

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 4, 2025**

**New Issue—Book-Entry Only**

**Rating—Moody's: "Aa1"**  
(See "Rating" herein.)

*Subject to compliance by the Issuer with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion.*



**\$25,000,000\***  
**EL PASO HOUSING FINANCE CORPORATION**  
**SINGLE FAMILY MORTGAGE REVENUE BONDS**  
**(GUARANTEED MORTGAGE-BACKED SECURITIES PROGRAM)**  
**SERIES 2025A (NON-AMT)**

**Dated: Date of Delivery**

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

The Bonds initially are issuable only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), in the book-entry only system described herein. Ownership interests in the Bonds may be purchased in denominations of \$5,000 or integral multiples thereof. Purchasers of Bonds will not receive physical bond certificates. The Bonds will bear interest at the rates per annum set forth on the inside cover page (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable on March 1 and September 1 of each year, commencing September 1, 2025, until maturity or prior redemption. Principal of and interest on the Bonds will be payable to Cede & Co. Owners of beneficial interests in the Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. No physical delivery of the Bonds will be made to the beneficial owners thereof.

The Bonds are subject to redemption prior to maturity on the terms and at the prices described herein. A substantial portion of the Bonds is expected to be redeemed at par (without premium) prior to their stated maturities; therefore, anyone considering purchase of a Bond at a price in excess of its principal amount should consider that such Bond is subject, in certain cases, to redemption at par without premium, as described herein.

The Bonds will be issued pursuant to a Trust Indenture dated as of April 1, 2025 (the "Indenture"), between El Paso Housing Finance Corporation (the "Issuer") and UMB Bank, N.A., as trustee (the "Trustee"). Substantially all of the proceeds of the Bonds are expected to be used by the Trustee, on behalf of the Issuer, to purchase pass-through certificates guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA") backed by pools of Mortgage Loans (as defined herein) made by Lenders (as defined herein) to qualified persons in order to (i) finance the purchase of single family residential housing located within the City of El Paso, Texas, (ii) finance the DPA Grants (as defined herein) for down payment and closing cost assistance and (iii) pay a portion of the costs of issuance.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS, AND OTHER RESOURCES PLEDGED UNDER THE INDENTURE (EXCLUDING AMOUNTS IN THE REBATE FUND, EXCESS INTEREST PORTION FUND AND THE COSTS OF ISSUANCE FUND). THE BONDS HAVE BEEN ISSUED PURSUANT TO THE TEXAS HOUSING FINANCE CORPORATIONS ACT, CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION, A LIABILITY, OR A LOAN OF THE CREDIT OF THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS, INCLUDING THE SPONSORING POLITICAL SUBDIVISION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, INCLUDING THE SPONSORING POLITICAL SUBDIVISION, IS PLEDGED OR COMMITTED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GNMA, FHLMC OR FANNIE MAE, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, GNMA, FHLMC OR FANNIE MAE. THE ISSUER HAS NO TAXING POWER.

This cover page contains certain information for brief reference only. It is not a summary of all factors relating to an investment in the Bonds. Investors must read this entire Official Statement to obtain information necessary to making an informed investment decision with respect to the Bonds.

*The Bonds offered hereby are offered, subject to prior sale, when, as and if issued and delivered to and received by the Underwriter, and subject to approving legal opinions of the Attorney General of the State of Texas and Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Certain financial advisory services will be provided to the Issuer by Hilltop Securities Inc., Austin, Texas. Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP. It is expected that the Bonds will be available for delivery to DTC in New York, New York, on or about April \_\_, 2025.*

**RAYMOND JAMES®**

This Official Statement is dated March \_\_, 2025.

\* 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 a 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 any such jurisdiction.

**MATURITY SCHEDULE\***

**\$25,000,000**  
**EL PASO HOUSING FINANCE CORPORATION**  
**SINGLE FAMILY MORTGAGE REVENUE BONDS**  
**(GUARANTEED MORTGAGE-BACKED SECURITIES PROGRAM)**  
**SERIES 2025A (NON-AMT)**

\$3,545,000 Serial Bonds (Price of each Maturity: 100%)

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP<sup>†</sup></u> | <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP<sup>†</sup></u> |
|----------------------|-------------------------|----------------------|--------------------------|----------------------|-------------------------|----------------------|--------------------------|
| September 1, 2026    | \$130,000               | %                    |                          | March 1, 2032        | \$155,000               | %                    |                          |
| March 1, 2027        | 125,000                 |                      |                          | September 1, 2032    | 165,000                 |                      |                          |
| September 1, 2027    | 130,000                 |                      |                          | March 1, 2033        | 170,000                 |                      |                          |
| March 1, 2028        | 135,000                 |                      |                          | September 1, 2033    | 170,000                 |                      |                          |
| September 1, 2028    | 135,000                 |                      |                          | March 1, 2034        | 180,000                 |                      |                          |
| March 1, 2029        | 140,000                 |                      |                          | September 1, 2034    | 180,000                 |                      |                          |
| September 1, 2029    | 145,000                 |                      |                          | March 1, 2035        | 185,000                 |                      |                          |
| March 1, 2030        | 145,000                 |                      |                          | September 1, 2035    | 190,000                 |                      |                          |
| September 1, 2030    | 150,000                 |                      |                          | March 1, 2036        | 190,000                 |                      |                          |
| March 1, 2031        | 150,000                 |                      |                          | September 1, 2036    | 210,000                 |                      |                          |
| September 1, 2031    | 155,000                 |                      |                          | March 1, 2037        | 210,000                 |                      |                          |

\$21,455,000 Term Bonds (Price of each Maturity as Shown Below)

\$1,385,000 \_\_\_% Term Bonds Due March 1, 2040 (Price: \_\_\_%) (CUSIP: \_\_\_<sup>†</sup>)

\$2,705,000 \_\_\_% Term Bonds Due March 1, 2045 (Price: \_\_\_%) (CUSIP: \_\_\_<sup>†</sup>)

\$3,595,000 \_\_\_% Term Bonds Due March 1, 2050 (Price: \_\_\_%) (CUSIP: \_\_\_<sup>†</sup>)

\$4,770,000 \_\_\_% Term Bonds Due March 1, 2055 (Price: \_\_\_%) (CUSIP: \_\_\_<sup>†</sup>)

\$9,000,000 \_\_\_% Term Bonds (Premium PAC Bonds) Due September 1, 2055 (Price: \_\_\_%) (CUSIP: \_\_\_<sup>†</sup>)

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\* Preliminary; subject to change

<sup>†</sup> Neither the Issuer nor the Underwriter takes responsibility for the accuracy of the CUSIP numbers, which are being provided solely for the convenience of the owners of the Bonds.

**This Official Statement does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.**

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer, the Underwriter or any other entity. Certain information contained herein has been obtained from the Issuer and other sources which are believed to be reliable but such information is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of the transaction described herein, but the Underwriter does not guarantee the accuracy or completeness of such information. The Trustee assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any of the information contained herein. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that any estimates will be realized. The information and expressions of opinion herein are subject to change and neither the delivery of this Official Statement nor the issuance, sale, delivery or exchange of the Bonds implies that the information herein is correct as of any date other than the date hereof. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements.

In connection with this offering, the Underwriter may from time to time over allot or effect transactions which stabilize or maintain the market price of the 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 Underwriter may offer and sell Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

This Official Statement, and particularly the information contained under the headings entitled "Certain Assumptions and Risk Factors" and Appendix G contain statements relating to future results 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," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ, perhaps materially, from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Indenture or any other document been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Any registration or qualification of the Bonds in accordance with applicable provisions of the securities laws or the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

The Trustee has not participated in the preparation of this Official Statement and assumes no responsibility for the accuracy or completeness of any information contained in this Official Statement or the related transactions and documents or for any failure by any party to disclose events that may have occurred and may affect the significance or accuracy of such information.

# TABLE OF CONTENTS

|   |    |
|---|----|
| INTRODUCTION .....  | 1  |
| THE ISSUER .....  | 4  |
| General .....   | 4  |
| Description of the Issuer .....                             | 4  |
| Prior and Current Single Family Loan Programs .....         | 5  |
| THE BONDS .....   | 5  |
| General .....   | 5  |
| Redemption .....  | 6  |
| Selection of Bonds for Redemption .....                     | 11 |
| Purchase of Bonds Subject to Redemption .....               | 12 |
| Partial Redemption of Bonds .....                           | 12 |
| Notice of Redemption .....                                  | 12 |
| SECURITY FOR THE BONDS .....                                | 13 |
| Pledge Under the Indenture .....                            | 13 |
| Additional Bonds .....                                      | 13 |
| SOURCES AND USES OF FUNDS .....                             | 14 |
| THE PROGRAM .....   | 14 |
| General .....   | 14 |
| Availability of Funds to Purchase Mortgage Loans .....      | 15 |
| Origination and Purchase .....                              | 15 |
| Mortgage Loans .....  | 16 |
| Servicing .....   | 17 |
| Program Administration .....                                | 18 |
| Reservations and Limitations .....                          | 18 |
| The Master Servicer .....                                   | 18 |
| The Program Administrator .....                             | 19 |
| CERTAIN ASSUMPTIONS AND RISK FACTORS .....                  | 19 |
| Assumptions .....   | 19 |
| Risk Factors .....  | 20 |
| SUMMARY OF PRINCIPAL DOCUMENTS .....                        | 24 |
| The Indenture .....   | 24 |
| The Origination Agreement and the Servicing Agreement ..... | 31 |
| TAX EXEMPTION .....   | 35 |

## TABLE OF CONTENTS

|  |     |
|--|-----|
| RATING .....   | 36  |
| UNDERWRITING .....   | 37  |
| CERTAIN LEGAL MATTERS.....   | 37  |
| LITIGATION.....  | 37  |
| CONTINUING DISCLOSURE.....   | 38  |
| FINANCIAL ADVISOR .....  | 38  |
| MISCELLANEOUS .....  | 39  |
| APPENDIX A–CERTAIN DEFINITIONS.....  | A-1 |
| APPENDIX B–MORTGAGE-BACKED SECURITIES PROGRAMS.....  | B-1 |
| APPENDIX C–BOOK-ENTRY ONLY SYSTEM .....  | C-1 |
| APPENDIX D–CERTAIN INFORMATION REGARDING THE MASTER<br>SERVICER AND PROGRAM ADMINISTRATOR..... | D-1 |
| APPENDIX E–FORM OF OPINION OF BOND COUNSEL.....  | E-1 |
| APPENDIX F–FORM OF CONTINUING DISCLOSURE AGREEMENT .....                                       | F-1 |
| APPENDIX G–TABLE OF OUTSTANDING BOND AMOUNTS .....   | G-1 |

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**\$25,000,000\***  
**EL PASO HOUSING FINANCE CORPORATION**  
**SINGLE FAMILY MORTGAGE REVENUE BONDS**  
**(GUARANTEED MORTGAGE-BACKED SECURITIES PROGRAM)**  
**SERIES 2025A (NON-AMT)**

**INTRODUCTION**

This Official Statement sets forth certain information concerning the issuance by El Paso Housing Finance Corporation (the “*Issuer*”) of its \$25,000,000\* Single Family Mortgage Revenue Bonds (Guaranteed Mortgage-Backed Securities Program), Series 2025A (Non-AMT) (the “*Bonds*”). The Bonds are being issued in connection with the Issuer’s Single Family Mortgage Revenue Bond Program (the “*Program*”). The Bonds will be issued pursuant to the authority contained in the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “*Act*”), a resolution adopted by the Board of Directors of the Issuer on February 26, 2025 authorizing the sale and issuance of the Bonds, and the Trust Indenture dated as of April 1, 2025 (the “*Indenture*”), between the Issuer and UMB Bank, N.A., as trustee (together with its successors as such, the “*Trustee*”). Certain of the provisions of the Indenture are summarized below in “Summary of Principal Documents – The Indenture” herein. Certain capitalized terms used in this Official Statement are defined herein and/or in “Appendix A – Certain Definitions.” Other capitalized terms used herein have the meanings assigned to them in the Indenture.

The Issuer is a public nonprofit housing finance corporation duly organized and existing under the laws of the State of Texas (the “*State*”) pursuant to the Act on behalf of the City of El Paso, Texas (the “*Sponsoring Political Subdivision*”). The Bonds are being issued to provide financing for Mortgage Loans to Eligible Borrowers in order to finance decent, safe and sanitary housing for persons of low and moderate income within the geographic boundaries of the City of El Paso, Texas (the “*Eligible Loan Area*”), and to provide funds for grants to such borrowers for down payment and closing cost assistance.

The proceeds of the Bonds will be deposited in the Program Fund under the Indenture and used to (i) acquire GNMA fully modified mortgage-backed pass-through certificates (the “*GNMA Certificates*”) issued pursuant to GNMA’s GNMA I and GNMA II Mortgage-Backed Securities Programs, (ii) finance grants for down payment assistance and closing cost assistance to borrowers and (iii) pay a portion of the costs of issuing the Bonds. See “Sources and Uses of Funds” herein.

While the Indenture also permits the purchase of single pool, mortgage-backed securities issued by Fannie Mae (the “*Fannie Mae Certificates*”) and single pool, mortgage-backed securities issued by FHLMC (the “*FHLMC Certificates*” and, collectively with the GNMA Certificates and Fannie Mae Certificates, the “*Certificates*”), *it is expected that 100% of the Certificates purchased with the proceeds of the Bonds will be GNMA Certificates.* See “The Program – General” herein. The Mortgage Loans, which will back the Certificates, will be originated by mortgage lenders operating in the Eligible Loan Area (collectively, the “*Lenders*”).

The Issuer has entered or will enter into (i) the Servicing Agreement with U.S. Bank National Association dated as of December 9, 2024 (as supplemented and amended, from time to time, the “*Servicing Agreement*”), (ii) the Program Administration Agreement dated as of March 1, 2025 (the “*Program Administration Agreement*”), with Housing and Development Services, Inc., d/b/a eHousingPlus (the “*Program Administrator*”), and (iii) the Master Origination and Sale Agreement between the Issuer and the Lenders dated as of March 1, 2025, as supplemented by Supplement No. 2025A thereto (the

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\* Preliminary; subject to change

“*Origination Agreement*”). Under the Origination Agreement, the Lenders will originate and sell Mortgage Loans to the Master Servicer, which will service the Mortgage Loans pursuant to the terms of the Servicing Agreement.

The Mortgage Loans underlying the GNMA Certificates will be assembled by the Master Servicer into mortgage loan pools (“*Pools*”) and delivered to a custodian for GNMA. Upon the approval of GNMA, the Master Servicer will issue and deliver the GNMA Certificates, which are fully modified pass-through mortgage-backed certificates, guaranteed by GNMA and collateralized by Pools of not less than \$25,000 of aggregate principal amount of Mortgage Loans (or such lesser amount as may be approved by GNMA). The Trustee will cause the purchase of the GNMA Certificates from the Master Servicer as described below. Under the GNMA Certificates, the Master Servicer will pay to the Trustee on behalf of the Issuer, amounts equal to principal and interest on the Mortgage Loans, less the Servicing Fee to be retained by the Master Servicer (which includes the GNMA Guaranty Fee). If the Master Servicer fails to make such payments, GNMA will be obligated to pay the principal of and interest on the GNMA Certificates. The GNMA Certificates will be guaranteed as to timely payment of principal and interest by GNMA, which guarantee will be backed by the full faith and credit of the United States of America. See “Mortgage-Backed Securities Programs – Government National Mortgage Association Program” in Appendix B. Pursuant to the Indenture, the Issuer has assigned to the Trustee its interests in the Certificates as security for the Bonds. See “Security for the Bonds – Pledge Under the Indenture” herein.

The Conventional Mortgage Loans underlying the Fannie Mae Certificates, if any, will be assembled by the Master Servicer into mortgage loan pools (“*Pools*”) and delivered to a custodian for Fannie Mae. Upon the approval of Fannie Mae, the Master Servicer will issue and deliver the Fannie Mae Certificates, which are fully modified pass-through mortgage-backed certificates, guaranteed by Fannie Mae and collateralized by Pools of not less than \$25,000 of aggregate principal amount of Mortgage Loans (or such lesser amount as may be approved by Fannie Mae). The Trustee will cause the purchase of the Fannie Mae Certificates from the Master Servicer as described below. Under the Fannie Mae Certificates, the Master Servicer will pay to the Trustee on behalf of the Issuer, amounts equal to principal and interest on the Mortgage Loans, less the Servicing Fee to be retained by the Master Servicer (which includes the Fannie Mae Guaranty Fee). If the Master Servicer fails to make such payments, Fannie Mae will be obligated to pay the principal of and interest on the Fannie Mae Certificates. The Fannie Mae Certificates will be guaranteed as to timely payment of principal and interest by Fannie Mae. See “Mortgage-Backed Securities Programs – Federal National Mortgage Association Program” in Appendix B. Pursuant to the Indenture, the Issuer has assigned to the Trustee its interests in the Fannie Mae Certificates, if any, as security for the Bonds. See “Security for the Bonds – Pledge Under the Indenture” herein.

The Conventional Mortgage Loans underlying the FHLMC Certificates, if any, will be assembled by the Master Servicer into Pools and sold to FHLMC pursuant to the FHLMC Guide (as defined herein) and a FHLMC Purchase Agreement with FHLMC. FHLMC will issue its FHLMC Certificates which will be purchased as described below. The FHLMC Certificates will be single pool participation certificates collateralized by Pools of not less than \$1,000,000 (or such lesser amount as may be approved by FHLMC) of aggregate principal amount of Mortgage Loans originated to finance the purchase of Residences located within the Eligible Loan Area. See “Mortgage-Backed Securities Programs – FHLMC Mortgage-Backed Securities Program” in Appendix B. Pursuant to the Indenture, the Issuer has assigned to the Trustee its interests in the FHLMC Certificates, if any, as security for the Bonds. See “Security for the Bonds – Pledge Under the Indenture” herein.

All Mortgage Loans which will back Certificates held by the Trustee must be secured by first mortgage liens, subject to certain permitted encumbrances, on Residences located within the Eligible Loan Area. The Mortgage Loans are required to be (a) insured by the Federal Housing Administration (“FHA”) pursuant to the National Housing Act, as amended, or (b) guaranteed by the Department of Veterans Affairs (“VA”) pursuant to the Servicemen’s Readjustment Act of 1944, as amended, or (c) guaranteed by the Rural Housing Service of the United States Department of Agriculture (“RHS”) pursuant to the Housing Act of 1949, as amended, and in any case eligible for pooling into GNMA Certificates, or (d) insured by private mortgage insurance to the extent required by FHLMC or Fannie Mae and eligible for pooling into FHLMC Certificates or Fannie Mae Certificates, respectively. As set forth in the Origination Agreement and the Servicing Agreement, and as required by the Act, the Issuer has established additional requirements pertaining to the types of Mortgage Loans to be financed, the origination and delivery procedures to be followed by the Lenders and the eligibility criteria for borrowers.

The Mortgage Loans will have substantially level payments of principal and interest for a term of 30 years. The interest rate on the Mortgage Loans will be \_\_\_% per annum. The Issuer will make available to the Mortgagors down payment and closing cost assistance in the form of a grant equal to 4% of the original principal amount of the Mortgage Loan (a “DPA Grant”).

U.S. Bank National Association (the “Master Servicer”) will act as Master Servicer under the Servicing Agreement. The Master Servicer will purchase the Mortgage Loans (as defined herein) from time to time from the Lenders. The Master Servicer will pool the Mortgage Loans into Certificates and sell them to the Trustee. The funds to originate Mortgage Loans and the DPA Grants will be available on a first-come first-served basis until all such funds are utilized. See “The Program – Servicing” herein.

The Program Administrator is responsible for reviewing, in a timely fashion, the Mortgage Loan documents submitted by the Lenders to evaluate whether each Mortgage Loan submitted for purchase meets the guidelines of the Program including applicable State and federal law. The Master Servicer also is responsible for servicing all the Mortgage Loans it purchases from Lenders. See “The Program – Administration” herein.

Brief descriptions of the Bonds, the security for the Bonds, the Issuer and the Program, together with summaries of certain provisions of the Indenture, the Origination Agreement and the Servicing Agreement, follow in this Official Statement. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreement and all summaries herein of the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in those documents and agreements. Such references are further qualified by references to bankruptcy and similar laws and principles of equity relating to or affecting the enforceability of creditor’s rights.

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## THE ISSUER

### General

Regarding the Program (and other single family-related activities undertaken by the Issuer as described below), the Issuer does not originate, pool or service mortgage loans of any type, has no expertise in such functions, and does not employ any staff to carry out those functions. To enable the Issuer to conduct the Program, among other things, the (a) Lenders participating in the Program have agreed pursuant to the terms of the Origination Agreement to originate the Mortgage Loans and sell them to the Master Servicer, (b) Master Servicer has agreed pursuant to the terms of the Servicing Agreement to purchase the Mortgage Loans from the Lenders, service the Mortgage Loans and pool the Mortgage Loans into Certificates, and sell the Certificates to the Trustee, (c) Program Administrator under the terms of the Program Administration Agreement has agreed to review each Mortgage Loan prior to purchase by the Master Servicer for compliance with the requirements of the Program and will generally administer the Program on behalf of the Issuer, and (d) Trustee has agreed to perform certain functions relating to the purchase of the Certificates from the Master Servicer and the payment of the Bonds, as described in the Indenture, including but not limited to the collection of Certificate revenues and investment revenues and the application thereof to the payment of the Bonds in accordance with the provisions of the Indenture. The Issuer does not have any responsibility with respect to the origination, pooling or servicing the Mortgage Loans or for the collection, transfer or payment of any moneys derived from the Mortgage Loans or the Certificates.

The Issuer may, during the period for origination of the Mortgage Loans, issue additional single family mortgage revenue bonds which will finance the purchase of single family residences located within the Eligible Loan Area.

**THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS, AND OTHER RESOURCES PLEDGED UNDER THE INDENTURE (EXCLUDING AMOUNTS IN THE REBATE FUND, THE EXCESS INTEREST PORTION FUND AND THE COSTS OF ISSUANCE FUND) AS DESCRIBED BELOW UNDER “THE BONDS – GENERAL.”**

### Description of the Issuer

The Issuer is a public nonprofit housing finance corporation of the State created pursuant to the Act on behalf of the City of El Paso, Texas. The Issuer has no taxing power. The Issuer does not have the power to pledge its general credit. The Issuer does not have the power to pledge the general credit or taxing power of the State or of any political subdivision thereof, including, but not limited to, the City of El Paso, Texas.

The Issuer is governed by a Board of Directors, presently consisting of seven (7) Board members.

The Issuer is empowered to issue special limited obligation bonds to provide funds for the financing or refinancing the costs of the acquisition, construction, improvement, equipping and operation of projects, as defined in the Act, including the power to acquire mortgage loans to finance the acquisition of residential real property by persons of low and moderate income and to issue revenue bonds for such purpose, as well as the power to refund such bonds.

## **Prior and Current Single Family Loan Programs**

***Prior Tax-Exempt Single Family Mortgage Revenue Bonds.*** The Issuer has sold publicly or privately placed multiple series of single family mortgage revenue bonds, beginning in 1979 and ending in 2011. None of those bond issues remain outstanding.

***Current Single Family Grant Program (2017 to Present).*** In 2017, the Issuer created a single family loan and grant program financed through the conventional market (a taxable source of funds) under the name “My El Paso Home DPA Grant Program”. That program continues and provides first mortgage loans and down payment assistance and closing cost grants to qualified homebuyers residing within the City of El Paso, Texas. As of January 31, 2025, the My El Paso Home DPA Grant Program has provided down payment assistance and closing costs grants to 289 qualified homebuyers in the City of El Paso, Texas with an aggregate principal amount of first mortgage loans equal to \$32,185,687.

## **THE BONDS**

### **General**

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS, AND OTHER RESOURCES PLEDGED UNDER THE INDENTURE (EXCLUDING AMOUNTS IN THE REBATE FUND, THE EXCESS INTEREST PORTION FUND AND THE COST OF ISSUANCE FUND). THE BONDS HAVE BEEN ISSUED PURSUANT TO THE TEXAS HOUSING FINANCE CORPORATIONS ACT, CHAPTER 394, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF THE CREDIT OF THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS, INCLUDING THE SPONSORING POLITICAL SUBDIVISION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF INCLUDING THE SPONSORING POLITICAL SUBDIVISION IS PLEDGED OR COMMITTED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF ANY SUCH GOVERNMENTAL ENTITIES OR THE SPONSORING POLITICAL SUBDIVISION WITH RESPECT TO PAYMENT OF THE BONDS. SUCH GOVERNMENTAL ENTITIES OR THE SPONSORING POLITICAL SUBDIVISION MAY NOT MAKE PAYMENTS WITH RESPECT TO THE BONDS. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR GNMA, FREDDIE MAC OR FANNIE MAE, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, GNMA, FREDDIE MAC OR FANNIE MAE. GNMA, FREDDIE MAC AND FANNIE MAE ARE NOT LIABLE FOR PAYMENT OF THE BONDS, AND NEITHER GNMA, FREDDIE MAC NOR FANNIE MAE HAS UNDERTAKEN THAT PAYMENTS ON THE GNMA CERTIFICATES, THE FHLMC CERTIFICATES OR THE FANNIE MAE CERTIFICATES, RESPECTIVELY, WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. THE ISSUER HAS NO TAXING POWER.

The Bonds will be dated the date of their original delivery and will bear interest at the rates per annum shown on the inside cover page of this Official Statement. The Bonds will be issued only in fully registered form in denominations of \$5,000 principal amount or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement.

Interest on the Bonds will be paid on each March 1 and September 1, commencing on September 1, 2025 (each an “*Interest Payment Date*”) until maturity or prior redemption. Principal of and interest on the Bonds is payable by the Trustee to Cede & Co., as registered owner and nominee for DTC, and by wire transfer in accordance with the terms of letters of representations from the Issuer and the Trustee to DTC. DTC will receive payments on the Bonds from the Trustee and remit such payments to DTC Participants for subsequent disbursement to Beneficial Owners. See “Book-Entry Only System” in Appendix C. Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

## Redemption

The following summarizes the provisions relating to the redemption of the Bonds.

### *Mandatory Redemption Due to Nonorigination*

The Bonds are subject to mandatory redemption in whole or in part (i) on November 1, 2025<sup>\*</sup>, from funds on deposit in the Program Fund to the extent moneys on deposit in the Program Fund exceed \$15,745,000<sup>\*</sup> on October 15, 2025<sup>\*</sup>, (ii) on March 1, 2026<sup>\*</sup>, from funds on deposit in the Program Fund to the extent moneys on deposit in the Program Fund exceed \$5,248,500<sup>\*</sup> on February 13, 2026<sup>\*</sup>, and (iii) on July 1, 2026<sup>\*</sup> from funds on deposit in the Program Fund to the extent of any amounts remaining on deposit in the Program Fund that have not been applied to purchase Certificates on or before June 15, 2026<sup>\*</sup>, at the applicable redemption price set forth in the table below, expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date. The foregoing redemption dates (and the related final Certificate purchase dates) may be extended one or more times, at the option of the Issuer, if the conditions set forth in the Indenture are met.

| <b>Bond Maturity Date<sup>*</sup></b>     | <b>Redemption Price</b> |
|---|-------------------------|
| Serial Bonds                              | 100.000%                |
| Term Bonds maturing March 1, 2040         | 100.000                 |
| Premium Term Bonds maturing March 1, 2045 |                         |
| Premium Term Bonds maturing March 1, 2050 |                         |
| Premium Term Bonds maturing March 1, 2055 |                         |
| Premium PAC Bonds                         |                         |

### *Mandatory Redemption from Prepayments and Surplus Revenues*

The Bonds are subject to mandatory redemption on the first day of each month, commencing May 1, 2025<sup>\*</sup>, from amounts transferred to the Redemption Account of the Bond Fund pursuant to the Indenture. Such amounts in the Redemption Account of the Bond Fund represent Prepayments from Certificates and surplus revenues transferred to and deposited to the Redemption Account of the Bond Fund pursuant to the Indenture. Redemptions under this clause are subject to a minimum \$25,000 on such date at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

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<sup>\*</sup> Preliminary; subject to change

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

(a) 2040 Term Bonds. The Term Bonds maturing March 1, 2040\* are subject to mandatory redemption in part by lot from Sinking Fund Payments on March 1 and September 1 of each year, commencing on September 1, 2037\*, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date in the amounts set forth below:

| <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * | <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * |
|----------------------------|---------------------------|----------------------------|---------------------------|
| September 1, 2037          | \$220,000                 | March 1, 2039              | \$235,000                 |
| March 1, 2038              | 225,000                   | September 1, 2039          | 240,000                   |
| September 1, 2038          | 225,000                   | March 1, 2040†             | 240,000                   |

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† Maturity Date

(b) 2045 Premium Term Bonds. The Term Bonds maturing March 1, 2045\* are subject to mandatory redemption in part by lot from Sinking Fund Payments on March 1 and September 1 of each year, commencing on September 1, 2040\*, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date in the amounts set forth below:

| <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * | <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * |
|----------------------------|---------------------------|----------------------------|---------------------------|
| September 1, 2040          | \$235,000                 | March 1, 2043              | 270,000                   |
| March 1, 2041              | 245,000                   | September 1, 2043          | 280,000                   |
| September 1, 2041          | 255,000                   | March 1, 2044              | 290,000                   |
| March 1, 2042              | 260,000                   | September 1, 2044          | 300,000                   |
| September 1, 2042          | 265,000                   | March 1, 2045†             | 305,000                   |

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† Maturity Date

(c) 2050 Premium Term Bonds. The Term Bonds maturing March 1, 2050\* are subject to mandatory redemption in part by lot from Sinking Fund Payments on March 1 and September 1 of each year, commencing on September 1, 2045\*, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date in the amounts set forth below:

| <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * | <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * |
|----------------------------|---------------------------|----------------------------|---------------------------|
| September 1, 2045          | \$315,000                 | March 1, 2048              | \$360,000                 |
| March 1, 2046              | 325,000                   | September 1, 2048          | 375,000                   |
| September 1, 2046          | 335,000                   | March 1, 2049              | 390,000                   |
| March 1, 2047              | 340,000                   | September 1, 2049          | 395,000                   |
| September 1, 2047          | 350,000                   | March 1, 2050†             | 410,000                   |

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† Maturity Date

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\* Preliminary; subject to change

(d) 2055 Premium Term Bonds. The Term Bonds maturing March 1, 2055\* are subject to mandatory redemption in part by lot from Sinking Fund Payments on March 1 and September 1 of each year, commencing on September 1, 2050\*, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date in the amounts set forth below:

| <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * | <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * |
|----------------------------|---------------------------|----------------------------|---------------------------|
| September 1, 2050          | \$420,000                 | March 1, 2053              | \$485,000                 |
| March 1, 2051              | 425,000                   | September 1, 2053          | 495,000                   |
| September 1, 2051          | 440,000                   | March 1, 2054              | 515,000                   |
| March 1, 2052              | 450,000                   | September 1, 2054          | 525,000                   |
| September 1, 2052          | 475,000                   | March 1, 2055†             | 540,000                   |

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† Maturity Date

*[Remainder of Page Intentionally Left Blank]*

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\* Preliminary; subject to change

(e) The 2055 Term Bonds (Premium PAC Bonds). The Term Bonds due September 1, 2055\* (the Premium PAC Bonds) will be subject to mandatory redemption in part by lot from Sinking Fund Payments on March 1 and September 1 of each year, commencing on September 1, 2026\*, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the redemption date in the amounts set forth below:

| <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * | <u>Sinking Fund Date</u> * | <u>Principal Amount</u> * |
|----------------------------|---------------------------|----------------------------|---------------------------|
| September 1, 2026          | \$ 50,000                 | September 1, 2041          | \$130,000                 |
| March 1, 2027              | 55,000                    | March 1, 2042              | 135,000                   |
| September 1, 2027          | 55,000                    | September 1, 2042          | 140,000                   |
| March 1, 2028              | 55,000                    | March 1, 2043              | 145,000                   |
| September 1, 2028          | 60,000                    | September 1, 2043          | 150,000                   |
| March 1, 2029              | 60,000                    | March 1, 2044              | 150,000                   |
| September 1, 2029          | 60,000                    | September 1, 2044          | 155,000                   |
| March 1, 2030              | 65,000                    | March 1, 2045              | 160,000                   |
| September 1, 2030          | 65,000                    | September 1, 2045          | 165,000                   |
| March 1, 2031              | 70,000                    | March 1, 2046              | 170,000                   |
| September 1, 2031          | 70,000                    | September 1, 2046          | 175,000                   |
| March 1, 2032              | 75,000                    | March 1, 2047              | 185,000                   |
| September 1, 2032          | 75,000                    | September 1, 2047          | 190,000                   |
| March 1, 2033              | 75,000                    | March 1, 2048              | 195,000                   |
| September 1, 2033          | 80,000                    | September 1, 2048          | 200,000                   |
| March 1, 2034              | 80,000                    | March 1, 2049              | 205,000                   |
| September 1, 2034          | 85,000                    | September 1, 2049          | 215,000                   |
| March 1, 2035              | 85,000                    | March 1, 2050              | 220,000                   |
| September 1, 2035          | 90,000                    | September 1, 2050          | 225,000                   |
| March 1, 2036              | 95,000                    | March 1, 2051              | 235,000                   |
| September 1, 2036          | 95,000                    | September 1, 2051          | 240,000                   |
| March 1, 2037              | 100,000                   | March 1, 2052              | 250,000                   |
| September 1, 2037          | 100,000                   | September 1, 2052          | 255,000                   |
| March 1, 2038              | 105,000                   | March 1, 2053              | 265,000                   |
| September 1, 2038          | 110,000                   | September 1, 2053          | 275,000                   |
| March 1, 2039              | 110,000                   | March 1, 2054              | 280,000                   |
| September 1, 2039          | 115,000                   | September 1, 2054          | 290,000                   |
| March 1, 2040              | 120,000                   | March 1, 2055              | 300,000                   |
| September 1, 2040          | 125,000                   | September 1, 2055†         | 790,000                   |
| March 1, 2041              | 125,000                   |                            |                           |

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† Maturity Date

If Term Bonds are subject to redemption in part (other than by mandatory sinking fund redemption) or purchased in part, for each maturity of Term Bonds: (i) for any redemption in part due to unexpended moneys in the Program Fund, the Sinking Fund Payments shall be reduced on a Proportionate Basis; and (ii) for optional redemption in part or mandatory redemption in part from Prepayments and surplus revenues, or for purchases in part: (a) for the Premium PAC Bonds, Sinking Fund Payments shall be reduced in chronological order, and (b) for all other Term Bonds, sinking fund payments shall be reduced on a Proportionate Basis.

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\* Preliminary; subject to change

***Optional Redemption***

(a) The Bonds maturing on and after September 1, 2035\* are subject to redemption prior to maturity at the option and direction of the Issuer on any date on and after March 1, 2035\*, as a whole or in part (and if in part on a Proportionate Basis and by lot within each Bond maturity), at the redemption price of 100% of the principal amount thereby being redeemed, plus accrued interest to the date fixed for redemption; provided that any Premium PAC Bonds so redeemed shall be redeemed on the dates and at the applicable redemption prices set forth below (for the applicable redemption period), plus accrued interest to the date fixed for redemption:

**Premium PAC Bonds**

| <b>Redemption Date*</b>    | <b>Redemption Price*</b> |
|----------------------------|--------------------------|
| 3/1/2035 through 8/31/2035 | %                        |
| 9/1/2035 through 2/29/2036 |                          |
| 3/1/2036 through 8/31/2036 |                          |
| 9/1/2036 and thereafter    | 100.00                   |

If any Premium PAC Bond is redeemed on a day other than the redemption date specified above, the redemption price, as of such redemption date, will be determined by straight-line interpolation between the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

(b) Subject to the certain restrictions described in the Indenture relating to the disposition of Certificates, upon direction by the Issuer, the Trustee shall dispose of Certificates to effect the redemption of the Bonds subject to optional redemption under subparagraph (a) immediately above; *provided, however,* that (i) in no event will moneys, if any, received from the disposition of the Certificates by the Trustee be applied to the redemption of Bonds other than pursuant to the provisions of subparagraph (a) immediately above, (ii) if the Bonds subject to redemption pursuant to subparagraph (a) immediately above are redeemed in whole, then the proceeds of such sale together with any other amounts under the Indenture must be sufficient to provide for the payment of such Bonds in whole and all related expenses under the Indenture and (iii) if less than the total amount of Certificates are to be disposed of in connection with an optional redemption of the Bonds in part pursuant to subparagraph (a) immediately above in which Bonds are not selected for redemption on a Proportionate Basis, no Certificates may be sold until the Rating Agency has confirmed that such sale will not adversely affect the then current rating on the Bonds. The provisions described in this subparagraph may not be modified or amended without the consent of the owners of two-thirds of the Outstanding principal amount of the Bonds. After provision for payment of the Bonds in whole in accordance with this provision, any excess moneys may be released from the lien of the Indenture.

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\* Preliminary; subject to change

## **Selection of Bonds for Redemption**

### ***Selection Procedure for Mandatory Redemption Due to Nonorigination***

If Bonds are subject to mandatory redemption due to nonorigination, in part, from unexpended moneys in the Program Fund, such moneys will be applied to redeem Bonds (including Premium PAC Bonds) on a Proportionate Basis.

### ***Selection Procedure for Mandatory Redemption from Prepayments and Surplus Revenues***

Amounts deposited in the Redemption Account of the Bond Fund (representing Prepayments with respect to the GNMA Certificates and surplus revenues) will be applied to redeem Bonds in the following order of priority:

FIRST, such amounts will be applied to redeem the Premium PAC Bonds (by lot) down to the applicable 75% PSA Outstanding Bond Amount for Premium PAC Bonds as shown in the second column of Appendix G;

SECOND, after applying the amounts as described in clause First above, any remaining amounts shall be applied to redeem the Bonds, except the Premium PAC Bonds, on a Proportionate Basis (and by lot within each maturity), provided that (i) all amounts so allocable to the redemption of Term Bonds shall be applied first to redeem the Term Bonds maturing March 1, 2040\* until such Bonds are no longer Outstanding, and (ii) such redemption shall be made only until the aggregate Outstanding principal amount of the Bonds has been reduced to the applicable 500% PSA Outstanding Bond for All Bonds as shown in the third column of Appendix G; and

THIRD, after applying the amounts as described in the FIRST and SECOND clauses above, any remaining amounts will be transferred to redeem the Bonds on a Proportionate Basis (and by lot within each maturity); *provided* that all amounts so allocable to the redemption of Term Bonds shall be applied first to redeem the Term Bonds maturing March 1, 2040\* until such Bonds are no longer Outstanding.

The applicable “75% PSA Outstanding Bond Amount for Premium PAC Bonds” is the amount set forth in the second column of Appendix G for the Interest Payment Date on which the redemption of Premium PAC Bonds could occur. The amounts in the column for each Interest Payment Date have been calculated based on the principal amount of Premium PAC Bonds projected to remain outstanding, after taking into account scheduled principal payments and projected redemptions (including monthly redemptions) of the Premium PAC Bonds from Prepayments and surplus revenues. The projected Outstanding Bond Amounts are based on various assumptions, including (i) the assumptions stated under “Certain Assumptions and Risk Factors,” (ii) an expected purchase schedule for the GNMA Certificates, and (iii) Prepayments and surplus revenues resulting from a constant 75% PSA prepayment rate. See generally “Certain Assumptions and Risk Factors.”

The applicable “500% PSA Outstanding Bond Amount for All Bonds” is the amount set forth in the third column of Appendix G for the Interest Payment Date on which the redemption of the Bonds could occur. The amounts in the column for each Interest Payment Date have been calculated based on the principal amount of all of the Bonds (including Premium Pac Bonds) projected to remain outstanding, after taking into account scheduled principal payments and projected redemptions (including monthly

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\* Preliminary; subject to change.

redemptions) of the Bonds from Prepayments and surplus revenues. The projected Outstanding Bond Amounts are based on various assumptions, including (i) the assumptions stated under “Certain Assumptions and Risk Factors,” (ii) an expected purchase schedule for the GNMA Certificates, and (iii) Prepayments and surplus revenues resulting from a constant 500% PSA prepayment rate. See generally “Certain Assumptions and Risk Factors.”

If Bonds are redeemed due to nonorigination (i) amounts in the second column of Appendix G will each be reduced by the ratio which the amount of the Premium PAC Bonds to be so redeemed bears to the amount of Premium PAC Bonds issued and (ii) amounts in the third column of Appendix G shall each be reduced by the ratio which the amount of all Bonds to be so redeemed bears to the amount of all Bonds issued, with each reduced amount rounded to the nearest \$5,000.

### **Purchase of Bonds Subject to Redemption**

The Trustee will apply money held in the Redemption Account of the Bond Fund for the redemption of Bonds or, upon direction of the Issuer, the Trustee will apply such funds to the purchase of such Bonds in lieu of redemption, and upon such purchase such Bonds will be cancelled. The Issuer will timely advise the Trustee, in writing, but in no event later than seventy-five (75) days prior to the applicable redemption date, of Bonds to be purchased pursuant to the Indenture so that the Trustee may determine in a timely manner the Bonds to be redeemed from Sinking Fund Payments or from revenues or unexpended proceeds. The price paid by the Trustee for any Bond (excluding accrued interest on such bond, but including any brokerage and other charges), purchased pursuant to this paragraph will not exceed 100% of the Principal Amount thereof. The Trustee also will pay from the Interest Account of the Bond Fund accrued interest on any Bond so purchased. Subject to the above limitations, the Trustee may purchase Bonds at such times, for such prices, in such amounts and in such manner as the Trustee is directed by the Issuer and as may be possible with the amount of money available in the Redemption Account of the Bond Fund.

### **Partial Redemption of Bonds**

If less than all the Bonds of a maturity are to be redeemed, the particular Bonds of such maturity to be redeemed will be selected by the Trustee by lot.

Bonds will be redeemed only in a principal amount equal to \$5,000 or any integral multiple thereof.

Upon surrender of any Bond for redemption in part only, the Trustee will authenticate and deliver, a new Bond of authorized denominations, of the same series, bearing the same interest rate and corresponding to the aggregate principal amount of the unredeemed portion of the Bond surrendered.

### **Notice of Redemption**

When the Trustee receives notice from the Issuer of its election to redeem Bonds in accordance with the provisions of the Indenture, the Trustee will select the Bonds to be redeemed, as set forth in the Indenture, and will give notice, in the name of the Issuer, of the redemption of Bonds, which notice will contain the information required by the Indenture. The Trustee will mail a copy of the redemption notice, by first-class mail at least 30 days (15 days with respect to a mandatory redemption of any Bonds as described above under the subheading “Mandatory Redemption – Mandatory Redemption Due to Nonorigination” above) before such redemption date, to the registered owner of any Bond, as applicable. Failure to give such notice by mail to any Bondholder, or any defect therein, will not affect the validity of any proceedings for the redemption of other Bonds.

Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the owner of such Bonds or such other intended recipient receives such notice.

Any notice of the redemption of Bonds may state that such notice is conditional and that if the conditions for redemption of such Bonds on the scheduled redemption date are not satisfied (including the availability of funds sufficient to redeem such Bonds), such Bonds will not be redeemed on such date and any Bonds tendered for payment on such date will be returned to the owners thereof.

Prior to the date any Bonds are to be redeemed, there is required to be deposited with the Trustee funds sufficient to pay the Bonds called for redemption, together with accrued interest thereon to the redemption date. Upon the giving of notice of such redemption and the deposit of funds for redemption, interest on such Bonds will cease to accrue after the date fixed for redemption, and the holders of such Bonds will have no further rights under the Indenture other than the right to such redemption payment.

So long as the Bonds are registered in the name Cede & Co., as nominee of DTC as described in “Book-Entry Only System” in Appendix C, the Trustee will give notice of redemption to DTC in accordance with DTC procedures. The Trustee will treat Cede & Co. as the Owner of the Bonds and will not mail a notice of redemption to any beneficial owners of the Bonds.

## SECURITY FOR THE BONDS

### Pledge Under the Indenture

The Bonds are secured, to the extent and as provided in the Indenture, by an assignment and pledge to the Trustee of the Certificates held by the Trustee on behalf of the Issuer, and by a pledge of the moneys and securities held in the funds and accounts established under the Indenture and the investments in connection therewith, other than money and securities in the Rebate Fund, the Excess Interest Portion Fund and the Costs of Issuance Fund and all amounts that may be received under any GNMA Guaranty Agreement with respect to the GNMA Certificates, a Fannie Mae guaranty agreement with respect to Fannie Mae Certificates held under the Indenture and a FHLMC guaranty agreement with respect to FHLMC Certificates held under the Indenture, including all extensions and renewals of any terms thereof. Pursuant to the Indenture, the Trustee will deposit all Pledged Revenues in the Revenue Fund. See “Summary of Principal Documents – The Indenture – Pledge and Assignment,” and “ – Funds and Accounts” herein.

*It is expected that 100% of the Certificates purchased with the proceeds of the Bonds will be GNMA Certificates.*

**The Bonds are special limited obligations of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged under the Indenture and not from any other revenues, receipts and resources of the Issuer. The Bonds are not a debt of the United States of America, GNMA, Fannie Mae or FHLMC, or any other agency of the United States of America, and are not guaranteed by the full faith and credit of the United States of America, or of GNMA, Fannie Mae or FHLMC. The obligations of Fannie Mae and FHLMC are not backed by the full faith and credit of the United States of America.**

### Additional Bonds

The Indenture does not permit the issuance of any additional bonds.

## SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds at delivery of the Bonds.

| Sources of Funds              | Amounts          |
|-------------------------------|------------------|
| Principal Amount of the Bonds | \$25,000,000.00* |
| Bond Premium                  |                  |
| Issuer Funds                  |                  |
| Total                         | <u>\$</u>        |
| <b>Uses of Funds</b>          |                  |
| Program Fund                  | \$               |
| Capitalized Interest Fund     |                  |
| Revenue Fund                  |                  |
| Costs of Issuance Fund        |                  |
| Rebate Fund                   |                  |
| Total                         | <u>\$</u>        |

## THE PROGRAM

### General

The Issuer has established the Program pursuant to the Act as a means to finance (i) first lien mortgage loans to qualified borrowers through the purchase of mortgage-backed securities backed by such mortgage loans, and (ii) DPA Grants to provide down payment and closing cost assistance to such borrowers. The first lien mortgage loans are made to Eligible Borrowers for the purchase of owner-occupied single family residential property located within the Eligible Loan Area. Proceeds of the Bonds deposited in the Program Fund will be used to acquire Certificates (mortgage-backed securities backed by mortgage loans) to be held under the Indenture pledged as security for the repayment of the Bonds. Funds available under the Program will be subject to certain federal and state-mandated set-asides. See “Summary of Principal Documents – The Origination Agreement and the Servicing Agreement” herein. Proceeds of the Bonds deposited in the Program Fund will be used to reimburse the Master Servicer for its reimbursement of the Lenders for initially funding the DPA Grants.

Loans will be originated under the Program by Lenders on a first-come, first-served basis.

The Lenders have agreed to originate the Mortgage Loans and sell them to the Master Servicer according to the terms and conditions of the Origination Agreement. The Lenders have also agreed to fund the DPA Grants (at Mortgage Loan closing) in the name of, and on behalf of, the Issuer according to the terms and conditions of the Origination Agreement. The Master Servicer will service all the Mortgage Loans under the terms of the Servicing Agreement.

The Master Servicer will deliver the Mortgage Loans backing the GNMA Certificates to a custodian for GNMA and will issue GNMA Certificates guaranteed by GNMA. See “Security for the Bonds” and “Mortgage-Backed Securities Programs – Government National Mortgage Association Program” in Appendix B.

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\* Preliminary; subject to change

The Master Servicer will deliver the Mortgage Loans backing the Fannie Mae Certificates to a custodian for Fannie Mae and will issue Fannie Mae Certificates guaranteed by Fannie Mae. See “Security for the Bonds” herein and “Mortgage-Backed Securities Programs – Federal National Mortgage Association Program” in Appendix B.

The Master Servicer will sell Mortgage Loans backing the FHLMC Certificates to FHLMC in accordance with the FHLMC Purchase Agreement, and FHLMC will issue the FHLMC Certificates. See “Security for the Bonds” herein and “Mortgage-Backed Securities Programs – FHLMC Mortgage-Backed Securities Program” in Appendix B.

### **Availability of Funds to Purchase Mortgage Loans**

No funds will be made available by the Master Servicer to purchase Mortgage Loans until the Bonds are issued on the Bond Issuance Date. Lenders will be notified of the availability of funds by referring to the Program Administrator’s website or as otherwise notified by the Program Administrator or the Issuer. The Issuer will provide a Rate Notice to the Master Servicer, the Program Administrator and the Lenders following the pricing of the Bonds. Lenders may begin taking applications for Mortgage Loans and DPA Grants immediately upon receipt of the Rate Notice. The Rate Notice will set forth the Mortgage Loan Rate and the anticipated Bond Issuance Date, and other Program-related information, but until the Bonds are issued, the Issuer and the Trustee will have no liability to purchase Certificates or finance the DPA Grants and the Master Servicer will not purchase any Mortgage Loans from the Lenders (or reimburse the Lenders for any DPA Grants).

### **Origination and Purchase**

Each Lender is required to use its best efforts during the Origination Period to originate Mortgage Loans upon the terms and conditions set forth in the Origination Agreement and other Program Documents, and also including the then-current loan origination, eligibility, credit underwriting and appraisal standards of FHA, VA or RHS for mortgage loans which are FHA-insured, VA-guaranteed or RHS-guaranteed and those of Fannie Mae and FHLMC for conventional mortgages, if any, as applicable.

Subject to availability of funds, Lenders will be permitted to originate Mortgage Loans and sell such Mortgage Loans to the Master Servicer from the first day of the Origination Period through the last day of the Origination Period (which is subject to extension). All Mortgage Loans must be current as to payments of principal, interest, taxes and insurance at the time of purchase by the Master Servicer. After a Lender has closed a Mortgage Loan, the Lender will deliver to the Master Servicer all documents specified in the Origination Agreement. Lenders must deliver Mortgage Loans to the Master Servicer for purchase within 30 days of origination (and not later than the end of the Origination Period). All Mortgage Loans must be purchased and pooled and Certificates backed by the Mortgage Loans must be sold to the Trustee. Only Mortgage Loans submitted in accordance with and conforming to the requirements of the Origination Agreement and the other Program Documents will be purchased by the Master Servicer on any Purchase Date. The Master Servicer will have no obligation to purchase any Mortgage Loan unless it conforms to all requirements of the Origination Agreement and the other Program Documents.

Each Lender may charge the Mortgagor or seller a loan Origination Fee not to exceed 1.00% of the original principal amount of the Mortgage Loan. Lenders will sell each Mortgage Loan to the Master Servicer for an amount equal to 101.50% of the unpaid principal balance thereof, plus accrued interest thereon, and the Master Servicer will reimburse the Lender for its funding of the related DPA Grant (4% of the original principal amount of the Mortgage Loan). The Lender’s total compensation will be 2.50% of the initial principal amount of the Mortgage Loan originated plus charges for costs and fees as described immediately below. A Lender may also collect from the Mortgagor charges for any costs of the other items

described in the Origination Agreement that are paid or incurred by such Lender in connection with the making of a Mortgage Loan but only to the extent that such charges do not exceed the reasonable and customary amounts charged in the area in connection with the origination of loans not financed through “qualified mortgage bonds” within the meaning of the Code and which are approved by FHA, VA, RHS, the PMI Insurer, GNMA, Fannie Mae or FHLMC, as applicable.

**Mortgage Loans**

Moneys in the Program Fund will be used to purchase Certificates backed by Mortgage Loans evidenced by promissory notes secured by mortgages on single family Residences within the Eligible Loan Area. Each Mortgage Loan originated by a Lender must meet the origination standards set forth in the Origination Agreement and other Program Documents.

The Mortgage Loans will be made to Mortgagors whose family income does not exceed the Maximum Family Income.

The Maximum Family Income is a requirement of the Code and is based upon the median gross income for the area (or statewide median gross income, if higher) in which such Residence is located (the “Applicable Median Family Income” or “AMFI”), which median gross income amounts are published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

The following table shows, by location and family size, the Maximum Family Income:

Maximum Family Income by Area and Family Size

| <u>Area</u>                                | <u>Maximum Family Income</u> |
|--|------------------------------|
| Non-Targeted Areas:                        |                              |
| Families of 2 or fewer persons (100% AMFI) | \$ 91,600                    |
| Families of 3 or more persons (115% AMFI)  | \$105,340                    |
| Targeted Areas:                            |                              |
| Families of 2 or fewer persons (120% AMFI) | \$109,920                    |
| Families of 3 or more persons (140% AMFI)  | \$128,240                    |

The Maximum Family Income is subject to change.

*Special Six-Month Set-Aside under Texas Law.* In addition to the foregoing Maximum Family Income limits, Texas law requires that 50% of the funds available to finance Mortgage Loans and DPA Grants in Non-Targeted Areas must be set aside for a six-month period to finance Residences for borrowers with Family Income that is less than 80% of the median family income (as defined by Section 143(f)(4) of the Code) for the Eligible Loan Area, which is currently \$73,280.

The acquisition cost of a Residence may not exceed the Maximum Acquisition Cost or any lower purchase price limits established by the Issuer from time to time. The Maximum Acquisition Cost is a requirement of the Code and is based upon the average area purchase price for residences in the same geographic area, as determined from time to time in accordance with the Code (“Average Area Purchase Price”). The Code provides that the Maximum Acquisition Cost is 90% of the Average Area Purchase Price for a one unit single family Residence in Non-Targeted Areas and 110% of the Average Area Purchase Price for a one unit single family Residence in Targeted Areas. The Maximum Acquisition Cost is subject to change. The initial Maximum Acquisition Costs are as follows:

| <u>Residence Location</u> | <u>Maximum Acquisition Cost</u> |                  |
|---------------------------|---------------------------------|------------------|
|                           | <u>One Unit</u>                 | <u>Two Units</u> |
| Non-Targeted Areas        | \$510,939                       | \$654,187        |
| Targeted Areas            | \$624,481                       | \$799,562        |

Each Mortgage Loan will have a term of 30 years, will provide for substantially level monthly payments of principal and interest to be made on the first day of each month and will be in such principal amounts as conform to the eligibility and credit underwriting standards in the Servicing Agreement and other Program Documents and the limitations of the FHA, VA, RHS, the PMI Insurer, Fannie Mae or FHLMC, as applicable, as of the closing date on the Mortgage Loan. Mortgage Loans purchased by the Master Servicer also must be current in payments of principal and interest, and must be in compliance with the requirements of the GNMA Guide, Fannie Mae Guide or the FHLMC Guide. The Mortgage Loans will bear interest at \_\_\_\_% per annum.

In order to qualify for purchase by the Master Servicer under the Program, each Mortgage Loan must have FHA insurance, be VA-guaranteed or RHS guaranteed, or have Private Mortgage Guaranty Insurance with respect to a Conventional Mortgage Loan meeting the requirements of Fannie Mae or FHLMC, as applicable, and the principal amount of such Mortgage Loan cannot be in excess of the applicable limits imposed by FHA, VA, RHS, the PMI Insurer, Fannie Mae or FHLMC, as applicable.

The Master Servicer is required to make payments under the Certificates held by the Trustee regardless of whether principal and interest payments on the Mortgage Loans or any insurance or guaranty proceeds are actually received by the Master Servicer.

Upon submission of each Mortgage Loan for purchase by the Master Servicer, the Lender will make certain warranties as to each Mortgage Loan. Further, with respect to each Mortgage Loan, the Mortgagor is required to submit an affidavit regarding compliance with the mortgage eligibility requirements of the Program. The Origination Agreement also set forth certain procedures to be followed by the Lender, the Program Administrator and the Master Servicer in reviewing and verifying the affidavits and information provided by the Mortgagor and seller.

### **Servicing**

The Master Servicer will service all Mortgage Loans. The Master Servicer is a GNMA-approved servicer of FHA insured, VA-guaranteed, and RHS-guaranteed mortgages, a Fannie Mae-approved servicer of Conventional Mortgage Loans and a FHLMC-approved seller/servicer of Conventional Mortgage Loans. The Servicing Agreement, which governs the servicing responsibilities of the Master Servicer, incorporates the standard GNMA, Fannie Mae and FHLMC guidelines for servicing, which may be revised from time to time. See “Summary of Principal Documents – The Origination Agreement and the Servicing Agreement” herein.

In addition to its obligations as described in “Mortgage-Backed Securities Programs” in Appendix B, the Master Servicer as servicer is required to account for and manage escrows of sums paid by the Mortgagors for payment of taxes, assessments, mortgage and hazard insurance premiums, guaranty premiums and other expenses. Escrows established by Lenders originating Mortgage Loans will be transferred to the Master Servicer upon purchase of the Mortgage Loans. As compensation for its servicing duties, the Master Servicer is entitled to retain a monthly fee based on the outstanding principal amount of each Mortgage Loan and is responsible for paying all guaranty fees.

Under the GNMA Certificates, Fannie Mae Certificates and FHLMC Certificates, the Master Servicer is obligated to make monthly advances which, with respect to any calendar month, are the aggregate amounts of payments of principal and interest on the Mortgage Loans which were due and payable on or before the first day of such month and which were delinquent as of the close of business on the Business Day next preceding the remittance date of such month.

The Master Servicer may be reimbursed for such advance payments made on a Mortgage Loan either from insurance proceeds, guaranty proceeds, liquidation proceeds or collections from Mortgagors. If such reimbursements are not made from such sources, neither the Issuer nor the Trustee are obligated to make such reimbursements. If the Master Servicer fails to make the payments under the Certificates, GNMA, Fannie Mae or FHLMC, as applicable, is obligated to make such payments.

The Master Servicer must maintain in effect at all times and at its expense a blanket fidelity bond and an errors and omissions insurance policy covering all officers, employees and other persons acting on behalf of the Master Servicer.

Assumption of Mortgage Loans and transfers of Residences are permitted subject to the conditions described in the Origination Agreement. See “Summary of Principal Documents – The Origination Agreement and the Servicing Agreement” herein. Prepayments of the Mortgage Loans in whole or in part are permitted under the Program without penalty; any prepayments on the Mortgage Loans will be passed through under the Certificates for deposit in the Revenue Fund under the Indenture.

### **Program Administration**

Under the Program Administration Agreement, the Program Administrator is required to monitor and review the origination of Mortgage Loans by the Lender, subject to certain limitations of liability in the event of nonperformance of such responsibility by the Program Administrator. The principal responsibilities of the Program Administrator in this regard are to review Mortgage Loan documents for compliance with the terms and conditions of the Program prior to their purchase.

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

### **Reservations and Limitations**

In compliance with the Code, until at least one year after the Bond Issuance Date, an amount equal to at least 20% of the lendable proceeds of the Bonds must be made available to originate Mortgage Loans for Residences in Targeted Areas. Additionally, 50% of the funds available to finance Mortgage Loans and DPA Grants in Non-Targeted Areas must be set aside for a six-month period to finance Residences for borrowers with Family Income that is less than 80% of the median family income (as defined by Section 143(f)(4) of the Code) for the Eligible Loan Area, which is currently \$73,280.

Except as described above and after such periods with respect to reserved amounts, such funds will be used without regard to such reservations on a “first-come, first-served” basis.

### **The Master Servicer**

Certain information regarding the Master Servicer is set forth in Appendix D. Such information has been provided solely by the Master Servicer. The Issuer, the Underwriter, its counsel and Bond Counsel assume no responsibility for the accuracy of statements made with respect to the Master Servicer.

Adverse changes or circumstances with respect to the Master Servicer may adversely affect the operations of the Program.

### **The Program Administrator**

Certain information regarding the Program Administrator is set forth in Appendix D. Such information has been provided solely by the Program Administrator. The Issuer, the Underwriter, its counsel and Bond Counsel assume no responsibility for the accuracy of statements made with respect to the Program Administrator.

Adverse changes or circumstances with respect to the Program Administrator may adversely affect the operations of the Program.

## **CERTAIN ASSUMPTIONS AND RISK FACTORS**

### **Assumptions**

The ability of the Issuer to pay principal of and interest on the Bonds depends upon receipt of sufficient and timely payments of principal of and interest on the Certificates, and the investment or reinvestment of money held under the Indenture. Timely payment of principal and interest on the Bonds is anticipated to occur, based on following assumptions and various other assumptions:

(a) \$25,000,000\* of GNMA Certificates, bearing interest at the stated rate of \_\_\_% per annum backed by pools of Mortgage Loans bearing interest at the rate of \_\_\_% per annum (the rate on the GNMA Certificates reflects payment of servicing fees and the guaranty fees totaling .50% per annum) will be purchased during the Certificate Purchase Period. It is assumed that GNMA Certificates are purchased by the Trustee with an expected draw schedule with a weighted average midpoint purchase date of approximately October 1, 2025\*, but there can be no assurance that such assumption will in fact prove accurate. GNMA Certificate payments will be received on a timely basis. The projected weighted average lives of the Bonds set forth below are based on an expected schedule of Certificate Purchase Dates.

(b) The Mortgage Loans backing the GNMA Certificates will be 30-year mortgage loans, bearing interest at the fixed rate described in clause (a) and providing for level payments of principal and interest.

(c) The Trustee will pay the interest and principal of the Bonds on a timely basis and in accordance with the provisions of the Indenture (including but not limited to the applicable redemption provisions in the Indenture).

(d) The Trustee will pay the Issuer's Excess Interest Portion, the Trustee's Fee, the Dissemination Agent's Fee and the Rebate Analyst's Fee on a timely basis and in the correct amounts, in accordance with the provisions of the Indenture.

(e) The Trustee will purchase GNMA Certificates from the Master Servicer at the GNMA Certificate Purchase Price. ***With respect to the Bonds, no Fannie Mae Certificates or FHLMC Certificates will be purchased by the Trustee.***

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\* Preliminary; subject to change

(f) Moneys in the Program Fund and moneys in the Principal Account, the Interest Account and the Redemption Account of the Bond Fund, the Revenue Fund and the Expense Fund will be invested in Governmental Obligations and/or one or more money market funds that each qualify as an Investment Security, and that all investment balances will be liquidated at par.

Payments on the Certificates are calculated to provide sufficient amounts to pay scheduled debt service on the Bonds. No representation is made herein as to the ability of GNMA to make payments required under the GNMA Certificates.

## **Risk Factors**

### ***General***

The Bonds are subject to certain risks. Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider, among other things, the following risk factors, which are not meant to be an exhaustive listing of all risks associated with the purchase of the Bonds. The order of presentation of the risk factors does not necessarily reflect the order of their importance.

### ***Recourse only to Trust Estate***

The Bonds will not be insured or guaranteed by the Issuer, the State, the Sponsoring Political Subdivision or any other governmental entity. The owners of the Bonds will have no recourse to the Issuer, the State, the Sponsoring Political Subdivision or any other governmental entity in the event of an Event of Default on the Bonds. The Trust Estate established by the Indenture will be the only source of payment on the Bonds.

### ***Disruptions and Volatility in the Mortgage Market and Other Financial Markets***

The mortgage market can be subject to significant disruptions, including rising interest rates and significant inflation. These and other factors can adversely impact origination and result in delays in Mortgage Loan origination, and other delays in the pooling, issuance and sale processes related to the Certificates; each of these delays could result in redemption of the Bonds (see “The Bonds – Redemption – Mandatory Redemption Due to Nonorigination” herein). The Issuer can offer no guidance as to future events in the mortgage or financial markets, and whether such events will adversely affect the origination of Mortgage Loans.

### ***Risk of Purchase of Bonds at a Premium***

Any purchaser of a Bond at a price in excess of the principal amount thereof should consider that the Bonds are subject to redemption at a price of 100% of the principal amount thereof (plus accrued interest to the redemption date) under certain circumstances. See “The Bonds – Redemption – Mandatory Redemption from Prepayments and Surplus Revenues” herein.

### ***Prepayments and Redemptions***

Mortgage Loans may be terminated prior to their final maturity as a result of prepayment, default, sale, condemnation, casualty loss or noncompliance with the Program. After the purchase of the related Certificates by the Trustee on behalf of the Issuer, all Prepayments in full or other payments in respect of early termination will be deposited in the Revenue Fund and transferred to the Redemption Account of the Bond Fund, and may be used to redeem the Bonds at par prior to their scheduled maturity. See “The Bonds – Redemption – Mandatory Redemption from Prepayments and Surplus Revenues.” The scheduled

maturities of the Bonds assumed no prepayments on the related Mortgage Loans. There is no completely reliable statistical base upon which to predict the level of prepayment in full or other early termination of the Mortgage Loans and the resulting effect on the average life of the Bonds. As noted below, this is particularly true in the case of the Mortgage Loans under the Program, which are expected to be originated at rates below current market rates for comparable mortgage loans with downpayment assistance and which must comply with the special requirements of the Program. The Issuer does expect prepayment of a substantial number of Mortgage Loans and it is probable that the Bonds may have a substantially shorter life than their stated maturities. See “The Bonds – Redemption” herein.

Prepayments on mortgage loans are commonly measured by a prepayment standard or model. The model used in the following discussion is The Bond Market Association (formerly known as the Public Security Association) (“PSA”) prepayment standard or model (the “PSA Prepayment Model”). 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 an assumed 0.2% prepayment in the first month, increases the prepayment rate by 0.2% in each succeeding month until the thirtieth month (when a 6% annualized prepayment rate is reached) and then assumes a constant prepayment rate of 6% per annum of the unpaid principal balance for the remaining life of the mortgages. For mortgage loans that are more than 30 months old, the PSA Prepayment Model assumes a constant monthly prepayment rate of 6% per annum of the unpaid monthly principal balance for the remaining life of the mortgage loans.

As used in the following table: “0% PSA” assumes no prepayments on the principal of the Mortgage Loans; “50% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to one-half of the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “75% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to three-quarters of the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “100% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “150% PSA” assumes the principal of the Mortgage Loans will prepay at a rate equal to the prepayment rates one and one-half times as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “200% PSA” assumes the principal of the Mortgage Loans will prepay at a rate twice as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “300% PSA” assumes the principal of the Mortgage Loans will prepay at a rate of three (3) times as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “400% PSA” assumes the principal of the Mortgage Loans will prepay at a rate four (4) times as fast as the prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; “500% PSA” assumes the principal of the Mortgage Loans will prepay at a rate five (5) times as fast as prepayment rates for one hundred percent (100%) of the PSA Prepayment Model; and “750% PSA” assumes the principal of the Mortgage Loans will prepay at a rate seven and one half (7.5) times as fast as prepayment rates for one hundred percent (100%) of the PSA Prepayment Model. There is no assurance, however, that prepayment of the principal of the Mortgage Loans will conform to any level of the PSA Prepayment Model. The rate of principal payments on 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 net equity in the 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 Bond will depend in large part on the rate of repayment (including Prepayments) of mortgage loans, the actual maturity of any Bond is likely to occur earlier, and could occur significantly earlier, than its stated maturity. Neither the Issuer nor the Underwriter

make any representation as to the percentage of the principal balance of the Mortgage Loans that will be paid as of any date, as to the overall rate of prepayment or as to the projections or methodology set forth under this heading.

The projected weighted average lives of the Term Bonds shown in the table below are computed using certain of the assumptions described above, together with additional assumptions. Weighted average life for a bond refers to the average amount of time that will elapse from the date of issuance of such bond until each dollar of principal of such bond will be repaid to the investor. Specifically, the weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bond to the date of such principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

There is no assurance that prepayment of Bond principal for any Bondholder (and particularly for small Bond holdings) will conform to any level of the PSA Prepayment Model. Further, the information set forth in the projected weighted average life table below is based on an assumption that each prepayment speed remains constant for the life of the Bonds; in fact, prepayment speeds will vary over time and there is no way to predict such variance. Therefore, there is no way to predict the actual weighted average life of any Bonds. Holders of less than the entire principal amount of any maturity of Term Bonds may realize an average life different than the average life of the entire maturity of such Bonds.

| <b>Table of Projected Weighted Average Life in Years of Term Bonds *</b> |  |  |  |  |  |
|--|--|--|--|--|--|
| <b>Prepayment Speed</b>  | <b>Term Bonds Maturing March 1, 2040</b> | <b>Term Bonds Maturing March 1, 2045</b> | <b>Term Bonds Maturing March 1, 2050</b> | <b>Term Bonds Maturing March 1, 2055</b> | <b>Premium PAC Bonds (Term Bonds) Maturing September 1, 2055</b> |
| 0% PSA   | 13.3                                     | 17.8                                     | 22.8                                     | 27.5                                     | 17.8   |
| 50% PSA  | 13.1                                     | 17.5                                     | 21.1                                     | 22.6                                     | 7.4  |
| 75% PSA  | 10.3                                     | 16.6                                     | 19.0                                     | 19.4                                     | 5.9  |
| 100% PSA   | 3.6                                      | 15.5                                     | 17.1                                     | 17.3                                     | 5.9  |
| 150% PSA   | 2.2                                      | 12.5                                     | 13.2                                     | 13.1                                     | 5.9  |
| 200% PSA   | 1.8                                      | 10.1                                     | 10.3                                     | 10.2                                     | 5.9  |
| 300% PSA   | 1.5                                      | 6.9                                      | 6.9                                      | 6.8                                      | 5.9  |
| 400% PSA   | 1.4                                      | 4.9                                      | 4.9                                      | 4.9                                      | 5.9  |
| 500% PSA   | 1.3                                      | 3.7                                      | 3.7                                      | 3.6                                      | 5.9  |
| 750% PSA   | 3.5                                      | 3.5                                      | 3.5                                      | 3.5                                      | 3.4  |

Appendix G sets forth (i) the 75% PSA Outstanding Bond Amounts for the Premium PAC Bonds and (ii) the 500% PSA Outstanding Bond Amounts for All Bonds. The projected weighted average life table set forth above will not be updated by the Issuer or the Underwriter after the Bond Issuance Date.

***Special Considerations Relative to the Origination of Mortgage Loans***

*General.* There are numerous reasons why the entire amount deposited in the Program Fund may not be used to finance Mortgage Loans. 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

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\* Preliminary; subject to change

afford. For example, prevailing interest rates for conventional mortgage loans could decrease and make the Mortgage Loans less attractive to potential applicants.

In addition, other single family loan or subsidy programs may be offered in the Eligible Loan Area which compete with the Program. For example, the Issuer will continue its TBA Program contemporaneously with the Program. Also, the Texas Department of Housing and Community Affairs (TDHCA) and Texas State Affordable Housing Corporation (TSAHC), offer bond-financed single family loan programs for borrowers that reside in the Eligible Loan Area.

One or more of such programs may provide a more attractive financing terms than the Mortgage Loans and DPA Grants offered under the Program.

To the extent that the factors described in the preceding paragraphs or other factors result in less than the entire amount deposited in the Program Fund being used to purchase Certificates, the Bonds would be redeemed prior to maturity as described under “The Bonds – Redemption – Mandatory Redemption” herein.

*Federal Acts.* The amount of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA, VA, and RHS can insure or guarantee in any federal fiscal year are limited by statute and administrative procedures. If an appropriation act is not passed in any federal fiscal year or if GNMA, FHA, VA or RHS reaches the limits of its Issuer, or if the FHA maximum loan amount is not retained, or if GNMA, in its sole discretion, or the federal government, alters or amends the GNMA Certificate programs, or if Fannie Mae or FHLMC alters or amends its guarantee agreement in such a way as to prevent the Lenders from originating Mortgage Loans during the Origination Period and/or the Master Servicer from issuing or delivering Certificates, the Lenders might not be able to originate Mortgage Loans and the Master Servicer might not be able to issue or deliver Certificates in the anticipated principal amounts. The non-origination of Mortgage Loans or the inability of the Master Servicer to issue or deliver Certificates to the Trustee in amounts contemplated by this financing would result in the redemption of Bonds prior to their maturity. See “The Bonds – Redemption – Mandatory Redemption” herein.

### ***Equitable Limits on Security***

The remedies available to the owners of the Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy laws, the Indenture and the other Program Documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 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.

### ***Summary***

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

Also see “Tax Exemption” herein for a discussion of the conditions under which interest on the Bonds may not be exempt from federal income taxation.

## SUMMARY OF PRINCIPAL DOCUMENTS

### The Indenture

*The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Indenture to which reference is hereby made.*

#### ***Pledge and Assignment***

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee, to secure the Bonds, the Pledged Revenues and the Certificates, including all amounts that may be received under any GNMA Guaranty Agreement, Fannie Mae guaranty agreement or FHLMC guaranty agreement, together with any rights of the Issuer under such guaranty agreements, and the moneys held in the funds and accounts established under the Indenture and the investments in connection therewith, other than moneys held in the Rebate Fund, the Excess Interest Portion Fund and the Costs of Issuance Fund. The Trustee will hold the Trust Estate for the equal and proportionate benefit and security of all present and future owners of the Bonds without preference of any Bond over any other, other than as specified in the Indenture, and for the payment of the Bonds in accordance with their terms.

The Certificates may be sold by the Trustee only (i) to effect an optional redemption of the Bonds as described under the heading “The Bonds – Redemption – Optional Redemption” or (ii) to prevent a payment default on the Bonds. The Bonds are special limited obligations of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged under the Indenture and not from any other revenues, receipts and resources of the Issuer.

#### ***Funds and Accounts***

*General.* The Indenture creates the following funds and accounts which are to be held by the Trustee (i) a Program Fund, (ii) a Capitalized Interest Fund, (iii) a Costs of Issuance Fund; (iv) a Revenue Fund; (v) an Expense Fund; (vi) a Bond Fund, including a Principal Account, Interest Account and Redemption Account therein; (vii) a Rebate Fund and (viii) an Excess Interest Portion Fund. Investment earnings on the amounts in the Program Fund will be transferred to the Revenue Fund.

On the date of issuance of the Bonds, the Trustee will deposit funds, including Bond proceeds and Issuer funds, in the Funds and Accounts as set forth above under “Sources and Uses of Funds.”

*Program Fund.* The Trustee will apply moneys in the Program Fund to (i) pay the GNMA Certificate Purchase Price, the Fannie Mae Certificate Purchase Price or the FHLMC Certificate Purchase Price, as applicable, of the related Certificates, and (ii) finance DPA Grants.

During the Certificate Purchase Period, the Trustee will use amounts in the Program Fund to purchase Certificates only if each of the following conditions has been satisfied:

(a) The principal portion of the GNMA Certificate Purchase Price, Fannie Mae Certificate Purchase Price or FHLMC Certificate Purchase Price, as applicable, is equal to the aggregate of the principal components of the Mortgage Loans in the Pool represented by such Certificate, as evidenced by a certificate of the Master Servicer.

(b) The Certificate bears interest at the Pass-Through Rate.

(c) The Trustee purchases and receives the Certificate in accordance with the provisions of the Indenture.

(d) The Trustee has received a certificate of the Issuer as described in the Indenture.

(e) The Trustee has determined that immediately following such purchase, the sum of (a) the aggregate principal amount of all Certificates outstanding (including the Certificates to be purchased on the date of calculation) together with accrued interest thereon, and (b) the amounts on deposit in all Funds or Accounts under the Indenture (other than the Costs of Issuance Fund, the Excess Interest Portion Fund and the Rebate Fund), together with accrued interest thereon, equals or exceeds the Principal Amount of Bonds Outstanding plus accrued interest thereon.

(f) Sufficient amounts are available in the Program Fund to pay the GNMA Certificate Purchase Price, Fannie Mae Certificate Purchase Price or FHLMC Certificate Purchase Price, as applicable, and finance the related DPA Grants and any other transfers required under the Indenture.

Certificates will be purchased by the Trustee from amounts available in the Program Fund during the Certificate Purchase Period at the GNMA Certificate Purchase Price, Fannie Mae Certificate Purchase Price or the FHLMC Certificate Purchase Price, as applicable, in accordance with the preceding paragraph and the terms of the Servicing Agreement.

Amounts remaining in the Program Fund on the dates set forth above under the subheading “The Bonds – Redemption – Mandatory Redemption Due to Nonorigination” will be transferred to the Redemption Account of the Bond Fund and applied to redeem Bonds on the dates and at the redemption prices described under such subheading.

The Origination Period and the Certificate Purchase Period may be extended, and the corresponding nonorigination redemption dates for the Bonds may be extended one or more time, upon written instructions of the Issuer to the Trustee, upon satisfaction of the conditions of the Indenture.

*Capitalized Interest Fund.* On each Interest Payment Date or other applicable payment date during the Certificate Purchase Period, the Trustee will transfer from the Capitalized Interest Fund to the Revenue Fund the amounts required, if any, to provide for (i) any Bond interest or principal payment due on such Interest Payment Date, (ii) any Trustee’s Fee, Dissemination Agent’s Fee or Rebate Analyst’s Fee then due, and (iii) any other purpose authorized in the Indenture. The Capitalized Interest Fund will be replenished with funds as permitted under the Indenture. Moneys in the Capitalized Interest Fund may be released to the Issuer free of the lien of the Indenture if the conditions of the Indenture are met. Investment earnings on the Capitalized Interest Fund will be retained in the Capitalized Interest Fund.

*Costs of Issuance Fund.* A portion of the amounts deposited into the Costs of Issuance Fund on the Bond Issuance Date or as otherwise provided in the Indenture will be disbursed, pursuant to the written instructions of the Issuer to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Fund (and not specifically committed to pay additional Costs of Issuance) on the date which is thirty (30) days after the Bond Issuance Date will be paid to the Issuer or as the Issuer otherwise directs in writing. Investment earnings on the Costs of Issuance Fund will be retained therein.

*Revenue Fund.* All Pledged Revenues will be deposited in the Revenue Fund as and when received by the Trustee. Upon receipt of each Certificate interest payment, the Trustee shall calculate the Issuer’s Excess Interest Portion relating to such payment and shall deposit such amount in the Excess Interest Portion Fund. On the first Business Day of each of the six months preceding an Interest Payment Date, the Trustee will apply amounts in the Revenue Fund in the following order of priority:

(a) *First*, to the Rebate Fund, any amounts required to be on deposit therein if and to the extent required as evidenced by the calculations performed by the Rebate Analyst;

(b) *Second*, to the Interest Account of the Bond Fund, the amount necessary, together with the amounts on deposit in such Account, to pay interest due on the Bonds on the next Interest Payment Date;

(c) *Third*, to the Principal Account of the Bond Fund, the amount necessary, together with the amounts on deposit in such Account, to pay due on the Bonds (including by mandatory sinking fund redemption) on the next Interest Payment Date;

(d) *Fourth*, to the Expense Fund, an amount equal to the Program Expenses due on or before the next Interest Payment Date; and

(e) *Fifth*, to the Redemption Account of the Bond Fund, the remaining balance in the Revenue Fund in excess of \$10,000.

Notwithstanding the foregoing paragraph, prior to September 1, 2026<sup>\*</sup>, all Certificate principal payments received shall be transferred directly to the Redemption Account of the Bond Fund. Such date may be extended one or more times in connection with the extension of a nonorigination redemption date upon written notice from the Issuer to the Trustee.

The funding requirements of each fund, account or subaccount (including the making up of any deficiency in such fund, account or subaccount resulting from a lack of revenues sufficient to make any earlier required deposit) at the time of deposit must be satisfied before any transfer is made to any fund, account or subaccount subsequent in priority.

Investment earnings on the Revenue Fund will be retained in the Revenue Fund.

*Bond Fund.* Amounts transferred from the Revenue Fund and the Program Fund will be deposited in the Bond Fund as described herein under “The Indenture – Funds and Accounts – Revenue Fund” and “The Indenture – Funds and Accounts – Program Fund.”

Moneys on deposit in the Principal Account and the Interest Account of the Bond Fund will be applied solely to pay, respectively, the principal or mandatory sinking fund redemption price of, and interest on, the Bonds, as the same become due and payable.

Moneys in the Redemption Account of the Bond Fund will be applied to redeem Bonds as described above under the subheading “The Bonds – Redemption – Mandatory Redemption Mandatory Redemption Due to Nonorigination” and “The Bonds – Redemption – Mandatory Redemption Mandatory Redemption from Prepayments and Surplus Revenues” herein.

In the event that on the Business Day immediately preceding any Interest Payment Date, the amount in the Interest Account or the Principal Account of the Bond Fund is insufficient to pay principal or interest on the Bonds when due, the Trustee will transfer to the appropriate account or subaccount (and, if deficiencies exist in more than one account or subaccount, to the Interest Account and the Principal Account, in that order), the amount of such deficiency by withdrawing said amount from the following funds and accounts in the following order of priority: (1) the Capitalized Interest Fund and (2) the

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\* Preliminary; subject to change

Redemption Account of the Bond Fund (to the extent notice of redemption with respect to amounts to be transferred has not yet been given).

Investment earnings on amounts in the Bond Fund will be deposited in the Revenue Fund.

*Expense Fund.* Moneys on deposit in the Expense Fund will be applied to pay the Program Expenses same become due and payable. Investment earnings on amounts in the Expense Fund will be deposited in the Revenue Fund.

*Rebate Fund.* The Code limits the amounts of earnings that can be retained from the investment of certain money held under the Indenture. The Trustee is to establish and maintain a Rebate Fund, separate from any other Fund established and maintained under the Indenture, and the Issuer is to cause to be deposited in the Rebate Fund such amounts as are required pursuant to the Indenture. Money deposited and held in the Rebate Fund, including investment earnings thereon (which will be retained in the Rebate Fund), if any, are not subject to the pledge of the Indenture and will not constitute part of the Pledged Revenues held for the benefit of the Bondholders. Money in the Rebate Fund will be disbursed by the Trustee periodically to the United States of America as provided in the Indenture. Moneys initially deposited in the Rebate Fund will be applied to pay the Rebate Analyst's Fee.

*Excess Interest Portion Fund.* Amounts in the Excess Interest Portion Fund are required to be used and withdrawn by the Trustee for the purpose of paying the Issuer's Excess Interest Portion. *Amounts deposited in the Excess Interest Portion Fund will not be pledged as security for the Bonds.*

#### ***Additional Bonds***

The Indenture does not permit the issuance of any additional bonds.

#### ***Investment of Moneys***

Moneys on deposit in all funds and accounts under the Indenture (other than the Rebate Fund, the Excess Interest Portion Fund and the Costs of Issuance Fund) are required to be continuously invested by the Trustee in (i) Investment Securities, (ii) in such manner as required by the Rating Agency, and (iii) in such other manner as may then be required by applicable federal or State laws and regulations, regarding security for, or granting a preference in the case of, the deposit of trust funds. Moneys in the Program Fund and the Bond Fund are expected to be invested in Government Obligations and/or a money market fund that is an Investment Security.

All investments will constitute a part of the fund or account from which the moneys used to acquire such investments have come. The Trustee is required to sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. In computing the amount in any fund or account, obligations purchased as an investment of the moneys therein are required to be valued at the fair market value thereof, excluding any accrued interest.

All capital gains, profits and interest earnings resulting from the investment of moneys in all funds and accounts under the Indenture (other than the Rebate Fund and the Costs of Issuance Fund) are required to be credited, as received, to the Revenue Fund. Any loss of principal purchase value resulting from the investment of moneys in any fund or account is to be charged, when incurred and liquidated, to the fund from which such investments were made.

### ***Particular Covenants***

In the Indenture, the Issuer covenants as follows: (i) to pay promptly, but solely from the Trust Estate, the principal of, premium, if any, and interest on the Bonds when due and payable, whether at maturity or by prior redemption, and to faithfully keep and perform all its covenants, undertakings and agreements set forth in the Indenture or in the Bonds; (ii) to attempt in good faith to meet all mortgage eligibility requirements imposed by the Program with respect to all Mortgage Loans before the mortgages are executed; (iii) to enforce the covenants, undertakings and obligations of the Certificates and the Servicing Agreement; (iv) to execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, such bond indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning, and confirming unto the Trustee all and singular the rights assigned under the Indenture and the amounts pledged under the Indenture to the payment of the principal of, premium, if any, and interest on the Bonds; (v) not to sell, transfer, assign, pledge, release, encumber or otherwise diminish or allow any lien to be created upon the Trust Estate pledged under the Indenture, except as expressly permitted in the Indenture; and (vi) to cause the Trustee to keep proper books and records relating to the Program and the Bonds.

### ***Defaults and Remedies***

Any one of the following events constitutes an Event of Default under the Indenture: (i) default in the due and punctual payment of any interest on any Bond; (ii) default in the due and punctual payment of principal on any Bond, whether at maturity thereof or when called for redemption; or (iii) default in the performance or observance of any other of the covenants, agreements or obligations of the Issuer contained in the Indenture or in the Bonds and the failure to remedy such default for a period of 60 days after written notice thereof has been given to the Issuer by the Trustee or by the owners of not less than a majority of the aggregate principal amount of all Bonds outstanding on such date.

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 Bond Obligation, including enforcement of any rights of the Issuer under the Servicing Agreement.

If an event of default occurs and, if requested to do so by the Owners of not less than a majority of the Bond Obligation and, if indemnified as provided in the Indenture, the Trustee will exercise such of the rights of the Issuer under the Indenture, as such Bondholders making such request will direct.

During the continuation of an Event of Default, the Trustee may and, upon the written request of the Owners of not less than a majority of the Bond Obligation and, if indemnified as provided in the Indenture, will be required to declare the principal of all such Outstanding Bonds and the interest accrued thereon immediately due and payable and the same will thereupon become and be due and payable and interest will no longer accrue thereon. Notwithstanding the foregoing, no such declaration will be made following an Event of Default on the Bonds described in subparagraph (iii) of the first paragraph of this subsection 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.

Except as set forth in the previous paragraph, the owners of a majority of the Bond Obligation will 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 with respect to the Bonds, or for the appointment of a receiver or any other proceedings under the Indenture; *provided* that such direction will not be otherwise than in accordance with the provisions of law and of the Indenture.

The proceeds received by the Trustee pursuant to the exercise of any right or remedy under the Indenture or by virtue of action taken under provisions of the Certificates or the Servicing Agreement will, together with all securities and other moneys which may then be held by the Trustee as a part of the Trust Estate after payment of the costs and expenses of the proceedings resulting in the collection of such money, 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 of its attorneys) and accrued and unpaid fees of the Issuer and its attorneys, be applied in order, as follows:

(a) Unless the principal of all the Bonds becomes due and payable, all such money will be applied:

FIRST - To the payment to the persons entitled thereto of all interest then due on the Bonds, on a parity and Proportionate Basis, in the order of the stated maturity of such interest and, if the amount available will 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, on a parity and Proportionate Basis, which will have become due (other than Bonds matured or called for redemption for the payment of which money is 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 the Bonds and, if the amount available will not be sufficient to pay in full 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 will become due of the principal of and interest on the Bonds, on a parity and Proportionate Basis, which may thereafter become due either at stated maturity or upon call for redemption prior to stated maturity and, if the amount available will not be sufficient to pay in full such Bonds due on any particular date, together with interest then due and owing thereon, in accordance with the priority of payment set forth above, payment will be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege;

(b) If the principal of all the Bonds becomes due by acceleration of maturity or otherwise, such money will be applied in accordance with the priority of payment and other terms set forth above to the payment of the principal and interest then due and unpaid upon the Bonds, or of any Bond of a series over any other Bond of a series, 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, ratably, according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or privilege.

No owner of any Bond will 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 thereof or for the appointment of a receiver or any other remedy thereunder, unless (i) a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, (ii) such default becomes an Event of Default and the owners of a majority of the Bond Obligation have given written notice to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted to it under the Indenture or to institute such action, suit or proceeding in their own name or names, (iii) they

have offered to the Trustee indemnity as provided in the Indenture, and (iv) the Trustee thereafter fails or refuses to exercise the powers granted to it under the Indenture, or to institute such action, suit or proceeding in its own name, and such notification, request and offer of indemnity are 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 thereunder. Nothing contained in the Indenture, however, will affect or impair the right of any owner of Bonds 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 under the Indenture to the respective owners thereof at the time, place, from the source, and in the manner provided in the Bonds and the Indenture.

### ***Discharge***

When, among other things, the principal of, premium, if any, and interest due upon all of the Bonds has been paid or moneys or Government Obligations are held by the Trustee or with the bank or trust company which would be qualified to be a successor Trustee under the Indenture for such purpose, and all other amounts due and owing by the Issuer under the Indenture have been paid, then the Trustee, upon receipt of a letter of instructions from the Issuer, is required to discharge and release the lien of the Indenture. If provision is made for the payment of the amounts due on the Bonds in advance of the stated maturity of the Bonds, the Trustee, prior to canceling and discharging the provisions of the Indenture, will receive a report from a nationally recognized firm of independent certified public accountants verifying the sufficiency of the cash flow of the securities or cash deposited or to be deposited with the Trustee to provide payment of all amounts due on the Bonds on the dates such payments are scheduled to be made. Additionally, no such deposit under the Indenture shall be made or accepted by the Trustee unless the Trustee has received a Counsel's Opinion to the effect that such deposit and use would not cause the interest on the Bonds to be treated as includable in gross income for purposes of federal income taxation.

### ***The Trustee***

Prior to an Event of Default of which the Trustee has actual knowledge, and after the curing of any such Event of Default, the Trustee is obligated only to perform such duties as are specifically set forth in the Indenture, and no implied covenants or obligations may be read into the Indenture against the Trustee. During the continuance of an Event of Default of which the Trustee has actual notice, the Trustee is required to exercise the rights and powers vested in it by the Indenture and to use the same degree of care and skill in its exercise thereof that a prudent person would exercise or use under the circumstances in the conduct of their own affairs. The Trustee is not required to advance or risk any of its own funds. The Indenture provides for the replacement and resignation of the Trustee.

UMB Bank, N.A. will serve as the Trustee for the Bonds.

*Certain Rights of the Trustee.* In situations where a favorable opinion of Bond Counsel is required or requested to be delivered under the Indenture, the Servicing Agreement, the Origination Agreement or the Tax Agreement after the date of delivery of the Bonds, the Trustee shall accept (unless otherwise directed by the Issuer) an opinion in such form and with such disclosures and disclaimers as may be required by Bond Counsel in rendering such opinion.

### ***Amendment of Indenture***

The Issuer and the Trustee, without the consent of or notice to any of the holders of the Bonds, may enter into supplemental indentures for any one or more of the following purposes: (i) 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; (ii) to grant or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the holders of the Bonds or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the prejudice of the Bondholders; (iii) to subject to the lien of the Indenture additional revenues, properties or collateral; (iv) to modify, amend or supplement the Indenture or any bond indenture supplemental thereto in such a manner as to permit the qualification 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 thereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute; (v) to evidence the appointment of a separate or co-trustee or the succession of a new Trustee or Paying Agent; (vi) to preserve the exemption from federal income taxation of interest on the Bonds; (vii) to provide for a refunding of the Bonds in whole or in part upon stated maturity or upon redemption permitted in accordance with the Indenture; (viii) to modify, amend or supplement the agreement of the Issuer relating to the Program and the Bonds as set forth under the heading “Summary of Principal Documents – The Indenture – Agreement of the Issuer” herein; or (ix) to make any changes as will not, in the opinion of the Trustee (which may rely on an opinion of counsel) adversely affect the Bondholders; *provided, however*, that any supplemental indenture entered into under the Indenture will not become effective unless the Trustee receives an opinion of counsel that such supplemental indenture will not adversely affect the interests of the Bondholder.

The Owners of not less than two-thirds of the Bond Obligation will have the right under the Indenture to consent to and approve the execution of such other indenture or indentures supplemental to the Indenture as will 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 contained in the Indenture will permit, or be construed as permitting, without the consent of the owners of all Outstanding Bonds, (i) an extension of the maturity date or mandatory sinking fund redemption date of the principal of or the interest on any Bond issued under the Indenture, or (ii) a reduction in the principal amount of any Bond or the rate of interest of sinking fund redemption requirements thereon, or (iii) the granting of a privilege or priority of any Bond over any other Bond, or (iv) a reduction in the aggregate principal amount of the Bond Obligation required for consent to such supplemental indenture, or (v) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture, or (vi) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

A copy of every supplemental indenture must be accompanied by (i) Counsel’s Opinion satisfactory to the Trustee stating that such supplemental indenture has been duly and lawfully adopted in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and is valid, binding and enforceable in accordance with its terms and (ii) an opinion of Bond Counsel that such supplemental indenture will not cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

### **The Origination Agreement and the Servicing Agreement**

The following is a summary of certain provisions of the Origination Agreement and the Servicing Agreement, and such summary is qualified in its entirety by references to the Origination Agreement and the Servicing Agreement.

### ***Covenants Relating to the Tax-Exempt Status of the Bonds***

The Issuer and the Lenders have covenanted not to knowingly take or permit any action which would impair the excludability of the interest on the Bonds from gross income for federal tax purposes pursuant to the Code.

### ***Origination and Closing of Mortgage Loans***

*General.* Each Lender agrees to use its best efforts during the Origination Period to originate for sale to the Master Servicer, without recourse (except as otherwise provided in the Servicing Agreement), Mortgage Loans at a price equal to 101.50% of the outstanding principal balance of the Mortgage Loans, plus all accrued and unpaid interest thereon, plus reimbursement of the Lender's funding of DPA Grants.

The Issuer will make Program funds available to Lenders pursuant to a first-come, first-served reservation system.

*Issuance of Commitments and Reservations.* During the Origination Period, each Lender is required to issue Commitments to Eligible Borrowers on a first-come, first-served basis, subject to "State Required Reservations" below.

*Targeted Area Loans.* The Issuer will make available for at least one year after the beginning of the Origination Period, an amount at least equal to 20% of the lendable proceeds of the Bonds for the financing of Targeted Area Mortgage Loans and related DPA Grants.

*Special Six-Month Set-Aside under Texas Law.* Texas law requires that 50% of the funds available to finance Mortgage Loans and DPA Grants in Non-Targeted Areas must be set aside for a six-month period to finance Residences for borrowers with Family Income that is less than 80% of the median family income (as defined by Section 143(f)(4) of the Code) for the Eligible Loan Area, which is currently \$73,280.

*Mortgage Loan Terms.* All Mortgage Loans are to be originated in accordance with the loan origination, eligibility and credit underwriting standards in effect at such time under the GNMA Guide, Fannie Mae Guide or the FHLMC Guide, and the loan origination guidelines contained in the Origination Agreement and the other Program Documents. In addition, each Mortgage Loan: (1) must be made to an Eligible Borrower to finance a Principal Residence; (2) must be evidenced by a Mortgage Note and secured by a Mortgage creating a first lien on such Residence, subject to permitted encumbrances; (3) must bear interest at the specified rate, which interest will be payable in arrears; (4) must have a term of 30 years and must provide for level monthly payments and full amortization over the term thereof, (5) must provide for payments to be due on the first day of each month and for an initial principal payment not later than the first day of the second month following the Closing Date, and may include provision for a grace period not exceeding 15 days and late payment charges in amounts not in excess of the customary charges permitted by FHA, VA, RHS or FHLMC, as applicable; (6) must be in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified in the Program Documents and the limitations of the FHA, VA, RHS, the PMI Insurer, Fannie Mae or FHLMC, as of the date of Closing; (7) must be the subject of FHA insurance, a VA guaranty, an RHS Guaranty or Private Mortgage Guaranty Insurance; (8) must include a rider restricting assumptions to Eligible Borrowers in accordance with the Origination Agreement; (9) must be the subject of a title insurance policy or have a valid commitment therefor; (10) must be in an amount not in excess of the Maximum Acquisition Cost of the Residence being financed as described under the heading "The Program – Mortgage Loans" herein; (11) must comply in all respects to the GNMA Guide and FHA, VA or RHS rules and regulations, Fannie Mae Guide or the FHLMC Guide and FHLMC and PMI Insurer rules and regulations, as applicable; and (12) must mature not later than 60 days prior to the final Bond maturity date.

*Verification of Mortgage Eligibility Requirements.* In connection with each Mortgage Loan, the Lender must: (1) obtain an affidavit of the Mortgagor, and the affidavit of any cosigner or guarantor, if applicable, evidencing compliance with certain of the mortgage eligibility requirements of the Program; (2) if applicable, obtain evidence relating to interest deductions for indebtedness for a Principal Residence; (3) perform such additional investigation as may be appropriate under the circumstances to verify that the mortgage eligibility requirements of the Program are satisfied as of the date of execution of the Mortgage; (4) review the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the requirements of the Program Documents; (5) provide such documentation as the Master Servicer, Program Administrator or Issuer may require to the effect that the Mortgage Loan and DPA Grant have been originated in accordance with all applicable requirements; and (6) carry out such additional verification procedures as may be reasonably requested by the Master Servicer, the Program Administrator or the Issuer.

*Condominiums and Planned Unit Developments.* Each condominium unit or unit in a planned unit development financed with a Mortgage Loan must be in a condominium development or planned unit development which, among other requirements and those imposed by the Code, meets all FHA, VA, RHS, Fannie Mae or FHLMC requirements, as applicable.

*Approval and Purchase.* The Master Servicer is required to review documents pertaining to a Mortgage Loan, as is the Program Administrator. Any Mortgage Loan with respect to which the Mortgage Loan file is deemed to be defective, or any Mortgage Loan which is otherwise not acceptable for purchase in accordance with the terms of the Program Documents, may be returned to the Lender to be cured, if possible, or may be held by the Master Servicer pending correction of such defect. The purchase of an approved Mortgage Loan by the Master Servicer is required to take place no later than the last day of the Origination Period.

*Fees and Charges.* At the Closing, a Lender may collect from the Eligible Borrower or the Seller, and retain: (1) the Origination Fee; *provided* that the Origination Fee does not exceed the applicable FHA, VA, RHS, GNMA, Fannie Mae or FHLMC limits; (2) the Compliance Review Fee; and (3) all reasonable and customary closing charges, including insurance premiums and warehouse fees, to the extent that such charges (including the Funding Fee and the Tax Service Fee) are permitted by law and do not exceed the reasonable and customary amounts charged by the Lender for mortgage loans not funded from the proceeds of tax-exempt bonds. Any amounts collected prior to the Closing will be credited to the proper party at the Closing. No other fees, charges, or remuneration of any kind may be received by or on behalf of any Lender from any person in connection with a Mortgage Loan or DPA Grant under the Program. The Lender will not be responsible for the payment of any fee or charge of FHLMC, Fannie Mae or GNMA which is not in force and effect for Mortgage Loans made under the Program as of the Bond Issuance Date but which is imposed subsequent to the issuance of the Bonds, and the collection of which from the Eligible Borrower or the Seller is not provided for under the Origination Agreement.

*Defects.* If (i) any documents constituting a part of a Mortgage Loan file are, in the judgment of the Master Servicer, defective or inaccurate in any respect, (ii) any such closing document will not be valid and binding, (iii) any representation or warranty of a Lender is, in the judgment of the Master Servicer, untrue or incorrect in any material respect, (iv) the GNMA custodian fails to approve the pool package, (v) the Mortgagor fails to make any payments due under the Mortgage Loan or the first payment due thereon after the Purchase Date, (vi) the Master Servicer, because of any defect which is attributable to the Lender, is required by GNMA, Fannie Mae or FHLMC, as applicable, to repurchase or withdraw any Mortgage Loan from a Pool, or (vii) the Master Servicer forecloses on a Mortgage Loan, the affected Lender must cure such defect (if susceptible to cure) within a period of 30 days from the time the affected Lender is notified of the existence of the defect or inaccuracy or such shorter period as may be required by law or the Program Documents. Each Lender is directed in the Origination Agreement that if any defect cannot be

cured within such 30-day period or such shorter period as is applicable, the Lender will repurchase the Mortgage Loan from the Master Servicer not later than 60 days after such Lender is notified of a defect, at an aggregate price equal to 101.50% of the unpaid principal balance of such Mortgage Loan, plus accrued interest to the date of repurchase on the Mortgage Note, plus reimbursement of the original principal amount of the related DPA Grant (4% of the original principal amount of Mortgage Loan), plus any GNMA, Fannie Mae or FHLMC repurchase fees and certain other fees, plus if caused by the willful misfeasance or bad faith on the part of the Lender or by reason of the Lender's reckless disregard of its obligations under the related Origination Agreement as determined by the Master Servicer, an amount equal to 5% of the unpaid principal amount of such Mortgage Loan. In all cases, whether or not the Mortgage Loan has been repaid or otherwise satisfied, the Lender is required to indemnify and hold harmless the Issuer, the Trustee, the Underwriter and the Master Servicer for any loss or expenses incurred by them with respect to the defective Mortgage Loan.

Notwithstanding the provisions described in the preceding paragraph, if the Master Servicer, the Trustee, the Issuer or any Lender becomes aware subsequent to a Certificate purchase date, with respect to any Mortgage Loan backing a Certificate, or in the event a trust officer of the Trustee acquires knowledge after the purchase of any Mortgage Loan, that such Mortgage Loan did not, as of the date of execution, satisfy the mortgage eligibility requirements of the Program, and such loan is not repurchased by the Lender as described above, the Master Servicer must declare the entire unpaid balance of the Mortgage Loan due and payable. The Master Servicer then must pursue foreclosure.

#### ***Duties of Master Servicer and Program Administrator***

*Review of Mortgage Loans.* The Master Servicer will receive confirmation from the Program Administrator that the Program Administrator has reviewed each Mortgage Loan prior to its purchase to confirm that the mortgage eligibility requirements of the Program are met with respect to each Mortgage Loan, and that the Lender originating such Mortgage Loan has complied with the verification requirements set forth in the Origination Agreement, pursuant to procedures established by the Program Administrator, as more fully set forth in the Program Administration Agreement. By its submission of a Mortgage Loan to the Master Servicer, the Program Administrator is deemed to have provided such confirmation.

*Compensation of Master Servicer.* As compensation for the performance of its servicing duties under the Servicing Agreement, the Master Servicer is entitled to receive a monthly fee in an amount equal to one-twelfth of 0.50% (.72% for Fannie Mae or FHLMC, if applicable) of the principal unpaid balance of the Mortgage Loans underlying the related Certificate (which includes the guaranty fee of GNMA, Fannie Mae or FHLMC, as applicable).

*Servicing Duties.* The Master Servicer will service all Mortgage Loans sold by Lenders and will have the Issuer to do all things in connection with such servicing which it deems necessary or desirable. The Servicing Agreement requires Lenders to release all Mortgage Loans to the Master Servicer for servicing upon purchase of the Mortgage Loans by the Master Servicer. Additional servicing compensation in the form of late payment charges or otherwise may be received by the Master Servicer to the extent permitted by law and not contrary to the terms of the Servicing Agreement.

The Master Servicer is 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 is not entitled to reimbursement, except as specifically provided in the Servicing Agreement.

The Master Servicer is required to service Mortgage Loans in accordance with the servicing standards as set forth in the Servicing Agreement and the loan servicing requirements of GNMA, Fannie

Mae, FHLMC, FHA, VA, RHS and the PMI Insurer, as applicable, as they may be in effect during the term of the Program.

*Assumption Agreements.* The Master Servicer will not permit the assumption of any Mortgage Loan unless an assumption agreement is entered into by the assuming Mortgagor which provides for the assumption of the indebtedness by such person. Assumptions also are not permitted unless the assuming Mortgagor qualifies as an Eligible Borrower and the Mortgage Loan will remain insured or guaranteed under all applicable insurance or guarantees. In such event, the Master Servicer may release the original Mortgagor from liability under the Mortgage and the Mortgage Note. The interest rate on the Mortgage Note may not be changed in connection with any assumption.

## TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to compliance by the Issuer with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Issuer with respect to certain material facts within the Issuer’s knowledge and upon the mathematical computation of the yield on the Bonds and the yield on certain investments by the Underwriter. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

The issue price for OID and market discount purposes (the “*OID Issue Price*”) for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The *OID Issue Price* of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the *OID Issue Price* or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

## **RATING**

Moody's Investors Service, Inc. ("*Moody's*") has assigned the Bonds a rating of "Aa1" and it is a condition to the issuance and delivery of the Bonds that such rating not be terminated or withdrawn prior to the issuance and delivery of the Bonds. No application was made to any other rating agency for a rating on the Bonds. The Moody's rating reflects only the view of Moody's at the time such rating was given, and neither the Issuer nor the Underwriter makes any representation as to the appropriateness of the rating. Any explanation of the significance of the rating may be obtained only from Moody's. Certain information and materials relating to the Bonds were submitted to Moody's, certain of which information and materials

have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that the Moody's rating on the Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by Moody's, if in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of the rating can be expected to have an adverse effect on the market price of the Bonds.

## UNDERWRITING

Pursuant to a bond purchase agreement (the "*Purchase Agreement*"), the Bonds are being purchased by the Raymond James & Associates, Inc. (the "*Underwriter*"). In connection with the sale of the Bonds, the Underwriter will be paid an underwriting fee (including expenses) of \$ \_\_\_\_\_. The obligations of the Underwriter to accept delivery of the Bonds are subject to various conditions contained in the Purchase Agreement. The Purchase Agreement provides that the Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

## CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinions of the Attorney General of the State of Texas and of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Issuer.

Certain financial advisory services will be provided to the Issuer by Hilltop Securities Inc., Austin, Texas.

Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP.

The legal fees paid to Bond Counsel and Underwriter's counsel for services rendered in connection with the issuance of the Bonds are contingent upon the actual sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will speak only as of their date of delivery and will be qualified in certain customary respects, including as to the enforceability of the various legal instruments by limitations imposed by state and federal law affecting remedies and by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, the application of equitable principles and the exercise of judicial discretion in appropriate cases. The legal opinions express the professional judgment of counsel rendering them, but are not binding on any court or other governmental agency and are not guarantees of a particular result.

## LITIGATION

One of the several conditions to the Underwriter's duty to accept the Bonds at closing is that the Issuer delivers a certificate stating among other things that there is no action or proceeding, pending or overtly threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings taken with respect to the authorization, issuance or sale of the Bonds or the pledge or application of any moneys or securities provided for payment of the Bonds or the existence or powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of moneys and securities.

## CONTINUING DISCLOSURE

The Issuer will execute and deliver a Continuing Disclosure Agreement (the “*Continuing Disclosure Agreement*”), in substantially the form set forth in Appendix F, with respect to the Bonds. The Continuing Disclosure Agreement is made for the benefit of the Bondholders of the Bonds and in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Continuing Disclosure Rule*”).

By the Continuing Disclosure Agreement, the Issuer agrees to provide, or cause to be provided to the Municipal Securities Rulemaking Board (“MSRB”) certain financial information and operating data relating to the Bonds (as described in the Continuing Disclosure Agreement (the “*Annual Bond Disclosure Report*”) and, when and if available, its Audited Financial Statements; and to provide in a timely manner to the MSRB notice of the occurrence of certain events, if material (within the meaning of the Continuing Disclosure Rule), and of any failure to provide the Annual Bond Disclosure Report or the Audited Financial Statements when due. The Continuing Disclosure Agreement does not require that information be provided to the Bondholders, but rather requires only that such information be provided to certain information repositories.

For a more complete description of the content, time, and place of filing of Annual Bond Disclosure Reports, financial statements and notices, the circumstances under which provisions of the Continuing Disclosure Agreement may be amended or waived, what Persons and entities are Bondholders entitled to take action to enforce the Continuing Disclosure Agreement, limitations on enforcement of the Continuing Disclosure Agreement, and other provisions of the Continuing Disclosure Agreement, see the proposed form of the Continuing Disclosure Agreement in Appendix F.

During the past five years, the Issuer has not failed to comply in any material respects with any previous continuing disclosure undertakings entered into under the Continuing Disclosure Rule.

## FINANCIAL ADVISOR

Hilltop Securities Inc. (the “*Financial Advisor*”) has served as a financial advisor to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with the Bonds. The Financial Advisor has not been engaged by the Issuer to compile, create or interpret any information in this Official Statement relating to the Issuer, including (without limitation) any of the Issuer’s financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

## MISCELLANEOUS

The attached Appendices are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

The references and descriptions in this Official Statement (which includes the Appendices) to the Indenture, the Origination Agreement, the Servicing Agreement and other documents are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and all such descriptions and references thereto are qualified in their entirety by references to each such document.

The agreement of the Issuer and the Trustee with respect to the Bonds is fully set forth in the Indenture, and this Official Statement is not to be construed as constituting an agreement with the purchasers of the Bonds. Statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. Copies of the Indenture and the Servicing Agreement, as executed and delivered, and the form of the Origination Agreement, will be on file at the office of each of the Issuer and at the designated trust office of the Trustee.

The delivery, use and distribution of this Official Statement have been duly approved by the Issuer.

**EL PASO HOUSING FINANCE CORPORATION**

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

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## APPENDIX A

### CERTAIN DEFINITIONS

“*Act*” means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended.

“*Bond Counsel*” means Chapman & Cutler LLP, or such other nationally recognized bond counsel as the Issuer shall select.

“*Bond Fund*” means the fund by that name created pursuant to the Indenture.

“*Bondholder*” or “*holder of Bonds*” or “*owner of Bonds*” means the registered owner of any Bond.

“*Bond Issuance Date*” means the date of delivery of the Bonds to the Underwriter.

“*Bond Obligation*” or “*Bonds Outstanding*” or “*Outstanding Bonds*” means as of any date the Outstanding principal amount of the Bonds.

“*Bonds*” means the Issuer’s Single Family Mortgage Revenue Bonds (Guaranteed Mortgage-Backed Securities Program), Series 2025A (Non-AMT), issued in the aggregate initial principal amount of \$25,000,000\*.

“*Business Day*” means any day of the week other than Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which banking institutions in the State are authorized or obligated by law or executive order to close.

“*Capitalized Interest Fund*” means the fund by that name created pursuant to the Indenture.

“*Certificate Purchase Period*” means the period or periods in which the Master Servicer can sell Certificates to the Trustee, subject to the mandatory redemption provisions set forth in Section 3.02(a) of the Indenture, through June 15, 2026\*, subject to extension as set forth in the Indenture.

“*Certificates*” means the GNMA Certificates, Fannie Mae Certificates and the FHLMC Certificates, which will be purchased from moneys in the Program Fund.

“*Closing*” means the execution of a Mortgage Note and Mortgage by an Eligible Borrower and the concurrent origination and funding of a Mortgage Loan by a Lender.

“*Closing Date*” means, with respect to a (Mortgage Loan) Closing, the date of such Closing.

“*Code*” means the Internal Revenue Code of 1986, as amended, together with the corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury or the Internal Revenue Service, to the extent applicable to the Bonds.

“*Compliance Review Fee*” means the nonrefundable review fee in the amount of \$275 payable by each Lender to the Master Servicer for review of each Compliance Package prior to closing the related Mortgage Loan.

“*Conventional Mortgage Loan*” means a Mortgage Loan other than an FHA Mortgage Loan, a VA Mortgage Loan, or a RHS Mortgage Loan satisfying the requirements of Fannie Mae or FHLMC, as applicable.

“*Costs of Issuance*” means the costs incurred by the Issuer in the issuance, sale, remarketing or delivery of the Bonds, including, but not limited to, initial or acceptance fees of the Trustee, legal, accounting, and financial advisory fees and expenses, underwriting or private placement fees, filing and rating agencies’ fees, and printing and engraving costs incurred in connection with the authorization, sale, and issuance of Bonds, the preparation and execution of the Indenture, and filing of any financing statements and all other documents in connection therewith, bond insurance premiums, if any, and payment of all fees, costs, and expenses for the preparation of the Indenture and Bonds, including recording fees and documentary stamp taxes, if any, costs of cash flow verifications, costs relating to promoting the origination of mortgage loans and any other fees, intangible taxes, and expenses necessary or incident to the issuance or sale of Bonds, including the fees of the Issuer and attorneys’ fees.

“*Costs of Issuance Fund*” means the fund by that name created pursuant to the Indenture.

“*Counsel’s Opinion*” means, at the Issuer’s option, an opinion of Bond Counsel or an opinion signed by any attorney or firm of attorneys (who may be employed by or retained counsel to the Issuer) licensed to practice in the State (and if the opinion is with respect to an interpretation of federal tax laws or regulations or any pledge under or amendment of the indenture, is also a nationally recognized attorney or firm of attorneys experienced in such matters), selected by or retained on behalf of the Issuer.

“*Default*” and “*Event of Default*” means any occurrence or event specified in Section 8.01 of the Indenture.

“*Dissemination Agent’s Fee*” means the fee payable in advance to the Dissemination Agent of \$1,000 per year, payable on each March 1, beginning March 1, 2026.

“*DPA Grant*” means a grant by the Issuer to an Eligible Borrower equal to 4.00% of the original principal amount of the related Mortgage Loan, with the grant proceeds to be used for down payment and closing cost assistance (and any other permitted items).

“*DTC*” means The Depository Trust Company, New York, New York, the securities depository of the Book-Entry Only System described in Section 2.13 of the Indenture. DTC represents that it is a limited purpose trust company organized under the laws of the State of New York, 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, as amended.

“*DTC Participant*” means the securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC, and such organizations will serve as the DTC Participants for the Book-Entry Only System of the Issuer and DTC described in Section 2.13 of the Indenture.

“*Eligible Borrower*” means a person or persons: (a) whose Family Income does not exceed the Maximum Family Income then in effect for such jurisdiction; *provided, however*, that in the event of any adjustments to the Maximum Family Income amounts, such adjustment will become effective upon announcement thereof to the Lenders by the Master Servicer or the Program Administrator (promptly following the Master Servicer’s or Program Administrator’s receipt of such information from the Issuer or Bond Counsel); (b) who intends to occupy the Residence to be financed with a Mortgage Loan as their

Principal Residence within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan; and (c) who meet certain other requirements relating to previous ownership, including with respect to Qualified Veterans under current federal law.

*“Eligible Loan Area”* means the City of El Paso, Texas.

*“Expense Fund”* means the fund by that name created pursuant to the Indenture.

*“Family Income”* means, with respect to a person, the “gross monthly income,” multiplied by twelve, of such person and of any other person who is expected to live in the Residence being financed and is over 18 years of age, all as determined in accordance with the worksheet attached to such person’s Affidavit of Mortgagor (as defined in the Indenture). For purposes of this definition, “gross monthly income” includes the sum of monthly gross pay, any additional income from overtime, part time employment, bonuses, dividends, interest, royalties, pensions, VA compensation, and net rental income, etc. and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

*“Fannie Mae”* means the Federal National Mortgage Association, a body corporate created and existing under the laws of the United States of America (12 U.S.C. § 1717(a)), and any successor thereto.

*“Fannie Mae Certificate”* means a UMBS issued by Fannie Mae, bearing interest at the applicable Pass-Through Rate, and representing an undivided interest in a pool of Conventional Mortgage Loans, which certificate will provide for the final regularly scheduled payment thereunder to be made not later than the final maturity date of the Bonds, registered or recorded in book-entry form in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by Fannie Mae. *Note: It is anticipated that all Certificates financed by the Bonds will be GNMA Certificates.*

*“Fannie Mae Certificate Purchase Price”* means an amount equal to not more than 104.44%\* of the outstanding principal balance of the Mortgage Loans in the pool backing the applicable Fannie Mae Certificate on record at Fannie Mae on the first day of the month of purchase, plus accrued interest to the date of purchase. *Note: It is anticipated that all Certificates financed by the Bonds will be GNMA Certificates.*

*“Fannie Mae Guaranty Fee”* means the annual fee equal to the applicable percentage of the outstanding balance of the Conventional Mortgage Loans in a pool payable monthly to Fannie Mae by the Master Servicer in connection with the issuance of a Fannie Mae Certificate.

*“FHA”* means the Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any successor thereto.

*“FHA Mortgage Loan”* means a Mortgage Loan that is insured by the Federal Housing Administration.

*“FHLMC”* means the Federal Home Loan Mortgage Corporation or any successor thereto.

*“FHLMC Certificate”* means a UMBS issued by FHLMC, bearing interest at the applicable Pass-Through Rate, and representing an undivided interest in a pool of Conventional Mortgage Loans, which certificate will provide for the final regularly scheduled payment thereunder to be made not later

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\* Preliminary; subject to change

than the final maturity date of the Bonds, registered or recorded in book-entry form in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by FHLMC. *Note: It is anticipated that all Certificates financed by the Bonds will be GNMA Certificates.*

*“FHLMC Certificate Purchase Price”* means an amount equal to not more than 104.44%\* of the outstanding principal balance of the Mortgage Loans in the pool backing the applicable FHLMC Certificate on record at FHLMC on the first day of the month of purchase, plus accrued interest to the date of purchase. *Note: It is anticipated that all Certificates financed by the Bonds will be GNMA Certificates.*

*“FHLMC Guaranty Fee”* means the annual fee equal to the applicable percentage of the outstanding balance of the Conventional Mortgage Loans in a pool payable monthly to FHLMC by the Master Servicer in connection with the issuance of a FHLMC Certificate.

*“FHLMC Purchase Agreement”* means the FHLMC Purchase Agreement entered into by FHLMC and the Master Servicer relating to the sale by the Master Servicer of Home Mortgages to FHLMC and the servicing thereof.

*“FHLMC Seller/Servicer Guide”* or *“FHLMC Guide”* means the FHLMC Single-Family Seller/Servicer Guide, as amended from time to time, as modified by the FHLMC Purchase Agreement.

*“Funding Fee”* means the nonrefundable fee in the amount of \$400 payable by the Lenders to the Master Servicer upon purchase of a Mortgage Loan.

*“GNMA”* means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, and its successors or assigns. Its powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § 1716 et seq.)

*“GNMA Certificate”* means a certificate (in either physical or book-entry form) purchased by the Trustee, issued by the Master Servicer and guaranteed by GNMA pursuant to GNMA’s GNMA II Mortgage-Backed Securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based on and backed by Mortgage Loans referred to in the GNMA Guaranty Agreement, which certificate will provide for the final regularly scheduled payment thereunder to be made not later than the final maturity date of the Bonds, and will unconditionally obligate the Master Servicer to remit monthly to GNMA’s fiscal agent for delivery to the holder thereof its pro rata share of (x) principal payments and prepayments made with respect to the Pool of Mortgage Loans represented by the GNMA Certificate and (y) interest received in an amount equal to the Pass-Through Rate. GNMA will guarantee to the holder of each GNMA Certificate such holder’s pro rata share of (1) the timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Mortgage Loans represented by the GNMA Certificate and (2) the timely payment of principal in accordance with the terms of the principal amortization schedule applicable to the Mortgage Loans represented by such GNMA Certificate.

*“GNMA Certificate Purchase Price”* means the amount equal to not more than 104.44%\* of the principal balance of the applicable pool of Mortgage Loans on record at (GNMA on the first day of the month of purchase, plus accrued interest to the date of purchase.

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\* Preliminary; subject to change

“*GNMA Guaranty Agreement*” means the one or more Guaranty Agreements between the Master Servicer and GNMA now or hereafter in effect pursuant to which GNMA has agreed or may agree to guarantee GNMA Certificates.

“*GNMA Guaranty Fee*” means the annual fee equal to 0.06% of the outstanding principal balance of the Mortgage Loans payable to GNMA in connection with the issuance of the guaranty by GNMA for a GNMA Certificate.

“*Government Obligations*” has the meaning set forth in clause (a) of the definition of “Investment Securities.”

“*Interest Account*” means the account by that name created within the Revenue Fund pursuant to the Indenture.

“*Interest Payment Date*” means each March 1 and September 1, commencing September 1, 2025.

“*Investment Securities*” means any of the following, which are at the time of investment legal investments under State law for the investment of Issuer’s funds:

(a) obligations of, or obligations guaranteed as to the full and timely payment of principal and interest by, the United States of America or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America;

(b) Federal Housing Administration debentures which must not be redeemable prior to their stated maturity;

(c) obligations of Federal Home Loan Banks;

(d) certificates of deposit issued by a state or national bank domiciled in the State (including those of the Trustee) or a savings and loan association domiciled in the State, *provided* that (i) such certificate of deposit is fully insured by the Federal Deposit Insurance Corporation or its successor, (ii) if such certificate of deposit has a term of more than three months, such banking institution is rated not less than A1/P-1 or Aa3 (if such banking institution has no short-term rating) by the Rating Agency, and (iii) if such certificate of deposit has a term of three months or less, such banking institution is rated not less than P-1 by the Rating Agency;

(e) bankers’ acceptances which (i) have a stated maturity of 270 days or fewer from the date of its issuance, (ii) will be, in accordance with their terms, liquidated in full at maturity, (iii) are eligible collateral for borrowing from a Federal Reserve Bank, and (iv) are issued by a bank organized and existing under the laws of the United States or of any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated by the Rating Agency not less than (a) A1/P-1 or Aa3 (if such bank or bank holding company does not have a short-term rating) for bankers’ acceptances with a stated maturity of more than three months, or (b) P-1 for bankers’ acceptances with a stated maturity of three months or less;

(f) deposits which are fully insured by the Federal Deposit Insurance Corporation; *provided* that such deposits are with a banking institution rated not less than P-1 by the Rating Agency;

(g) commercial paper which (i) has a stated maturity of 270 days or fewer from the date of its issuance, (ii) if such commercial paper has a term of more than three months (but less than or equal to 270 days), such commercial paper or the provider thereof is rated not less than A1/P-1 or Aa3 (if such banking institution has no short-term rating) by the Rating Agency, and (iii) if such commercial paper has a term of three months or less, such commercial paper or the provider thereof is rated not less than P-1 by the Rating Agency;

(h) U.S. Treasury STRIPS, REFCORP STRIPS (stripped by the Federal Reserve Bank of New York), and any stripped securities assessed or rated in the highest applicable rating category by the Rating Agency at the time of such purchase;

(i) an investment agreement meeting the requirements of the Rating Agency to maintain the Rating on the Bonds;

(j) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, that are (i) rated in the highest category by Moody's (without regard to any modifier), (ii) invested solely in Governmental Obligations or (iii) confirmed by the Rating Agency that such investment shall not adversely affect the rating on the Bonds; and

(k) any other investment which in Counsel's Opinion is at the time permitted by then applicable law for the investment of the Issuer's funds and to the extent such investments are rated by a Rating Agency in its highest rating category.

Investment Securities will additionally be limited to those investments that have a pre-determined dollar amount of principal due at maturity that cannot vary or change. Interest on an Investment Security must be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with that index. The Trustee will have no responsibility for verifying an investment is a legal investment under State law for the investment of Issuer's funds.

*"Issuer"* means, El Paso Housing Finance Corporation and its successors and assigns.

*"Issuer's Excess Interest Portion"* means an amount equal to the Issuer's Excess Interest Portion Percentage of each interest payment received by the Trustee with respect to each GNMA Certificate (including any amounts received as interest payments pursuant to the GNMA guaranty). Such amount is payable on the 1st day of each calendar month, based upon payments received on the GNMA Certificates during the prior month.

*"Issuer's Excess Interest Portion Percentage"* means a percentage equal to \_\_\_% divided by the Pass-Through Rate. The Issuer's Excess Interest Portion Percentage applicable to the GNMA Certificates shall be equal to \_\_\_% (\_\_\_% divided by \_\_\_%). The Issuer's Excess Interest Portion Percentage may be increased or decreased pursuant to the written instructions of the Issuer to the Trustee; provided that any such increase or decrease shall correspond to the increase or decrease, respectively, of the Pass-Through Rate.

*"Lender"* means those lending institutions accepted by the Issuer to participate in the Program in accordance with the Origination Agreement and listed therein.

*"Master Servicer"* means U.S. Bank National Association, or any successor to its duties under the Servicing Agreement.

“*Mortgage*” means the instrument, including any applicable riders, securing a Mortgage Loan that creates a first lien on a Residence subject to Permitted Encumbrances, and that will be in a form acceptable to the Master Servicer.

“*Mortgage Loan*” means a mortgage loan that is secured by a Mortgage, that is made to an Eligible Borrower to provide financing for the purchase of a Residence, that satisfies all the requirements of Section 143 of the Code, and that bears interest at the Mortgage Loan Rate.

“*Mortgage Loan Rate*” means the interest rate per annum with respect to each Mortgage Loan. The initial Mortgage Loan Rate for all Mortgage Loans shall be \_\_\_%; provided that the Mortgage Loan Rate may be increased or decreased in conjunction with a permitted increase or decrease, respectively, of the Pass-Through Rate, but only if the percentage increase or decrease in the Mortgage Loan Rate is the same as the percentage increase or decrease in the Pass-Through Rate, respectively.

“*Mortgage Note*” means the promissory note evidencing the obligation to repay the Mortgage Loan.

“*Mortgagor*” means the obligor(s) on a Mortgage Note, or a subsequent owner of a Residence, who has assumed the Mortgage (but does not include any Person who executes the Mortgage Note only as a guarantor or co-signor and who does not have such a present interest in and who will not occupy the Residence).

“*Non-Targeted Area Mortgage Loans*” means Mortgage Loan originated areas of the Eligible Program Area that not Targeted Areas.

“*Origination Agreement*” means the Master Origination and Sale Agreement dated as of March 1, 2025, as amended and Supplement No. 2025 thereto, each entered into by the Issuer and a Lender.

“*Origination Fee*” means a fee in an amount equal to 1.00% of the unpaid principal amount of a Mortgage Loan, which amount may be collected and retained by the Lender in connection with each Mortgage Loan originated under the Program Documents.

“*Origination Period*” means the period or periods (each subject to extension) for the closing of Mortgage Loans and the sale thereof to the Master Servicer as set forth in the Rate Notice and other Program Documents.

“*Outstanding*” when used with reference to Bonds, means, as of any date, Bonds theretofore or then delivered under the provisions of the Indenture, except: (i) Bonds (or portions of Bonds) for the payment or redemption of which there will be held in trust by the Trustee under the Indenture (whether at or prior to maturity or redemption date) (a) moneys equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date or (b) Investment Securities of the type described in clause (a) of the definition of Investment Securities in such principal amounts, having such maturities and bearing such interest, as, together with moneys, if any, will be sufficient to pay when due, the principal amount or redemption price, as the case may be, with interest to the date of maturity or redemption date; *provided* that if such Bonds are to be redeemed, notice of such redemption will have been given as provided in Article III of the Indenture or provision satisfactory to the Trustee will have been made for giving of such notice, (ii) Bonds in lieu of or in substitution for which other Bonds will have been delivered pursuant to Sections 3.06 or Article II of the Indenture, and (iii) Bonds deemed to have been paid as provided in Section 7.01 of the Indenture.

“*Pass-Through Rate*” means the interest rate per annum with respect to the Certificates, which is equal to the Mortgage Loan Rate of the Mortgage Loans backing the Certificates less the related servicing and guaranty fees. The initial Pass-Through Rate for the Certificates shall be \_\_\_% per annum; provided that (i) the Pass-Through Rate may be increased upon written notice from the Issuer to the Trustee and the delivery of an opinion of Bond Counsel to the Trustee to the effect that such increase shall not adversely affect the exclusion of interest on the Bonds from gross income for federal tax purposes; and (ii) the Pass-Through Rate may be decreased upon written notice from the Issuer to the Trustee, except that if a corresponding reduction is not made to the Issuer’s Excess Interest Portion, then the Issuer shall be required to provide written evidence to the Trustee from the Rating Agency that the rating on the Bonds will not be adversely affected as a result of such reduction of the Pass-Through Rate.

“*Paying Agent*” means any bank or trust company designated pursuant to the Indenture to serve as a paying agent or place of payment for the Bonds, and any successors designated pursuant to the Indenture.

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“*Pledged Revenues*” means (a) all payments of regularly scheduled principal of and interest on any Certificates (including any payments received from GNMA pursuant to the GNMA Guaranty Agreement and from FHLMC pursuant to its guarantee of payments), and all other proceeds of such purchased Certificates; provided that the Excess Interest Portion and the portion of the first Certificate interest payment payable to the Master Servicer shall not be Pledged Revenues; (b) Prepayments; (c) income or interest earned and gains realized in excess of losses suffered on Investment Securities held by the Trustee pursuant to the Indenture (except for Investment Securities held in the Rebate Fund, the Excess Interest Portion Fund and the Costs of Issuance Fund); and (d) proceeds from the sale of Certificates.

“*PMI Insurer*” means any private mortgage insurance company approved by Fannie Mae or FHLMC, and providing Private Mortgage Guaranty Insurance on Conventional Mortgage Loans.

“*Premium PAC Bonds*” means the Bonds maturing September 1, 2055\*.

“*Premium Term Bonds*” means the Term Bonds maturing March 1, 2045\*, March 1 2050\* and March 1, 2055\*.

“*Prepayments*” means any payments on any Certificates other than regularly scheduled principal and interest payments thereon; Prepayments include, without limitation, amounts representing prepayments on the Mortgage Loans underlying any Certificates and the proceeds from the sale of any Certificate.

“*Principal Account*” means the account by that name created within the Bond Fund pursuant to the Indenture.

“*Principal Amount*” means, with respect to any Bond and at any date of computation, the stated principal amount thereof.

“*Principal Residence*” means a Residence (or the unit in a two-family Residence) that can reasonably be expected to be occupied by the Mortgagor as the principal Residence of the Mortgagor. The term “Principal Residence” does not include a home used as an investment property or as a recreational

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\* Preliminary; subject to change

home or a home that is primarily intended to be used in a trade or business, as evidenced by the use of more than 15% of the total area in a trade or business. Any use of a home that does not qualify for a deduction allowable for certain expenses incurred in connection with the business use of a home under Section 280A of the Code shall not be considered as a use in a trade or business.

*“Private Mortgage Guaranty Insurance”* means a private mortgage guaranty insurance policy issued by a PMI Insurer with respect to a Conventional Mortgage Loan in accordance with the terms hereof in a form and providing coverage in an amount as approved by FHLMC in accordance with the FHLMC Guide.

*“Program Administration Agreement”* shall mean the Program Administration Agreement for the administration of mortgage loans made under single family housing programs of the Issuer, dated as of March 1, 2025, by and between the Program Administrator and the Issuer, as amended by amendments thereto relating to the Program, and all exhibits, amendments or supplements thereto. For the avoidance of confusion, “Program Administration Agreement” does not mean the Program Administration Agreement and the provisions thereof that do not relate to the Program.

*“Program Administrator”* means Housing and Development Services, Inc., dba eHousingPlus, its successors and assigns.

*“Program Documents”* means the Indenture, the Servicing Agreement, the Program Administration Agreement, the Origination Agreement, the Rate Notice and all other agreements, instruments, certificates, affidavits, and exhibits attached to or contemplated by any of the foregoing.

*“Program Expenses”* means the Trustee’s Fee, the Dissemination Agent’s Fee and the Rebate Analyst’s Fee.

*“Program Fund”* means the fund by that name created pursuant to the Indenture.

*“Proportionate Basis”* means that the Principal Amount of Bonds of each maturity to be redeemed will 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 the redemption of Bonds of any maturity is insufficient to redeem an integral multiple of \$5,000 Principal Amount of such maturity, such amount will be applied, to the extent possible, using integral multiples of \$5,000 Principal Amount, to the redemption of such Bonds in such manner that, over time, such Bonds redeemed on a “Proportionate Basis” will, to the extent practicable, remain Outstanding in the same proportions as originally issued.

*“Purchase Date”* means the date or dates on which the Master Servicer delivers Certificates to the Trustee for purchase.

*“Qualified Veteran”* means a borrower who is a “veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single-family mortgage revenue bonds.

*“Rate Notice”* means the Program Terms and Rate Notice sent by or on behalf of the Issuer to each Lender stating (a) the types of Mortgage Loans, (b) the Mortgage Loan Rate to be borne by the Mortgage Loans, (c) the anticipated Bond Issuance Date, and (d) certain other information relevant to the Program.

*“Rating”* means the then current rating assigned to the Bonds by the Rating Agency.

“*Rating Agency*” means Moody’s Investors Services, Inc. and its successors and assigns.

“*Rebate Analyst*” means, initially, BLX Group, LLC, and, thereafter, any rebate analyst selected by the Issuer.

“*Rebate Analyst’s Fee*” means the annual fees and expenses of the Rebate Analyst payable in advance on each March 1, beginning March 1, 2026, equal to .0035% times the outstanding Certificate balance as of the last day of the calendar month preceding the date of payment.

“*Rebate Fund*” means the fund of that name established under the Indenture.

“*Record Date*” means the fifteenth day of the calendar month next preceding an Interest Payment Date or other date on which Bonds are to be redeemed.

“*Redemption Account*” means the account by that name created within the Bond Fund pursuant to the Indenture.

“*Residence*” means real property and improvements permanently affixed thereon (but does not include property not constituting “*fixtures*” under State law) (a) that is located within the Eligible Loan Area; (b) that consists of a single family detached or attached structure or a single unit in a condominium development or planned unit development; and (c) the Acquisition Cost of which does not exceed the Maximum Acquisition Cost; *provided, however*, that land appurtenant to a Residence will be considered as part of such Residence only if such land reasonably maintains the basic liability of such Residence and does not provide, other than incidentally, a source of income to the Mortgagor.

“*Revenue Fund*” means the fund of that name created pursuant to the Indenture.

“*Revenues*” means all income, revenues, proceeds and other amounts received by the Trustee from or on behalf of the Issuer, including all amounts received in connection with the Certificates except the Issuer’s Excess Interest Portion and the portion of the first Certificate interest payment payable to the Master Servicer, and any and all interest, profits or other income derived from the investment of amounts in any Fund (except the Program Expense Fund, the Cost of Issuance Fund, the Excess Interest Portion Fund and the Rebate Fund).

“*RHS*” means the Rural Housing Service of the United States Department of Agriculture, its successors and assigns.

“*RHS Mortgage Loan*” means a Mortgage Loan guaranteed by the RHS.

“*Serial Bonds*” means the Bonds maturing on each March 1, and September 1 beginning September 1, 2026\* and ending March 1, 2037\*.

“*Servicing Agreement*” means the Servicing Agreement dated as of December 9, 2024, between the Issuer and the Master Servicer, as amended from time to time.

“*Servicing Fee*” means a monthly fee in an amount equal to 1/12 of 0.50% (.72% for Fannie Mae or FHLMC, if applicable) of the aggregate unpaid principal balance of the Mortgage Loans, which fee is retained by the Master Servicer as provided for services rendered under the Servicing Agreement, and

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\* Preliminary; subject to change.

which fee includes the GNMA Guaranty Fee, Fannie Mae Guaranty Fee and the FHLMC Guaranty Fee, as applicable.

“*Sinking Fund Payment*” means the amount established as sinking fund payments for the Bonds as set forth under “The Bonds – Redemption – Mandatory Redemption” herein.

“*Sinking Fund Payment Date*” means any of the dates set forth under “The Bonds – Redemption – Sinking Fund Redemption” herein for the making of Sinking Fund Payments.

“*Targeted Area*” means that part of the Eligible Loan Area that has been or may be designated from time to time as an area of chronic economic distress in accordance with Section 143(j)(3) of the Code, or qualified census tracts as specified in accordance with Section 143(j)(2) of the Code. Targeted Areas as of the Bond Issuance Date are specified in the Rate Notice and the Origination Agreement.

“*Targeted Area Mortgage Loans*” means Mortgage Loans to provide financing for the acquisition of a Residence in a Targeted Area.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement entered into by the Issuer in connection with the Bonds.

“*Tax Service Fee*” means the nonrefundable tax service fee in the amount of \$84, payable by each Lender to the Master Servicer upon purchase of a Mortgage Loan.

“*Term Bonds*” means the Bonds maturing March 1, 2040\*, March 1, 2045\*, March 1, 2050\*, March 1, 2055\* and September 1, 2055\*.

“*Trust Estate*” means the property, rights, money, securities, and other amounts pledged and assigned to the Trustee pursuant to the GRANTING CLAUSES of the Indenture.

“*Trustee*” means UMB Bank, N.A., or any successor to its rights, duties and obligations under the Indenture.

“*Trustee’s Fee*” means the annual fees and expenses of the Trustee payable in advance on each March 1, beginning March 1, 2026, in an amount equal to .04% of the Bonds Outstanding on such date (after taking into account all Bond principal paid on such date).

“*UMBS*” shall mean a Uniform Mortgage-Backed Security issued by Fannie Mae or FHLMC commencing June 3, 2019, backed by the same types of fixed rate Mortgage Loans that previously backed Fannie Mae Certificates and FHLMC Certificates depending upon which entity is the issuer of the UMBS.

“*Underwriter*” means Raymond James & Associates, Inc., and its successors and assigns.

“*VA*” means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

“*VA Mortgage Loan*” means a Mortgage Loan guaranteed by the VA, and pursuant to the provisions of the Servicemen’s Readjustment Act of 1944, as amended.

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## APPENDIX B

### MORTGAGE-BACKED SECURITIES PROGRAMS

#### Government National Mortgage Association Program

##### *General*

*This Summary does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide (the “GNMA Guide”) published by GNMA and to the documents referred to herein for full and complete statements of their respective 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.

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 principal of and interest on certificates issued by an approved issuer, which certificates represent an undivided interest in a pool of mortgage loans insured under the National Housing Act, Title V of the Housing Act of 1949 (FHA Mortgage Loans), guaranteed by the VA under the Serviceman’s Readjustment Act of 1944, as amended (VA Mortgage Loans), or guaranteed by the Rural Housing Service of the United States Department of Agriculture pursuant to the Housing Act of 1949, as amended (RHS Mortgage Loans). 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.”

GNMA Certificates will be issued pursuant to GNMA’s GNMA I and GNMA II Mortgage-Backed Securities Programs (the “GNMA Programs”). Each GNMA Certificate is to be backed by a pool of Mortgage Loans in a minimum aggregate amount of \$25,000 (or such lesser amount as may be approved by GNMA). The Master Servicer will be required to pay to the Central Paying and Transfer Agent (the “CPTA”), and the CPTA will be required to pay to the Trustee, as the owner of the GNMA Certificate, the regular monthly installments of principal and interest on the Mortgage Loans backing the GNMA Certificate (less the GNMA Guaranty Fee and the Servicing Fee), whether or not the Master Servicer receives such installments, plus any Prepayments received by the Master Servicer in the previous month. GNMA guarantees the timely payment of the principal of and interest on the GNMA Certificate.

To issue GNMA Certificates, the Master Servicer must first request and receive a GNMA Commitment from GNMA. A GNMA Commitment authorizes the Master Servicer to issue GNMA Certificates during a one-year period in an amount which does not exceed the commitment amount set forth in the GNMA Commitment. The total dollar amount of GNMA Commitments which GNMA may approve in any federal fiscal year (October 1 through September 30) is limited by statute and administrative procedures. Redemptions from undisbursed Bond proceeds may become necessary if GNMA Certificates are not issued by the Master Servicer because GNMA has reached its annual limit of guarantees. Such limit has been reached in the past, and Congressional action to raise the limit must be taken before additional guarantees can be made. No assurance can be given that in the future the Master Servicer will continue to be authorized by GNMA’s administrative procedures for a GNMA Commitment with respect to some or all of the Mortgage Loans or that GNMA will have any Issuer remaining to approve GNMA Certificates during the federal fiscal year in which the Master Servicer submits a request for a GNMA Commitment. The Bonds will be redeemed from funds remaining on deposit in the Program Fund at the end of the Certificate Purchase Period. See “The Bonds – Redemption – Mandatory Redemption.”

Each GNMA Certificate will be a “fully modified pass-through” security issued and delivered by the Master Servicer to the Trustee, for the benefit of the holders of the Bonds, upon payment by the Trustee on behalf of the Issuer of the outstanding principal balance of, and accrued interest on, the GNMA Certificates. The GNMA Certificates may be issued under a book-entry system, and the holder of the certificate will receive evidence of such entry rather than physical delivery of GNMA Certificates. Upon issuance of a GNMA Certificate, GNMA will guarantee to the holder of the GNMA Certificate the timely payment of principal of and interest on the GNMA Certificate. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(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. Under the terms of its guaranty, GNMA also warrants to the holder of the GNMA Certificate that, in the event GNMA is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, issue its obligations to the Treasury Department of the United States in amounts sufficient to make such payments of principal and interest.

### ***Servicing of the Mortgage Loans***

The Master Servicer will be responsible for servicing and otherwise administering the Mortgage Loans in accordance with the GNMA Mortgage-Backed Securities Guide for the GNMA Programs. See “The Program – Servicing” herein.

The monthly remuneration of the Master Servicer for its servicing functions and the guaranty fee charged by GNMA are based on the unpaid principal amount of the Mortgage Loans outstanding. The GNMA Pass-Through Rate will be an interest rate that is fixed at 0.50% below the interest rate on the underlying Mortgage Loans; such reduced rate reflects the 0.44% Servicing Fee of the Master Servicer and the 0.06% GNMA Guaranty Fee which are deducted from payments on the Mortgage Loans before payments are passed through to the Trustee under the GNMA Programs.

### ***Defaults on Mortgage Loans***

It is expected that interest and principal payments on the Mortgage Loans received by the Master Servicer will be the source of payments on the GNMA Certificates. If such payments are less than the amount due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Certificates. GNMA guarantees timely payment in the event of the failure of the Master Servicer to pay an amount equal to the scheduled payments (whether or not made by the Mortgagors on the underlying Mortgage Loans).

The Master Servicer is required to advise GNMA in advance of its impending default on scheduled payments so that GNMA as guarantor will be able to continue such payments as scheduled. If, however, such payments are not received as scheduled, the holder of the GNMA Certificates has recourse directly to GNMA.

### ***Default by Master Servicer***

While any GNMA Certificates are outstanding, a custodian of GNMA will hold the notes and other documents evidencing the underlying Mortgage Loans owned by the Master Servicer which back such Certificates. The custodian will hold unrecorded assignments of the Mortgage Loans to GNMA, executed by the Master Servicer. In the event of a default by the Master Servicer in payments under the GNMA Certificates, the custodian, on behalf of GNMA, has the right, by letter to the Master Servicer, to extinguish

the Master Servicer's interest in the Mortgage Loans by recording the executed assignments, and the Mortgage Loans will thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the related GNMA Certificate. In such event, GNMA will be the successor in all respects to the Master Servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide and will service the Mortgage Loans or arrange for the servicing. In such event, GNMA or its designee will have the right to retain the Servicing Fee. Except with the approval of GNMA and/or FHLMC, as applicable, the Issuer and Trustee will have no right to remove the Master Servicer in its capacity as servicer or to appoint a successor servicer, although the Issuer may remove the Master Servicer in its capacity as the administrator, as described under the heading "The Program – Administration" herein.

### ***Payment of Principal 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 Security, such payment is to be made to the Trustee on the 15th day of each month (or, if such 15th day is not a business day, on the first business day next succeeding such 15th day) and, in the case of a GNMA II Security, such payment is required to be mailed by the CPTA to the Trustee on the 20th day of each month (or, if such 20th day is not a business day, on the first business day next succeeding such 20th day). Each payment will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each mortgage loan in the mortgage pool backing the GNMA Certificate, less the monthly servicing and guaranty fees. In addition, each payment is required to include any mortgage loan principal prepayments received in the preceding calendar month on mortgage loans underlying the GNMA Certificate.

Each installment on a GNMA Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Certificate. The amount of principal due on the GNMA Certificate will be an amount at least equal to the scheduled principal amortization currently due on the underlying Mortgage Loans. However, payment of principal and interest is to be adjustable as described below.

The Master Servicer will pay to the holder of the GNMA Certificate, or to the CPTA, monthly installments of not less than the interest due on the GNMA Certificate at the rate specified in the GNMA Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or other unscheduled recovery of principal collected from the Mortgagor.

## **Federal National Mortgage Association Program**

### ***Issuance of UMBS***

On June 3, 2019, Fannie Mae and FHLMC began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("UMBS"). The UMBS finances the same types of fixed-rate mortgages that backed Fannie Mae Certificates and FHLMC Certificates and continue to be guaranteed by either Fannie Mae or FHLMC depending upon which agency issues the UMBS. The Federal Housing Finance Agency has stated that the UMBS will have characteristics similar to Fannie Mae Certificates.

## **General**

*This Summary does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Mortgage-Backed Securities Guide (the “Fannie Mae Guide”) published by Fannie Mae and to the documents referred to herein for full and complete statements of their respective provisions.*

Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage-backed securities (“MBS”), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

On September 6, 2008, Fannie Mae’s safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae.

On September 7, 2008, Fannie Mae, through FHFA, entered into two agreements with the U.S. Department of the Treasury (“Treasury”) – a Senior Preferred Stock Purchase Agreement (“Stock Purchase Agreement”) and a Common Stock Warrant (“Warrant”). Pursuant to the Stock Purchase Agreement, Fannie Mae issued to Treasury 1,000,000 shares of Senior Preferred Stock with an initial liquidation preference of \$1,000 per share and the Warrant, which allows Treasury to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. The Senior Preferred Stock and the Warrant were issued to Treasury in exchange for Treasury’s commitment (the “Commitment”) to provide up to \$100 billion in funds to Fannie Mae; that commitment was subsequently increased and currently stands at \$270 billion. Fannie Mae may draw funds under the Commitment on a quarterly basis when Fannie Mae’s total liabilities exceed its total assets on its consolidated balance sheet as of the end of a quarter. Any amounts drawn on the Commitment are added to the liquidation preference of the Senior Preferred Stock. The aggregate liquidation preference of the Senior Preferred Stock is \$208.0 billion as of September 30, 2024.

Fannie Mae reported a net income of \$4.0 billion for the third quarter of 2024 and a positive net worth of \$90.5 billion as of September 30, 2024.

The Stock Purchase Agreement and the Warrant contain covenants that significantly restrict Fannie Mae’s business activities. These covenants include a prohibition on the issuance of equity securities (except in limited instances), a prohibition on the payment of dividends or other distributions on Fannie Mae’s equity securities (other than the Senior Preferred Stock or the Warrant), a prohibition on Fannie Mae’s issuance of subordinated debt securities, and a limitation on the amount of debt securities Fannie Mae may have outstanding.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the “SEC”). The SEC filings are available at the SEC’s

website at [www.sec.gov](http://www.sec.gov). The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's web site at <http://www.fanniemae.com/about-us/investor-relations/sec-filings> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, or compliance with any securities, tax or other laws or regulations.

### ***Servicing of the Mortgage Loans***

The Master Servicer will be responsible for servicing and otherwise administering the Mortgage Loans in accordance with the Fannie Mae Mortgage-Backed Securities Guide for the Fannie Mae Programs. See "The Program – Servicing" herein.

The monthly remuneration of the Master Servicer for its servicing functions and the guaranty fee charged by Fannie Mae are based on the unpaid principal amount of the Mortgage Loans outstanding. The Fannie Mae Pass-Through Rate will be an interest rate that is fixed at the applicable percentage below the interest rate on the underlying Mortgage Loans; such reduced rate reflects the Servicing Fee of the Master Servicer and the Fannie Mae Guaranty Fee which are deducted from payments on the Mortgage Loans before payments are passed through to the Trustee under the Fannie Mae Programs.

### ***Defaults on Mortgage Loans***

It is expected that interest and principal payments on the Mortgage Loans received by the Master Servicer will be the source of payments on the Fannie Mae Certificates. If such payments are less than the amount due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the Fannie Mae Certificates. Fannie Mae guarantees timely payment in the event of the failure of the Master Servicer to pay an amount equal to the scheduled payments (whether or not made by the Mortgagors on the underlying Mortgage Loans).

The Master Servicer is required to advise Fannie Mae in advance of its impending default on scheduled payments so that Fannie Mae as guarantor will be able to continue such payments as scheduled. If, however, such payments are not received as scheduled, the holder of the Fannie Mae Certificates has recourse directly to Fannie Mae.

### ***Default by Master Servicer***

While any Fannie Mae Certificates are outstanding, a custodian of Fannie Mae will hold the notes and other documents evidencing the underlying Mortgage Loans owned by the Master Servicer which back such Certificates. The custodian will hold unrecorded assignments of the Mortgage Loans to Fannie Mae, executed by the Master Servicer. In the event of a default by the Master Servicer in payments under the Fannie Mae Certificates, the custodian, on behalf of v, has the right, by letter to the Master Servicer, to extinguish the Master Servicer's interest in the Mortgage Loans by recording the executed assignments, and the Mortgage Loans will thereupon become the absolute property of Fannie Mae, subject only to the unsatisfied rights of the owner of the related Fannie Mae Certificate. In such event, Fannie Mae will be the successor in all respects to the Master Servicer with respect to the transaction and the agreements set forth or arranged for in the Fannie Mae Guide and will service the Mortgage Loans or arrange for the servicing. In such event, Fannie Mae or its designee will have the right to retain the Servicing Fee. Except with the approval of Fannie Mae, GNMA and/or FHLMC, as applicable, the Issuer and Trustee will have no right to remove the Master Servicer in its capacity as servicer or to appoint a successor servicer, although the Issuer may remove the Master Servicer in its capacity as the administrator, as described under the heading "The Program – Administration" herein.

### ***Payment of Principal and Interest on the Fannie Mae Certificates***

Each installment on a Fannie Mae Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the Fannie Mae Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the Fannie Mae Certificate. The amount of principal due on the Fannie Mae Certificate will be an amount at least equal to the scheduled principal amortization currently due on the underlying Mortgage Loans. However, payment of principal and interest is to be adjustable as described below.

Payments of interest and principal on a Fannie Mae Certificate will be made on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. The Master Servicer will pay to the holder of the Fannie Mae Certificate, or to the CPTA, monthly installments of not less than the interest due on the Fannie Mae Certificate at the rate specified in the Fannie Mae Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or other unscheduled recovery of principal collected from the Mortgagor.

### **FHLMC Mortgage-Backed Securities Program**

*This summary does not purport to be comprehensive and is qualified in its entirety by reference to FHLMC's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular Supplements, FHLMC's Information Statement, any Information Statement Supplements and any other documents made available by FHLMC. The Issuer does not and will not participate in the preparation of FHLMC's Mortgage Participation Certificates Offering Circular, Information Statement or Supplements.*

### ***Issuance of UMBS***

On June 3, 2019, Fannie Mae and FHLMC began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("UMBS"). The UMBS finances the same types of fixed-rate mortgages that backed Fannie Mae Certificates and FHLMC Certificates and continue to be guaranteed by either Fannie Mae or FHLMC depending upon which agency issues the UMBS. The UMBS have the same payment characteristics as the Fannie Mae Certificates issued prior to June 3, 2019.

### ***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's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of FHLMC.

### ***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 the 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 of interest and principal on a FHLMC Certificate (issued in UMBS form) will be made on the 25th day of each month (beginning with the month following the month such FHLMC Certificate is issued), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. The Master Servicer will pay to the holder of the FHLMC Certificate, or to the CPTA, monthly installments of not less than the interest due on the FHLMC Certificate at the rate specified in the FHLMC Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or other unscheduled recovery of principal collected from the Mortgagor.

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 mortgages; accordingly, delinquencies and defaults on the mortgages would affect distributions on the FHLMC Certificates and could adversely affect payments on the 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 servicers’ 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.

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

*The information contained herein as Appendix C to the Official Statement has been provided by DTC. Neither the Issuer nor the Underwriter make any representation as to the accuracy or completeness thereof. Beneficial Owners should confirm the following with DTC or the DTC Participants (as hereinafter defined). In this Official Statement, the term "Beneficial Owner" includes the person for whom the DTC Participants (as defined below) acquired an interest in the Bonds.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities, 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 Bond certificate will be issued for the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC 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 securities that its participants (the "*DTC Participants*") deposit with DTC. DTC also facilitates the settlement among DTC Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC Participants' accounts, thereby eliminating the need of physical movement of securities certificates. "*Direct Participants*" include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). The rules applicable to DTC and the DTC Participants are on file with the Securities and Exchange Commission.

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

To facilitate subsequent transfers, all Bonds deposited by DTC 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 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The DTC 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, then by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices and all other notices will be sent by the Issuer and the Trustee to only Cede & Co., as Registered Owner. If less than all of the Bonds of a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participant's accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer and the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC, 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 DTC, is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer and the Trustee. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered, as described below under "- Procedure in the Event of Revisions of Book-Entry Transfer System."

### **Procedure in the Event of Revisions of Book-Entry Transfer System**

In the event that (a) DTC discontinues providing its services and no successor depository is obtained, or (b) the Issuer has determined, in the best interest of the Issuer, to terminate the services of DTC because (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) the continuation of the requirements that the Bonds be registered in the book-entry system is not in the best interests of the Beneficial Owners, then the Issuer will execute, authenticate and deliver at no cost to the Beneficial Owners of the Bonds or their nominees, Bonds in fully registered form, in authorized denominations. Thereafter, the principal of the Bonds will be payable when due upon surrender thereof at the principal office of the Trustee. Interest on the Bonds will be payable by check or draft of the Trustee mailed on the Interest Payment Date, to the persons in whose names such Bonds are registered, at the address appearing upon the registration books on the 15th day next preceding an interest payment date, and the Bonds will be transferable as provided in the Indenture.

## APPENDIX D

### CERTAIN INFORMATION REGARDING THE MASTER SERVICER AND PROGRAM ADMINISTRATOR

*The information contained hereunder as Appendix D to the Official Statement has been supplied by the Master Servicer and Program Administrator, respectively, and has not been verified by the Issuer or the Underwriter and is not guaranteed as to completeness or accuracy by and is not to be construed as a representation of the Issuer or the Underwriter.*

#### **The Master Servicer**

U.S. Bank National Association acts as sole Master Servicer under the Program for all Mortgage Loans reserved under the Program. All Mortgage Loans are expected to be serviced by U.S. Bank National Association.

As of December 31, 2024, U.S. Bank National Association serviced 1,315,008 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately \$216.4 billion. U.S. Bank National Association currently services single-family mortgage loans for State and Local Housing Finance Authorities, mutual savings banks, life insurance companies, savings and loan associations and commercial banks, as well as Fannie Mae, GNMA and FHLMC.

The holding company for U.S. Bank National Association is U.S. Bancorp, the 5<sup>th</sup> largest financial holding company in the United States. As of December 31, 2024, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately \$678.3 billion and a net worth of \$58.6 billion. For the twelve months ended December 31, 2024, the Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately \$37.9 billion.

U.S. Bank National Association is (i) an FHA-approved, VA-approved and RHS-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 mortgage-backed securities.

THE MASTER SERVICER HAS SUPPLIED THE INFORMATION IN THE THREE PRECEDING PARAGRAPHS BUT HAS NOT PARTICIPATED IN THE STRUCTURING OF THE BONDS OR THE PROGRAM OR THE PREPARATION OF THIS OFFICIAL STATEMENT. EXCEPT FOR SUCH INFORMATION, THE MASTER SERVICER ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR FOR THE BONDS OR THE CREDITWORTHINESS OF THE BONDS.

## **The Program Administrator**

Housing and Development Services, Inc. (“HDS”), acting through its business unit eHousingPlus, acts as the Program Administrator under the Program.

HDS is a leading provider of compliance services and related technology in the affordable housing industry.

HDS has three business units: Housing and Development Software, eHousingPlus, and HDS Allita. HDS has been in business for over 25 years. Single family program administration services are provided through the eHousingPlus business unit. Housing and Development Software provides compliance software that is used by eHousingPlus in performing its compliance services.

Over the past 25 years, HDS, through its eHousingPlus business unit, has worked with over 75 state and local housing finance agencies, authorities and corporations.

HDS, through its eHousingPlus division, currently serves as program administrator for 49 single family programs operated by 29 agencies. Since 1998, eHousingPlus has provided compliance services on over \$40 billion principal amount of mortgage loans (representing over 222,000 loans) in single family bond programs, MCC programs and single family loan programs financed through conventional financing sources (so-called “TBA programs”). For the 12 month period ending December 31, 2023, eHousingPlus has performed compliance work on approximately 27,000 mortgage loans. As of May 14, 2024, eHousingPlus is providing compliance services for approximately 5,900 mortgage loans.

THE PROGRAM ADMINISTRATOR HAS PROVIDED THE INFORMATION IN THE FIVE PRECEDING PARAGRAPHS BUT HAS NOT PARTICIPATED IN THE STRUCTURING OF THE BONDS OR THE PROGRAM OR THE PREPARATION OF THIS OFFICIAL STATEMENT. EXCEPT FOR SUCH INFORMATION, THE PROGRAM ADMINISTRATOR ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR FOR THE BONDS OR THE CREDITWORTHINESS OF THE BONDS.



cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore, Inc., a firm of certified public accountants.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds or any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Issuer with respect to certain material facts within the Issuer's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

## APPENDIX F

**\$25,000,000\***

**EL PASO HOUSING FINANCE CORPORATION  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
(GUARANTEED MORTGAGE-BACKED SECURITIES PROGRAM)  
SERIES 2025A (NON-AMT)**

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) dated as of April 1, 2025, is executed and delivered by the El Paso Housing Finance Corporation (the “Issuer”) and UMB Bank, N.A., Kansas City, Missouri, in its capacity as trustee under the Indenture (as defined below) (the “Trustee”) in connection with the issuance and sale of the Issuer’s Single Family Mortgage Revenue Bonds (Guaranteed Mortgage-Backed Securities Program), Series 2025A (Non-AMT) (the “Bonds”). The Bonds are issued under and secured by a Trust Indenture dated as of April 1, 2025 (the “Indenture”). The Issuer and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Issuer and the Trustee for the benefit of the Bondholders and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement which is not otherwise defined in this Agreement, the following capitalized terms shall have the following meanings:

“Annual Bond Disclosure Report” shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Disclosure Representative” shall mean the Executive Director of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee from time to time.

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

“Financial Obligation” shall 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) guarantee of (a) or (b) in this definition; provided, however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Event” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

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\* Preliminary; subject to change.

“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.

“Tax-exempt” shall mean that interest on the applicable Bond is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any federal alternative minimum tax.

### SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than six (6) months after the end of the Issuer’s fiscal year (currently ending December 31), commencing with the fiscal year ending December 31, 2025, provide to the MSRB (in the electronic form required by the MSRB), and any other required repository, an Annual Bond Disclosure Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement. In each case, the Annual Bond Disclosure Report may be submitted as single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Continuing Disclosure Agreement; provided that the audited financial statements of the Issuer are required to be submitted only if such statements are prepared, and such statements may be submitted separately from the portion of the Annual Bond Disclosure Report described in Section 4(b) of this Continuing Disclosure Agreement, and later than the date required above for the filing of the Annual Bond Disclosure Report, if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d) hereof.

(b) Not later than ten (10) Business Days prior to the date specified in subsection (a) for providing the Annual Bond Disclosure Report, the Issuer shall, or shall cause the Dissemination Agent to, provide the Annual Bond Disclosure Report to the Trustee (if the Trustee is not the Dissemination Agent) and to the Dissemination Agent (if the Dissemination Agent is not the Issuer). If by the due date under (a) above, the Trustee has not received a copy of the Annual Bond Disclosure Report, the Trustee shall contact the Issuer and the Dissemination Agent to determine if the Issuer is in compliance with subsection (a).

(c) If the Trustee is unable to verify that an Annual Bond Disclosure Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall certify to the Issuer (unless the Issuer is the Dissemination Agent) and to the Trustee (unless the Trustee is the Dissemination Agent) that the Annual Bond Disclosure Report has been timely filed pursuant to this Continuing Disclosure Agreement, stating the date it was provided to EMMA. Such report shall contain a copy of the materials filed with EMMA or a link to the location of the materials filed on EMMA.

SECTION 4. Content of Annual Bond Disclosure Reports. The Annual Bond Disclosure Report 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 for the Bonds, as of the end of such fiscal year:

a. For each maturity of the Bonds, the interest rate, the original aggregate principal amount and the principal amount remaining Outstanding.

b. During the acquisition period for the Certificates, the total principal amount of Certificates purchased by the Trustee. This information will not be provided after the acquisition period ends for the Certificates.

c. The amounts credited to the separate funds and accounts established for the Bonds that are available to pay the Bonds (the Program Fund, the Capitalized Interest Fund, the Revenue Fund, and the Bond Fund (including the Interest Account, the Principal Account and the Redemption Account therein).

d. The outstanding principal amount, interest rate and type (i.e., GNMA, Fannie Mae or FHLMC) of the Certificates.

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 the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. principal and interest payment delinquencies with respect to any Bond;
2. non-payment related defaults under the Indenture with respect to any Bond, if material;
3. modifications to rights of any Bondholder, if material;
4. Bond calls, if material, and tender offers to any Bondholders;
5. defeasance of any Bond;
6. any rating change with respect to any Bond;
7. unscheduled draws on debt service reserves reflecting financial difficulties;
8. unscheduled draws on credit enhancements reflecting financial difficulties;
9. substitution of credit or liquidity providers, or their failure to perform;
10. release, substitution, or sale of property securing repayment of any Bond, if material;
11. adverse tax opinions, the issuance by the IRS 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;

12. bankruptcy, insolvency, receivership or similar event of the Issuer;

For the purposes of the event identified in paragraph 12 of this section, 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 or 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangements or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

13. the consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business or entry into or termination of a definitive agreement relating to the foregoing, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. incurrence of a Financial Obligation of the Issuer, 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

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under number 1, 4 (if related to a tender offer), 5, 6, 7, 8, 9, 11 (unless subject to a “material” standard), 12 or 16 above, it shall promptly notify the Trustee in writing and shall immediately file (or if it is not the Dissemination Agent, direct the Dissemination Agent to file) a notice of the occurrence of such Listed Event with the MSRB. Such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Whenever the Issuer obtains knowledge of a Listed Event under number 2, 3, 4 (if related to a Bond call), 10, 11 (if subject to a “material” standard), 13, 14 or 15 above, it shall promptly determine if such event would constitute material information to the Owners of the Bonds. If the Issuer determines that knowledge of the event would be material, it shall immediately notify the Trustee and the Dissemination Agent (if the Issuer is not the Dissemination Agent) in writing and shall immediately file (or, if it is not the Dissemination Agent, direct the Dissemination Agent to file) a notice of such occurrence with the MSRB. Such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the two (2) preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent (if the Dissemination Agent is not the Issuer) to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures.

(b) The Trustee shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event.

(c) If in response to a request under subsection (b), the Issuer determines that the Listed Event under number 2, 3, 4, 10, 11 (if subject to a “material” standard), 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent and the Trustee in writing and instruct the Dissemination Agent not to report the occurrence to the MSRB.

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB.

SECTION 6. Termination of Reporting Obligations. The Issuer’s obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, or the prior payment (by redemption or otherwise) in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

SECTION 7. Dissemination Agent. The Trustee is the initial Dissemination Agent. The Issuer may, from time to time, appoint or engage another person or entity to act as Dissemination Agent under this Continuing Disclosure Agreement. The Issuer may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Continuing Disclosure Agreement, the Issuer and the Trustee may amend this Continuing Disclosure Agreement (and the Trustee shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved in writing by the Bondholders owning a majority in Principal Amount of the Bonds Outstanding, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Issuer shall provide a description of such amendment to the Dissemination Agent to be included in the next Annual Bond Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i)

notice of such change shall be given in the same manner as for a Listed Event under Section 5(d) hereof, and (ii) the Annual Bond Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Trustee may be made without its consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information; Miscellaneous. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement 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 this Continuing Disclosure Agreement. 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 this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Bond Disclosure Report or notice of occurrence of a Listed Event.

Any submission to the MSRB (or other applicable repository) shall be in an electronic format and accompanied by identifying information, all as prescribed by the MSRB.

SECTION 10. Default. If the Issuer, the Dissemination Agent or the Trustee fails to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriters or Bondholders owning at least 25% aggregate principal amount of Outstanding Bonds and upon being satisfactorily indemnified, shall), or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate to cause the Issuer, the Dissemination Agent or the Trustee, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Issuer, the Dissemination Agent or the Trustee to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent (if other than the Issuer), its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Issuer hereby agrees to pay the reasonable Trustee's fees and expenses incurred in connection with this Continuing Disclosure Agreement.

SECTION 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

*[Remainder of Page Intentionally Left Blank]*

SECTION 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**EL PASO HOUSING FINANCE CORPORATION**

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

**UMB BANK, N.A., as Trustee**

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

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE  
ANNUAL BOND DISCLOSURE REPORT**

Name of Issuer: El Paso Housing Finance Corporation

Name of Bond Issue: Single Family Mortgage Revenue Bonds (Guaranteed Mortgage-Backed Securities Program), Series 2025A (Non-AMT)

Date of Issuance: April \_\_, 2025

NOTICE IS HEREBY GIVEN that the El Paso Housing Finance Corporation has not provided an Annual Bond Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of April 1, 2025, between the Issuer and UMB Bank, N.A., Kansas City, Missouri, as trustee. The Issuer anticipates that the Annual Bond Disclosure Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

UMB BANK, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

cc: El Paso Housing Finance Corporation

**EXHIBIT B**

**EL PASO HOUSING FINANCE CORPORATION  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
(GUARANTEED MORTGAGE-BACKED SECURITIES PROGRAM)  
SERIES 2025A (NON-AMT)**

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**ANNUAL BOND DISCLOSURE REPORT AS OF DECEMBER 31, 20\_\_\***

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Delivery Date: April \_\_, 2025

**TRUSTEE**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**BONDS OUTSTANDING**

| CUSIP Number | Maturity Date | Interest Rate | Original Principal Amount | Outstanding Principal Amount | Accrued Interest |
|--------------|---------------|---------------|---------------------------|------------------------------|------------------|
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |
|              |               |               |                           |                              |                  |

**CERTIFICATES**

| Type of Certificate | Pool Number | Original Principal Amount | Outstanding Principal Amount | Interest Rate |
|---------------------|-------------|---------------------------|------------------------------|---------------|
| GNMA                |             |                           |                              |               |
|                     |             |                           |                              |               |
|                     |             |                           |                              |               |

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\*Excluding Audited Financial Statements of the Issuer

**INVESTMENTS**

| Fund/<br>Account Name | Investment<br>Type | Principal<br>Balance | Accrued<br>Interest | Investment<br>Rate | Maturity<br>Date |
|-----------------------|--------------------|----------------------|---------------------|--------------------|------------------|
|                       |                    |                      |                     |                    |                  |
|                       |                    |                      |                     |                    |                  |
|                       |                    |                      |                     |                    |                  |

**ASSETS & LIABILITIES OF PLEDGED TRUST ESTATE**

Certificates (Principal Balance) \_\_\_\_\_

Funds and Accounts [list] \_\_\_\_\_

Accrued Interest (if any) \_\_\_\_\_

**TOTAL ASSETS** \_\_\_\_\_

**LIABILITIES**

Outstanding Bond Principal \_\_\_\_\_

Accrued Bond Interest \_\_\_\_\_

Accrued Program Expenses \_\_\_\_\_

Accrued Excess Interest Portion \_\_\_\_\_

**TOTAL LIABILITIES** \_\_\_\_\_

**EQUITY**

Assets Less Liabilities \_\_\_\_\_

Parity Ratio \_\_\_\_\_

**Form of Accounting**      Cash                         Accrual                         Modified Accrual

**APPENDIX G**

**TABLE OF OUTSTANDING BOND AMOUNTS\*†**

| <b>Date</b> | <b>75% PSA Outstanding Bond Amount for Premium PAC Bonds</b> | <b>500% PSA Outstanding Bond Amount for All Bonds</b> |
|-------------|--|---|
| 4/10/2025   | \$9,000,000  | \$25,000,000  |
| 5/1/2025    | 9,000,000  | 25,000,000  |
| 6/1/2025    | 9,000,000  | 25,000,000  |
| 7/1/2025    | 9,000,000  | 25,000,000  |
| 8/1/2025    | 9,000,000  | 25,000,000  |
| 9/1/2025    | 9,000,000  | 25,000,000  |
| 10/1/2025   | 9,000,000  | 25,000,000  |
| 11/1/2025   | 9,000,000  | 24,965,000  |
| 12/1/2025   | 8,970,000  | 24,930,000  |
| 1/1/2026    | 8,970,000  | 24,880,000  |
| 2/1/2026    | 8,925,000  | 24,815,000  |
| 3/1/2026    | 8,735,000  | 24,490,000  |
| 4/1/2026    | 8,700,000  | 24,385,000  |
| 5/1/2026    | 8,660,000  | 24,260,000  |
| 6/1/2026    | 8,620,000  | 24,110,000  |
| 7/1/2026    | 8,570,000  | 23,940,000  |
| 8/1/2026    | 8,525,000  | 23,750,000  |
| 9/1/2026    | 8,525,000  | 23,480,000  |
| 10/1/2026   | 8,500,000  | 23,260,000  |
| 11/1/2026   | 8,500,000  | 23,260,000  |
| 12/1/2026   | 8,500,000  | 22,875,000  |
| 1/1/2027    | 8,500,000  | 22,460,000  |
| 2/1/2027    | 8,390,000  | 22,030,000  |
| 3/1/2027    | 8,205,000  | 21,465,000  |
| 4/1/2027    | 8,205,000  | 21,465,000  |
| 5/1/2027    | 8,205,000  | 21,230,000  |
| 6/1/2027    | 8,205,000  | 20,735,000  |
| 7/1/2027    | 8,205,000  | 20,235,000  |
| 8/1/2027    | 8,005,000  | 19,725,000  |
| 9/1/2027    | 7,805,000  | 19,095,000  |
| 10/1/2027   | 7,805,000  | 19,095,000  |

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\* Preliminary; subject to change

† The amounts listed for each maturity of Term Bonds (including the Premium PAC Bonds) (as of the related dates) based on the applicable PSA prepayment rate applied on a constant basis. The projected principal balances take into account projected principal payments from scheduled principal payments and Prepayments of GNMA Certificates, and surplus revenues, in each case based on applicable redemption selection procedures. The projected principal balances are also based on various other assumptions, including the assumptions stated under “Certain Assumptions and Risk Factors” (including the assumption that 100% of moneys in the First Mortgage Loan Account and the Second Mortgage Loan Account of the Program Fund will be used to purchase GNMA Certificates and finance downpayment assistance). See “Certain Assumptions and Risk Factors—Assumptions—Prepayments and Redemptions” for the meaning of PSA prepayment rates.

| <b>Date</b> | <b>75% PSA Outstanding Bond Amount for Premium PAC Bonds</b> | <b>500% PSA Outstanding Bond Amount for All Bonds</b> |
|-------------|--|---|
| 11/1/2027   | \$7,805,000  | \$18,640,000  |
| 12/1/2027   | 7,805,000  | 18,090,000  |
| 1/1/2028    | 7,720,000  | 17,530,000  |
| 2/1/2028    | 7,505,000  | 16,970,000  |
| 3/1/2028    | 7,290,000  | 16,330,000  |
| 4/1/2028    | 7,290,000  | 16,330,000  |
| 5/1/2028    | 7,290,000  | 15,755,000  |
| 6/1/2028    | 7,290,000  | 15,210,000  |
| 7/1/2028    | 7,165,000  | 14,670,000  |
| 8/1/2028    | 6,950,000  | 14,145,000  |
| 9/1/2028    | 6,735,000  | 13,575,000  |
| 10/1/2028   | 6,735,000  | 13,525,000  |
| 11/1/2028   | 6,735,000  | 13,040,000  |
| 12/1/2028   | 6,735,000  | 12,570,000  |
| 1/1/2029    | 6,590,000  | 12,115,000  |
| 2/1/2029    | 6,380,000  | 11,680,000  |
| 3/1/2029    | 6,170,000  | 11,210,000  |
| 4/1/2029    | 6,170,000  | 11,170,000  |
| 5/1/2029    | 6,170,000  | 10,765,000  |
| 6/1/2029    | 6,170,000  | 10,375,000  |
| 7/1/2029    | 6,045,000  | 10,000,000  |
| 8/1/2029    | 5,840,000  | 9,635,000   |
| 9/1/2029    | 5,635,000  | 9,250,000   |
| 10/1/2029   | 5,635,000  | 9,210,000   |
| 11/1/2029   | 5,635,000  | 8,870,000   |
| 12/1/2029   | 5,635,000  | 8,550,000   |
| 1/1/2030    | 5,505,000  | 8,235,000   |
| 2/1/2030    | 5,305,000  | 7,935,000   |
| 3/1/2030    | 5,105,000  | 7,615,000   |
| 4/1/2030    | 5,105,000  | 7,585,000   |
| 5/1/2030    | 5,105,000  | 7,300,000   |
| 6/1/2030    | 5,105,000  | 7,035,000   |
| 7/1/2030    | 4,985,000  | 6,775,000   |
| 8/1/2030    | 4,790,000  | 6,525,000   |
| 9/1/2030    | 4,595,000  | 6,260,000   |
| 10/1/2030   | 4,595,000  | 6,225,000   |

\* Preliminary; subject to change

† The amounts listed for each maturity of Term Bonds (including the Premium PAC Bonds) (as of the related dates) based on the applicable PSA prepayment rate applied on a constant basis. The projected principal balances take into account projected principal payments from scheduled principal payments and Prepayments of GNMA Certificates, and surplus revenues, in each case based on applicable redemption selection procedures. The projected principal balances are also based on various other assumptions, including the assumptions stated under “Certain Assumptions and Risk Factors” (including the assumption that 100% of moneys in the First Mortgage Loan Account and the Second Mortgage Loan Account of the Program Fund will be used to purchase GNMA Certificates and finance downpayment assistance). See “Certain Assumptions and Risk Factors—Assumptions—Prepayments and Redemptions” for the meaning of PSA prepayment rates.

| <b>Date</b> | <b>75% PSA Outstanding Bond Amount for Premium PAC Bonds</b> | <b>500% PSA Outstanding Bond Amount for All Bonds</b> |
|-------------|--|---|
| 11/1/2030   | \$4,595,000  | \$6,000,000   |
| 12/1/2030   | 4,595,000  | 5,770,000   |
| 1/1/2031    | 4,470,000  | 5,555,000   |
| 2/1/2031    | 4,280,000  | 5,350,000   |
| 3/1/2031    | 4,090,000  | 5,135,000   |
| 4/1/2031    | 4,090,000  | 5,105,000   |
| 5/1/2031    | 4,090,000  | 4,910,000   |
| 6/1/2031    | 4,090,000  | 4,725,000   |
| 7/1/2031    | 3,985,000  | 4,550,000   |
| 8/1/2031    | 3,795,000  | 4,375,000   |
| 9/1/2031    | 3,610,000  | 4,200,000   |
| 10/1/2031   | 3,610,000  | 4,165,000   |
| 11/1/2031   | 3,610,000  | 4,010,000   |
| 12/1/2031   | 3,610,000  | 3,855,000   |
| 1/1/2032    | 3,495,000  | 3,705,000   |
| 2/1/2032    | 3,325,000  | 3,565,000   |
| 3/1/2032    | 3,155,000  | 3,420,000   |
| 4/1/2032    | 3,155,000  | 3,395,000   |
| 5/1/2032    | 3,155,000  | 3,265,000   |
| 6/1/2032    | 3,155,000  | 3,130,000   |
| 7/1/2032    | 3,055,000  | 3,010,000   |
| 8/1/2032    | 2,895,000  | 2,890,000   |
| 9/1/2032    | 2,750,000  | 2,775,000   |
| 10/1/2032   | 2,750,000  | 2,745,000   |
| 11/1/2032   | 2,750,000  | 2,635,000   |
| 12/1/2032   | 2,750,000  | 2,530,000   |
| 1/1/2033    | 2,650,000  | 2,430,000   |
| 2/1/2033    | 2,480,000  | 2,330,000   |
| 3/1/2033    | 2,335,000  | 2,235,000   |
| 4/1/2033    | 2,335,000  | 2,210,000   |
| 5/1/2033    | 2,335,000  | 2,120,000   |
| 6/1/2033    | 2,335,000  | 2,035,000   |
| 7/1/2033    | 2,240,000  | 1,950,000   |
| 8/1/2033    | 2,075,000  | 1,865,000   |
| 9/1/2033    | 1,940,000  | 1,790,000   |
| 10/1/2033   | 1,940,000  | 1,765,000   |

\* Preliminary; subject to change

† The amounts listed for each maturity of Term Bonds (including the Premium PAC Bonds) (as of the related dates) based on the applicable PSA prepayment rate applied on a constant basis. The projected principal balances take into account projected principal payments from scheduled principal payments and Prepayments of GNMA Certificates, and surplus revenues, in each case based on applicable redemption selection procedures. The projected principal balances are also based on various other assumptions, including the assumptions stated under “Certain Assumptions and Risk Factors” (including the assumption that 100% of moneys in the First Mortgage Loan Account and the Second Mortgage Loan Account of the Program Fund will be used to purchase GNMA Certificates and finance downpayment assistance). See “Certain Assumptions and Risk Factors—Assumptions—Prepayments and Redemptions” for the meaning of PSA prepayment rates.

| <b>Date</b> | <b>75% PSA Outstanding Bond Amount for Premium PAC Bonds</b> | <b>500% PSA Outstanding Bond Amount for All Bonds</b> |
|-------------|--|---|
| 11/1/2033   | \$1,940,000  | \$1,690,000   |
| 12/1/2033   | 1,940,000  | 1,615,000   |
| 1/1/2034    | 1,855,000  | 1,545,000   |
| 2/1/2034    | 1,690,000  | 1,480,000   |
| 3/1/2034    | 1,550,000  | 1,410,000   |
| 4/1/2034    | 1,550,000  | 1,410,000   |
| 5/1/2034    | 1,550,000  | 1,330,000   |
| 6/1/2034    | 1,550,000  | 1,270,000   |
| 7/1/2034    | 1,470,000  | 1,210,000   |
| 8/1/2034    | 1,310,000  | 1,155,000   |
| 9/1/2034    | 1,175,000  | 1,100,000   |
| 10/1/2034   | 1,175,000  | 1,100,000   |
| 11/1/2034   | 1,175,000  | 1,030,000   |
| 12/1/2034   | 1,175,000  | 980,000   |
| 1/1/2035    | 1,100,000  | 930,000   |
| 2/1/2035    | 945,000  | 885,000   |
| 3/1/2035    | 815,000  | 840,000   |
| 4/1/2035    | 815,000  | 840,000   |
| 5/1/2035    | 815,000  | 780,000   |
| 6/1/2035    | 815,000  | 735,000   |
| 7/1/2035    | 750,000  | 695,000   |
| 8/1/2035    | 595,000  | 660,000   |
| 9/1/2035    | 505,000  | 620,000   |
| 10/1/2035   | 505,000  | 620,000   |
| 11/1/2035   | 505,000  | 565,000   |
| 12/1/2035   | 505,000  | 530,000   |
| 1/1/2036    | 435,000  | 500,000   |
| 2/1/2036    | 290,000  | 465,000   |
| 3/1/2036    | 235,000  | 435,000   |
| 4/1/2036    | 235,000  | 435,000   |
| 5/1/2036    | 235,000  | 390,000   |
| 6/1/2036    | 235,000  | 360,000   |
| 7/1/2036    | 190,000  | 335,000   |
| 8/1/2036    | 55,000   | 310,000   |
| 9/1/2036    | 0  | 285,000   |
| 10/1/2036   | 0  | 285,000   |

\* Preliminary; subject to change

† The amounts listed for each maturity of Term Bonds (including the Premium PAC Bonds) (as of the related dates) based on the applicable PSA prepayment rate applied on a constant basis. The projected principal balances take into account projected principal payments from scheduled principal payments and Prepayments of GNMA Certificates, and surplus revenues, in each case based on applicable redemption selection procedures. The projected principal balances are also based on various other assumptions, including the assumptions stated under “Certain Assumptions and Risk Factors” (including the assumption that 100% of moneys in the First Mortgage Loan Account and the Second Mortgage Loan Account of the Program Fund will be used to purchase GNMA Certificates and finance downpayment assistance). See “Certain Assumptions and Risk Factors—Assumptions—Prepayments and Redemptions” for the meaning of PSA prepayment rates.

| <b>Date</b>                | <b>75% PSA Outstanding Bond Amount for Premium PAC Bonds</b> | <b>500% PSA Outstanding Bond Amount for All Bonds</b> |
|----------------------------|--|---|
| 11/1/2036                  | \$0  | \$240,000   |
| 12/1/2036                  | 0  | 240,000   |
| 1/1/2037                   | 0  | 195,000   |
| 2/1/2037                   | 0  | 195,000   |
| 3/1/2037                   | 0  | 155,000   |
| 4/1/2037                   | 0  | 155,000   |
| 5/1/2037                   | 0  | 115,000   |
| 6/1/2037                   | 0  | 115,000   |
| 7/1/2037                   | 0  | 80,000  |
| 8/1/2037                   | 0  | 80,000  |
| 9/1/2037                   | 0  | 45,000  |
| 10/1/2037                  | 0  | 45,000  |
| 11/1/2037                  | 0  | 10,000  |
| 12/1/2037                  | 0  | 10,000  |
| 1/1/2038<br>and thereafter | 0  | 0   |

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\* Preliminary; subject to change

† The amounts listed for each maturity of Term Bonds (including the Premium PAC Bonds) (as of the related dates) based on the applicable PSA prepayment rate applied on a constant basis. The projected principal balances take into account projected principal payments from scheduled principal payments and Prepayments of GNMA Certificates, and surplus revenues, in each case based on applicable redemption selection procedures. The projected principal balances are also based on various other assumptions, including the assumptions stated under “Certain Assumptions and Risk Factors” (including the assumption that 100% of moneys in the First Mortgage Loan Account and the Second Mortgage Loan Account of the Program Fund will be used to purchase GNMA Certificates and finance downpayment assistance). See “Certain Assumptions and Risk Factors—Assumptions—Prepayments and Redemptions” for the meaning of PSA prepayment rates.

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