville Platte, Louisiana
John M. Schroder	Ex-Officio Member	State Treasurer Baton Rouge, Louisiana
Tammy P. Earles	Member	Financial Advisor, Edward Jones Ponchatoula, Louisiana
Derrick Edwards	Member	Attorney Usry, Weeks & Matthews APLC New Orleans, Louisiana
Larry Ferdinand	Member	President and Chief Executive Officer, Larry Ferdinand and Associates Shreveport, Louisiana
Stacy S. Head	Member	Member, SJHC LLC New Orleans, Louisiana
Byron L. Lee	Member	Founder and Senior Partner, LSA+Partners Harvey, Louisiana
Willie Rack	Member	Retired Franklin, Louisiana
Donald B. Vallee	Member	Retired New Orleans, Louisiana
Gillis R. Windham	Member	Owner, Windham Bonding Company Killian, Louisiana

E. Keith Cunningham, Jr. was appointed Interim Executive Director on April 26, 2016, and Executive Director on January 11, 2017. Prior to this appointment, Mr. Cunningham served as Executive Counsel for the LHC from 2012 until his appointment as Interim Executive Director. Mr. Cunningham received his Juris Doctorate from Southern University Law School in 2002. Prior to becoming Executive Counsel to the LHC, Mr. Cunningham worked with the Department of Elections and Registration and the Louisiana Service Commission. Mr. Cunningham also served as law clerk for Judge Janice Clark in the Nineteenth Judicial District Court in Baton Rouge.

## Financial Statements

The Combined Financial Statements of the Issuer as of June 30, 2018 may be found at the EMMA website, the address for which is:

<https://emma.msrb.org/IssuerHomePage/Issuer?id=4A0DEFA15C5D64E161FF45ECCEADBC0C&type=G>.

**THE SERIES 2019A BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER, SECURED SOLELY BY A PLEDGE OF THE TRUST ESTATE AND NOT BY ANY OTHER FUNDS OF THE ISSUER.**

**THE COMBINED FINANCIAL STATEMENTS OF THE ISSUER ARE BEING MADE AVAILABLE FOR INFORMATIONAL PURPOSES ONLY.**

### Information Concerning Prior Programs of Issuer

Since 1998, the Issuer has offered Low Rate Program Loans, Assisted Program Loans and/or HOME-Assisted Program Loans (as defined in the Master Indenture) in connection with the following program installments, each of which were funded with proceeds of the Outstanding Senior Parity Bonds issued under the Master Indenture.

Certain information, as of December 31, 2018, concerning such prior program installments of the Issuer is set forth below:

#### Program Installments Funded with Proceeds of Bonds Issued Under the Master Indenture

Series of Bonds	Proceeds Available to Purchase Guaranteed Mortgage Securities	Amounts Expended for Purchase of Guaranteed Mortgage Securities	Program Loan Type	Original Interest Rates
1998A	\$63,550,000	\$63,527,349 (99.96%)	HOME-Assisted Low Rate Assisted	5.15% 6.15% 7.15%
1998B	\$74,413,000	\$74,358,403 (99.93%)	HOME-Assisted Low Rate Assisted	4.95% 5.95% 6.70%
1999A	\$45,715,000	\$45,521,127 (99.58%)	HOME-Assisted Low Rate Assisted	4.80% 5.80% 6.80%
1999B	\$55,715,000	\$55,487,553 (99.59%)	HOME-Assisted Low Rate Assisted	5.15% 6.15% 7.15%



<b>Series of Bonds</b>	<b>Proceeds Available to Purchase Guaranteed Mortgage Securities</b>	<b>Amounts Expended for Purchase of Guaranteed Mortgage Securities</b>	<b>Program Loan Type</b>	<b>Original Interest Rates</b>
1999D	\$44,150,000	\$44,150,000 (100.0%)	HOME-Assisted Low Rate Assisted	5.65% 6.65% 7.65%
2000A	\$45,717,000	\$45,480,892 (99.48%)	HOME-Assisted Low Rate Assisted	6.00% 7.00% 8.00%
1999C/2000B	\$57,165,000	\$54,156,690 (94.71%)	HOME-Assisted Low Rate Assisted	6.10% 6.90% 8.10%
2000D	\$30,764,000	\$27,280,785 (88.6%)	HOME-Assisted Low Rate Assisted	5.75% 6.75% 7.75%
2001A	\$45,500,000	\$41,805,949 (91.8%)	HOME-Assisted Low Rate Assisted	5.25% 6.10% 6.95%
2001B	\$30,432,000	\$29,154,601 (96.0%)	HOME-Assisted Low Rate Assisted	5.09% 6.09% 7.09%
2001D	\$30,500,000	\$30,040,128 (98.5%)	HOME-Assisted Low Rate Assisted	5.05% 5.90% 7.00%
2002	\$30,792,000	\$25,668,738 (83.36%)	HOME-Assisted Low Rate Assisted	4.99% 5.99% 6.99%
2002A	\$50,000,000	\$39,770,000 (79.54%)	HOME-Assisted Low Rate Assisted	5.00% 6.30% 6.98%
2002B	\$25,000,000	\$22,998,583 (91.99%)	Low Rate Assisted	5.65% 6.25%
2003A	\$35,000,000	\$34,800,977 (99.43%)	HOME-Assisted Low Rate Assisted	3.95% 5.35% 5.80%
2003B	\$20,000,000	\$18,936,793 (94.68%)	HOME-Assisted Low Rate Assisted	4.11% 5.21% 5.81%
2004A	\$20,000,000	\$19,489,845 (97.45%)	HOME-Assisted Assisted	4.05% 5.55%

<b>Series of Bonds</b>	<b>Proceeds Available to Purchase Guaranteed Mortgage Securities</b>	<b>Amounts Expended for Purchase of Guaranteed Mortgage Securities</b>	<b>Program Loan Type</b>	<b>Original Interest Rates</b>
2004B	\$20,000,000	\$19,035,000 (95.18%)	HOME-Assisted Teacher Assisted Assisted	4.79% 6.04% 6.29%
2004C	\$20,000,000	\$17,837,236 (89.37%)	HOME-Assisted Teacher Assisted Assisted	4.35% 5.60% 5.85%
2005A	\$30,000,000	\$24,785,000 (82.62%)	HOME-Assisted Teacher Assisted Assisted Low Rate Assisted	4.50% 4.90% 6.15% 5.50% 5.95%
2006A	\$36,000,000	\$35,855,381 (99.59%)	HOME-Assisted Teacher Assisted Assisted Low Rate Police Assisted Low Rate	3.85% 5.10% 5.35% 4.85% 5.35% 5.35%
2006B	\$50,000,000	\$45,000,000 (90.0%)	HOME-Assisted Teacher Assisted Assisted Low Rate Supplemental Assisted	4.56% 5.91% 5.99% 5.56% 6.14%
2006C	\$50,000,000	\$50,000,000 (100.0%)	HOME-Assisted Teacher Assisted Assisted Low Rate	4.55% 5.70% 5.98% 5.55%
2006D	\$100,000,000	\$99,910,000 (99.91%)	HOME-Assisted Teacher Assisted Assisted Low Rate Taxable	4.50% 5.65% 5.86% 5.50% 5.55%
2007A	\$100,000,000	\$100,000,000 (100.0%)	HOME-Assisted Teacher Assisted Assisted Low Rate	4.50% 5.75% 5.99% 5.60%
2007B	\$100,000,000	\$100,000,000 (100.0%)	HOME-Assisted Teacher Assisted Assisted Low Rate	4.84% 6.09% 6.34% 5.84%

<b>Series of Bonds</b>	<b>Proceeds Available to Purchase Guaranteed Mortgage Securities</b>	<b>Amounts Expended for Purchase of Guaranteed Mortgage Securities</b>	<b>Program Loan Type</b>	<b>Original Interest Rates</b>
2007C	\$100,000,000	\$100,000,000 (100.0%)	HOME-Assisted Teacher Assisted Assisted Low Rate	4.85% 6.25% 6.50% 5.95%
2008A	\$45,000,000	\$45,000,000 (100.0%)	HOME-Assisted CDBG-Assisted Assisted Low Rate	5.00% 4.95% 6.625% 6.00%
2008B	\$30,000,000	\$25,400,000 (84.6%)	HOME-Assisted CDBG-Assisted Assisted	5.49% 5.44% 6.99%
2009A	\$25,000,000	\$25,000,000 (100.0%)	HOME-Assisted CDBG-Assisted Assisted Low Rate	4.10% 4.11% 6.10% 5.60%
2018A	\$16,000,000	\$16,000,000 (100.0%)	HOME-Assisted Assisted	3.25% or 3.75% 4.750% or 4.875%

The Issuer has issued, and intends to continue to issue, other series of bonds for the purpose of financing or refinancing its various programs. Subsequent series of bonds may be issued pursuant to the Master Indenture on a parity with the Outstanding Senior Bonds and the Series 2019A Bonds or subordinate thereto in accordance with one or more series supplements in the manner described herein.

#### **THE TRUSTEE**

In accordance with the provisions of the Master Indenture, the Issuer has appointed Hancock Whitney Bank as trustee bank. Hancock Whitney Bank, successor to Hancock Bank of Louisiana, is a state banking corporation organized and existing under the laws of the State of Mississippi, with its corporate trust office located in New Orleans, Louisiana.

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**SOURCES AND USES OF FUNDS**

The following table sets forth the sources and uses of funds of the Series 2019A Bonds.

**Sources**

Series 2019A Bond Proceeds	\$ _____
Premium Relating to Premium PAC Term Bonds	_____
Issuer Contribution	_____
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ _____</b>

**Uses**

Deposit to Series 2019A-1 Acquisition Account to purchase Guaranteed Mortgage Securities	\$ _____
Deposit to the Prior Bonds Escrow Fund to redeem Prior Bonds	_____
Deposit to Series 2019A Costs of Issuance Account (including Underwriters' Discount)	_____
Deposit to the Series 2019A Capitalized Interest Account <sup>(1)</sup>	_____
<b>TOTAL FUNDS APPLIED</b>	<b>\$ _____</b>

<sup>(1)</sup> See “APPENDIX B –Summary of Certain Provisions of the Thirty-Eighth Series Supplemental Indenture – Series 2019A Capitalized Interest Account” herein for a description of such account.

**SECURITY FOR THE SERIES 2019A BONDS**

**Trust Estate**

The Series 2019A Bonds are limited obligations of the Issuer, payable solely from and secured by the Trust Estate. “Trust Estate” is defined in the 38<sup>th</sup> Supplemental Indenture to mean all right, title and interest of the Issuer in and to the Series 2019A Program Documents, the Guaranteed Mortgage Securities, including any rights of the Issuer under a GNMA guaranty agreement, Fannie Mae guaranty agreement or Freddie Mac guaranty agreement with respect to any GNMA Security, Fannie Mae Security or Freddie Mac Security, deposited to the Series 2019A Revenue Account of the Revenue Fund; all right, title and interest of the Issuer in and to the Transferred Certificates, including any rights of the Issuer under a GNMA guaranty agreement, Fannie Mae guaranty agreement or Freddie Mac guaranty agreement with respect to the Transferred Certificates, deposited to the Series 2019A Revenue Account of the Revenue Fund; and all moneys and securities held from time to time by the Trustee in the Series 2019A Accounts under and subject to the terms of the 38<sup>th</sup> Supplemental Indenture, except money and securities in the Rebate Account and the Series 2019A Cost of Issuance Account of the Costs of Issuance Fund.

**General**

THE SERIES 2019A BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER SECURED SOLELY BY A PLEDGE OF THE TRUST ESTATE. THE SERIES 2019A BONDS DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, ANY MUNICIPALITY OR ANY OTHER POLITICAL

SUBDIVISION OF THE STATE. IN NO EVENT WILL THE SERIES 2019A BONDS CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, ANY MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE; NOR WILL THE ISSUER HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OR TAXING POWER OF THE STATE, ANY MUNICIPALITY OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR PAYMENT OF THE SERIES 2019A BONDS. THE ISSUER HAS NO TAXING POWER. NEITHER THE BOARD OF COMMISSIONERS OF THE ISSUER, ITS OFFICERS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE SERIES 2019A BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2019A BONDS. THE SERIES 2019A BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

### **Additional Bonds**

Pursuant to the Indenture, the Issuer may issue additional series of bonds from time to time pursuant to additional Series Supplements in one or more series and in various Principal Amounts, which may mature at different times, bear interest at different rates and otherwise vary as provided in the Indenture or any indenture amendatory thereof or supplemental thereto. The aggregate Principal Amount of Bonds which may be issued under the Indenture is not limited except as provided in the Indenture, in any Series Supplement or in the Act, and all Bonds to be issued thereunder will be equally secured by the covenants made therein, except as otherwise expressly provided or permitted in the Series Supplement. See “**APPENDIX A – Summary of Certain Provisions of the Master Indenture**” for a description of the additional bonds permitted to be issued under the Indenture.

### **Guaranteed Mortgage Securities**

The Master Servicer is obligated to pay principal of and interest on the related Guaranteed Mortgage Securities in an amount equal to scheduled principal of and interest on the underlying Series 2019A-1 Mortgage Loans (less the applicable guaranty fee and servicing fee). The Master Servicer is also required to pay an amount equal to any unscheduled principal payments (the “*Prepayments*”) received on such Series 2019A-1 Mortgage Loans or liquidation proceeds in the event of a foreclosure or other disposition of a Series 2019A-1 Mortgage Loans. See “**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PROGRAM,**” “**FANNIE MAE PROGRAM**” and “**FEDERAL HOME LOAN MORTGAGE CORPORATION**” herein.

### **Transferred Certificates**

The Master Servicer is obligated to pay principal of and interest on the Transferred Certificates in an amount equal to scheduled principal of and interest on the single family mortgage loans (the “*Existing Mortgage Loans*”) securing the Transferred Certificates (less the applicable guaranty fee and servicing fee). The Master Servicer is also required to pay an amount equal to any Prepayments received on such Existing Mortgage Loans or liquidation

proceeds in the event of a foreclosure or other disposition of Existing Mortgage Loans. See “**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PROGRAM,**” “**FANNIE MAE PROGRAM**” and “**FEDERAL HOME LOAN MORTGAGE CORPORATION**” herein.

### **Accumulation Fund**

The Master Indenture provides for the creation and establishment of the Accumulation Fund which is held by the Trustee. The Trustee is required to establish separate accounts within the Accumulation Fund separately held and named for each Series of Bonds, including the Series 2019A Accumulation Account of the Accumulation Fund. The Master Indenture provides that the Issuer may at any time direct the Trustee to deposit funds from any account in the Accumulation Fund in any fund or account established for any Series of Bonds under the Master Indenture. More specifically, the Master Indenture provides that at any time there is a deficiency in the Debt Service Fund relating to any Series of Bonds, the Trustee will withdraw from the Accumulation Fund and deposit in such Debt Service Fund the amount necessary to remedy such deficiency and will give written notice to the Issuer of such withdrawal. See “**THE SERIES 2019A BONDS – Series 2019A Accumulation Account of the Accumulation Fund**” herein.

## **THE TRANSFERRED CERTIFICATES**

### **General**

Information relating to the Transferred Certificates may be found in **APPENDIX F** attached hereto. The outstanding principal balances of the Transferred Certificates as set forth in **APPENDIX F** may be reduced prior to the Date of Delivery in the event of Principal Payments or Prepayments relating to the Transferred Certificates. If such reduction does occur, Principal Payments and Prepayments will be deposited into the Series 2019A Redemption Account of the Redemption Fund and used to redeem the Series 2019A Bonds on the first day of any month on or after June 1, 2019\*, pursuant to the provisions set forth under the caption “**THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds – Mandatory Redemption from Prepayments and/or Excess Revenues**” herein.

### **Master Servicer**

Standard Mortgage Corporation is the master servicer for the Series 2019A-1 Mortgage Loans and the Existing Mortgage Loans.

The following information about the Master Servicer relates to and was supplied by Standard Mortgage Corporation. Such information has not been verified by the Issuer, 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, the issuer, the underwriters, their counsel or Bond Counsel.

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\* Preliminary, subject to change.

Standard Mortgage is a Louisiana corporation, organized in August, 1964, and has been engaged in the mortgage banking business on a regional scale, concentrating its activities in the origination and servicing of single-family mortgage loans. Standard Mortgage has 111 employees and maintains its servicing office in New Orleans, Louisiana. As of December 31, 2018, Standard Mortgage provided servicing for approximately 29,711 mortgage loans with an aggregate principal balance of approximately \$3,952,471,286 aggregate principal amount of mortgage loans.

The Master 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 SERIES 2019A BONDS**

### **Payment of Debt Service**

Except as otherwise provided in “**APPENDIX G - Book-Entry Only System**” herein, the principal on the Series 2019A Bonds when due is payable to the registered owners thereof on presentation at the principal office of the Trustee in New Orleans, Louisiana, or its successors; provided, however, that the payment of the Redemption Price will be made by wire transfer in immediately available funds to any Bondowner in aggregate principal amount of at least \$1,000,000 if such Bondowner has requested in writing payment by such method at least fifteen (15) days before the applicable redemption date. Payment of interest on the Series 2019A Bonds will be made by check or draft mailed to the registered owner thereof at the address of such Bondowner as it appears on the registration books of the Issuer on the Record Date or at such other address as is furnished to the Trustee in writing by such owner, or upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2019A Bonds Outstanding, by wire transfer in immediately available funds to an account designated by such registered owner which request will be effective for all Debt Service Payment Dates until such notice is canceled by the Bondowner. The Trustee will cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of principal, interest or Redemption Price made to Bondowners, whether such payment is made by check or wire transfer.

### **Description of the Series 2019A Bonds**

Each Series 2019A Bond bears interest from the Date of Delivery and thereafter from the Interest Payment Date (as defined below) next preceding the date of registration thereof, unless it is registered on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or unless it is registered as of a day during the period from the Record Date immediately preceding an Interest Payment Date to such Interest Payment Date, inclusive, in which event it will bear interest from such Interest Payment Date. If, as of the date of registration of any Series 2019A Bond, interest is in default on the Series 2019A Bonds, such Series 2019A Bonds will bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2019A Bonds.

“*Interest Payment Date*” means June 1 and December 1 of each year, commencing June 1, 2019.

Interest on the Series 2019A Bonds is calculated on the basis of twelve 30 day months and a 360-day year.

The Series 2019A Bonds are dated the Date of Delivery, and bear interest from such date at the rates and mature on the dates shown on the inside cover page of this Official Statement. Interest on the Series 2019A Bonds is payable semi-annually on June 1 and December 1 of each year, and in the event such day is not a Business Day, interest will be paid on the Business Day next succeeding such day without additional interest and with the same force and effect as if made on the specified date for such payment, commencing June 1, 2019, until maturity or prior redemption.

### **Series 2019A Accumulation Account of the Accumulation Fund**

Amounts deposited or credited to the Series 2019A Subaccount of the Series 2019A Accumulation Account of the Accumulation Fund shall be transferred to the Series 2019A Debt Service Account of the Debt Service Fund to pay interest on Series 2019A Bonds on an Interest Payment Date to the extent required to cover any shortfall in payments required therein to pay interest on any Series 2019A Bond on such Interest Payment Date.

### **Redemption Provisions of the Series 2019A Bonds\***

***Optional Redemption.*** The Series 2019A Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part on any date on or after June 1, 2028, in minimum aggregate principal amounts of \$5,000 and integral multiples thereof, from moneys made available for such purpose (including the sale of Guaranteed Mortgage Securities) and deposited in the Series 2019A Redemption Subaccount of the Redemption Account at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued interest to the Redemption Date.

If a partial optional redemption is to be accomplished with moneys derived from the sale of Guaranteed Mortgage Securities, it shall be a condition precedent to such redemption that an opinion of Bond Counsel to the effect that the interest on the Series 2019A Bonds will continue to be excluded from gross income for federal income tax purposes be received by the Trustee, a Cash Flow Statement giving effect to such redemption be filed with the Trustee and the Rating Agency, and that the Rating Agency shall have confirmed in writing that the rating on the Series 2019A Bonds will not be adversely affected by such redemption.

***Mandatory Redemption.*** The Series 2019A Bonds are subject to mandatory redemption in integral multiples of \$5,000 as described below.

(i) From Unexpended Proceeds in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund. The Series 2019A-1 Bonds are subject to redemption in whole or in part on any Business Day on or after November 1, 2019

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\* Preliminary, subject to change.



(which November 1, 2019 date may be extended pursuant to the Indenture, but in no event later than October 1, 2022), from and to the extent the Issuer certifies that moneys remaining on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund on the fifteenth day of the month preceding such redemption date will not be applied to the purchase of Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans. If moneys remaining on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund are in excess of \$100,000, the Series 2019A-1 Bonds will be redeemed at a redemption price equal to the Issue Price (as hereinafter defined), plus accrued interest to, but not including, the redemption date; provided that if moneys remaining on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund are less than \$100,000, such funds will be deemed Excess Revenues and will be transferred to the Series 2019A Redemption Account of the Redemption Fund and used to redeem Series 2019A-1 Bonds on a Proportionate Basis at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued interest to, but not including, the redemption date.

For purposes of the redemption of the Series 2019A-1 Bonds from unexpended proceeds, “Issue Price” shall mean (i) \_\_\_\_\_% of the principal amount thereof with respect to the Premium PAC Term Bonds, and (ii) 100% of the principal amount thereof with respect to all other Series 2019A-1 Bonds.

(ii) From Prepayments and Excess Revenues. The Series 2019A Bonds are subject to redemption in whole or in part on the first day of any month on or after June 1, 2019, at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued interest to, but not including, the redemption date, from and to the extent that funds in excess of the sum of \$50,000 (which limitation does not apply to redemptions on an Interest Payment Date) representing (A) Prepayments on the Series 2019A-1 Mortgage Loans and/or Existing Mortgage Loans (or from other sources in amounts equal to such Prepayments), are deposited into the Series 2019A Redemption Account of the Redemption Fund, and (B) Excess Revenues are deposited into the Series 2019A Redemption Account of the Redemption Fund, in each case on or before the thirtieth (30th) day prior to the date of redemption. See “**APPENDIX B – Summary of Certain Provisions of the Thirty-Eighth Series Supplemental Indenture – Series 2019A Subaccount of the Accumulation Account**” herein.

(iii) From Permitted Investments. The Series 2019A Bonds are subject to redemption in whole at a redemption price equal to 100% of the outstanding principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date with respect to which notice of redemption can be timely given if the sum of the amounts of moneys and the market value of Permitted Investments (other than moneys derived from the sale of Guaranteed Mortgage Securities) held in the various Series 2019A Accounts (as hereinafter defined) under the Indenture (other than the Series 2019A Rebate Account of the Rebate Fund) is sufficient to pay all Outstanding Series 2019A Bonds and all fees and expenses due and payable under the Indenture to the date of such redemption.

*It is expected that a substantial portion of the Series 2019A Bonds will be called for mandatory redemption at par, without premium, from Prepayments and Excess Revenues*

relating to the Series 2019A-1 Mortgage Loans and the Existing Mortgage Loans. See “PROGRAM ASSUMPTIONS – Program Assumptions for the Series 2019A Bonds” herein for a description of certain events that could cause the mandatory redemption of Series 2019A Bonds.

### ***Scheduled Sinking Fund Redemption***

(i) The Series 2019A-2 Bonds maturing on June 1, 2034 (the “*Series 2019A-2 2034 Term Bonds*”) are subject to scheduled sinking fund redemption in part by lot through Sinking Fund Payments at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon notice as provided in the Indenture, in the amounts set forth below:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2031	\$420,000	June 1, 2033	\$450,000
December 1, 2031	425,000	December 1, 2033	460,000
June 1, 2032	430,000	June 1, 2034 <sup>(1)</sup>	470,000
December 1, 2032	440,000		

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<sup>1</sup> Final Maturity.

(ii) The Series 2019A-1 Bonds maturing on June 1, 2039 (the “*Series 2019A-1 2039 Term Bonds*”) are subject to scheduled sinking fund redemption in part by lot through Sinking Fund Payments at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon notice as provided in the Indenture, in the amounts set forth below:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
December 1, 2034	\$480,000	June 1, 2037	\$530,000
June 1, 2035	490,000	December 1, 2037	540,000
December 1, 2035	495,000	June 1, 2038	555,000
June 1, 2036	510,000	December 1, 2038	565,000
December 1, 2036	520,000	June 1, 2039 <sup>(1)</sup>	580,000

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<sup>1</sup> Final Maturity.

(iii) The Series 2019A-1 Bonds maturing on June 1, 2044 (the “*Series 2019A-1 2044 Term Bonds*”) are subject to scheduled sinking fund redemption in part by lot through Sinking Fund Payments at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon notice as provided in the Indenture, in the amounts set forth below:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
December 1, 2039	\$590,000	June 1, 2042	\$655,000
June 1, 2040	600,000	December 1, 2042	670,000
December 1, 2040	615,000	June 1, 2043	685,000
June 1, 2041	630,000	December 1, 2043	700,000
December 1, 2041	645,000	June 1, 2044 <sup>(1)</sup>	355,000

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<sup>1</sup> Final Maturity.

(iv) The Premium PAC Term Bonds are subject to scheduled sinking fund redemption in part by lot through Sinking Fund Payments at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon notice as provided in the Indenture, in the amounts set forth below:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2026	\$255,000	June 1, 2038	\$475,000
December 1, 2026	265,000	December 1, 2038	490,000
June 1, 2027	270,000	June 1, 2039	500,000
December 1, 2027	275,000	December 1, 2039	515,000
June 1, 2028	285,000	June 1, 2040	530,000
December 1, 2028	290,000	December 1, 2040	540,000
June 1, 2029	300,000	June 1, 2041	555,000
December 1, 2029	305,000	December 1, 2041	570,000
June 1, 2030	315,000	June 1, 2042	585,000
December 1, 2030	325,000	December 1, 2042	600,000
June 1, 2031	330,000	June 1, 2043	615,000
December 1, 2031	340,000	December 1, 2043	635,000
June 1, 2032	350,000	June 1, 2044	650,000
December 1, 2032	360,000	December 1, 2044	665,000
June 1, 2033	370,000	June 1, 2045	685,000
December 1, 2033	375,000	December 1, 2045	700,000
June 1, 2034	385,000	June 1, 2046	720,000
December 1, 2034	395,000	December 1, 2046	740,000
June 1, 2035	405,000	June 1, 2047	760,000
December 1, 2035	420,000	December 1, 2047	780,000
June 1, 2036	430,000	June 1, 2048	800,000
December 1, 2036	440,000	December 1, 2048	820,000
June 1, 2037	450,000	June 1, 2049 <sup>(1)</sup>	670,000
December 1, 2037	465,000		

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<sup>1</sup> Final Maturity.

(v) The Series 2019A-1 Bonds maturing on December 1, 2049 (the “*Series 2019A-1 2049 Term Bonds*”) are subject to scheduled sinking fund redemption in part by lot through Sinking Fund Payments at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon notice as provided in the Indenture, in the amounts set forth below:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2044	\$360,000	June 1, 2047	\$815,000
December 1, 2044	735,000	December 1, 2047	835,000
June 1, 2045	745,000	June 1, 2048	850,000
December 1, 2045	765,000	December 1, 2048	870,000
June 1, 2046	780,000	June 1, 2049	715,000
December 1, 2046	800,000	December 1, 2049 <sup>(1)</sup>	370,000

<sup>1</sup> Final Maturity.

The Trustee shall credit to future Sinking Fund Installments the principal amount of the Series 2019A Bonds redeemed or purchased. Such crediting will be on a Proportionate Basis among each Sinking Fund Payment.

***Selection of Series 2019A Bonds for Redemption.***

(a) Optional Redemption: In the event Series 2019A Bonds are to be redeemed by optional redemption pursuant to the paragraph under the heading “**THE SERIES 2019A BONDS - Redemption Provisions of the Series 2019A Bonds - Optional Redemption,**” redemptions will be applied as directed by the Issuer in its sole discretion; provided, however, that if such Series 2019A Bonds are to be redeemed by optional redemption on other than a Proportionate Basis or if a partial optional redemption is to be accomplished with moneys derived from the sale of (i) Guaranteed Mortgage Securities (including Transferred Certificates), such redemption will be subject to receipt by the Trustee of: (i) an opinion of Bond Counsel that interest on the Series 2019A Bonds will continue to be excluded from gross income for federal income tax purposes, (ii) a Cash Flow Statement giving effect to such redemption and (iii) written confirmation from the Rating Agency that such redemption will not adversely affect the then existing rating on the Series 2019A Bonds.

(b) Mandatory Redemption from Unexpended Proceeds in Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund: In the event the Series 2019A-1 Bonds are to be redeemed from unexpended proceeds remaining or deemed to be remaining in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund, the Trustee shall apply amounts transferred or deemed to be transferred to the Series 2019A Redemption Account of the Redemption Fund to redeem the Series 2019A-1 Bonds on a Proportionate Basis at their Issue Price; provided that if moneys remaining in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Program Fund are less than \$100,000, such moneys will be deemed Excess Revenues and will be transferred to the Series 2019A Redemption Account of the Redemption Fund and used to redeem the Series 2019A-1 Bonds on a Proportionate Basis at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued interest to, but not including, the redemption date.

(c) Mandatory Redemption from Prepayments and/or Excess Revenues: In the event Series 2019A Bonds are to be redeemed from Prepayments and/or Excess Revenues, the Trustee shall determine the amount of such Prepayments and/or Excess Revenues available for such redemption in accordance with the provisions of the 38<sup>th</sup> Supplemental Indenture and shall apply

such Prepayments and/or Excess Revenues to redeem the Series 2019A Bonds in the order of priority and in the amount as follows:

(i) Determine the principal amount of Series 2019A Bonds to be Outstanding as of such redemption date after taking into account all Scheduled Sinking Fund Redemptions and redemptions from Prepayments and/or Excess Revenues.

(ii) If the amount determined in (c) (i) above is equal to or greater than the Series 2019A Bonds Outstanding at 400% PSA<sup>1</sup> amount as of such redemption date (as set forth in **APPENDIX E** hereto), apply such amount on deposit in the Series 2019A Redemption Account of the Redemption Fund to redeem the Series 2019A Bonds in the order of priority and in the amount as follows:

First, redeem the Premium PAC Term Bonds until the principal amount of the Premium PAC Term Bonds Outstanding is equal to the Premium PAC Term Bonds Outstanding at 100% PSA amount as of such redemption date (as set forth in **APPENDIX E** hereto); and

Second, apply the balance of such amount to redeem all remaining maturities of the Series 2019A Bonds, excluding the Premium PAC Term Bonds, on a Proportionate Basis.

(iii) If the amount determined in (c) (i) above is less than the bond balance listed in the Series 2019A Bonds Outstanding at 400% PSA amount as of such redemption date (as set forth in **APPENDIX E** hereto), apply such amount on deposit in the Series 2019A Redemption Account of the Redemption Fund to redeem the Series 2019A Bonds in the order of priority as follows:

First, redeem the Premium PAC Term Bonds until the principal amount of the Premium PAC Term Bonds Outstanding is equal to the Premium PAC Term Bonds Outstanding at 100% PSA amount as of such redemption date (as set forth in **APPENDIX E** hereto);

Second, apply the balance of such amount to redeem all remaining maturities of the Series 2019A Bonds (excluding the Premium PAC Term Bonds), on a Proportionate Basis until the principal amount of the Series 2019A Bonds Outstanding is equal to the Series 2019A Bonds Outstanding at 400% PSA amount as of such redemption date (as set forth in **APPENDIX E** hereto); and

Third, apply the balance of such amount to redeem the Series 2019A Bonds (including the Premium PAC Term Bonds) on a Proportionate Basis.

Any required notice of redemption (which redemption notice may be conditioned upon the occurrence of certain events on or prior to the redemption date, in which event the redemption notice will clearly state that such call for redemption is conditional), of any

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<sup>1</sup> For a description of the PSA Prepayment Model, see “**PROGRAM ASSUMPTIONS - Average Life of Series 2019A Bonds**” herein.

Series 2019A Bonds or portion thereof, identifying the Series 2019A Bonds or portions thereof to be redeemed, will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) not more than sixty (60) days and not less than thirty (30) days (fifteen (15) days with respect to a redemption from amounts remaining in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund, to the registered owner of each Series 2019A Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee; provided that, notice of redemption will be sent by registered mail, return receipt requested, to registered owners of Series 2019A Bonds in the aggregate principal amount of \$1,000,000 or more who have made prior arrangement with the Trustee for such manner of notice. Failure to give such notice by mailing to any Bondholder, or any defect therein, will not affect the validity of any proceedings for the redemption of Series 2019A Bonds. The Trustee will mail a second notice of redemption which was not presented for payment sixty (60) days after the redemption date. Any notice mailed as described in this paragraph will be conclusively presumed to have been duly given whether or not the registered owner of such Series 2019A Bonds receives the notice.

On or prior to the date fixed for redemption, funds will be deposited with the Trustee to pay, and the Trustee is authorized and directed to apply such funds to the payment of, the Series 2019A Bonds or portions thereof called, together with accrued interest thereon to the redemption date. Upon the deposit of funds sufficient to pay the redemption price of the Series 2019A Bonds, interest on the Series 2019A Bonds or portions thereof thus called will no longer accrue after the date fixed for redemption. No payment of the redemption price of any Series 2019A Bond will be made by the Trustee upon any Series 2019A Bond or portion thereof called for redemption until such Series 2019A Bond or portion thereof will have been delivered for payment or cancellation or the Trustee will have received the items required by the Indenture with respect to any mutilated, lost, stolen or destroyed Series 2019A Bonds.

***Purchase of Series 2019A Bonds in Lieu of Redemption.*** Upon direction of the Issuer, the Trustee will apply funds held in the Series 2019A Account of the Redemption Fund to the purchase of Outstanding Series 2019A Bonds in lieu of redemption or otherwise, and, upon such purchase, such Series 2019A Bonds will be canceled, provided, however, that the Trustee will not expend amounts for the purchase of Series 2019A Bonds of a particular maturity in excess of the amount that would otherwise be expended for the scheduled sinking fund redemption or payment at maturity of Series 2019A Bonds of such maturity on the next succeeding Principal Payment Date. The price paid by the Trustee for any Series 2019A Bond (excluding accrued interest on such Series 2019A Bond, but including any brokerage and other charges) purchased in lieu of redemption cannot exceed the principal amount thereof. The Trustee also will pay (from the Series 2019A Revenue Account of the Revenue Fund) accrued interest on any Series 2019A Bond so purchased. Subject to the above limitation, the Trustee may purchase Series 2019A Bonds at such times, for such prices, in such amounts and in such manner (whether after advisement for tenders or otherwise) as is determined by the Issuer.

## THE PROGRAM

### General Description

The Issuer has established the Program for the purpose of assisting and financing the costs of acquisition of single family residences located in the State.

The Series 2019A-1 Mortgage Loans will be secured by first mortgage liens on Residential Housing Units in the State. The Residential Housing Units may include condominium units or units in a planned unit development (“*PUD*”), single-family attached and detached residences (i) which will be occupied by the Mortgagor as his or her personal residence within a reasonable time (not to exceed 60 days) after financing is provided and (ii) the land appurtenant to which reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Mortgagor. The Residential Housing Unit must meet the requirements of FHA, RD or VA for pooling and securitization pursuant to the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable. Series 2019A-1 Mortgage Loans must be made to persons or families of low, moderate or middle income who qualify for such financing based upon the income limits established from time to time by the Issuer.

Upon the purchase of Series 2019A-1 Mortgage Loans by the Master Servicer, the Master Servicer will pool such Series 2019A-1 Mortgage Loans and cause Guaranteed Mortgage Securities to be issued with respect thereto and purchased by the Trustee from time to time. For a discussion of certain events which could cause Series 2019A-1 Mortgage Loans to not be originated, see “**PROGRAM ASSUMPTIONS**” herein.

The Indenture provides that the Trustee may be authorized by the Issuer in writing to purchase a different mix or additional amounts of Guaranteed Mortgage Securities backed by Assisted Program Loans or HOME-Assisted Program Loans, or to purchase Guaranteed Mortgage Securities at different rates than those specified in the Indenture with funds on deposit in the Series 2019A Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund if so required to ensure that all of the funds on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund will be utilized to purchase Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans upon receipt of the following:

- (i) written instructions from the Issuer to purchase a different mix or such additional amounts of Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans;
- (ii) evidence that HOME Program funds are available to pay the applicable portion of the purchase price relating to any additional HOME-Assisted Program Loans authorized to be originated;
- (iii) an opinion of Bond Counsel that such action will not cause the interest on the Series 2019A-1 Bonds to be included in gross income for purposes of federal income taxation; and

(iv) confirmation that such changes will not cause the Series 2019A Bonds to be downgraded.

Each Series 2019A-1 Mortgage Loan (i) will provide for substantially level monthly payments of principal and interest due the first day of each month (which payments will be accompanied by amounts for deposit in an escrow account to provide for timely payment of taxes and insurance), (ii) will have an original term of three hundred sixty (360) months, (iii) will be assumable only under the terms and conditions set forth in the Origination Agreement and described herein, (iv) will comply in all respects with the Origination Agreement, the GNMA Guide and FHA, RD or VA rules and regulations or the Fannie Mae Guides or the FHLMC Guides, as applicable, (v) will be in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified in the Origination Agreement and the applicable limitations of FHA, RD or VA, as applicable, the GNMA Guide, the Fannie Mae Guides or the FHLMC Guides, as applicable, (vi) will be the subject of a mortgagee's title insurance policy, and (vii) will be the subject of appropriate standard hazard insurance as long as the Series 2019A-1 Mortgage Loan is outstanding. See **“THE PROGRAM - Insurance or Guarantee”** herein.

### **Assisted Program Loans**

The Assisted Program Loans backing Guaranteed Mortgage Securities expected to be purchased by the Trustee on and after the Date of Delivery have a 30-year term with level monthly payments of principal and interest and bear an interest rate of 4.75% per annum, 5.00% per annum, or 5.25% per annum. In accordance with the provisions of the Indenture, the Issuer has reserved the right to change the mortgage rates on the Assisted Program Loans if necessary to ensure full expenditure of the Series 2019A-1 Bond proceeds. An Eligible Borrower will receive an Assistance Payment. Such Assistance Payment may only be applied by the Eligible Borrower to pay closing costs and a portion of the required down payment for the Series 2019A-1 Mortgage Loan.

Initially, sufficient funds will be on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund such that \$48,250,000\* in Assisted Program Loans can be originated.

Eligible Borrowers that receive an Assistance Payment will be required to execute a promissory note (the *“Borrower Note”*) equal to the Assistance Payment, which Borrower Note will be subordinate to the first mortgage lien note executed and delivered by the Eligible Borrower in connection with such Eligible Borrower's Assisted Program Loan. Each such Borrower Note will bear interest at 0.00% per annum and mature 36 months following the date of execution of such Borrower Note (the *“Maturity Date”*), and each such Borrower Note shall become due and payable prior to the Maturity Date upon the sale or other disposition by the Eligible Borrower of the single-family residence financed with the Assisted Program Loan or upon the refinancing of such Assisted Program Loan prior to the Maturity Date. In the event the Eligible Borrower fails at any time to occupy the single-family residence financed by the Assisted Program Loan as such Eligible Borrower's principal residence prior to the Maturity

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\* Preliminary, subject to change.



Date, the Issuer may declare the entire principal amount of the Borrower Note due and payable. At the end of each month following the date of execution and delivery of the Borrower Note, the Issuer shall, and only if the Eligible Borrower continuously occupies the single-family residence financed by the Assisted Program Loan as the Eligible Borrower's principal residence, reduce the then outstanding principal balance of the Borrower Note by an amount equal to 1/36th of the original principal amount of the Borrower Note.

### **HOME-Assisted Program Loans**

Each HOME-Assisted Program Loan is being subsidized by the Issuer with the funds from the HOME Program as administered and funded by HUD. HOME-Assisted Program Loans backing Guaranteed Mortgage Securities expected to be purchased by the Trustee on the Date of Delivery will have 30-year terms with level monthly payments of principal and interest and bear an interest rate of 3.25% per annum. In accordance with the provisions of the Indenture, the Issuer has reserved the right to change the mortgage rates on the HOME-Assisted Program Loans if necessary during the origination period of the Program following the Date of Delivery to ensure full expenditure of the Series 2019A-1 Bond proceeds. HOME-Assisted Program Loans must be Mortgage Loans eligible for pooling into Fannie Mae Certificates, GNMA Certificates or FHLMC Certificates as applicable in accordance with the Fannie Mae Guides, GNMA Guide and the FHLMC Certificates, as applicable. HOME-Assisted Program Loans must be made to persons or families of low income who qualify for such financing based upon the low-income limits established from time to time by HUD. Currently, the HUD low-income limit is 80% of the applicable median family income, as adjusted for family size.

The Issuer reasonably expects to make a maximum of \$3,675,000\* of funds available through the HOME Program to fund a portion of each HOME-Assisted Program Loan. Fifty percent (50%) of each HOME-Assisted Program Loan will be funded with proceeds of the Series 2019A-1 Bonds, with the remaining fifty percent (50%) of such HOME-Assisted Program Loan will be funded with amounts provided by the Issuer pursuant to the HOME Program. It is anticipated that \$3,500,000\* of HOME-Assisted Program Loans will be funded under the Program, which shall be comprised of \$1,750,000\* of proceeds of the Series 2019A-1 Bonds and \$1,750,000\* of funds made available through the HOME Program. The balance of the funds made available through the HOME Program, approximately \$175,000\*, shall be used to make grants in an amount not to exceed nine percent (9%) of the principal amount of the HOME-Assisted Program Loans depending on the income level of the Eligible Borrower.

Most, if not all of the closing costs relating to each HOME-Assisted Program Loan (up to a limit of 9% of the mortgage loan amount depending on the income level of the Eligible Borrower) will be paid with the proceeds of a HOME-Funded grant to the Eligible Borrower.

### **Origination and Purchase**

In connection with each Series 2019A-1 Mortgage Loan, the Lender may charge and collect all reasonable and customary out-of-pocket costs permitted by law paid or incurred by the Lender. Such fees will not exceed limits established from time to time by federal law or State

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\* Preliminary, subject to change.

law and in any event may not exceed like amounts charged in such areas in cases where owner financing is not provided through tax-exempt revenue bonds. The Lenders have agreed not to charge any origination fee in connection with the origination of a Series 2019A-1 Mortgage Loan but will be compensated by a servicing release fee of 2.00% of each Series 2019A-1 Mortgage Loan purchased by the Master Servicer.

With respect to a unit of a condominium or a PUD, such unit must be acceptable to FHA, VA or RD, as applicable, and GNMA standards, Fannie Mae standards or FHLMC standards, as applicable. There is no restriction on the percentage of condominium or PUD Mortgage Loans that a Lender may originate.

The Lenders are required to consider each application for a Series 2019A-1 Mortgage Loan in the order in which received, on a fair and equal basis. A Lender is not permitted to arbitrarily reject a Series 2019A-1 Mortgage Loan application because of the location and/or age of the property and will not, in the case of a proposed mortgagor, arbitrarily vary the terms of a Series 2019A-1 Mortgage Loan or the application procedures therefor or reject a Series 2019A-1 Mortgage Loan applicant because of the race, color, religion, national origin, age, sex or marital status of such applicant. In addition, Series 2019A-1 Mortgage Loans can be made only to those persons who certify their intent to occupy the property as their principal residence and whose Annualized Monthly Income does not exceed the current income limitation.

### **Insurance or Guarantee**

All Series 2019A-1 Mortgage Loans backing GNMA Certificates are required to be insured by FHA or guaranteed by either RD or VA before they are pooled by a Master Servicer and delivered to GNMA upon the issuance by the Master Servicer of a GNMA Certificate. All Series 2019A-1 Mortgage Loans backing Fannie Mae Certificates are required to be Conventional Mortgage Loans originated in accordance with the Fannie Mae Guides. All Series 2019A-1 Mortgage Loans backing FHLMC Certificates are required to be insured by FHA or guaranteed by VA, or are required to be Conventional Mortgage Loans originated in accordance with the FHLMC Guide. FHA's authority to issue commitments to insure the Series 2019A-1 Mortgage Loans is subject to a statutory limit on the dollar amount of commitments to insure that FHA may issue during a federal fiscal year. No assurance can be given that FHA's authority to issue commitments to insure Series 2019A-1 Mortgage Loans will not have reached its statutory ceiling for a fiscal year before it has issued a commitment to insure with respect to some or all of the Series 2019A-1 Mortgage Loans. See **“PROGRAM ASSUMPTIONS”** herein.

### **First Come, First Served System; Program Set Asides**

Each Lender must be either a commercial bank, savings and loan association, or a mortgage banking institution approved by the Issuer which is (i) currently participating in the local private home lending market in the State and (ii) an FHA approved mortgagee, RD eligible lender or a VA approved lender.

Lenders may reserve available funds for Series 2019A-1 Mortgage Loans on a first come, first served basis, by electronic transmission of a Series 2019A-1 Mortgage Loan reservation.

The Issuer will, upon receipt of such facsimile request, reserve the amount requested for the particular Series 2019A-1 Mortgage Loan. Each Borrower is required to pay a non-refundable Code Compliance Fee when the related compliance package is submitted for review by the Issuer or the Compliance Agent.

## **Compliance**

The staff of the Issuer will be responsible for compliance matters regarding the Program. The principal responsibilities of the staff of the Issuer in such capacity are as follows: (i) review the Series 2019A-1 Mortgage Loan applications to monitor compliance with the terms and conditions of the eligibility guidelines of the Program (including those required under the federal laws and regulations governing mortgage loans financed with qualified mortgage bonds) and provisions and limitations stated in the Origination Agreements; and (ii) consult with and advise the Lenders regarding technical questions and problems relating to Series 2019A-1 Mortgage Loan eligibility and underwriting.

## **The Master Servicer**

Standard Mortgage Corporation will serve as master servicer of the Program.

The Master Servicer is not liable for the payment of the principal of the Series 2019A Bonds or the interest or redemption premium, if any, thereon.

## **Servicing of the Series 2019A-1 Mortgage Loans**

The Master Servicer will service the Series 2019A-1 Mortgage Loans backing the Guaranteed Mortgage Securities issued by the Master Servicer and will have full power and authority, acting alone, to take such actions as may be necessary to discharge its duties with respect to servicing. The Master Servicer will be entitled to a monthly servicing fee, and, under certain circumstances, compensation from insurance proceeds or liquidation proceeds. Additional compensation in the form of late payment charges, assumption fees, or otherwise may be received by the Master Servicer to the extent permitted by law and by GNMA, Fannie Mae, FHLMC, FHA, RD or VA, as applicable. The Master Servicer will be required to pay all expenses incurred by it in connection with its servicing activities under the Servicing Agreement (including maintenance of its errors and omissions insurance policy and fidelity bond) and will not be entitled to reimbursement therefor, except as specifically provided in the Servicing Agreement.

The Master Servicer is required to perform all of its duties in servicing Series 2019A-1 Mortgage Loans with due care, diligence and reasonable promptness and to use at least the same degree of care in servicing Series 2019A-1 Mortgage Loans under the Program as it employs in servicing mortgage loans in its own portfolio. The Master Servicer is required to confirm to at least the minimum requirements established by GNMA, Fannie Mae and FHLMC.

Under certain circumstances, as described in the Servicing Agreement, the Issuer may terminate the Servicing Agreement with respect to the Master Servicer, after which a successor servicer acceptable to the Issuer, GNMA, Fannie Mae and FHLMC will succeed to all rights and

obligations of the Master Servicer concerning the servicing of the Series 2019A-1 Mortgage Loans.

### **Issuance of Guaranteed Mortgage Securities**

The Master Servicer is required to purchase an aggregate Series 2019A-1 Mortgage Loans until such time that the Master Servicer deems it advisable to cause the issuance of a Guaranteed Mortgage Securities. The Master Servicer is required to ensure that no Guaranteed Mortgage Securities will be issued in such an amount which would either (i) preclude the origination of subsequent Series 2019A-1 Mortgage Loans, or (ii) if Series 2019A-1 Mortgage Loans are originated and a mortgage pool is comprised of such Series 2019A-1 Mortgage Loans, preclude the issuance of a Guaranteed Mortgage Securities backed by such mortgage pool. The total principal face amount of a Guaranteed Mortgage Securities will not exceed the aggregate unpaid principal balances of Series 2019A-1 Mortgage Loans in the Mortgage pool backing such Guaranteed Mortgage Securities.

The Master Servicer is required to remit all scheduled payments of principal, interest and any principal prepayments that are payable with respect to the Series 2019A-1 Mortgage Loans which back the applicable Guaranteed Mortgage Securities when any of the same becomes due and payable (except in the month of purchase of a Guaranteed Mortgage Securities) and to meet all its obligations under the GNMA Guide, the Fannie Mae Guides and the FHLMC Guide and any contractual agreements to be entered into between the Master Servicer and the Guaranteed Mortgage Securities Provider.

### **GOVERNMENT NATIONAL MORTGAGE ASSOCIATION PROGRAM**

*The summary of the GNMA Program, GNMA Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage Backed Securities Guide (GNMA HANDBOOK 5500.3) and to the GNMA Certificates and other documents for full and complete statements of their provisions.*

GNMA is a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development (“HUD”), with its principal office in Washington, D.C., which guarantees privately-issued securities backed by pools of mortgages (the “GNMA Pools”).

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “National Housing Act”), to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by trusts or pools composed of mortgage loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen’s Readjustment Act, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the USDA/RD. 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 guarantees under Section 306(g) of the mortgage-backed securities of the type being delivered to the Trustee on behalf of the Issuer are authorized to be

made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.”

### **GNMA Certificates**

Each GNMA Certificate is a “fully modified pass-through security” which requires the Master Servicer to pass through to the Trustee the regular monthly Payments on the underlying Series 2019A-1 Mortgage Loans (except in the month of purchase of each GNMA Certificate and less certain servicing and GNMA guaranty fees), whether or not the Master Servicer receives such payments on the underlying Series 2019A-1 Mortgage Loans, plus any prepayments and liquidation proceeds in the event of a foreclosure or other disposition of any Series 2019A-1 Mortgage Loan received by the Master Servicer during the previous month. The Master Servicer will make monthly payments directly to the Trustee, as holder of the GNMA Certificates, on the fifteenth (15th) day of each month with respect to GNMA Certificates that are GNMA I Mortgage Pass-Through Certificates, and JPMorgan Chase Bank, N.A., as paying agent for GNMA, will make monthly payments to the Trustee on the twentieth (20th) day of each month (or the Business Day next following such date) with respect to GNMA Certificates that are GNMA II Mortgage Pass-Through Certificates in accordance with GNMA requirements and as provided in the Indenture. Upon the Trustee's purchase of GNMA Certificates, GNMA will guarantee to the Trustee as holder of the GNMA Certificates the timely payment of principal of and interest on the GNMA Certificates. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Certificate. The Treasury is authorized to purchase any 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 the aforementioned guaranty.

Under the terms of its guaranty, GNMA also warrants to the Trustee as the holder of the GNMA Certificates that, in the event GNMA is called upon at any time to make payment on its guaranty of the principal of and interest on a GNMA Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make such payments of principal and interest.

### **Servicing of the Series 2019A-1 Mortgage Loans Related to GNMA Certificates**

Under contractual arrangements made between the Master Servicer and GNMA, and pursuant to the Servicing Agreement, the Master Servicer has been and will continue to be responsible for servicing the Series 2019A-1 Mortgage Loans backing GNMA Certificates issued by the Master Servicer in accordance with FHA, VA or RD regulations, as applicable, and GNMA regulations.

The monthly remuneration of the Master Servicer for its servicing functions, and the guaranty fee charged by GNMA, is based on the unpaid principal amount of the GNMA

Certificates outstanding. In compliance with GNMA regulations and policies, the total of the servicing and guaranty fees equals 0.50% per annum calculated on the principal balance of each Series 2019A-1 Mortgage Loan outstanding on the last day of the month preceding the date of such calculation. Each GNMA Certificate carries an interest rate that is fixed at 0.50% per annum below the interest rate on the Series 2019A-1 Mortgage Loans because the servicing and guaranty fee is deducted from payments on the Series 2019A-1 Mortgage Loans before payments are passed through to the Trustee.

It is expected that interest and Principal Payments on the Series 2019A-1 Mortgage Loans received by the Master Servicer will be the source of money for payments on the related GNMA Certificates. If such payments are less than the amount then due, the Master 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 Master Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors).

The Master Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the 15th day of each month in case of a GNMA I Security and the 20th day of each month in the case of a GNMA II Security. However, if such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

In the event of a default by the servicer, GNMA shall have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the mortgage loans underlying the GNMA Certificates, and such mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the GNMA Certificate. In such event, GNMA will be the successor in all respects to the servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

### **Guaranty Agreement**

GNMA Guaranty set forth on the GNMA Certificates pursuant to which GNMA has agreed to guarantee the timely payment of the GNMA Certificates will provide that in the event of a default by the Master 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 Master Servicer, or (iii) default by the Master Servicer under any other guaranty agreement with GNMA, GNMA will have the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the related Series 2019A-1 Mortgage Loans, and the related Series 2019A-1 Mortgage Loans will then 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 Master Servicer with respect to the servicing of such GNMA Pools, including the right to collect the servicing fee, also will terminate and expire. In accordance with the GNMA Guide, the authority and power of the Master 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 Master Servicer, in its capacity as master servicer, and will be subject to all duties placed on the Master 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.

### **Payment of Principal of and Interest on the GNMA Certificates**

Regular monthly installment payments on each GNMA Certificate are required to begin in the first month following the date of issuance of such GNMA Certificate. In the case of a GNMA I Mortgage Pass Through Certificate, such payment is to be made to the Trustee on the 15th day of each month and, in the case of a GNMA II Mortgage Pass-Through Certificate, such payment is to be made to the Trustee on the 20th day of each month. Each payment will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each Series 2019A-1 Mortgage Loan in the GNMA Pool backing the GNMA Certificate, less the monthly servicing and guaranty fees of one-twelfth of 0.50% of the outstanding principal balance of the GNMA Certificate. In addition, each payment is required to include any prepayments and liquidation proceeds in the event of a foreclosure or other disposition of any Series 2019A-1 Mortgage Loan received during the month prior to the month on which such payment occurs.

### **FANNIE MAE PROGRAM**

*The summary of the Fannie Mae MBS Program, the Fannie Mae Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides and the Fannie Mae Certificates and other documents for full and complete statements of their provisions.*

### **Mortgage Backed Securities Program**

Fannie Mae (formerly the Federal National Mortgage Association) is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency (“FHFA”) to the extent provided in the Housing and Economic Recovery Act of 2008 (“HERA”). The FHFA has placed Fannie Mae into conservatorship.

**THE CERTIFICATES OF FANNIE MAE ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FANNIE MAE.**

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.

Fannie Mae has implemented a mortgage-backed securities program (the “*Fannie Mae MBS Program*”) pursuant to which Fannie Mae issues securities backed by pools of mortgage loans. The obligations of Fannie Mae, including its obligations under the Fannie Mae Certificates, are obligations solely for Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

The terms of the Fannie Mae MBS Program are governed by the Fannie Mae Selling and Servicing Guides, as modified by the Pool Purchase Contract, and, in the case of mortgage loans such as the Series 2019A-1 Mortgage Loans exchanged with Fannie Mae, 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 Fannie Mae MBS Program is described in a prospectus issued by Fannie Mae (the “*Fannie Mae Prospectus*”). The Fannie Mae Prospectus is updated from time to time.

Copies of the Fannie Mae Prospectus and Fannie Mae's most recent annual and quarterly reports and proxy statement are available from Fannie Mae, Office of Investor Relations, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016.

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

### **Fannie Mae Certificates**

Each Fannie Mae Certificate will represent the entire interest in a specified pool of Series 2019A-1 Mortgage Loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae. The difference between the interest rate on the Series 2019A-1 Mortgage Loans and the Pass-Through Rate on the Fannie Mae Certificate will be collected by the Master Servicer and used to pay the Master Servicer's servicing fee and Fannie Mae's guaranty fee.

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 Series 2019A-1 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 Series 2019A-1 Mortgage Loan, whether or not such principal balance is actually received. ***THE OBLIGATIONS OF FANNIE MAE UNDER SUCH GUARANTEES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, NOR ENTITLED TO, THE FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FANNIE MAE WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDER OF FANNIE MAE CERTIFICATES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING SERIES 2019A-1 MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDER OF FANNIE MAE CERTIFICATES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH SERIES 2019A-1 MORTGAGE LOANS.***



## **Payments on Series 2019A-1 Mortgage Loans; Distributions on Fannie Mae Certificates**

Payments on a Fannie Mae Certificate will be made to the owner thereof on the twenty-fifth (25th) day of each month (beginning with the month following the month such Fannie Mae Certificate is issued) or, if such twenty-fifth (25th) day is not a Business Day, on the first Business Day next succeeding such twenty-fifth (25th) day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Series 2019A-1 Mortgage Loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second (2nd) day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Series 2019A-1 Mortgage Loan that was prepaid in full during the second (2nd) month next preceding the month of such distribution (including as prepaid for this purpose any Series 2019A-1 Mortgage Loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the Series 2019A-1 Mortgage Loan after it is delinquent, in whole or in part with respect to four (4) consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Series 2019A-1 Mortgage Loan under certain other circumstances as permitted by the Indenture), (iii) the amount of any partial prepayment of a Series 2019A-1 Mortgage Loan received in the second (2nd) month next preceding the month of distribution and (iv) one (1) month's interest at the pass through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distributions, a Series 2019A-1 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 Series 2019A-1 Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Series 2019A-1 Mortgage Loan. Fannie Mae may, in its discretion, include with any distribution prepayments, both full and partial, received during the month prior to the month of distribution, but is under no obligation to do so.

## **THE FHLMC MORTGAGE-BACKED SECURITIES PROGRAM**

### **General**

The summary of the FHLMC Guarantor Program, the FHLMC Certificates and FHLMC's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to FHLMC's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular and Pool Supplements, FHLMC's current Mortgage Participant Certificates Agreement, as amended, FHLMC's Information Statement, any Information Statement Supplements and any other documents made available by FHLMC. Copies of these documents can be obtained by writing or calling FHLMC's Investor Inquiry Department at 8200 Jones Branch Drive, McLean, Virginia 22102. At the time of printing this Official Statement, the documents mentioned above and general information regarding FHLMC can be accessed <http://www.freddiemac.com>. However, the neither the Issuer nor the Underwriters make any representation regarding the content, accuracy or availability of any such

document or any information provided at such website. Such website is not part of this Official Statement.

## **FHLMC**

The Federal Home Loan Mortgage Corporation (“*FHLMC*”) 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 (the “*FHLMC Act*”). FHLMC is subject to the supervision and regulation of the FHFA to the extent provided in HERA. The FHFA has placed FHLMC into conservatorship.

Although the Secretary of the Treasury has certain discretionary authority to purchase obligations of FHLMC, neither the United States nor any agency thereof is obligated to finance FHLMC’s obligations or to assist FHLMC in any matter.

FHLMC’s statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. The principal activity of FHLMC consists of the purchase of first lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities (the “*FHLMC Certificates*”). FHLMC generally matches its purchases of mortgages with sales of FHLMC Certificates. Mortgages retained by FHLMC are financed with short- and long-term debt and equity capital.

## **FHLMC Guarantor Program**

FHLMC has established a mortgage purchase program pursuant to which FHLMC purchases a group of mortgages from a single seller in exchange for a FHLMC Certificate representing an undivided interest in a pool consisting of the same mortgages (the “*Guarantor Program*”). FHLMC 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.

## **FHLMC Certificates**

FHLMC Certificates will be mortgage pass through securities issued and guaranteed by FHLMC under its Guarantor Program. FHLMC Certificates are issued only in book entry form through the Federal Reserve Banks’ book entry system. Each FHLMC Certificate represents an undivided interest in a pool of mortgages. Payments by borrowers on the mortgages in the pool are passed through monthly by FHLMC to record holders of the FHLMC Certificates representing interests in that pool.

Payments on FHLMC Certificates begin on or about the fifteenth day of the first month following issuance. Each month, FHLMC passes through to record holders of FHLMC 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 an FHLMC Certificate is determined by subtracting from the lowest interest rate on any of the mortgages in the pool the applicable servicing fee and FHLMC's management and guarantee fee, if any.

FHLMC guarantees to each record holder of an FHLMC Certificate the timely payment of interest at the applicable pass through rate on the principal balance of the holder's FHLMC Certificate. FHLMC also guarantees to each holder of an FHLMC Certificate (i) the timely payment of the holder's proportionate share of monthly principal due on the related mortgages, as calculated by FHLMC, and (ii) the ultimate collection of the holder's proportionate share of all principal of the related mortgages, without offset or reduction, no later than the payment date that occurs in the month by which the last monthly payment on the FHLMC Certificate is scheduled to be made.

FHLMC may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will FHLMC make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity.

**THE OBLIGATIONS OF FHLMC UNDER ITS GUARANTEES OF THE FHLMC CERTIFICATES ARE OBLIGATIONS OF FHLMC ONLY. THE FHLMC 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 FHLMC. IF FHLMC WERE UNABLE TO SATISFY ITS OBLIGATIONS UNDER ITS GUARANTEES, DISTRIBUTIONS ON THE FHLMC 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 FHLMC CERTIFICATES AND COULD ADVERSELY AFFECT PAYMENTS ON THE SERIES 2019A BONDS.**

### **Mortgage Purchase and Servicing Standards**

All mortgages purchased by FHLMC must meet certain standards established by the FHLMC Act. In addition, FHLMC 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 creditworthiness of the borrower. FHLMC'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,

FHLMC 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 FHLMC; administration of escrow accounts; collection of insurance of guaranty claims; property inspections; and, if necessary, foreclosure. FHLMC monitors services performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage, FHLMC 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, FHLMC seeks to minimize the costs that may be incurred in servicing the mortgage, as well as FHLMC's possible exposure under its guarantees. However, the measures that FHLMC may choose to pursue to resolve a default will not affect FHLMC's guarantees. In any event, FHLMC 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 pursuant to FHLMC's guarantee of ultimate collection of principal.

## **PROGRAM ASSUMPTIONS**

### **Program Assumptions – Series 2019A Bonds**

The Pass-Through Rates relating to the Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans have been and will be established at rates such that payments of principal of and interest on the Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans purchased by the Trustee, plus moneys on deposit in the various Series 2019A Accounts, including earnings thereon, together with the payments of principal of and interest on the Transferred Certificates backed solely by the Existing Mortgage loans, are expected to be sufficient to pay on a timely basis the principal of and interest on the Series 2019A Bonds as well as certain expenses relating to the Series 2019A Bonds and the Program. The expectation of sufficiency of such funds for such purposes is based upon cash flow analyses prepared on the basis of the following assumptions:

(1) Guaranteed Mortgage Securities in the aggregate principal amount of approximately \$51,750,000\* will be purchased by the Trustee on behalf of the Issuer on or prior to October 15, 2019\*, as such date may be extended in accordance with the Indenture. Transferred Certificates in the aggregate principal amount of \$9,156,558\* (February 2019 factors) will be deposited to the Series 2019A Revenue Account of the Revenue Fund on the Date of Delivery.

(2) The Assisted Program Loans securing the Guaranteed Mortgage Securities bear interest at an assumed weighted average rate of approximately 5.18%\* per annum and will be backed by Conventional Mortgage Loans, FHA Insured, VA guaranteed or RD guaranteed Mortgage Loans, as the case may be, and which will provide for level monthly payments of principal and interest over 360 months and may be prepaid at any

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\* Preliminary, subject to change.

time without penalty; provided, however that the mortgage rates of the Assisted Program Loans may be changed by the Issuer during the origination period of the Program, which may result in a modification of the above referenced weighted average loan rate.

(3) The HOME-Assisted Program Loans securing the Guaranteed Mortgage Securities bear interest at an assumed weighted average rate of approximately 3.25%\* per annum and will be backed by Conventional Mortgage Loans, FHA Insured, VA guaranteed or RD guaranteed Mortgage Loans, as the case may be, and which will provide for level monthly payments of principal and interest over 360 months and may be prepaid at any time without penalty. The mortgage rates of the HOME-Assisted Program Loans may be changed by the Issuer during the origination period of the Program following the Date of Delivery, which may result in a modification of the above referenced weighted average loan rate.

(4) For Series 2019A-1 Mortgage Loans pooled into a GNMA Security, an amount equal to approximately 0.50% per annum of the aggregate outstanding principal amount of such Series 2019A-1 Mortgage Loans is retained by the Master Servicer for the guarantee and servicing fees resulting in a Pass Through Rate on such Guaranteed Mortgage Securities equal to an assumed weighted average rate of (i) approximately 4.67%\* per annum for Assisted Program Loans and (ii) approximately 2.75%\* for HOME-Assisted Program Loans; provided, however that the servicing and guarantee fees on such GNMA Certificates may be changed by GNMA during the origination period of the Program, which may result in a modification of the above referenced weighted average Pass Through Rate.

(5) For Series 2019A-1 Mortgage Loans pooled into a Fannie Mae Security or a Freddie Mac Security, an amount equal to approximately 0.70% per annum of the aggregate outstanding principal amount of such Series 2019A-1 Mortgage Loans is retained by the Master Servicer for the guarantee and servicing fees resulting in a Pass Through Rate on such Guaranteed Mortgage Securities equal to an assumed weighted average rate of (i) approximately 4.50%\* per annum for Assisted Program Loans and (ii) approximately 2.55%\* for HOME-Assisted Program Loans; provided, however that the servicing and guarantee fees on such Fannie Mae Security and/or Freddie Mac Security may be changed by Fannie Mae or Freddie Mac, as applicable, during the origination period of the Program, which may result in a modification of the above referenced weighted average Pass Through Rate.

(6) Existing Mortgage Loans in the aggregate net principal amount of approximately \$9,156,558\* (February 2019 factors), with a weighted average maturity of approximately 248\* months, a weighted average rate of approximately 5.31%\* and a weighted average Pass Through Rate of approximately 4.43%\*, will be allocated to the Series 2019 A Bonds upon the refunding of the Prior Bonds.

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\* Preliminary, subject to change.

(7) All Program Expenses with respect to the Series 2019A Bonds, including the Trustee's Fee and the Issuer's Fee, and any other applicable fees and expenses, will be paid in full on a timely basis in accordance with the Indenture.

The Trustee's Fee is payable from funds on deposit in the Series 2019A Accumulation Account of the Accumulation Fund semi-annually, in advance, commencing December 1, 2019, in an amount equal to 0.03% per annum of the Series 2019A Bonds Outstanding, subject to a minimum annual fee of \$3,000.

The Issuer's Fee related to the Series 2019A Bonds is payable from funds on deposit in the Series 2019A Accumulation Account of the Accumulation Fund semi-annually on each June 1 and December 1, commencing on the second June 1 or December 1, as the case may be, following the last purchase of a Guaranteed Mortgage Security in an amount equal to one-half (1/2) of 0.50% of the principal amount of Guaranteed Mortgage Securities backed by Assisted Program Loans and Transferred Certificates outstanding as of such date.

(8) Amounts on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund not used to purchase Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans on October 15, 2019\*, will be applied on November 1, 2019\* to redeem Series 2019A-1 Bonds, unless such date is extended as described herein. See **“THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds - Mandatory Redemption – From Unexpended Proceeds in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program”** herein.

(9) Amounts representing Excess Revenues and credited to the Series 2019A Revenue Account of the Revenue Fund will be transferred or credited (by ledger entry) to the Series 2019A Redemption Account of the Redemption Fund to redeem Series 2019A Bonds as described in **“THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds - Selection of Series 2019A Bonds for Redemption-Mandatory Redemption from Prepayments and/or Excess Revenues”** herein, and as described in **“APPENDIX B – Summary of Certain Provisions of the Thirty-Eighth Series Supplemental Indenture.”**

(10) Guaranteed Mortgage Securities and the Transferred Certificates payments are received on the twenty-ninth (29th) day of the month in which they are due.

(11) The Guaranteed Mortgage Securities and the Transferred Certificates may prepay at various prepayment speeds, including (a) 0% PSA; (b) 100% PSA; (c) 300% PSA; and (d) 725% PSA.

(12) Amounts on deposit in the various Series 2019A Accounts will be invested at 0% per annum.

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\* Preliminary, subject to change.

(13) The Issuer reasonably expects that amounts on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund will be used to either (a) purchase Guaranteed Mortgage Securities backed solely by Assisted Program Loans in a minimum aggregate principal amount of \$48,250,000\*; (b) purchase Guaranteed Mortgage Securities backed solely by HOME-Assisted Program Loans in a maximum aggregate principal amount of \$3,500,000\*; or (c) redeem Series 2019A-1 Bonds in whole pursuant to the Indenture on November 1, 2019\*.

There can be no assurance whatsoever that actual events will correspond to the foregoing assumptions. For instance, it is anticipated that substantially all Series 2019A-1 Mortgage Loans and Existing Mortgage Loans will be paid prior to their maturity dates. It is anticipated that a substantial portion of the Series 2019A Bonds will be mandatorily redeemed without premium because of prepayment of Series 2019A Mortgage Loans and the Existing Mortgage Loans or the application of excess revenues and reserves.

### **Average Life of the Series 2019A Bonds**

The Sinking Fund Installments and maturities of the Series 2019A Bonds have been established on the assumption of no Prepayments of the Series 2019A-1 Mortgage Loans or Existing Mortgage Loans (the “*Mortgage Loan Pool*”).

The term “*weighted average life*” refers to the average amount of time that will elapse from the date of issuance of a security until each dollar of principal of such security will be repaid to the investor. The weighted average life of the Series 2019A Bonds will be influenced by the rate at which principal on the Mortgage Loan Pool is paid.

Principal Payments on the Mortgage Loan Pool may be in the form of scheduled principal amortization payments or Prepayments. Prepayments on single family mortgage loans such as those contained in the applicable Mortgage Loan Pool are commonly measured by a prepayment standard or model. The model used in the following discussion is known as the “*PSA Prepayment Model*.” The PSA Prepayment Model is used by the Securities Industry and Financial Markets Association (the successor to the Bond Markets Association, which was previously known as the Public Securities Association (“*PSA*”)). The PSA Prepayment Model is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The PSA Prepayment Model starts with 0.2% prepayment rate in the first month, increases the prepayment rate by 0.2% in the each succeeding month until the thirtieth month (when a 6.0% annualized prepayment rate is reached), and then assumes a constant prepayment rate of 6.0% per annum of the unpaid principal balance for the remaining life of the mortgage loans.

The Series 2019A-1 Mortgage Loans will have original terms of thirty (30) years. Existing Mortgage Loans have weighted average remaining terms of 20.6 years. No reliable prediction may be made with regard to the level of Prepayments in full or early termination of the Series 2019A-1 Mortgage Loans and the Existing Mortgage Loans, and the resulting mandatory redemption of the Series 2019A Bonds. The Series 2019A Bonds may have a

substantially shorter life than their stated maturities or mandatory sinking fund redemptions as a result of Prepayments.

As used in the following tables, the “0% PSA” assumes no prepayments on the principal of the applicable Mortgage Loan Pool. The “50% PSA” assumes the principal on the applicable Mortgage Loan Pool will prepay half as fast as the prepayment rates for 100% of the PSA Prepayment Model. The “200% PSA” assumes the principal on the applicable Mortgage Loan Pool will prepay at a rate twice as fast as the prepayment rates for 100% of the PSA Prepayment Model. The “500% PSA” assumes the principal on the applicable Mortgage Loan Pool will prepay at a rate five (5) times as fast as the prepayment rates for 100% of the PSA Prepayment Model.

The figures in the table set forth below are computed by George K. Baum & Company utilizing the foregoing Program assumptions, including the assumptions that (a) the weighted average loan origination date will be 1.8 months following the Date of Delivery, (b) full origination of the Series 2019A-1 Mortgage Loans by the Lenders, and (c) the Series 2019A Bonds are not optionally redeemed prior to their stated maturity. The information set forth below will not be updated.

<b>PSA SPEED</b>	<b>SERIES 2019A-2 2034 TERM BONDS</b>	<b>SERIES 2019A-1 2039 TERM BONDS</b>	<b>SERIES 2019A-1 2044 TERM BONDS</b>	<b>PREMIUM PAC TERM BONDS</b>	<b>SERIES 2019A-1 2049 TERM BONDS</b>
0%	13.7	18.0	22.9	16.3	27.2
25%	13.7	18.0	22.6	10.6	24.7
50%	13.7	17.5	20.5	7.4	21.1
75%	13.4	16.1	17.7	5.8	17.7
100%	12.6	14.4	15.1	4.9	15.0
150%	10.4	10.6	10.8	4.9	10.5
200%	8.2	8.1	8.1	4.9	7.9
250%	6.6	6.3	6.3	4.9	6.2
300%	5.3	5.1	5.1	4.9	5.0
350%	4.3	4.1	4.1	4.9	4.1
400%	3.5	3.4	3.4	4.9	3.4
450%	3.4	3.3	3.3	4.2	3.3
500%	3.4	3.3	3.3	3.6	3.3

There is no assurance that prepayment of the principal of the Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans or prepayment of the Transferred Certificates backed solely by the Existing Mortgage Loans will conform to any particular levels of the PSA Prepayment Model. The rate of principal payments on pools of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of mortgage interest rates and the rate at which homeowners sell their homes or default on their mortgage loans. In general, if prevailing interest rates fall significantly, mortgage loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on such mortgage loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of mortgage loans include changes in mortgagors' housing needs, job transfers, unemployment and mortgagors' net equity in the mortgage properties. In addition, as homeowners move or default on their mortgage loans, the houses are generally sold and the mortgage loans prepaid, although



under certain circumstances the mortgage loans may be assumed by a new buyer. Because of the foregoing and since the rate of prepayment of principal of each Series 2019A Bond will depend on the rate of repayment (including Prepayments) of the Guaranteed Mortgage Securities backed solely by the Series 2019A-1 Mortgage Loans and the rate of repayment (including Prepayments) of the Transferred Certificates backed by the Existing Mortgage Loans, the actual maturity of any Series 2019A Bond is likely to occur earlier, and could occur significantly earlier, than its stated maturity.

### **Special Considerations Relating to Origination of Series 2019A-1 Mortgage Loans**

(i) Failure to Originate Series 2019A-1 Mortgage Loans

The Series 2019A-1 Bonds are subject to mandatory redemption on and after November 1, 2019\*, from and to the extent the Issuer certifies that funds remaining on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund on or after October 15, 2019\* will not be applied to the purchase of Guaranteed Mortgage Securities. See **“THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A-1 Bonds - Mandatory Redemption – From Unexpended Proceeds in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund”** herein.

(ii) Availability of Competitive Mortgage Terms and Rates

There are numerous reasons why Series 2019A-1 Mortgage Loans may not be originated and Guaranteed Mortgage Securities not purchased in an aggregate amount to use all amounts on deposit in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund for the purchase of Guaranteed Mortgage Securities. One of the principal factors in originating real estate loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford. At the present time there is a shortage of funds in the State to originate such loans at interest rates commensurate with those specified for the Series 2019A-1 Mortgage Loans. This condition could change during the Origination Period for the Series 2019A-1 Mortgage Loans. For example, prevailing interest rates for conventional mortgage loans in the State could decrease and make the Series 2019A-1 Mortgage Loans less attractive to potential homeowners.

(iii) Master Servicer

The program requires the Master Servicer to purchase Series 2019A-1 Mortgage Loans and cause the issuance of Guaranteed Mortgage Securities backed by such Series 2019A-1 Mortgage Loans for purchase by the Trustee on behalf of the Issuer. If the Master Servicer, for any reason, is unable to purchase Series 2019A-1 Mortgage Loans or cause the issuance of Guaranteed Mortgage Securities for purchase by the Trustee and no qualified successor Master Servicer can be substituted, the Series 2019A-1 Bonds may be redeemed as described under the heading **“THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds – Mandatory Redemption.”**

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\* Preliminary, subject to change.

(iv) Requirements of the Internal Revenue Code

The Code imposes certain requirements as to the qualification of potential mortgagors for Series 2019A-1 Mortgage Loans to be originated under the Program and the purchase price of the residences which may become subject to a Series 2019A-1 Mortgage Loan. These requirements restrict the ability of potential mortgagors and residential units to qualify as Series 2019A-1 Mortgage Loans and may materially impair the ability of Lenders to originate Series 2019A-1 Mortgage Loans for pooling by the Master Servicer into GNMA Certificates, Fannie Mae Certificates or FHLMC Certificates, as applicable. The requirements of the Code may change and may become more restrictive, resulting in a decrease in the number of potential mortgagors or residential units eligible for inclusion in the Program.

The Code requires a payment to the United States from certain mortgagors, as described under “**THE PROGRAM – Federal Tax Law Requirements – Recapture Provision**” herein (the “*Recapture Provision*”). The Recapture Provision may result in reduced demand for Series 2019A-1 Mortgage Loans and thereby adversely affect the ability of the Lenders to originate Series 2019A-1 Mortgage Loans.

(v) Authority to Issue GNMA Certificates

In order to qualify for inclusion in a pool of mortgages securing a GNMA Certificate, Series 2019A-1 Mortgage Loans must be insured by FHA or guaranteed by VA or RD. In the event that FHA's authority to insure Series 2019A-1 Mortgage Loans or VA's or RD's authority to guarantee Series 2019A-1 Mortgage Loans is restricted or withdrawn during the Origination Period, the origination of Series 2019A-1 Mortgage Loans will be foreclosed and may cause the Series 2019A Bonds to be redeemed as described under the heading “**THE SERIES 2019A BONDS – Redemption Provisions of the Series 2019A Bonds – Mandatory Redemption.**”

(vi) Events of Default; Remedies

The remedies available to the owners of the Series 2019A 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 judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies available under the documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019A 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.

## 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 proceeds of such bonds remaining after the payment of costs of issuance are applied to the purchase of mortgage loans at least 95% of which complied with the mortgage eligibility requirements described below at the time such mortgage loans were made. The Code provides that (i) in determining whether 95% of the lendable proceeds of such bonds are used to make mortgages satisfy the mortgage

eligibility requirements, the issuer of such 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. The Issuer has covenanted in the Indenture to comply with the Code and the procedures required by the origination agreements and the origination agreements include the affidavits and examinations which the Code specifies may be relied upon by the Issuer in determining compliance with such requirements. These requirements and procedures are summarized below.

### **First Time Homebuyer Requirement**

The Code requires that at least 95% of the net proceeds of qualified mortgage bonds be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period preceding the date on which the mortgage is executed. The portion of such proceeds used to make mortgage loans in targeted areas is treated as used for such purpose. Under the Code the Issuer may rely on its or its agents' examination of federal income tax returns and the mortgagors' affidavits to ascertain compliance with this requirement. The origination agreements require each lender to obtain, and the lender and the Issuer 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.

### **Residence Requirement**

As required by the Code, the Indenture and the origination agreements, all residences for which owner-financing is provided with the proceeds of the Series 2019A-1 Bonds must be residences located within the State. Both the Issuer and the prospective mortgagor must reasonably expect that the financed residence will become the mortgagor's principal residence within a reasonable time (sixty (60) days) after the residence mortgage loan is executed or assumed. The origination agreements require the lender to obtain from each mortgagor a certification that at the closing of the mortgage loan such mortgagor intends to make the residential housing unit its principal residence within sixty (60) days from the date of such closing. Under the Code, the Issuer may rely on such certification for purposes of ascertaining compliance with this requirement.

### **Income Limitations**

As required by the Code, the Indenture and the origination agreements, the family income of each mortgagor may not exceed the applicable percentage of the current median gross income for the area of the state in which such residence is located. The maximum permissible family income limit allowable under the Program, depends on the particular parish in which the residential housing unit is located, the number of persons in the family and whether the residential housing unit is located in a non-targeted area. The maximum permissible family income limit for eligible borrowers in non-targeted areas is 115% of the applicable median family income (for families of three or more persons) or 100% of the applicable median family income (for families of 1 or 2 persons). The maximum permissible family income limit for

eligible borrowers in targeted areas is 140% of the applicable median family income (for families of three or more persons) or 115% of the applicable median family income (for families of one or two persons). The Program requires that eligible borrowers supply an affidavit setting forth their family income. Under the Code, the Issuer may rely on such affidavits for purposes of ascertaining compliance with this requirement.

### **Acquisition Price Limitations**

The Code requires that the “acquisition cost” (as defined in the Code) of each residence being financed may not exceed 90% (110% in the case of residences located in a targeted area) of the average area purchase price applicable to such residence. 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.

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. The Program requires that both the eligible borrowers and the sellers of the residential housing units supply an affidavit setting forth the acquisition cost of the residential housing unit and certify that the residential housing unit is a completed residential unit that includes only such land as reasonably maintains the basic livability of the residential housing unit. 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 borrowers certify that they do not expect to so use the mortgage property. Under the Code, the Issuer may rely on such affidavits for purposes of ascertaining compliance with these requirements.

### **New Mortgage Requirement**

The Code does not allow proceeds of a qualified mortgage issue to be used to acquire existing mortgages (thereby requiring the Issuer to apply such proceeds only to newly-originated mortgages), or to refinance existing loans, except construction period loans, bridge loans or other similar temporary initial financing of twenty-four (24) months or less or existing loans with respect to residences which have been the subject of a qualified rehabilitation. The origination agreements require that the eligible borrowers supply an affidavit certifying that the mortgage loan proceeds will not be used in a manner which would violate this requirement. Under the Code, the Issuer may rely on such affidavits for purposes of ascertaining compliance with this requirement.

### **Correction of Non-Compliance**

The Code provides that an issuer 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 origination agreements require the lenders to repurchase any defective mortgage loans at the direction of the Issuer. The mortgage loan documents further provide that if mortgagor is found not to be an eligible borrower, such mortgage loan may be declared immediately due and payable.

## **Targeted Area Requirement**

The Code requires an issuer to make at least the lesser of (i) 20% of the lendable proceeds of the bonds or (ii) 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 residences in the targeted areas for a period of at least one (1) year from the date qualified mortgage bond proceeds are first made available for the origination of mortgage loans and to use reasonable diligence to place such proceeds in mortgage loans in targeted areas. The Issuer has covenanted in the Indenture to make the required portion of the lendable proceeds so available. In addition, pursuant to the Indenture, the origination agreements, the Issuer and the lenders have covenanted to use reasonable diligence to originate mortgage loans in targeted areas. 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 (3) 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. The Code provides that an issue is treated as satisfying the targeted area requirements of the Code if (i) the issuer in good faith attempted to meet these requirements, and (ii) any failure to meet these requirements is due to inadvertent error after taking reasonable steps in complying with such requirements.

## **Arbitrage Requirements**

The Code contains special arbitrage provisions applicable to issues of tax exempt bonds. The Code requires that an issuer 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 (as determined under provisions of the Code). The Issuer have covenanted to comply with instructions to be delivered by Bond Counsel simultaneously with the issuance and delivery of the Bonds which contains provisions designed to ensure that the arbitrage provisions of the Code are satisfied.

## **Recapture Provision**

Under certain circumstances, the Code requires a payment to the United States from mortgagors upon sale or other disposition 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 50% of the gain on the sale) be recaptured on disposition of the house within nine (9) years of the later of the closing or assumption of the mortgage loan. The recapture amount increases over the period of ownership, with full recapture occurring if the house is sold at the end of the fifth year. The recapture amount declines ratably to zero with respect to sales occurring in years six (6) through nine (9). An exception excludes from recapture part or all of the subsidy in the case of assisted individuals whose income is less than prescribed amounts at the time of the disposition.

## Assumption Restrictions

In any case in which a residential housing unit subject to a mortgage has been or is about to be conveyed by the mortgagor and the purchaser desires to assume all the rights and obligations of the mortgagor under the mortgage loan, the master servicer may release (subject to any required Federal Housing Administration (“*FHA*”), Rural Development Service (“*RD*”) or Veterans Administration (“*VA*”) approval, as applicable) the original mortgagor and take or enter into an assumption agreement from or with the person to whom such property has been or is about to be conveyed; provided, however, that such assumption may only be permitted if (i) the purchaser is an eligible borrower, (ii) the purchaser will occupy the residential housing unit within sixty (60) days of the assumption as the purchaser's principal residence and intends to maintain the residential housing unit as his or her principal residence as long as he or she is liable under the mortgage loan, (iii) the purchaser is a first time homebuyer (other than with respect to residential housing units located in targeted areas), (iv) the acquisition cost of the residential housing unit does not exceed limits then applicable for a residential housing unit in the area in which such residential housing unit is located, (v) the purchaser's annualized monthly income does not exceed the maximum permissible family income limit, (vi) the mortgage loan must continue to comply with the requirements of *FHA*, *RD* or *VA*, as applicable, the Program documents and the *GNMA* Guide and the *Fannie Mae* Guides and (vii) such assumption will not affect the exclusion from gross income (for federal income tax purposes) of interest on the Bonds. The assumption restrictions shall be incorporated in the mortgage and kept as a part of the mortgage file. In connection with any such assumption agreement, the interest rate of the mortgage note will not be changed.

## TAX EXEMPTION

**General.** In the opinion of Foley & Judell, L.L.P., Bond Counsel, interest on the Series 2019A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. See **APPENDIX C** hereto.

Further, the opinion of Bond Counsel will state that under the Act, the Series 2019A Bonds and the interest thereon are exempt from all state and local taxes. See **APPENDIX C** hereto. Each prospective purchaser of the Series 2019A Bonds should consult his or her own tax advisor as to the status of interest on the Series 2019A Bonds under the tax laws of any state other than the State.

Except as stated above, Bond Counsel expresses no opinion as to any federal, state or local tax consequences resulting from the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019A Bonds.

The Code imposes a number of requirements that must be satisfied for interest on state and local obligations to be excluded from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be paid periodically to the United States, except under certain circumstances, and a requirement that information reports be

filed with the Internal Revenue Service. The Issuer has covenanted that it will, to the extent permitted by the laws of the State, comply with the requirements of the Code in order to maintain the excludability from gross income of interest on the Series 2019A Bonds for federal income tax purposes.

The opinion of Bond Counsel will assume continuing compliance with the covenants of the Issuer pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Series 2019A Bonds for federal income tax purposes and, in addition, will rely on representations by the Issuer with respect to matters solely within the knowledge of the Issuer, which Bond Counsel has not independently verified. If the Issuer should fail to comply with its covenants or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Series 2019A Bonds could become included in gross income from the date of original delivery of the Series 2019A Bonds, regardless of the date on which the event causing such inclusion occurs.

Owners of the Series 2019A Bonds should be aware that (i) the ownership of tax-exempt obligations, such as the 2019A Bonds, may result in collateral federal income tax consequences to certain taxpayers and (ii) certain other federal, state and/or local tax consequences may also arise from the ownership and disposition of the Series 2019A Bonds or the receipt of interest on the Series 2019A Bonds. Furthermore, future laws and/or regulations enacted by federal, state or local authorities may affect certain owners of the Series 2019A Bonds. All prospective purchasers of the Bonds should consult their legal and tax advisors regarding the applicability of such laws and regulations and the effect that the purchase and ownership of the Series 2019A Bonds may have on their particular financial situation.

***Alternative Minimum Tax Consideration.*** Interest on the Series 2019A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The corporate alternative minimum tax was repealed by the Tax Cuts and Jobs Act enacted on December 22, 2017, effective for tax years beginning after December 31, 2017.

***Tax Treatment of Premium.*** The Premium PAC Term Bonds are offered and sold to the public at a premium. The premium is the excess of the issue price over the stated redemption price at maturity and must be amortized on an actuarial basis by the owner of the Premium PAC Term Bonds from the date of acquisition of the Premium PAC Term Bonds through the maturity date thereof. The premium is not deductible for federal income tax purposes, and owners of the Premium PAC Term Bonds are required to reduce their basis in the Premium PAC Term Bonds by the amount of premium that accrued while they owned such Premium PAC Term Bonds. Owners of the Premium PAC Term Bonds (including owners that purchase a Premium PAC Term Bonds other than pursuant to the initial public offering) should consult their own tax advisors as to the determination for federal income tax purposes of the amount of premium amortized each year with respect to the Premium PAC Term Bonds, the adjusted basis of the Premium PAC Term Bonds for purposes of determining the taxable gain or loss upon the sale or other disposition of the Premium PAC Term Bonds (prior to maturity and at maturity), and all other federal tax consequences and any state and local tax aspects of owning the Premium PAC Term Bonds.

***Changes in Federal and State Tax Law.*** From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Series 2019A Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Series 2019A Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019A Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Series 2019A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE SERIES 2019A BONDS.

#### **ABSENCE OF LITIGATION**

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body where service of process has been effectuated on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer or, to its knowledge, any basis therefor, where an unfavorable in decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Series 2019A Bonds from gross income of the owners thereof for federal income tax purposes or the validity or enforceability of the Series 2019A Bonds, the Indenture, the Continuing Disclosure Certificate or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

#### **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2019A Bonds will be passed upon by Foley & Judell, L.L.P., New Orleans, Louisiana,



Bond Counsel, on the date of the issuance of the Series 2019A Bonds. Certain legal matters in connection with the issuance of the Series 2019A Bonds will be passed upon for the Underwriters by its counsel, Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana.

## UNDERWRITING

George K. Baum & Company, Inc., on behalf of itself and on behalf of J.P. Morgan Securities LLC and Raymond James & Associates, Inc. (collectively, the “*Underwriters*”) has agreed to purchase all of the Series 2019A Bonds at par (except as hereinafter provided). Provided, however, the Premium PAC Term Bonds shall be purchased at \_\_\_\_% of the principal amount thereof. The Underwriters’ compensation with respect to the purchase of the Series 2019A Bonds will be \$\_\_\_\_\_. The Bond Purchase Agreement (the “*Purchase Agreement*”) between the Underwriters and the Issuer provides that the Underwriters will purchase all of the Series 2019A Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2019A Bonds is subject to various conditions contained in the Purchase Agreement.

The Underwriters intend to offer the Series 2019A Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2019A Bonds to the public. The Underwriters may offer and sell the Series 2019A Bonds to certain dealers at prices lower than the public offering price. In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market price of the Series 2019A 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 Underwriters do not guarantee a secondary market for the Series 2019A Bonds and are not obligated to make any such market in the Series 2019A Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Series 2019A Bonds should they need or wish to do so for emergency or other purposes.

George K. Baum & Company, one of the Underwriters of the Series 2019A Bonds, and Pershing LLC (“*Pershing*”), a subsidiary of The Bank of New York Mellon Corporation, have a distribution agreement enabling Pershing to obtain and distribute certain municipal securities underwritten by or allocated to George K. Baum & Company. Under the distribution agreement, George K. Baum & Company will allocate a portion of received takedowns, fees or commissions to Pershing for the Series 2019A Bonds sold under the agreement.

J.P. Morgan Securities LLC (“*JPMS*”), one of the Underwriters of the Series 2019A Bonds, has entered into negotiated dealer agreements (each, a “*Dealer Agreement*”) with each of Charles Schwab & Co., Inc. (“*CS&Co.*”) and LPL Financial LLC (“*LPL*”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, if applicable to this transaction, each of CS&Co. and LPL may purchase Series 2019A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019A Bonds that such firm sells.

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. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Issuer for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, 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 the Issuer.

The Underwriters are not acting as financial advisors to the Issuer in connection with the offer and sale of the Series 2019A Bonds.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

### CONTINUING DISCLOSURE

The Issuer will enter into a Continuing Disclosure Certificate (the “*Continuing Disclosure Certificate*”) for the benefit of the owners, including beneficial owners, of the Series 2019A Bonds, pursuant to which the Issuer is required to file, so long as the Series 2019A Bonds are outstanding, certain financial information and operating data relating to the Issuer annually to the Electronic Municipal Market Access system (“*EMMA*”) operated by the Municipal Securities Rulemaking Board, and upon the occurrence of certain listed events, to file notice of certain listed events to EMMA, in each case pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the “*Rule*”). See “**APPENDIX D – Summary of Certain Provisions of the Continuing Disclosure Certificate.**” The covenants described therein have been made in order to assist the Underwriters in complying with the Rule.

The Issuer has entered into prior undertakings (the “*Prior Undertakings*”) for the benefit of the owners of certain previously issued bonds of the Issuer. The Prior Undertakings require the Issuer to provide certain financial information and operating data annually and upon the occurrence of certain listed events, notice of certain listed events, in each case with MSRB electronically through EMMA.

During the five years preceding the date of this Official Statement (the “*Compliance Period*”), the Issuer has on several occasions for certain series of bonds not timely filed certain financial information or operating data required under the Prior Undertakings under the Rule, and did not file a notice of such failure to timely file such financial information or operating data with EMMA. In addition, in certain instances, the operating data for certain of the Issuer’s prior refunding bonds was filed in summary format on a timely basis but was not formatted pursuant

to the applicable Prior Undertakings in the format presented in the applicable official statement. In addition, certain financial information and operating data for Fiscal Year 2017 was not filed under all outstanding CUSIPs on or before the applicable filing deadline.

A failure by the Issuer to comply with the Continuing Disclosure Certificate will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity regarding compliance with the Rule). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Series 2019A Bonds in the secondary market. Consequently, such a failure may materially affect the transferability and liquidity of the Series 2019A Bonds or their market price.

The Issuer has adopted written procedures for timely complying with its undertakings under the Rule. The Issuer has enrolled in the EMMA automated email reminder system which alerts issuers and obligated persons to upcoming filing deadlines for financial and operating information.

La. R.S. 39:1438 provides for certain procedures designed to ensure compliance with the Rule. Such legislation, effective August 1, 2014, requires public entities, such as the Issuer, to keep certain records demonstrating compliance with the Rule, and mandates a public entity's auditor to review the public entity's compliance with such record-keeping requirements and review a sampling of the EMMA filings to determine if such filings are in compliance with the continuing disclosure undertakings to which the public entity is a party.

### **CERTAIN BONDHOLDERS' RISKS**

The purchase of the Series 2019A Bonds involves certain risks and therefore may not be an appropriate investment for all types of investors. Each prospective investor is encouraged to read this offering document in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Series 2019A Bonds, the market price of the Series 2019A Bonds, or the date of redemption of certain Series 2019A Bonds, to an extent that cannot be determined at this time. The following does not purport to be an exhaustive list of risks and other considerations that may be relevant to investing in the Series 2019A Bonds. In addition, the order in which the following information is presented does not intend to reflect the relative importance of such information.

#### **Prepayments and Redemption Considerations**

The Issuer anticipates that the Trustee will receive prepayments on the Guaranteed Mortgage Securities and the Transferred Certificates. Prepayments consist of all payments in excess of the regularly scheduled payments on the Guaranteed Mortgage Securities and the Transferred Certificates, including, but not limited to, payments representing: (1) optional prepayments of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans, as the case may be, (2) casualty insurance proceeds or condemnation awards applied to the prepayment of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans following a partial or total destruction or condemnation of a residence, (3) mortgage insurance or guaranty proceeds or other amounts received with respect to Series 2019A-1 Mortgage Loans and/or the Existing

Mortgage Loans following acceleration thereof upon the occurrence of an event of default thereunder, (4) prepayments of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans required pursuant to applicable rules, regulations, policies and procedures of FHA, USDA/RD, VA, GNMA or FNMA, (5) prepayments of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans without notice while under supervision of a trustee in bankruptcy and (6) prepayments of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans in connection with the modification of such loans that results in the removal of Series 2019A-1 Mortgage Loans and/or the Existing Mortgage Loans from the pool of loans backing the related Guaranteed Mortgage Securities and/or Transferred Certificates, as applicable (see **“Developments in the Residential Mortgage Market May Adversely Affect Bond Payments”** hereinbelow). Prepayments are usually the result of the resale of the premises securing a Series 2019A-1 Mortgage Loan and/or an Existing Mortgage Loan or the refinancing of a Series 2019A-1 Mortgage Loan and/or an Existing Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant short-term effect on the rate of prepayments. The Issuer is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the Guaranteed Mortgage Securities and/or the Transferred Certificates. Prepayments will be applied to the prepayment of the Series 2019A Bonds at 100% of the principal amount thereof, plus accrued interest, but without any redemption premium, except in the case of the Premium PAC Term Bonds. See **“THE SERIES 2019A BONDS — Redemption Provisions of Series 2019A-1 Bonds - Mandatory Redemption from Prepayments and Excess Revenues.”**

### **Rating Downgrade**

Because the Guaranteed Mortgage Securities and the Transferred Certificates are guaranteed by GNMA, Fannie Mae or FHLMC, any downgrade in the sovereign credit rating of the United States of America by Moody’s Investors Service, Inc. likely would result in a downgrade of the Series 2019A Bonds by Moody’s Investors Service, Inc. Any reduction of the rating in effect for the Series 2019A Bonds may adversely affect the market price of the Series 2019A Bonds. See **“RATING”** herein.

### **Limited Security for Series 2019A Bonds**

The Series 2019A Bonds are limited obligations of the Issuer, secured solely by a pledge of the Trust Estate. The Series 2019A Bonds do not constitute an obligation, either general or special, of the State, any municipality or any other political subdivision of the State. See **“SECURITY FOR THE SERIES 2019A BONDS”** herein. The Bondholders will have no recourse to the Issuer in the event of an event of default on the Series 2019A Bonds.

### **Enforceability of Remedies Upon an Event of Default**

The remedies available to the Trustee and the owners of the Series 2019A Bonds upon an event of default under the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019A Bonds will be qualified to the extent that the enforceability of certain legal rights

related to the Series 2019A Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

### **Secondary Markets and Prices**

No representation is made concerning the existence of any secondary market for the Series 2019A Bonds. The Underwriters will not be obligated to repurchase any of the Series 2019A Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Series 2019A Bonds. Further, there can be no assurance that the initial offering prices for the Series 2019A Bonds will continue for any period of time. Furthermore, the Series 2019A Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

### **Future Determination of Taxability of the Series 2019A Bonds**

The Series 2019A Bonds are not subject to redemption prior to maturity solely as a result of the interest on such Series 2019A Bonds becoming includable in gross income for federal income tax purposes; nor will the interest rates on the Series 2019A Bonds be increased in such an event. See **“FEDERAL TAX LAW REQUIREMENTS”** and **“TAX MATTERS - General”** herein for a discussion of the conditions under which interest on the Series 2019A Bonds may not be excluded from federal income taxation.

### **Future Legislation**

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Series 2019A Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value, marketability and liquidity of the Series 2019A Bonds.

### **Forward-Looking Statements**

This Official Statement, including the Appendices and the documents incorporated by reference in this document, contain “forward-looking statements,” which generally can be identified with words or phrases such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “foresees,” “may,” “plan,” “predict,” “should,” “will” or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices in this document, that any person expects or anticipates will, should or may occur in the future, are forward-looking statements. These statements are based on assumptions and analysis made by the Issuer in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform to expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this **“CERTAIN BONDHOLDERS’ RISKS”** caption in this document as well as additional factors beyond the Issuer’s control. The risk factors and assumptions described under such caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices in this

document are qualified by these cautionary statements. All subsequent forward-looking statements attributable to the Issuer or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Issuer on the date hereof, and the Issuer does not assume any obligation to update any such forward-looking statements.

The forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

#### **MUNICIPAL ADVISOR**

Government Consultants, Inc. serves as independent registered municipal advisor to the Issuer (the "*Municipal Advisor*"). The Municipal Advisor has not been engaged, nor have they undertaken, to independently verify the accuracy of information contained in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm that is registered as a municipal advisor with the Securities and Exchange Commission and will not participate in the underwriting of the Series 2019A Bonds.

#### **RATING**

Moody's Investors Service, Inc. ("*Moody's*") has assigned the Series 2019A Bonds a rating of "Aaa". The rating is not a recommendation to buy, sell or hold the Series 2019A Bonds. Such rating reflects only the view of the rating agency at the time such rating was issued, and an explanation of the significance of such rating may be obtained from Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Telephone (212) 553 0300. Investors should be aware that any rating assigned to Series 2019A Bonds by Moody's will reflect Moody's assessment solely of the likelihood that holders of such Series 2019A Bonds will receive payments required to be made under the Indenture. Such rating will not constitute an assessment of the likelihood of the occurrence of principal prepayments on the Guaranteed Mortgage Securities and for the Transferred Certificates or of the degree to which the timing of such prepayments may differ from that originally anticipated. No such rating will address the possibility that investors in the Series 2019A Bonds might suffer a lower than anticipated yield. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or

withdrawal of such rating may have an adverse effect on the market price or value of the Series 2019A Bonds. The Issuer has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of such rating subsequent to the date of the Official Statement except in connection with the reporting of events as provided in the Continuing Disclosure Certificate or to contest any such revision or withdrawal.

#### **ADDITIONAL INFORMATION**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Series 2019A Bonds.

LOUISIANA HOUSING CORPORATION

By: \_\_\_\_\_  
Lloyd S. "Buddy" Spillers, Chairman

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## APPENDIX A

### SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

The Master Indenture contains various covenants and security provisions, certain of which are summarized below which pertain to all Bonds issued under the Indenture, including the Series 2019A Bonds offered pursuant to this Official Statement. Reference should be made to the Master Indenture for a full and complete statement of its provisions. Capitalized terms used below and not otherwise defined herein shall have the same meaning as in the Indenture.

#### **Contract with Bondholders**

The Indenture is a contract among the Issuer, the Trustee and the holders of the Bonds and its provisions are for the equal benefit, protection and security of the holders of any and all of such Bonds.

#### **Provisions for Issuance of Bonds**

The Indenture authorizes the issuance of one or more series of bonds (collectively, the “*Bonds*”) to provide funds for the Program. Certain of the Bonds (the “*Senior Bonds*”) will be special obligations of the Issuer payable solely from the proceeds, Funds, Accounts, Mortgage Loans, rights, interests and collections pledged therefor pursuant to the Indenture. The Series 2019A Bonds constitute Senior Bonds.

***Accumulation Fund.*** The Accumulation Fund will be held by the Trustee. The Trustee shall establish a separate Accumulation Account within the Accumulation Fund separately held and named for each Series of Bonds. Whenever there is no deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund, the Administration Fund or the Subordinated Debt Service Fund, any moneys in the Accumulation Fund may be withdrawn from such Fund from time to time, upon requisitions signed by an Authorized Officer, and may be used by the Issuer for any lawful purposes.

If at any time there is a deficiency in the Debt Service Fund, the Debt Service Reserve Fund, the Mortgage Reserve Fund, the Rebate Fund or the Subordinated Debt Service Fund, the Trustee will withdraw from the Accumulation Fund and deposit in such Fund the amount necessary to remedy such deficiency and will give written notice to the Issuer of such withdrawal.

The Issuer may at any time direct the Trustee to deposit moneys from any Account in the Accumulation Fund in any Fund or Account established for any Series of Senior Bonds under the Indenture provided, that prior to depositing such moneys in a Costs of Issuance Account, a Cash Flow Statement and an Officer's Certificate, as described in the first paragraph of this section, shall be provided to the Trustee.

All interest and other income from time to time received from the deposit and investment of moneys in the Accumulation Fund will be retained therein.

## Program Covenants

Pursuant to the Indenture, the Issuer has covenanted and agreed to the following:

(a) The Issuer covenants that no Mortgage Loan and no Program Related Loan will be financed by the Issuer under the Program unless the Mortgage Loan or the Program Related Loan complies in all respects with all rules and regulations of the Issuer applicable or in effect on the date of financing, and the Issuer shall have received all representations and warranties of the Lender which the Issuer and the Trustee may require.

(b) The Issuer covenants that the original principal amount of each Mortgage Loan, unless such Mortgage Loan is the subject of insurance or guaranty by the RD, the VA or the FHA will not exceed ninety-seven percent (97%) of the Value of the Property.

(c) The Issuer covenants that each Mortgage Loan will be a self-amortizing obligation which, to the extent set forth in the applicable Series Supplement, will bear interest at a fixed or variable rate of interest and have level or variable debt service over its life; provided, however, that no Mortgage Loan shall, when originated, provide for a balloon payment on the last payment date which is more than 200% of the regular payment during the proceeding 12-month period.

(d) The Issuer covenants that Mortgage Loans financed by a Series of Bonds will be consistent with the requirements of the applicable Series Supplement.

(e) The Issuer covenants that the mortgage securing any Mortgage Loan will be executed and recorded in accordance with the requirements of existing laws and (except to the extent that a variance is required by an Issuer or instrumentality of the United States of America insuring or guaranteeing the payment of a Mortgage Loan) and shall contain covenants by the Mortgagor which shall cover at least the following:

(i) the mortgage will constitute and create a first lien, subject only to Permitted Encumbrances, on the real property or on the interest in the real property constituting a part of the residential housing with respect to which the Mortgage Loan secured thereby is made and on the fixtures acquired with the proceeds of the Mortgage Loan attached to or used in connection with such residential housing and shall relate to housing owned on a cooperative or condominium basis to the extent set forth in the applicable Series Supplement;

(ii) the borrower shall have warranted generally the title to the premises, subject to Permitted Encumbrances, and will execute such further assurances as may be requisite;

(iii) the borrower will enter into a binding agreement with or for the benefit of the Issuer that it will pay or escrow all taxes, assessments, water rates, sewer rents and municipal and other charges and fees and any prior liens at the time or thereafter assessed or liens on or levied against the premises or any part thereof, and in the case of default in the payment thereof when the same shall be

due and payable, it will be lawful for the Issuer without notice or demand to the borrower, to pay the same or any of them; that the moneys paid the Issuer in discharge of taxes, assessments, water rates, sewer rents and municipal, other charges and fees and prior liens will be a lien on the premises added to the amount of the Mortgage Loan and secured by a promissory note payable on demand with interest (at the rate applicable under the Mortgage Loan from and after maturity), from the time of payment of the same, if the Series Supplement requires an additional promissory note;

(iv) the borrower will covenant and represent that it has insurable legal title in fee simple to the premises with respect to which the Mortgage Loan is made, subject to Permitted Encumbrances, and that the proceeds of the Mortgage Loan will be used solely to pay the reasonable and necessary costs of the acquisition, construction or rehabilitation of the residential housing to be financed by such Mortgage Loan;

(v) the borrower will covenant that it will keep the buildings on the premises insured against loss by fire and other hazards as required by the Issuer to protect its interest with losses payable to the Issuer as its interest may appear and that the borrower will reimburse the Issuer or its agent for any insurance premiums paid by or on behalf of the Issuer on the borrower's default in so insuring the buildings;

(vi) the borrower will covenant that it will maintain the premises in good condition and repair, will not commit or suffer any waste of the premises, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the premises; and

(vii) the borrower will covenant to obtain and maintain in force, at its sole expense, a mortgagee policy of title insurance (in standard American Land Title Association form as then in effect) issued by a title insurance company qualified to do business in the State and acceptable to the Issuer insuring the Issuer that the mortgage is valid and enforceable and in the full amount of any advances made on the Mortgage Loan, including, when applicable, any increases in the amount thereof.

(f) The Issuer may sell any or all of the Mortgage Loans or Guaranteed Mortgage Securities held under the Indenture to realize the benefits of mortgage insurance or guaranty, or to replace or dispose of defective or defaulted Mortgage Loans.

(g) The Issuer will do all such acts and things as shall be necessary to receive and collect Pledged Receipts (including diligent enforcement of the prompt collection of all arrearages on Mortgage Loans), sufficient to pay the principal of and interest on the Bonds and Program Expenses.

(h) The Issuer will diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Issuer to protect its rights with

respect to or to maintain any insurance on Mortgage Loans and to enforce all terms, covenants and conditions of Mortgage Loans including the collection, custody and prompt application of all escrow payments required by the terms of the Mortgage Loan for the purposes for which they were made.

(i) The Issuer will neither unreasonably delay in the prosecution and collection of any claim for any insurance on Mortgage Loans to which it shall be entitled nor permit any such delay under its control nor fail to elect to assign any Mortgage Loan whenever it shall be necessary to do so to obtain the benefits of such Mortgage Loan insurance.

(j) The Issuer will not unreasonably delay in the prosecution or collection of any claim for insurance directly or indirectly benefiting the Program which it shall be entitled to make or permit any such delay under its control.

(k) Whenever necessary in order to protect and enforce the interests and security of the Holders of the Bonds, the Issuer will commence foreclosure or pursue other appropriate remedies with respect to any Mortgage Loan which is in default (in which event, the Trustee will bid for and purchase the premises covered by any Mortgage Loan at any foreclosure sale thereof and otherwise take possession of or acquire such property unless the Issuer shall, in its discretion, determine such action not to be in the best interests of the Holders of the Bonds).

(l) The Issuer will cause to be sold, assigned or otherwise disposed of a Mortgage Loan (or the premises to which such Mortgage Loan is related) in the event that payment under such Mortgage Loan is delinquent more than ninety (90) days or, at any time, in order to realize the benefits of insurance with respect to such Mortgage Loan or premises.

(m) The Issuer will cause the Trustee to take all steps necessary to implement FDIC's most current regulations regarding deposit insurance on custodial servicing accounts maintained at FDIC-insured banks and thrifts, including, if necessary, directing all the Servicers to immediately remit to the Trustee all collections on the Mortgage Loans.

(n) The Issuer will enforce any provisions of any Mortgage Loan Servicing Agreements which may have the effect of permitting the payment of Servicing Fees only with respect to loans which are current as to interest and/or escrow payments.

Except for subsections (a), (d), (f), (g), (h) and (k), the foregoing provisions shall not be applicable to Mortgage Loans underlying Guaranteed Mortgage Securities.

### **Cash Flow Statements**

The Issuer shall have on file with the Trustee a current Cash Flow Statement (i) whenever any Series of Bonds is issued, and (ii) whenever required by a Series Supplement.

A Cash Flow Statement shall consist of a certificate of an Authorized Officer of the Issuer demonstrating in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding that amounts then expected to be on deposit in the Funds and Accounts maintained under the Indenture in each such Bond Year will be at least equal to all amounts required by the Indenture to pay the Aggregate Debt Service on the Bonds scheduled to be Outstanding and all Program Expenses in each such Bond Year.

The Cash Flow Statement filed with respect to the issuance of a Series of Bonds under clause (i) above may reflect all facts shown on the most recently filed Cash Flow Statement, modified to reflect the issuance of such Series and the receipt of any Pledged Receipts and the payment of any Bonds which are a reflection of events that have occurred which may, in the judgment of the Issuer, have a material adverse effect on the ability of the Issuer to timely pay Debt Service on the Bonds or Series of Bonds to which such Cash Flow Statement relates.

If the Issuer is unable to deliver a Cash Flow Statement as described in clause (ii) above because of an actual or projected deficiency in any six month period ending on an Interest Payment Date in the amount of funds expected to be available for the purposes described in the Indenture during such six month period ending on an Interest Payment Date, the Issuer shall not be in default under the Indenture but shall take all reasonable actions or remedies permitted or available under the Indenture with respect to assets constituting the Trust Estate thereunder, to eliminate such deficiency. The Issuer shall be precluded from taking the actions described or referenced in clause (ii) above if the referenced Cash Flow Statement shall show that the taking of such action shall cause a deficiency to occur or shall increase any existing deficiency.

### **Personnel and Servicing of Program**

Pursuant to the Indenture, the Issuer has covenanted and agreed to the following:

(a) The Issuer will at all times appoint, retain and employ personnel for the purpose of carrying out its Programs under the Act.

(b) The Issuer may pay to any State agency, municipality, political subdivision, governmental instrumentality of the State, individual or private business entity such amounts as are necessary to reimburse such State agency, municipality, political subdivision, governmental instrumentality of the State, individual or private business entity for the reasonable costs of any services performed for the Issuer with respect to the Issuer's Programs.

(c) Each Depository which has entered into a Mortgage Loan Servicing Agreement (or has entered into a written depository agreement with a Servicer and the Trustee), may, from time to time, hold amounts which are not fully insured by the FDIC, or its successors provided that:

(i) any Pledged Receipts held by such Depository will be set aside and held in trust for the Trustee on behalf of the Holders of the Bonds;

(ii) all such amounts will be invested or deposited as described herein under “**Investment and Deposit of Funds**” and as may be directed by the Issuer or the Trustee or, failing such direction, as such Depository may determine;

(iii) any amounts held by such Depository will be transmitted to the Trustee upon receipt or as soon as practicable thereafter; and

(iv) such Depository will regularly deliver an accounting to the Issuer and the Trustee of the amount held by it hereunder and the deposits and investments thereof.

(d) The Issuer will use reasonable efforts to cause the Servicers and Lenders to duly and properly originate and/or service all Mortgage Loans and enforce the payment and collection of all payments of principal and interest and all escrow payments or shall cause such servicing and enforcement to be done by a Servicer evidencing, in the judgment of the Issuer, the capability and experience necessary to adequately service Mortgage Loans. Any servicing agreement entered into after the date of the Indenture must provide that:

(i) all amounts received by such Servicer, except as compensation for its services, will be deposited promptly with a Depository (which may be such Servicer) subject to and in accordance with the provisions of the Indenture;

(ii) such Servicer will at all times remain qualified to act as such pursuant to such standards as the Issuer shall prescribe from time to time and shall determine to be reasonable to maintain the security for the Bonds;

(iii) such Servicer will agree to maintain servicing facilities that are staffed with trained personnel to adequately service Mortgage Loans in accordance with standards normally employed by private institutional mortgage investors, as determined in the Issuer's sole discretion, and will maintain individual files for each Mortgage Loan serviced pursuant to the servicing agreement and provide regular reports to the Issuer, the Trustee and the Bond Insurer as to collections and delinquencies with respect to all Mortgage Loans serviced by such Servicer.

## **Tax Covenants**

The Issuer will at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Bonds (except the Taxable Bonds) shall be excluded from gross income for federal income tax purposes under any valid provision of law.

The Issuer covenants and agrees in the Indenture that it will not make or permit any use of the proceeds of the Bonds which, if such use had been reasonably expected on the day of the issuance of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of the Code and further covenants that it will observe and not violate the requirements of the Code.

The Issuer further covenants and agrees with regard to compliance with the Code, as follows:

(a) The Issuer will take all reasonable steps to see that all of the requirements of the Code are met, and, in the case of requirements which relate to the eligibility of the Mortgage Loans for tax-exempt financing specified in the Code, will take all reasonable steps to meet and require the Lenders to take all reasonable steps to meet such requirements before the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, are executed, and will establish reasonable procedures to ensure compliance with such requirements.

(b) The Issuer or its agent will conduct, or require the Lenders to conduct, a reasonable investigation to determine whether the requirements which relate to the eligibility of the Mortgage Loans for tax-exempt financing have been satisfied and will correct, or require the Lenders to correct, any failure to meet such requirements within a reasonable time after the failure is discovered by the Issuer or its agent or the applicable Lender.

(c) The Issuer will assure that the Treasury of the United States is provided with the rebate to the extent required by the Code.

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## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE THIRTY-EIGHTH SUPPLEMENTAL INDENTURE

The following is a summary of certain provisions of the Thirty-Eighth Series Supplemental Indenture and is qualified in its entirety by reference to the Master Indenture. For a description of certain provisions of the Master Indenture and Thirty-Eighth Series Supplemental Indenture relating to the Series 2019A Bonds, see **“THE SERIES 2019A BONDS”** in this Official Statement.

#### Definitions

All terms defined in the Master Indenture shall have the same meanings in the Thirty-Eighth Series Supplemental Indenture as such terms are given in the Master Indenture. In addition, unless the context shall otherwise require, the following terms shall have the following respective meanings in the Thirty-Eighth Series Supplemental Indenture:

**“Assistance Payment”** shall mean an amount equal to four percent (4.00%) of the original principal amount of an Assisted Program Loan.

**“Assisted Loan Program Certificates”** shall mean the Guaranteed Mortgage Securities backed by Assisted Program Loans.

**“Assisted Program Loan”** shall mean a Series 2019A-1 Mortgage Loan for which the Assistance Payment is paid by a Lender on behalf of the Mortgagor.

**“Authorized Denominations”** shall mean principal amounts of \$5,000 and any integral multiple thereof.

**“Bond Year”** with respect to the Series 2019A Bonds shall mean each twelve month period ending on the 30th calendar day of March, provided that the first Bond Year shall begin on the Closing Date and end on March 31, 2020.

**“Bonds”** or **“Series 2019A Bonds”** shall mean, collectively, the Series 2019A-1 Bonds and the Series 2019A-2 Bonds.

**“Business Day”** shall mean any day other than (i) a Saturday, Sunday or legal holiday or (ii) a day on which banking institutions in New York, New York or New Orleans, Louisiana are authorized or obligated by law or executive order to be closed for business.

**“Cash Flow Statement”** shall have the meaning provided to such term in the Master Indenture.

**“Certificate”** shall mean a GNMA Security, Fannie Mae Security and/or Freddie Mac Security acquired with Series 2019A-1 Bond proceeds deposited to the Series 2019A Revenue Account of the Revenue Fund and Transferred Certificates deposited to the Series 2019A Revenue Account of the Revenue Fund.

**“Default” or “Event of Default”** shall mean any occurrence or event hereinbelow.

**“Excess Revenues”** shall mean payments on the Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans (excluding Prepayments), and payments on the Transferred Certificates backed by Existing Mortgage Loans (excluding Prepayments), in each case in excess of (i) the Rebate Amount, (ii) amounts required to pay scheduled principal and interest due on the Series 2019A Bonds prior to their maturity, and (iii) amounts required to pay Program Expenses.

**“Existing Mortgage Loans”** shall mean mortgage loans that have been pooled and back the Transferred Certificates.

**“Fannie Mae”** shall mean the Federal National Mortgage Association or any successor thereto.

**“Fannie Mae Security”** shall mean a single pool, guaranteed mortgage pass through Fannie Mae mortgage backed security, issued by Fannie Mae.

**“Fannie Mae Prospectus”** shall mean the prospectus issued by Fannie Mae to describe the Fannie Mae MBS Program, as updated from time to time.

**“Fannie Mae Prospectus Supplement”** shall mean each update of the Fannie Mae Prospectus.

**“Freddie Mac”** shall mean the Federal Home Loan Mortgage Corporation or any successor thereto.

**“Freddie Mac Security”** shall mean a mortgage participation certificate issued by Freddie Mac.

**“GNMA”** shall mean the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development.

**“GNMA Guaranty Agreement”** shall mean the one or more Guaranty Agreements between a Servicer and GNMA, with respect to GNMA Securities issued under the GNMA I Program, and the one or more GNMA Forms 1705, with respect to GNMA Securities issued under the GNMA II Program, and the GNMA Guide, now or hereafter in effect pursuant to which GNMA has agreed or will agree to guarantee GNMA Securities.

**“GNMA Security”** shall mean a certificate registered in the name of Trustee and guaranteed by GNMA.

**“Government Obligations”** shall mean (i) direct, general obligations of the United States of America, (ii) any obligations unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America or (iii) any money market mutual fund that limits its investments to (i) and/or (ii) above, provided that such mutual fund shall be rated “Aaa” by the Rating Agency.

**“Guaranteed Mortgage Security”** shall mean GNMA Securities, Freddie Mac Securities and Freddie Mac Securities.

**“HOME-Assisted Loan Certificate”** shall mean the Guaranteed Mortgage Securities backed by HOME-Assisted Program Loans, having Pass-Through Rates as specified in Schedule II and as may be purchased by the Trustee.

**“HOME-Assisted Program Loan”** shall mean a Mortgage Loan bearing interest at the initial rates per annum and originated pursuant to the HOME/MRB Origination Agreement.

**“HOME/MRB Origination Agreement”** shall mean the Agreement by that name by and among the Issuer, the Lender, and the Master Servicer.

**“Issuer's Fee”** shall mean the Issuer's administrative fee payable semi-annually on each Interest Payment Date from amounts on deposit in the Series 2019A Accumulation Account of the Accumulation Fund commencing on the second Interest Payment Date after the last purchase of a Guaranteed Mortgage Security, in an amount computed on the basis of the initial per annum percentages set forth in the Thirty-Eighth Series Supplemental Indenture.

**“Lender”** means any person approved by the Issuer for participation in the Program who shall finance or originate Mortgage Loans or Mortgage Loans underlying Guaranteed Mortgage Securities and/or sell Mortgage Loans or Guaranteed Mortgage Securities to another Lender or the Issuer in connection with the issuance of Bonds hereunder.

**“Lender Documents”** shall mean, collectively, the Standard Origination Agreement, the Servicing Agreement and the Series 2019A Program Notice.

**“Master Indenture”** shall mean that Indenture of Trust dated as of May 1, 1998, by and between the Issuer and Trustee.

**“Master Servicer”** shall mean Standard Mortgage Corporation.

**“Outstanding”** or **“Bonds Outstanding”** shall mean all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds for the payment or redemption of which have been provided pursuant to Article XIII of the Master Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Article III of the Master Indenture.

**“Pass-Through Rate”** shall mean that rate of interest stated on a Guaranteed Mortgage Security, which rate of interest shall be initially (i) 0.50% less than the interest rate applicable to the Mortgage Loans in the Pool backing the Guaranteed Mortgage Security associated with Assisted Program Loans (GNMA), and (ii) 0.70% less than the interest rate applicable to

Mortgage Loans (Fannie Mae and FHMLC) in the Pool backing the Guaranteed Mortgage Security associated with Assisted Program Loans.

**“Prepayment”** shall mean any payment of principal other than a Principal Payment on a Series 2019A-1 Mortgage Loan or an Existing Mortgage Loan, or any other payments representing such principal payment.

**“Principal Payment”** shall mean a scheduled installment of principal on a Series 2019A-1 Mortgage Loan or an Existing Mortgage Loan, or any other payments representing such principal payment.

**“Program Expenses”** shall mean the Issuer’s Fee and the Trustee Fee.

**“Proportionate Basis”** shall mean, when used with respect to the redemption of Bonds, that the aggregate principal amount of Bonds of each maturity to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the principal amount of Bonds of each maturity then Outstanding bears to the principal amount of all Bonds then Outstanding; provided that if the amount available for redemption of Bonds of any maturity is insufficient to redeem an integral multiple of \$5,000 principal amount of such maturity, such amount shall be applied, to the extent possible using integral multiples of \$5,000 principal amount, to the redemption of Bonds of each maturity in inverse order of maturity. For purposes of the foregoing, the Bonds shall be deemed to mature in the years and in the amounts of the Sinking Fund Payments. Any Bonds purchased with moneys which otherwise would be applied to redemption on a Proportionate Basis on the next succeeding Interest Payment Date shall be taken into account in determining Proportionate Basis with respect to such redemption. When used with respect to the purchase of Bonds, Proportionate Basis shall have the same meaning as set forth above (substituting purchase for redeem or redemption, and purchased for redeemed). Selection of any Bond within a maturity shall be by lot.

**“Rating Agency”** shall mean Moody’s Investors Services, Inc.

**“Rebate Amount”** shall mean earnings on non-purpose investments in excess of Bond Yield as determined by the Rebate Analyst.

**“Rebate Analyst”** shall mean the firm designated by the Issuer.

**“Series 2019A Bonds”** shall mean the Series 2019A-1 Bonds and the Series 2019A-2 Bonds authorized by the Indenture.

**“Series 2019A-1 Bonds”** shall mean the “Louisiana Housing Corporation Single Family Mortgage Revenue Bonds (Home Ownership Program) Series 2019A-1 (Non-AMT)” in the aggregate original principal amount of \$50,000,000\*.

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\* Preliminary, subject to change.

“**Series 2019A-2 Bonds**” shall mean the “Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds, Series 2019A-2 (Non-AMT)” in the aggregate original principal amount of \$6,730,000\*.

“**Series 2019A-1 Mortgage Loans**” shall mean, collectively, Assisted Program Loans and HOME-Assisted Program Loans.

“**Series 2019A Program**” shall mean the Issuer's program of financing homeownership for qualified borrowers with the proceeds of the Series 2019A-1 Bonds.

“**Servicing Agreement**” shall mean the Master Servicing Agreement by and between the Servicer and the Issuer.

“**Standard Origination Agreement**” shall mean the Mortgage Origination Agreement by and among the Issuer, the participating Lenders and the Master Servicer.

“**Transferred Certificates**” shall mean the GNMA Securities, Fannie Mae Securities and/or Freddie Mac Securities listed in “**APPENDIX F – Information Relating to the Transferred Certificates**” attached hereto.

“**Trust Estate**” shall mean all right, title and interest of the Issuer in and to the Lender Documents and the Certificates and all moneys and securities held from time to time by the Trustee in the Series 2019A Accounts under and subject to the terms of the Thirty-Eighth Series Supplemental Indenture, except money and securities in the Excess Certificate Subaccount of the Series 2019A Accumulation Account of the Accumulation Fund, Rebate Fund, and the Cost of Issuance Fund.

“**Trustee Fee**” shall mean the Trustee’s semi-annual fee payable in advance on each Interest Payment Date from amounts on deposit in the Series 2019A Accumulation Account of the Accumulation Fund, in an amount equal to 0.03% per annum of the aggregate principal amount of the Series 2019A Bonds outstanding subject to a minimum semi-annual fee equal to \$3,000.

### **Establishment of Series 2019A Accounts**

The Thirty-Eighth Series Supplemental Indenture provides for the establishment and maintenance of the following special Series 2019A Accounts and Subaccounts, which are established as trust accounts within the Funds:

- (i) Series 2019A-1 Proceeds Account of the Single Family Mortgage Homeownership Loan Program Fund
- (ii) Prior Bonds Escrow Fund

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\* Preliminary, subject to change.

- (iii) Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund, including the Targeted Area Subaccount
- (iv) Series 2019A Administrative Account of the Administrative Fund
- (v) Series 2019A Cost of Issuance Account of the Cost of Issuance Fund
- (vi) Series 2019A-1 Capitalized interest Account of the Program Fund
- (vii) Series 2019A Revenue Account of the Revenue Fund
- (viii) Series 2019A Redemption Account of the Redemption Fund
- (ix) Series 2019A Debt Service Account of the Debt Service Fund
- (x) Series 2019A Rebate Account of the Rebate Fund
- (xi) Series 2019A Accumulation Account of the Accumulation Fund

**Series 2019A-1 Acquisition Account of Single Family Mortgage Homeownership Loan Program Fund**

Except as otherwise set forth in the Thirty-Eighth Supplemental Indenture and in the Master Indenture, all moneys deposited in the Series 2019A-1 Acquisition Account shall be applied to the purchase of Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans.

The Trustee shall withdraw moneys from the Series 2019A-1 Acquisition Account (i) for the payment of the Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans from the Master Servicer or the Issuer at the applicable Guaranteed Mortgage Securities Purchase Price. Accrued interest, if any, on the Guaranteed Mortgage Securities shall be paid first from moneys on deposit in the Series 2019A Revenue Account of the Revenue Fund, and then from the Series 2019A-1 Capitalized Interest Account.

The Trustee shall not disburse any amounts held in the Series 2019A-1 Acquisition Account to purchase a Guaranteed Mortgage Security unless each of the following conditions has been satisfied:

(i) The amount disbursed by the Trustee shall be equal to the applicable Guaranteed Mortgage Securities Purchase Price.

(ii) The Guaranteed Mortgage Security shall mature not later than September 25, 2052\*, the interest rate borne by the Guaranteed Mortgage Security shall be equal to the then applicable Pass Through Rate, and the interest rate borne by the Mortgage Loans in the Pool shall be equal to the then applicable Pass-Through Spread plus the then

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\* Preliminary, subject to change.

applicable Pass Through Rate both with respect to GNMA Securities and with respect to Freddie Mac Securities.

(iii) With respect to each Guaranteed Mortgage Security (1) the Trustee, or its custodial agent has actual physical possession of the Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans and such Guaranteed Mortgage Security is registered in the name of the Trustee, as trustee under the Indenture or (2) the Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans shall be credited to the account of the Trustee, as trustee under the Indenture, at a clearing corporation, as defined under and pursuant to the Uniform Commercial Code applicable to the clearing corporation, and the clearing corporation is registered as a clearing agency under the Securities Exchange Act of 1934, as amended or (3) the Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee, and the Trustee shall have received confirmation in writing that the depository is holding such Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans on behalf of, and has identified such Guaranteed Mortgage Security on its records as belonging to, the Trustee or (4) a combination of (1) and (2).

(iv) The Trustee shall have received from the Servicer the prospectus relating to the Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans and a copy, certified by such Servicer, of the Freddie Mac schedule form 2014 in connection with the Freddie Mac Securities.

(v) The Trustee shall have received a copy of the Purchase Certification from the Servicer with respect to each Series 2019A-1 Mortgage Loan in the Pool represented by the Guaranteed Mortgage Security.

To effect the purchase of each Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans, the Trustee shall withdraw funds on deposit in the Series 2019A-1 Acquisition Account in an amount equal to the applicable portion of the applicable Certificate Purchase Price, and shall withdraw funds in an amount equal to the accrued interest on such Guaranteed Mortgage Security at the applicable Pass-Through-Rate first from the Series 2019A-1 Subaccount of the Series 2019A Revenue Account and then from the Series 2019A-1 Capitalized Interest Account and shall pay such amount to the Servicer.

The Trustee shall purchase GNMA pools in a minimum principal amount of \$1,000,000 and shall purchase Fannie Mae and Freddie Mac pools in a minimum principal amount of \$500,000. These minimums will be waived for the purchase of final MBS pools to complete origination.

The Issuer may designate a date on or after November 1, 2019\* (which November 1, 2019\* date may be extended pursuant to the Indenture, but in no event later than October 1, 2022), for redemption of the Series 2019A-1 Bonds, from and to the extent the Issuer certifies that moneys remaining on deposit in the Series 2019A-1 Acquisition Account of the

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\* Preliminary, subject to change.

Single Family Mortgage Homeownership Loan Program Fund on the fifteenth day preceding such redemption date will not be applied to the purchase of Guaranteed Mortgage Securities, in which event the Trustee shall select Series 2019A-1 Bonds to be redeemed from such unexpended proceeds in the manner and upon the terms and conditions as described in this Official Statement under **“THE SERIES 2019A BONDS - Redemption Provisions of the Series 2019A-1 Bonds - Mandatory Redemption – From Unexpended Proceeds in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund.”** The Trustee is also required to give notice of redemption of Series 2019A-1 Bonds from such unexpended proceeds as required by the Indenture, and to redeem Series 2019A-1 Bonds pursuant to the Indenture.

The November 1, 2019\* date for redemption of the Series 2019A-1 Bonds described in the immediately preceding paragraph may be extended by the Issuer with respect to all or any portion of the moneys remaining in the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund upon receipt by the Trustee not later than fifteen (15) days before the date the Trustee is required to give notice of redemption of the Series 2019A-1 Bonds of the following:

- (i) an opinion of Bond Counsel that such extension will not cause the interest on the Series 2019A-1 Bonds to be includable in gross income for purposes of federal income taxation;
- (ii) a Cash Flow Statement of the Issuer based on the same assumptions and scenarios that were provided to the Rating Agency prior to the date of issuance of the Series 2019A-1 Bonds (unless otherwise directed by the Rating Agency);
- (iii) evidence that the moneys in all funds and accounts can be invested at the rates assumed in the Cash Flow Statement; and
- (iv) the written confirmation of the Rating Agency that such extension will not adversely affect the rating on the Series 2019A-1 Bonds.

### **Expenditure of Funds in the Capitalized Interest Account**

Moneys in the Series 2019A-1 Capitalized Interest Account shall be used (i) to pay interest on the Series 2019A-1 Bonds, (ii) to the extent funds deposited in the Series 2019A-1 Subaccount of the Series 2019A Revenue Account are insufficient, to fund the accrued interest, on Guaranteed Mortgage Securities backed by Series 2019A-1 Mortgage Loans purchased from the Series 2019A-1 Acquisition Account, and (iii) to pay the Redemption Price of the Series 2019A-1 Bonds as required to effect all required redemptions and (iv) to provide funds to allow an amount equal to 0.50% of the principal amount of each Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans to be transferred to the Series 2019A-1 Subaccount of the Series 2019A Revenue Account each time a Guaranteed Mortgage Security backed by Series 2019A-1 Mortgage Loans is purchased. Moneys remaining on deposit in the Series 2019A-1 Capitalized Interest Account on the first Interest Payment Date which occurs at least six months after the purchase of the last Guaranteed Mortgage Security backed by

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\* Preliminary, subject to change.



Series 2019A-1 Mortgage Loans from amounts on deposit in the Series 2019A-1 Acquisition Account shall be (i) paid to the Issuer only following receipt by the Trustee of a Cash Flow Statement and following written confirmation from the Rating Agency that the rating on the Bonds is not adversely affected thereby or (ii) to the extent all funds remaining on deposit in the Series 2019A-1 Capitalized Interest Account are not paid to the Issuer as set forth above, such moneys not so paid will be transferred to the Series 2019A Redemption Account of the Revenue Fund to redeem Series 2019A Bonds in accordance with the provisions of Section 2.05(b)(ii) therein if Rating Agency written confirmation is not received by such date.

### **Series 2019A Revenue Account of the Revenue Fund**

All receipts on Guaranteed Mortgage Securities backed by the Series 2019A-1 Mortgage Loans and all receipts on Transferred Certificates backed by the Existing Mortgage Loans shall be deposited to the Series 2019A Revenue Account of the Revenue Fund. The Trustee shall transfer and credit such receipts on or before the last Business Day of each calendar month as follows:

(i) To the 2019A Debt Service Account of the Debt Service Fund: All Principal Payments plus an amount sufficient (a) to pay interest on the Series 2019A Bonds on the next Interest Payment Date, and (b) to pay all scheduled principal payments and sinking fund payments on the Series 2019A Bonds on the next Interest Payment Date.

(ii) To the Series 2019A Redemption Account of the Redemption Fund: All Principal Prepayments.

(iii) To the Series 2019A Accumulation Account of the Accumulation Fund: amounts necessary to pay Program Expenses associated with the Series 2019A Bonds.

(iv) To the 2019A Redemption Account of the Redemption Fund, all Excess Revenues, provided, however, that the Issuer may direct the Trustee to deposit all or a portion of such Excess Revenues into the 2019A Accumulation Account of the Accumulation Fund. If no such direction is received by the Trustee, such amount shall be included in amounts deposited in the Series 2019A Redemption Account of the Redemption Fund.

### **Series 2019A Accumulation Account of the Accumulation Fund**

Amounts deposited or credited to the Series 2019A Accumulation Account of the Accumulation Fund shall be transferred to the Series 2019A Debt Service Account of the Debt Service Fund to pay interest on Series 2019A Bonds on an Interest Payment Date to the extent required to cover any shortfall in amounts required therein to pay interest on any Series 2019A Bond on such Interest Payment Date.

### **Rebate to United States**

In accordance with the provisions of the Master Indenture, the Issuer covenants to pay to the United States Treasury Department amounts credited to the Series 2019A Rebate Account of

the Rebate Fund, except as otherwise may be directed in an Officer's Certificate, together with an opinion of Bond Counsel approving such direction under Section 148 of the Code, filed with the Trustee. Money to be applied to the payment of any rebate shall be derived, first, from the Series 2019A Rebate Account and, second, shall be paid by the Issuer from its general funds.

### **Discharge of Lien of Indenture**

If the Issuer will pay or cause to be paid, or there will otherwise be paid, to the Owners of the Bonds then Outstanding, the principal or Redemption Price, if any, and interest to become due thereon at the times and in the manner stipulated therein and in the Indenture, and to the Trustee all Trustee's Fees then the pledge made by the Indenture and all other obligations of the Issuer to the Bondowners will be discharged and satisfied and the Trustee, upon request of the Issuer and subject to a lien in favor of the Trustee, will pay over to the Issuer all money or securities held under the Indenture not required for payment or redemption of Bonds that were not surrendered for payment or redemption. The Bonds will be deemed paid under the terms of the Master Indenture upon the satisfaction of certain conditions set forth in the Master Indenture.

### **Defaults; Events of Default**

If any of the following events occur, subject to, in the case of (c) below, the provisions set forth under the caption “**Notice of Defaults under Section 8.01(c); Opportunity of Issuer to Cure Such Defaults**” hereinbelow, it is hereby defined as and declared to be and to constitute an “event of default”:

(a) Default by the Issuer in the due and punctual payment of any interest on any Series 2019A Bond;

(b) Default by the Issuer in the due and punctual payment of the principal of any Series 2019A Bond, whether at the stated maturity thereof or when called for redemption; or

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Indenture or in the Series 2019A Bonds, and failure to remedy the same after notice thereof under the caption “**Notice of Defaults under Section 8.01(c); Opportunity of Issuer to Cure Such Defaults**” hereinbelow.

### **Remedies; Rights of Bondholders**

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the Bonds, including enforcement of any rights of the Issuer under the Servicing Agreement; provided, that, the Trustee shall not accelerate payment of principal and interest on the Bonds upon a default described hereinabove except upon approval of the owners of 100% in principal amount of the Outstanding Bonds.

(b) If an Event of Default shall have occurred and, if requested so to do by the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and, if

indemnified as provided in the Indenture, the Trustee shall exercise such of the rights and powers conferred by this Section as the Bondholders making such request shall direct.

(c) During the continuation of an Event of Default, the Trustee may, and upon the written request of the owners of 100% in aggregate principal amount of the Outstanding Bonds and if indemnified as provided in the Indenture shall, declare the principal of all Outstanding Bonds and interest accrued thereon immediately due and payable, and the same shall thereupon become and be due and payable and interest shall no longer accrue thereon. Notwithstanding the foregoing, no such declaration shall be made following an Event of Default described in this paragraph (c) unless at the time of such declaration, the Trustee holds sufficient funds to pay all principal or Redemption Price of and interest on all Outstanding Bonds plus any fees and expenses that will be due and owing upon such declaration.

(d) No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to 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 any other remedy given to the Trustee or to the Bondholders or now or hereafter existing at law or in equity or by statute.

(e) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed in the best interest of the Bondholders.

(f) No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

### **Right of Bondholders To Direct Proceedings**

Anything in the Indenture to the contrary notwithstanding, the registered owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

### **Appointment of Receivers**

Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

## **Application of Moneys**

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or by virtue of action taken under provisions of the Certificates or the Servicing Agreement shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and the expenses, liabilities and advances incurred or made by, the Trustee, be deposited in the Revenue Fund (other than moneys held for redemption of Bonds duly called for redemption) shall be applied as follows:

(i) Such money shall first be applied to the payment of the costs and expenses of the proceedings resulting in the collection of such money and of the fees of, and the expenses, liabilities, and advances incurred or made by, the Trustee (including all accrued and unpaid Trustee Fees and the fees and expenses of its attorneys).

(ii) Unless the principal on the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the Persons entitled thereto of all interest then due on the Bonds in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, according to the amounts due to the Persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than the Bonds or portions thereof matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due at the rate borne by such Bonds and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the Persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the Persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the Bonds shall have become due, all such moneys shall be applied 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 privilege.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal of the Bonds to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee and any paying agent have been paid, any balance remaining in any Fund or Account shall be paid to the Issuer as provided in Article V 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 proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any owner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the registered owners of the outstanding Bonds.

### **Rights and Remedies of Bondholders**

No registered owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Indenture, unless (1) a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by said subsection it is deemed to have notice, (2) such default shall have become an event of default and the registered owners of not less than a majority of the aggregate principal amount of the Bonds Outstanding shall have made written notice to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (3) they have offered to the Trustee indemnity as provided in the Indenture, and (4) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it

being understood and intended that no one or more registered owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholders to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time, place, from the source and in the manner in the Bonds expressed.

### **Termination of Proceedings**

In case the Trustee shall have proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, with regard to the property herein subject to the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

### **Waivers of Events of Default**

The Trustee may, at its discretion, waive any event of default which has been remedied and its consequences and shall waive any other event of default only upon the written request of the owners of (1) more than 66 2/3% of the aggregate principal amount of the Bonds Outstanding in respect of which default in the payment of principal or interest, or both, exists, or (2) more than 50% of the aggregate principal amount of the Bonds Outstanding in the case of any other default; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds at maturity or on any redemption date or (b) any default in the payment when due of the interest on any Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

### **Notice of Defaults Under Section 8.01(c); Opportunity of Issuer To Cure Such Defaults**

Anything in the Indenture to the contrary notwithstanding, no default under (c) under the caption **“Default; Events of Default”** herein, shall constitute an event of default until actual notice of such default by first class mail (postage prepaid) shall be given to the Issuer by the Trustee or by the owners of not less than a majority of the aggregate principal amount of the Bonds Outstanding and the Issuer shall have had 60 days after receipt of such notice to correct said default or cause 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 the Issuer within the applicable period and diligently pursued until the default is corrected.

### **Trustee Fees**

Subject to the terms of any contract with the Trustee and to the extent permitted by law, the Issuer shall pay or cause to be paid to the Trustee from time to time, solely from the money available in the Series 2019A Administrative Account of the of the Administrative Fund, the Trustee's Fee. Any Trustee Fee in excess of amounts in the Series 2019A Administrative Account of the Administrative Fund will be paid by the Issuer. The Issuer further agrees, to the extent permitted by law and limited by the provisions of the Indenture, to save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers, functions, and duties under the Indenture, which are not due to its own negligence or willful misconduct. The removal or resignation of the Trustee pursuant the Indenture shall be without prejudice to the rights of the Trustee under this Section 9.02 to be held harmless by the Issuer, subject to the express limitations set forth in the Indenture, and to charge and be reimbursed by the Issuer for expenditures theretofore incurred herewith. Without prejudice to its rights hereunder, when the Trustee incurs expenses or renders services after an Event of Default specified hereinabove occurs, the expenses and compensation of the Trustee are intended to constitute expenses of administration under any Bankruptcy Law.

### **Resignation by Trustee**

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice by registered or certified mail to the Issuer and by first class mail (postage prepaid) to the registered owner of each Bond and such resignation shall take effect upon the appointment of a successor Trustee, as provided in the Indenture and acceptance of such appointment by each successor by the Bondholders or by the Issuer.

### **Removal of Trustee**

The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the owners of a majority of the aggregate principal amount of Bonds Outstanding; provided, such removal shall only take effect upon the appointment of a successor Trustee, as provided in the Indenture and acceptance of such appointment by the Issuer and payment of all amounts due the Trustee.

### **Appointment of Successor Trustee by the Bondholders; Temporary Trustee**

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of the Bonds Outstanding, by an instrument or concurrent instruments in writing signed by such registered owners, or by their attorneys in fact, duly authorized and a copy of which shall be delivered personally or sent by registered mail to the Issuer. Nevertheless, in case of

such vacancy, the Issuer by resolution and upon written notice to the Rating Agency and each Servicer may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. If a successor Trustee does not take office within thirty (30) days after the retiring Trustee resigns, the retiring Trustee may petition any court of competent jurisdiction for the appointment of as successor Trustee. Notice of the appointment of a successor Trustee shall be given in the same manner as provided in the Indenture hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

### **Supplemental Indentures Not Requiring Consent of Bondholders**

The Issuer and the Trustee may enter into an indenture or indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Indenture so long as such cure does not adversely affect the security of the Bondholders;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the prejudice of the Bondholders;
- (c) to make any changes which, in the judgment of the Trustee, is not materially adverse to the interest of the Bondholders;
- (d) to subject to the Indenture additional revenues, properties or collateral;
- (e) to modify, amend or supplement the Indenture or any Bond indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any Bond indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- (f) to evidence the appointment of a separate or Co Trustee or the succession of a new Trustee or paying agent hereunder; or
- (g) to make any modification required in order to obtain, achieve or maintain the rating on the Bonds.



## **Supplemental Indentures Requiring Consent of Bondholders**

(a) Exclusive of supplemental indentures covered under the caption “**Supplemental Indentures Not Requiring Consent of Bondholders**” hereinabove, and subject to the terms and provisions contained in this Section, and not otherwise, the registered owners of not less than 66 2/3% of the aggregate principal amount of Bonds Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, without the consent of the owners of all Bonds Outstanding, (a) an extension of the maturity or any redemption date of the principal of or the interest on any Bond issued under the Indenture , or (b) a reduction in the principal amount of any Bond or the rate of interest, or redemption requirements thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (e) the creation of any lien other than a lien ratably securing all of the Bonds at any time outstanding under the Indenture or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee (but such modification as provided in this subsection (f) shall not be made without the written consent of the Trustee). Copies of any such amendments or supplements shall be furnished to the Rating Agency.

(b) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section or under the caption “**Supplemental Indentures Not Requiring Consent of Bondholders**” hereinabove, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by registered or certified mail to each owner of a Bond as shown on the list of Bondholders required by the Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than 66 2/3% of the aggregate principal amount of Bonds Outstanding at the time of the execution of any such supplemental bond indenture shall have consented to and approved the execution thereof as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained herein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

## **Immunity of Trustees, Officers, and Agents of Issuer**

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Issuer contained in the Indenture or in any Bond or for any claim based hereon or otherwise in respect of the Indenture or upon any obligation, covenant, promise or agreement

of the Issuer contained in any agreement, instrument or certificate executed in connection with the Program or the issuance and sale of the Bonds, against any member of the Board of Trustees, its officers, counsel, or agents, as such, either in such persons individual or official capacity, past, present, or future, of the Issuer or of any successor Issuer, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the Board of Trustees, officers, counsel, or agents, as such, either in such persons individual or official capacity, past, present, or future, of the Issuer or of any successor Issuer, either directly or by reason of any of the obligations, covenants, promises or there from as being supplemental hereto or thereto, and that all personal liability of that character against every such director, officer, counsel, financial advisor, or agent, is, by the execution of the Bonds, the Servicing Agreement, and the Indenture, and as a condition of, and as part of the consideration for, the execution of the Bonds, the Servicing Agreement, and the Indenture, expressly waived and released.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

March \_\_, 2019

Honorable Board of Directors  
Louisiana Housing Corporation  
Baton Rouge, Louisiana

**\$50,000,000**  
**Louisiana Housing Corporation**  
**Single Family Mortgage Revenue Bonds**  
**(Home Ownership Program)**  
**Series 2019A-1 (Non-AMT)**

**\$6,730,000**  
**Louisiana Housing Corporation**  
**Single Family Mortgage Revenue Refunding Bonds**  
**Series 2019A-2 (Non-AMT)**

Ladies and Gentlemen:

We have acted as bond counsel to the Louisiana Housing Corporation (the “**LHC**”), a public body corporate and politic and an instrumentality of the State of Louisiana (the “**State**”) duly created, organized and existing pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”) and Act 408 of the 2011 Louisiana Legislature (the “**Housing Reorganization Law**”) as successor in interest to the Louisiana Housing Finance Agency (the “**LHFA**”). Pursuant to the Housing Reorganization Law, LHC has assumed the activities, authorities, powers, duties, functions, programs, obligations, operations and responsibilities and any pending or unfinished business of LHFA with the same power and authority of LHFA.

LHFA previously issued Single Family Mortgage Revenue Bonds (Home Ownership Program) Series 2009A (Non-AMT) (the “**Prior Bonds**”) pursuant to the Indenture of Trust dated as of May 1, 1998 (the “**Master Indenture**”) as amended by (i) a Thirty-second Series Supplemental Indenture dated as of September 1, 2008 (the “**Series 2009A Supplemental Indenture**” or “**Prior Indenture**”) by and between LHFA and Hancock Bank of Louisiana, as trustee, as predecessor to Hancock Whitney (the “**Trustee**”).

This opinion is delivered in connection with (i) \$50,000,000 Single Family Mortgage Revenue Bonds (Home Ownership Program) Series 2019A-1 (Non-AMT) (the “**Series 2019A-1 Bonds**”), the proceeds of which will finance mortgage loans (the “**Series 2019A-1 Mortgage Loans**”) for qualified first-time homebuyers through the purchase of Guaranteed Mortgage Securities backed by such Series 2019A-1 Mortgage Loans and (ii) **\$6,730,000** Single Family

Mortgage Revenue Refunding Bonds, Series 2019A-2 (Non-AMT) (the “**Series 2019 A-2 Bonds**,” together with the Series 2019A-1 Bonds, the “**Series 2019A Bonds**” or the “**Bonds**”), the proceeds of which will refund the Prior Bonds.

LHC is issuing the Series 2019A Bonds pursuant to and secured by the Master Indenture as amended and supplemented by a Thirty-eighth Series Supplemental Indenture dated as of March 1, 2019 (the “**Indenture**”).

Capitalized terms used herein which are not otherwise defined have the meanings ascribed thereto in the Indenture.

Proceeds of the Series 2019A-1 Bonds together with the premium proceeds of the Series 2019A-1 Bonds will be deposited to the Series 2019A-1 Acquisition Account of the Single Family Mortgage Homeownership Loan Program Fund in order to provide for the purchase of Certificates backed by Series 2019A-1 Mortgage Loans. Proceeds of the Series 2019A-2 Bonds will be deposited to the Prior Bonds Escrow Fund and will be used to defease and currently refund the Prior Bonds. The Bonds will be secured by the Trust Estate pledged therefor under the Indenture.

Series 2019A-1 Mortgage Loans will be acquired from various lending institutions (the “**Originating Lenders**”) by Standard Mortgage Corporation (the “**Master Servicer**”) which has contracted with LHC to service the Series 2019A-1 Mortgage Loans and to package said Series 2019A-1 Mortgage Loans into Certificates pursuant to a Master Servicing Agreement between LHC and the Master Servicer. The Series 2019A-1 Mortgage Loans will be originated and sold to the Master Servicer by the Originating Lenders pursuant to Standard Mortgage Origination Agreements and the Master Servicing Agreement (collectively, the “**Lender Documents**”).

Proceeds of the Series 2019A-2 Bonds will be deposited to the Prior Bonds Escrow Fund for immediate transfer to the Prior Bond Trustee to defease and redeem the Prior Bonds.

The Bonds are issued in Authorized Denominations, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, are payable in the manner and are subject to mandatory redemption all as set forth in the Indenture.

We have examined (i) the Constitution and statutes of the State, including the Act and the Housing Reorganization Law, (ii) a certified transcript of the proceedings of LHC in connection with the issuance of the Series 2019A Bonds, (iii) executed counterparts of the Indenture, (iv) the form of the Lender Documents, and (v) such other documents, instruments, papers and matters of law as we have considered necessary or appropriate for the purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

- 1) LHC is a duly created and validly existing public body corporate and politic and an instrumentality of the State. LHC has assumed the activities, authorities,

powers, duties, functions, programs, obligations and responsibilities and any pending or unfinished business of LHFA with the same power and authority of LHFA. LHC has full power and authority to issue the Bonds, to acquire the Certificates with the proceeds of the Series 2019A-1 Bonds, to collect revenues from the Certificates, to refund the Prior Bonds with proceeds of the Series 2019A-2 Bonds, and to perform all of its obligations under the Indenture.

2) The Indenture has been duly authorized, executed and delivered by LHC and the Indenture creates a valid pledge and assignment of the Trust Estate.

3) The Bonds have been duly authorized, executed and delivered and constitute valid and binding and enforceable limited and special obligations of LHC as provided in the Indenture. The Bonds are payable solely from the Trust Estate held under and pursuant to the Indenture and pledged therefor. The Bonds do not constitute an obligation, either general or special, of the State or any political subdivision of the State or constitute or give rise to a pecuniary liability of the State or any political subdivision of the State. LHC does not have the power to pledge the general credit or taxing power of the State or of any political subdivision of the State.

4) Interest on the Bonds is excluded from the gross income of the owners for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

5) Under the Act, the Bonds and the interest thereon, and gain upon the sale thereof are exempt from all State and local taxes in Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain excluded from gross income of the owners of such Bonds for federal income tax purposes. LHC has covenanted to institute various program requirements and procedures in the Indenture and the Lender Documents for the purpose of satisfying the applicable requirements of the Code. In addition, LHC has covenanted in the Indenture to take such actions as are required under the Code to maintain the exclusion of the interest on the Bonds from gross income of the owners of the Bonds for federal income tax purposes.

In rendering the opinion expressed in paragraph 4 above with respect to the exclusion of interest on the Bonds for federal income tax purposes, we have assumed continuous compliance with the above referenced requirements, covenants and procedures. We have also relied on the opinion of Gregory A. Pletsch, Counsel to the Trustee, with respect to the corporate power of the Trustee to enter into and the due authorization, execution and delivery by the Trustee of the document described above to which it is a party and the binding effect thereof on the Trustee.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds. The foregoing opinion is qualified to the extent that the rights of the owners of the Bonds and the

enforceability of the Bonds, the Indenture, and the Lender Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

For the purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above.

Respectfully submitted,

Foley & Judell, L.L.P.

## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE CERTIFICATE

#### Definitions

**“Annual Bond Disclosure Report”** shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, the Continuing Disclosure Certificate.

**“Bonds”** shall mean, collectively, the \$\_\_\_\_\_ Louisiana Housing Corporation Single Family Mortgage Revenue Bonds (Home Ownership Program), Series 2019A-1 (Non-AMT) and the \$\_\_\_\_\_ Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds, Series 2019A-2 (Non-AMT).

**“Continuing Disclosure Certificate”** shall mean the Continuing Disclosure Undertaking dated as of April 1, 2019, of the Issuer.

**“Dissemination Agent”** shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

**“EMMA”** shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is [www.emma.msrb.org](http://www.emma.msrb.org).

**“Indenture”** means an Indenture of Trust dated as of May 1, 1998, as supplemented and amended by a Thirty-Eighth Series Supplemental Indenture dated as of April 1, 2019, by and between the Issuer and the Trustee.

**“Listed Events”** shall mean any of the events listed below under **“Reporting of Significant Events.”**

**“Participating Underwriter”** shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

**“Rule”** shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

#### Provision of Annual Bond Disclosure Reports

The Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the end of each fiscal year of the Issuer (which currently ends June 30), commencing with a report following the fiscal year of the Issuer ending June 30, 2020, to EMMA an Annual Bond Disclosure Report which is consistent with the requirements of the Continuing Disclosure Certificate.

If the Issuer is unable to verify that an Annual Bond Disclosure Report has been provided to EMMA by the date specified in the preceding paragraph, the Issuer shall promptly send a notice to EMMA and the Municipal Securities Rulemaking Board stating that such Annual Bond Disclosure Report has not been timely completed and, if known, stating the date by which the Issuer anticipates such Annual Report will be filed.

### **Content of Annual Bond Disclosure Reports**

Each Annual Bond Disclosure Report of the Issuer shall contain or incorporate by reference the following:

1. The audited financial statements for the Issuer for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer.
2. Tables setting forth the following information, as of the end of such fiscal year:
  - (a) For each maturity of the Series 2019A Bonds, the interest rate, original aggregate principal amount and principal amount remaining Outstanding.
  - (b) The aggregate principal amount of each type (i.e., GNMA, Fannie Mae or FHLMC) of Guaranteed Mortgage Security purchased, the aggregate principal balance of each type of Guaranteed Mortgage Security remaining outstanding, and the aggregate principal balance of Guaranteed Mortgage Securities at each pass-through rate remaining outstanding.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

### **Reporting of Listed Events**

The Issuer covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;



6. 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 Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers (other than from principal payments passed through a Transferred Certificate);
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the Issuer<sup>(1)</sup>;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
14. Appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
15. Incurrence of a financial obligation<sup>(2)</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

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<sup>(1)</sup> For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing government 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 or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction or substantially all of the assets or business of the Issuer.

<sup>(2)</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of “financial obligation” are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term “debt obligation” generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>(2)</sup> of the obligated person, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event set forth above, the Issuer shall, not in excess of ten (10) business days after the occurrence of such Listed Event, file a notice of such occurrence with EMMA.

### **Termination of Reporting Obligation**

The Issuer's obligations under the Continuing Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

### **Dissemination Agent**

The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Certificate, and may discharge any such agent, with or without appoint a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

### **Amendment; Waiver**

The Issuer may amend the Continuing Disclosure Certificate, and any provision of the Continuing Disclosure Certificate may be waived, only upon satisfaction of the applicable provisions of the Continuing Disclosure Certificate.

### **Additional Information**

Nothing in the Continuing Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Bond Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Certificate. If the Issuer chooses to include any information in any Annual Bond Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Certificate, the Issuer shall have no obligation under the Continuing Disclosure Certificate to update such information or include it in any future Annual Bond Disclosure Report or notice of occurrence of a Listed Event.

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<sup>(2)</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of “financial obligation” are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term “debt obligation” generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

**Default**

In the event of a failure of the Issuer to comply with any provision of the Continuing Disclosure Certificate, any holder or beneficial owner may, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

**Beneficiaries**

The Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the holders or beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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## APPENDIX E

### TABLE OF OUTSTANDING SERIES 2019A BOND AMOUNTS\*

Date	Series 2019A Bonds Outstanding at 400% PSA**	Premium PAC Term Bonds Outstanding at 100% PSA***
3/28/2019	\$56,730,000	\$23,000,000
4/1/2019	56,730,000	23,000,000
5/1/2019	56,730,000	23,000,000
6/1/2019	56,505,000	22,950,000
7/1/2019	56,270,000	22,895,000
8/1/2019	56,015,000	22,835,000
9/1/2019	55,750,000	22,770,000
10/1/2019	55,460,000	22,700,000
11/1/2019	55,150,000	22,620,000
12/1/2019	54,615,000	22,340,000
1/1/2020	54,135,000	22,130,000
2/1/2020	53,730,000	22,025,000
3/1/2020	53,285,000	21,905,000
4/1/2020	52,815,000	21,780,000
5/1/2020	52,315,000	21,645,000
6/1/2020	51,300,000	21,505,000
7/1/2020	50,745,000	21,355,000
8/1/2020	50,165,000	21,195,000
9/1/2020	49,555,000	21,035,000
10/1/2020	48,915,000	20,860,000
11/1/2020	48,250,000	20,685,000
12/1/2020	47,110,000	20,495,000
1/1/2021	46,395,000	20,300,000
2/1/2021	45,660,000	20,100,000
3/1/2021	44,900,000	19,885,000
4/1/2021	44,120,000	19,675,000
5/1/2021	43,310,000	19,445,000
6/1/2021	42,090,000	19,220,000
7/1/2021	41,255,000	18,985,000
8/1/2021	40,400,000	18,735,000
9/1/2021	39,525,000	18,485,000
10/1/2021	38,640,000	18,225,000
11/1/2021	37,740,000	17,965,000
12/1/2021	36,505,000	17,705,000
1/1/2022	35,620,000	17,435,000
2/1/2022	34,735,000	17,170,000
3/1/2022	33,855,000	16,900,000
4/1/2022	32,980,000	16,630,000

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\* Preliminary, subject to change.

<b>Date</b>	<b>Series 2019A Bonds Outstanding at 400% PSA**</b>	<b>Premium PAC Term Bonds Outstanding at 100% PSA***</b>
5/1/2022	32,125,000	16,360,000
6/1/2022	31,000,000	16,090,000
7/1/2022	30,190,000	15,825,000
8/1/2022	29,390,000	15,560,000
9/1/2022	28,605,000	15,295,000
10/1/2022	27,840,000	15,035,000
11/1/2022	27,090,000	14,775,000
12/1/2022	26,130,000	14,515,000
1/1/2023	25,425,000	14,260,000
2/1/2023	24,730,000	14,010,000
3/1/2023	24,050,000	13,755,000
4/1/2023	23,380,000	13,505,000
5/1/2023	22,735,000	13,260,000
6/1/2023	21,915,000	13,010,000
7/1/2023	21,295,000	12,765,000
8/1/2023	20,690,000	12,525,000
9/1/2023	20,100,000	12,285,000
10/1/2023	19,525,000	12,045,000
11/1/2023	18,955,000	11,810,000
12/1/2023	18,255,000	11,580,000
1/1/2024	17,715,000	11,340,000
2/1/2024	17,190,000	11,110,000
3/1/2024	16,675,000	10,885,000
4/1/2024	16,175,000	10,655,000
5/1/2024	15,680,000	10,430,000
6/1/2024	15,085,000	10,210,000
7/1/2024	14,615,000	9,985,000
8/1/2024	14,160,000	9,765,000
9/1/2024	13,705,000	9,545,000
10/1/2024	13,265,000	9,330,000
11/1/2024	12,835,000	9,115,000
12/1/2024	12,330,000	8,900,000
1/1/2025	11,920,000	8,690,000
2/1/2025	11,525,000	8,480,000
3/1/2025	11,130,000	8,270,000
4/1/2025	10,745,000	8,060,000
5/1/2025	10,370,000	7,855,000
6/1/2025	9,940,000	7,660,000
7/1/2025	9,580,000	7,455,000
8/1/2025	9,230,000	7,255,000
9/1/2025	8,890,000	7,050,000
10/1/2025	8,555,000	6,855,000
11/1/2025	8,230,000	6,655,000
12/1/2025	7,860,000	6,480,000

<b>Date</b>	<b>Series 2019A Bonds Outstanding at 400% PSA**</b>	<b>Premium PAC Term Bonds Outstanding at 100% PSA***</b>
1/1/2026	7,545,000	6,285,000
2/1/2026	7,250,000	6,065,000
3/1/2026	6,960,000	5,850,000
4/1/2026	6,675,000	5,635,000
5/1/2026	6,395,000	5,415,000
6/1/2026	6,035,000	5,130,000
7/1/2026	5,775,000	4,920,000
8/1/2026	5,515,000	4,705,000
9/1/2026	5,260,000	4,495,000
10/1/2026	5,010,000	4,280,000
11/1/2026	4,765,000	4,070,000
12/1/2026	4,465,000	3,805,000
1/1/2027	4,230,000	3,600,000
2/1/2027	4,000,000	3,395,000
3/1/2027	3,775,000	3,190,000
4/1/2027	3,555,000	2,980,000
5/1/2027	3,345,000	2,775,000
6/1/2027	3,085,000	2,535,000
7/1/2027	2,880,000	2,335,000
8/1/2027	2,675,000	2,135,000
9/1/2027	2,480,000	1,935,000
10/1/2027	2,290,000	1,735,000
11/1/2027	2,100,000	1,540,000
12/1/2027	1,875,000	1,315,000
1/1/2028	1,695,000	1,120,000
2/1/2028	1,515,000	925,000
3/1/2028	1,345,000	730,000
4/1/2028	1,170,000	535,000
5/1/2028	1,000,000	340,000
6/1/2028	820,000	145,000
7/1/2028	655,000	-
8/1/2028	495,000	-
9/1/2028	340,000	-
10/1/2028	190,000	-
11/1/2028	35,000	-
12/1/2028	-	-
1/1/2029	-	-
2/1/2029	-	-
3/1/2029	-	-
4/1/2029	-	-
5/1/2029	-	-
6/1/2029	-	-

\*\* To the extent Series 2019A Bonds are redeemed pursuant to mandatory redemption from unexpended proceeds, the amounts shown above will be reduced to amounts determined by multiplying each amount shown above by a fraction the numerator of which is \$56,730,000 less the principal amount of Series 2019A Bonds mandatorily redeemed from unexpended proceeds and the denominator of which is \$56,730,000. Following the mandatory redemption from unexpended proceeds, if any, the Issuer will provide or cause to be provided to the Trustee a revised Table of Outstanding Bond Amounts, which revised Table of Outstanding Bond Amounts will commence with the first day of the month next following the date of mandatory redemption from unexpended proceeds, if any.

\*\*\* To the extent Premium PAC Term Bonds are redeemed pursuant to mandatory redemption from unexpended proceeds, the amounts shown above will be reduced to amounts determined by multiplying each amount shown above by a fraction the numerator of which is \$23,000,000 less the principal amount of Premium PAC Term Bonds mandatorily redeemed from unexpended proceeds and the denominator of which is \$23,000,000.



## APPENDIX F

### INFORMATION RELATING TO THE TRANSFERRED CERTIFICATES

#### Louisiana Housing Corporation Series 2019A Transferred Certificates<sup>(1)</sup>

<u>Type</u>	<u>CUSIP</u>	<u>Pool #</u>	<u>Outstanding Principal Amount (February 2019 factors)</u>	<u>Pass-Through Rate</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Maturity Date<sup>(2)</sup></u>
GNMA	3620AJS91	731444	\$ 141,040.38	5.60%	12/1/2009	\$ 1,189,188	12/15/2039
GNMA	3620AJTC3	731447	145,084.34	5.10%	1/1/2010	324,818	1/15/2040
GNMA	3620AKBG0	731839	245,373.04	5.60%	4/1/2010	697,960	12/30/2039
GNMA	3620AJTN9	731457	248,612.01	5.60%	2/1/2010	1,158,814	2/15/2040
GNMA	3620AKBT2	731850	106,970.57	5.60%	4/1/2010	125,008	2/15/2040
GNMA	3620ABW77	725270	649,873.84	5.60%	11/1/2009	1,878,868	2/15/2040
GNMA	3620ABW85	725271	66,760.01	3.61%	11/1/2009	343,290	2/15/2040
GNMA	3620ABXC5	725275	403,761.51	5.60%	11/1/2009	1,338,829	2/15/2040
GNMA	3620AJS34	731438	532,851.76	3.61%	12/1/2009	833,009	2/15/2040
GNMA	3620AJS42	731439	527,075.25	5.60%	12/1/2009	2,285,079	11/15/2039
GNMA	3620AJTB5	731446	177,201.39	3.61%	1/1/2010	797,977	11/15/2039
GNMA	3620AJTD1	731448	394,884.76	5.60%	1/1/2010	1,789,995	11/15/2039
GNMA	3620AJTG4	731451	94,704.35	5.60%	1/1/2010	1,043,449	12/15/2039
GNMA	3620AJTL3	731455	156,047.28	5.60%	2/1/2010	1,984,514	12/15/2039
GNMA	3620AJTM1	731456	266,904.49	3.61%	2/1/2010	444,181	1/15/2040
GNMA	3620AJTQ2	731459	391,861.08	5.00%	2/1/2010	582,861	1/15/2040
GNMA	3620AKA97	731832	647,468.69	5.60%	3/1/2010	1,593,569	1/15/2040
GNMA	3620AKBA3	731833	266,858.06	5.00%	3/1/2010	571,975	2/15/2040
GNMA	3620AKBB1	731834	79,874.39	3.61%	3/1/2010	227,901	2/15/2040
GNMA	3620AKBF2	731838	217,069.23	5.10%	4/1/2010	520,930	2/15/2040
GNMA	3620AKBH8	731840	337,050.54	5.00%	4/1/2010	840,855	2/15/2040
GNMA	3620AKBJ4	731841	426,071.16	5.00%	4/1/2010	501,639	3/15/2040
GNMA	3620AKBN5	731845	189,091.99	5.60%	4/1/2010	490,958	3/15/2040
GNMA	3620AKBP0	731846	350,743.31	5.00%	4/1/2010	703,863	3/15/2040
GNMA	3620AKBU9	731851	112,787.70	5.00%	4/1/2010	687,527	4/15/2040
GNMA	3620AKBY1	731855	204,167.62	5.10%	5/1/2010	504,860	3/15/2040
FHLMC	313930SL4	B91423	371,222.28	1.60%	12/1/2009	706,417	2/15/2040
FHLMC	313930SM2	B91424	488,148.65	1.60%	1/1/2010	844,299	4/15/2040
FHLMC	313930SN0	B91425	338,165.30	1.60%	2/1/2010	529,525	4/15/2040
FHLMC	313930SP5	B91426	476,895.12	1.60%	4/1/2010	594,109	4/15/2040
FHLMC	31321XYF5	U32510	101,938.08	1.60%	3/1/2010	124,823	12/1/2039
			\$9,156,558.18			\$26,261,090	

<sup>(1)</sup> Based on the outstanding principal amount using the February 2019 factors for the Transferred Certificates, such transferred Certificates have an approximate weighted average mortgage coupon of 5.31%, an approximate weighted-average pass-through coupon of 4.43%, and an approximate weighted average maturity (from February 2019) of 248 months.

<sup>(2)</sup> The weighted average remaining maturity of each certificate may be less than the amount calculated to the maturity date. Such information is available from one of more of the data services, including Bloomberg.

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## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

#### Introduction

Unless otherwise noted, the information contained under the subcaption “**General**” below has been provided by The Depository Trust Company (“*DTC*”), New York, New York. The Issuer makes no representation as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2019A Bonds should confirm the following information with DTC or the DTC Participants.

#### General

The Series 2019A Bonds initially will be issued solely in book-entry form to be held in the book-entry-only system maintained by DTC. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Series 2019A Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Series 2019A Bonds under the Indenture.

DTC will act as securities depository for the Series 2019A Bonds. The Series 2019A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019A Bond will be delivered for each maturity of the Series 2019A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). Standard & Poor’s maintains a rating of AA+ on DTC. 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) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2019A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019A Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2019A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in the Series 2019A Bonds, except in the event that use of the book-entry system for the Series 2019A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019A Bonds deposited by the 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 the Series 2019A Bonds 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 Series 2019A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Series 2019A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019A Bond documents. For example, Beneficial Owners of the Series 2019A Bonds may wish to ascertain that the nominee holding the Series 2019A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the Series 2019A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 Series 2019A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Trustee; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019A Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not named, the Series 2019A Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2019A Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer, the Trustee or the Underwriters.

#### **Use of Certain Terms in Other Sections of this Official Statement**

In reading this Official Statement, it should be understood that while the Series 2019A Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant acquires an interest in the Series 2019A Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

THE ISSUER, THE TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2019A BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2019A BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2019A BONDS, OR

(III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2019A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SERIES 2019A BONDS AND EXCHANGE COMMISSION AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2019A BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2019A BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2019A BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

### **Provisions Applicable if Book Entry Only System is Terminated**

In the event the Series 2019A Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Series 2019A Bonds shall be payable to the person in whose names the Series 2019A Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Series 2019A Bonds shall be made to the Registered Owners of the Series 2019A Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. The principal amount of any Series 2019A Bond and premium, if any, together with interest payable on any bond payment date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Series 2019A Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Series 2019A Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning \$1,000,000 or more in aggregate principal amount of Series 2019A Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five (5) days prior to the Record Date for the first Series 2019A Bond payment date to which such rescission is designated to apply. If

interest on the Series 2019A Bonds is in default, the Trustee shall, prior to payment of interest, establish a special record date (the "*Special Record Date*") for such payment, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Series 2019A Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

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