

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 16, 2026

NEW ISSUE—BOOK ENTRY ONLY

**Rating: S&P “AA+”
(See “Rating”)**

Under applicable law, subject to continuing compliance by the Issuer and others with certain covenants in the Agreements and the Indenture and related financing documents, and in reliance upon representations and conclusions in certificates, studies and reports of the Issuer and certain other participants in the financing, interest on the Series 2026A Bonds is not includable in gross income of the owners thereof for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. See “Tax Matters—Series 2026A Bonds.”



\$83,355,000*
TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)

Dated: date of delivery

Due: See Inside Front Cover

The above-captioned bonds (the “Series 2026A Bonds”) will be issued in book-entry, fully registered form in denominations of \$5,000 principal amount or any integral multiple thereof. The Series 2026A Bonds will bear interest from the delivery date to their maturity date or prior redemption date at the rates set forth herein and will be payable on each March 1 and September 1, commencing March 1, 2027, by Computershare Trust Company, N.A., as trustee (the “Trustee”), to Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2026A Bonds. See “The Series 2026A Bonds—Payment Provisions.”

The Series 2026A Bonds will be issued and secured under the terms of a General Indenture of Trust dated as of November 1, 2026 (the “General Indenture”), between the Texas State Affordable Housing Corporation (the “Issuer”) and the Trustee, as supplemented by the Series 2026A Indenture dated as of November 1, 2026 (the “Series 2026A Indenture” and together with the General Indenture, the “Indenture”) between the Issuer and the Trustee. The Series 2026A Bonds will be issued to make funds available, together with other available funds of the Issuer, to finance qualifying mortgage loans for single family residences located in the State of Texas through the purchase by the Trustee on behalf of the Issuer of fully-modified mortgage-backed securities (the “Certificates”) as well as related downpayment assistance second mortgage loans (the “DPA Second Mortgage Loans”). The Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”). See “Introduction,” “Security for the Series 2026A Bonds” and “GNMA Mortgage-Backed Certificate Program.”

The Series 2026A Bonds are subject to redemption prior to maturity as described herein. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds”, “Certain Transaction Assumptions” and “Risk Factors.”

The Series 2026A Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts and security pledged therefor under the Indenture. The Series 2026A Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the Indenture. The Issuer has no taxing power. The Series 2026A Bonds are not obligations of, or guaranteed by, the United States of America, GNMA, or any other agency of the United States of America.

The Series 2026A Bonds are offered, when, as and if issued, subject to the approval by the Issuer, and the approval of certain legal matters by the Attorney General of the State of Texas, and Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. cfX Incorporated will act as financial advisor to the Issuer in connection with the issuance of the Series 2026A Bonds. Certain legal matters will be passed upon for the Issuer by Barnes & Thornburg LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP. It is expected that the Series 2026A Bonds will be available for delivery through the facilities of DTC on or about November 19, 2026.

The date of this Official Statement is [_____] , 2026.

RAYMOND JAMES

FIDELITY CAPITAL MARKETS

*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*

\$83,355,000*

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Homeownership Mortgage Revenue Bonds

Series 2026A (Non-AMT)

\$4,230,000 Principal Amount of Series 2026A Lock-Out Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP 88271H[†]</u>
9/1/2027	\$480,000	%	%	
9/1/2028	430,000			
9/1/2029	460,000			
9/1/2030	495,000			
9/1/2031	530,000			
9/1/2032	570,000			
9/1/2033	610,000			
9/1/2034	655,000			

\$9,785,000 Principal Amount of Series 2026A Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP 88271H[†]</u>
3/1/2028	\$415,000			
3/1/2029	445,000			
3/1/2030	475,000			
3/1/2031	510,000			
3/1/2032	550,000			
3/1/2033	590,000			
3/1/2034	635,000			
3/1/2035	675,000			
9/1/2035	705,000			
3/1/2036	730,000			
9/1/2036	755,000			
3/1/2037	780,000			
9/1/2037	810,000			
3/1/2038	840,000			
9/1/2038	870,000			

* Preliminary, subject to change.

[†] CUSIP data used in this Official Statement is provided by FactSet Research Systems. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. 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.

MATURITY SCHEDULE*

\$56,340,000 Principal Amount of Series 2026A Term Bonds

\$5,915,000 ____% Series 2026A Term Bonds Due September 1, 2041 (Price: ____%) (CUSIP: 88271H____[‡])
\$14,320,000 ____% Series 2026A Term Bonds Due September 1, 2046 (Price: ____%) (CUSIP: 88271H____[‡])
\$20,395,000 ____% Series 2026A Term Bonds Due September 1, 2051 (Price: ____%) (CUSIP: 88271H____[‡])
\$15,710,000 ____% Series 2026A Term Bonds Due September 1, 2056 (Price: ____%) (CUSIP: 88271H____[‡])

\$13,000,000 Principal Amount of Series 2026A PAC Bonds

\$13,000,000 ____% Series 2026A PAC Bonds Due September 1, 2056 (Price: ____%[†]) (CUSIP: 88271H[____][‡])

* Preliminary, subject to change.

[†] Priced to first optional call date of September 1, 2034.

[‡] CUSIP data used in this Official Statement is provided by FactSet Research Systems. CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. 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.

No broker, dealer or other person has been authorized by the Issuer to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein by the Issuer has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026A Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

THE SERIES 2026A BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026A BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTION IN WHICH THESE SECURITIES HAVE BEEN QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

All information for investors regarding the Issuer and the Series 2026A Bonds is contained in this Official Statement. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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\$83,355,000*
TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)

INTRODUCTION

This Official Statement (including the cover page and appendices) sets forth certain information relating to the sale and issuance by the Texas State Affordable Housing Corporation (the “Issuer”) of its \$83,355,000* aggregate principal amount of Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the “Series 2026A Bonds”). The Series 2026A Bonds will be issued pursuant to Subchapter Y of Chapter 2306 of the Texas Government Code, as amended (the “Act”), and one or more resolutions adopted by the Issuer. The Series 2026A Bonds will be issued and secured under a General Indenture of Trust dated as of November 1, 2026 (the “General Indenture”), between the Issuer and Computershare Trust Company, N.A., as trustee (the “Trustee”), as supplemented by a Series 2026A Indenture dated as of November 1, 2026 (the “Series 2026A Indenture” and, together with the General Indenture, the “Indenture”) between the Issuer and the Trustee.

The Series 2026A Bonds are the first series of Bonds issued under the General Indenture. The Series 2026A Bonds and any Additional Bonds issued in the future under the Indenture are hereinafter collectively referred to as the “Bonds,” and shall constitute parity obligations, equally and ratably secured by the Issuer under the Indenture. Certain provisions of the Indenture are summarized below in “The General Indenture.” Capitalized terms used in this Official Statement and not otherwise defined are defined in “Appendix A—Definitions.”

The Series 2026A Bonds are subject to redemption prior to maturity as described herein. Purchasers of the Series 2026A Bonds should understand that under certain circumstances described herein the Series 2026A Bonds are subject to mandatory redemption at 100% of the principal amount thereof, plus accrued interest, and, if applicable, a premium. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds,” “Certain Transaction Assumptions” and “Risk Factors.”

Under the Issuer’s single family mortgage loan program (the “Program”), the Issuer is permitted to issue the Series 2026A Bonds to finance single family mortgage loans to certain borrowers whose annual income does not exceed 80% of the greater of the state or local median family income. Further, to qualify for a Mortgage Loan, the Eligible Borrowers must also meet all the requirements of the Act, Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Issuer. See “The Program” for a detailed description of these requirements.

The Issuer expects to use the proceeds of the Series 2026A Bonds to finance (a) Mortgage Loans (including any participations therein, the “Series 2026A Mortgage Loans”) through the purchase of Certificates (including any participations therein, the “Series 2026A Guaranteed Mortgage Securities”) backed by Series 2026A Mortgage Loans, and (b) DPA Second Mortgage Loans (each a “Series 2026A DPA Second Mortgage Loan”) to provide down payment and closing cost assistance to borrowers in connection with their Series 2026A Mortgage Loans. See “Plan of Finance and Sources and Uses of Funds” below.

The Mortgage Loans will be originated under the Program by participating lenders (each a “Lender” and collectively the “Lenders”) pursuant to the terms of a Mortgage Origination Agreement

* Preliminary, subject to change.

between each Lender and the Issuer (each a “Lender Agreement” and collectively the “Lender Agreements”), the Program Guidelines and other Program Documents. The Mortgage Loans, other than the DPA Second Mortgage Loans, are required to meet all Program requirements, which include the requirement that each Mortgage Loan be (i) insured by the Federal Housing Administration (“FHA”), pursuant to the National Housing Act, as amended, (ii) guaranteed by the Department of Veterans Affairs (“VA”), pursuant to the Servicemen’s Readjustment Act of 1944, as amended, or (iii) guaranteed by the Rural Housing Service of the United States Department of Agriculture (“USDA-RHS”), pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended. After origination, the Lenders will sell the Mortgage Loans on a servicing-released basis to the Servicer (as defined below).

The Lenders and the Issuer will review the Mortgage Loans and the borrower information, and other matters as necessary to determine compliance with the requirements of the Program, as more fully set forth in the Lender Agreements and the Program Guidelines. The Issuer will act as compliance agent for the Program.

The servicer under the Program is Lakeview Loan Servicing, LLC (the “Servicer”). Pursuant to the terms of an Amended and Restated Servicing and Sale Agreement (Related to Bond-Financed Programs) to be dated on or about October 20, 2026, as amended, between the Issuer and Servicer (the “Servicing Agreement”), the Servicer will purchase the Mortgage Loans, other than the DPA Second Mortgage Loans, from the Lenders, and pool the Mortgage Loans, other than the DPA Second Mortgage Loans, into pass-through certificates (the “GNMA Certificates”) backed by Mortgage Loans and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”), and issued by the Servicer. The Servicer will service all of the Mortgage Loans, including the DPA Second Mortgage Loans. The Servicer is an approved issuer of GNMA Certificates and is approved by FHA, VA and USDA-RHS, as applicable, to service FHA-insured, VA-guaranteed and USDA-RHS-guaranteed mortgage loans.

Following issuance of the GNMA Certificates, the Servicer will sell the GNMA Certificates to the Trustee and the Trustee will purchase the GNMA Certificates with the proceeds of the Series 2026A Bonds. The GNMA Certificates will be pledged under the Indenture to provide for the payment of the principal of and interest on the Series 2026A Bonds. The Trustee will also use the proceeds of the Series 2026A Bonds to purchase the DPA Second Mortgage Loans subordinate to the first mortgage loans financed under the Program. See “Security for the Series 2026A Bonds.”

To facilitate the operation of the Program, the Issuer maintains a “pipeline” of Mortgage Loans and Mortgage-Backed Securities to be financed with Bond proceeds and other available funds. From time to time, the Issuer’s pipeline is financed using certain of its general operating funds and other legally available moneys to purchase Mortgage-Backed Securities in anticipation of the issuance of Bonds. As of October 12, 2026, the Servicer held approximately \$920,000 in aggregate principal amount of originated first Mortgage Loans with a weighted average interest rate of 6.52%; and the Issuer had taken approximately \$37,500,000 in aggregate principal amount of additional first Mortgage Loan reservations with a weighted average interest rate of 6.78% (a portion of such first Mortgage Loan reservations may not close for various reasons) which the Issuer expects to finance with the proceeds of the Series 2026A Bonds.

Brief descriptions of the Issuer, the Series 2026A Bonds, the GNMA Mortgage-Backed Certificate Program, the Program, together with summaries of certain provisions of the Indenture, and the Agreements, follow in this Official Statement. All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026A Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements.

THE ISSUER

Texas State Affordable Housing Corporation was incorporated in May 1994 under the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon's Annotated Texas Civil Statutes, as amended (now codified as V.T.C.A. Business Organizations Code, Chapter 22, as amended). The Issuer is a public non-profit corporation created by statute. The members of the Board of Directors are appointed by the Governor of the State, with the advice and consent of the State Senate. The Issuer is subject to significant state oversight, including audit by the State Auditor and debt issuance review and approval by the Texas Bond Review Board. The enabling legislation for the Issuer, as amended, may be found at Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq.

The Issuer is governed by a Board of Directors with five members. The current members of the Board of Directors are:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Lemuel Williams	Chairperson	February 1, 2027
Valerie Vargas Cardenas	Vice Chairperson	February 1, 2031
David Lewis	Director	February 1, 2031
David Rassin	Director	February 1, 2029
Ernest Richards	Director	February 1, 2027

David Long serves as President of the Issuer.* Mr. Long has been employed by the Issuer since October 2001. Janie Taylor serves as Executive Vice President of the Issuer. Ms. Taylor has been employed by the Issuer since August 2006. Melinda Smith serves as Chief Financial Officer of the Issuer and has been employed by the Issuer since August 2001. Rebecca DeLeon serves as Corporate Secretary of the Issuer and has been employed by the Issuer since March 2018.

The Issuer is organized, operated and administered in accordance with the Issuer's enabling legislation. The Issuer has received a determination letter from the Internal Revenue Service recognizing the Issuer as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer's Articles of Incorporation provide, among other things, that the public purpose of the Issuer is to perform such activities and services that the Issuer's Board of Directors determines will promote the public health, safety and welfare through the provision of adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income, including single family mortgage revenue bond programs such as the program described herein. See "The Program."

The Series 2026A Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts, and security pledged therefor under the Indenture. The Series 2026A Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the Indenture. The Issuer has no taxing power. The Series 2026A Bonds are not obligations of, or guaranteed by, the United States of America, GNMA or any other agency of the United States of America.

* Mr. Long has provided notice that he will be retiring as President of the Issuer and the Issuer has commenced a search for a replacement.

Like virtually all Texas state agencies, the Issuer is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended) and is subject to “sunset” (abolishment) on September 1, 2029. If sunset were to occur, the Texas Sunset Act provides for the continued payment of the Issuer’s bonds in accordance with their terms and the designation of an appropriate state agency to carry out all covenants with respect to such bonds.

THE SERIES 2026A BONDS

General

The Series 2026A Bonds are dated their date of delivery and bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. The Issuer is issuing the Series 2026A Bonds as fully registered bonds which, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC is acting as securities depository for the Series 2026A Bonds.

Purchases of Series 2026A Bonds are being made in book-entry form only and in denominations of \$5,000 or integral multiples thereof, not exceeding the principal amount maturing on any principal payment date (an “Authorized Denomination”) through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2026A Bonds will not receive physical delivery of bond certificates so long as DTC or a successor act as the securities depository with respect to the Series 2026A Bonds. See “Appendix B – Book-Entry Only System.”

Payment Provisions

The Trustee shall pay interest semiannually on March 1 and September 1 of each year (each an “Interest Payment Date”), commencing March 1, 2027, until maturity or earlier redemption. Interest on the Series 2026A Bonds will be computed on the basis of a 360-day year of twelve 30-day months from their original issue date or the most recent Interest Payment Date, whichever is later. The Trustee shall pay interest to the owners of record in the bond registration books maintained by the Trustee at the close of business on the fifteenth (15th) day (whether or not a business day) preceding each Interest Payment Date (the “Record Date”). The Trustee shall pay the principal of the Series 2026A Bonds at maturity or earlier date of redemption, together with all interest accrued to such date and any redemption price, upon presentation and surrender of the Series 2026A Bonds at the Trustee’s designated corporate trust office. If a payment of interest, principal or the redemption price of Series 2026A Bonds is to be made on a day that is not a Business Day, it will be made on the next succeeding Business Day with the same force and effect as if made on the date of payment, and no interest shall accrue thereon for the period after such date.

The foregoing procedures and methods for payment will apply if the provisions for global book-entry bonds as described below cease to be in effect and will apply to the holding and transfer of Series 2026A Bonds by DTC subject to certain modifications provided for in a Letter of Representations between the Issuer and DTC. **SO LONG AS DTC OR ITS NOMINEE IS THE REGISTERED OWNER OF THE SERIES 2026A BONDS, PAYMENT OF THE PRINCIPAL OR THE REDEMPTION PRICE THEREOF AND THE INTEREST THEREON WILL BE MADE BY WIRE TRANSFER DIRECTLY TO DTC OR ITS NOMINEE.** See Appendix B – “Book-Entry Only System.”

Registration and Transfer of the Series 2026A Bonds

The Trustee shall maintain at its designated trust office, books for the registration and transfer of the Series 2026A Bonds. Upon presentation thereof for such purpose, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as they or the

Trustee may prescribe, any Series 2026A Bond entitled to registration or transfer. Each Series 2026A Bond will be transferable only upon the books of the Trustee, at the request of the registered owner thereof in person or by his or her attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney. In the event of a transfer of any such Series 2026A Bond, the Trustee will issue in the name of the transferee a new registered Series 2026A Bond of the same aggregate principal amount and maturity as the surrendered Series 2026A Bond. The Series 2026A Bonds may be exchanged at the principal office of the Trustee for an equal aggregate principal amount of Series 2026A Bonds of the same maturity of other Authorized Denominations.

In each case in which Series 2026A Bonds are transferred or exchanged, the Issuer will execute, and the Trustee will authenticate, as required, and deliver Series 2026A Bonds to the transferee or the Bondholder making the exchange. The Issuer will not be obligated to make any such exchange or transfer of Series 2026A Bonds, in the case of any proposed redemption of Series 2026A Bonds, during the ten (10) days preceding the date of transmitting notice of such redemption.

The Issuer and the Trustee may deem and treat the person in whose name any Outstanding Series 2026A Bond shall be registered upon the books of the Issuer to be the absolute owner of such Series 2026A Bond, whether such Series 2026A Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, and interest on such Series 2026A Bond and for all other purposes, and all such payments so made to any such registered owner or upon his or her written order or to his or her legal representative shall be valid and effectual to satisfy and discharge the liability upon such Series 2026A Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Redemption of Series 2026A Bonds*

The Series 2026A Lock-Out Serial Bonds are not subject to redemption as described under this subheading “Redemption of Series 2026A Bonds” except as described under “Redemption from Unexpended Proceeds”.

Optional Redemption. The Series 2026A Bonds, other than the Series 2026A PAC Bonds, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after September 1, 2034, from any source of funds, at a redemption price equal to the principal amount thereof plus accrued interest, if any, to but not including the date fixed for redemption.

The Series 2026A PAC Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, at any time on or after September 1, 2034, from any source of funds, at the Redemption Prices listed below, together with accrued interest to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2034	_____ %
March 1, 2035	_____ %
On or after September 1, 2035	100.000%

If the Series 2026A PAC Bonds are redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by straight-line interpolation between

* Preliminary, subject to change.

the redemption prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Scheduled Sinking Fund Redemptions.

(i) The Series 2026A Term Bonds maturing September 1, 2041 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2039	\$ 900,000
9/1/2039	935,000
3/1/2040	965,000
9/1/2040	1,005,000
3/1/2041	1,035,000
9/1/2041 ¹	1,075,000

¹ Final Maturity.

(ii) The Series 2026A Term Bonds maturing September 1, 2046 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2042	\$1,215,000
9/1/2042	1,260,000
3/1/2043	1,305,000
9/1/2043	1,350,000
3/1/2044	1,400,000
9/1/2044	1,450,000
3/1/2045	1,500,000
9/1/2045	1,555,000
3/1/2046	1,615,000
9/1/2046 ¹	1,670,000

¹ Final Maturity.

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(iii) The Series 2026A Term Bonds maturing September 1, 2051 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2047	\$1,730,000
9/1/2047	1,795,000
3/1/2048	1,855,000
9/1/2048	1,925,000
3/1/2049	1,990,000
9/1/2049	2,070,000
3/1/2050	2,140,000
9/1/2050	2,215,000
3/1/2051	2,295,000
9/1/2051 ¹	2,380,000

¹ Final Maturity.

(iv) The Series 2026A Term Bonds maturing September 1, 2056 are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2052	\$1,335,000
9/1/2052	1,385,000
3/1/2053	1,435,000
9/1/2053	1,480,000
3/1/2054	1,545,000
9/1/2054	1,595,000
3/1/2055	1,645,000
9/1/2055	1,720,000
3/1/2056	1,780,000
9/1/2056 ¹	1,790,000

¹ Final Maturity.

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(v) The Series 2026A PAC Bonds maturing September 1, 2056 (the “Series 2026A PAC Bonds”) are subject to mandatory redemption in part, at par without premium, plus accrued interest to the sinking fund payment date referenced below, from funds required to be deposited in the Revenue Fund, on the dates and in principal amounts as follows:

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
3/1/2052	\$1,110,000
9/1/2052	1,140,000
3/1/2053	1,190,000
9/1/2053	1,235,000
3/1/2054	1,275,000
9/1/2054	1,325,000
3/1/2055	1,365,000
9/1/2055	1,415,000
3/1/2056	1,470,000
9/1/2056 ¹	1,475,000

¹ Final Maturity.

Redemption from Unexpended Proceeds. The Series 2026A Bonds are subject to special redemption at the option of the Issuer, in whole or in part, at any time, from and to the extent that proceeds thereof deposited in the Series 2026A Mortgage Loan Account are not applied to the purchase of Series 2026A Mortgage Loans, Series 2026A Guaranteed Mortgage Securities or Series 2026A DPA Second Mortgage Loans (“Series 2026A Unexpended Proceeds”), provided however, that any Series 2026A Lock-Out Serial Bonds (as hereinafter defined) may only be redeemed if no other Series 2026A Bonds are then outstanding, at a redemption price equal to (i) in the case of the Series 2026A Bonds other than the Series 2026A Lock-Out Serial Bonds and the Series 2026A PAC Bonds and any other Series 2026A Bonds sold with original issue premium, the principal amount thereof, without premium, plus accrued interest to the redemption date, and (ii) in the case of the Series 2026A Lock-Out Serial Bonds and the Series 2026A PAC Bonds, a price of par, plus accrued interest to the redemption date, plus the unamortized premium thereon as determined by the Issuer by a straight-line amortization of the original issue premium on the Series 2026A Lock-Out Serial Bonds and the Series 2026A PAC Bonds between the date of issue and the maturity date for the Series 2026A Lock-Out Serial Bonds and September 1, 2035 for the Series 2026A PAC Bonds. The Series 2026A PAC Bonds Applicable Amounts set forth below for each semiannual period are to be reduced on a proportionate basis to the extent that amounts are applied to the redemption of the Series 2026A PAC Bonds from unexpended proceeds as described above. The Issuer shall determine or cause to be determined the amount of any remaining Series 2026A Unexpended Proceeds, if any, and shall apply such amount to the redemption of Series 2026A Bonds on or before the date which is 42 months after the date of delivery of the Series 2026A Bonds (the “Nonorigination Redemption Date”), as shall be necessary in the opinion of the Issuer, upon consultation with Bond Counsel, to meet the requirements of Section 143(a)(2)(D) of the Code. Series 2026A Bonds redeemed with Series 2026A Unexpended Proceeds will be redeemed on a pro rata basis, unless otherwise directed by the Issuer (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

Special Redemption from Prepayments and Excess Revenues. The Series 2026A Bonds, other than the Series 2026A Lock-Out Serial Bonds, are subject to special redemption at the option of the Issuer, in whole or in part, on any Business Day, at the principal amount so called for redemption plus accrued interest thereon, without premium, from Prepayments under the General Indenture and from Revenues which are not required to make Debt Service Payments under the General Indenture (“Excess Revenues”).

Prepayments of and Excess Revenues from Mortgage Loans other than the Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities, may be applied to the redemption of the Series 2026A PAC Bonds, but only to the extent that such redemptions do not cause the outstanding balance of the Series 2026A PAC Bonds to be less than the Series 2026A PAC Bonds Applicable Amount set forth under “ – Redemption of the Series 2026A PAC Bonds” in the table below. Except as set forth below, Prepayments of and Excess Revenues from the Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities may be used, at the direction of the Issuer, to redeem any Bonds, including Bonds other than the Series 2026A Bonds.

Redemption of the Series 2026A PAC Bonds. The Series 2026A PAC Bonds are subject to mandatory redemption from, and to the extent received, Directed Series 2026A Principal Payments. “Directed Series 2026A Principal Payments” means, with respect to any redemption date, repayments and Prepayments from Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities (or portions thereof), less the principal amount of any Series 2026A Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A Bonds).

Such Directed Series 2026A Principal Payments are to be applied to the special redemption of the Series 2026A PAC Bonds on a cumulative basis (inclusive of Series 2026A PAC Bonds redeemed in prior periods, including by mandatory redemption from Sinking Fund Installments and special redemption from Mortgage Prepayments, Mortgage Repayments and excess Revenues, if any) so that the aggregate principal amount of the Series 2026A PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the following table. The Series 2026A PAC Bonds shall be redeemed on one or more days during each semiannual period ending on March 1 and September 1, commencing with the period ending September 1, 2027, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date to the extent that, after giving effect to such redemption, the aggregate principal amount of the Series 2026A PAC Bonds outstanding on such redemption date is not less than the Outstanding PAC Bonds Amounts as set forth in the table below.

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The Outstanding PAC Bonds Amount as of each Bond Payment Date following redemption of the Series 2026A PAC Bonds is as follows:

<u>Redemption Period Ending</u>	<u>Outstanding PAC Bonds Amount</u>
11/19/2026	\$13,000,000
3/1/2027	13,000,000
9/1/2027	13,000,000
3/1/2028	12,940,000
9/1/2028	12,320,000
3/1/2029	11,475,000
9/1/2029	10,425,000
3/1/2030	9,310,000
9/1/2030	8,230,000
3/1/2031	7,180,000
9/1/2031	6,165,000
3/1/2032	5,185,000
9/1/2032	4,235,000
3/1/2033	3,320,000
9/1/2033	2,435,000
3/1/2034	1,590,000
9/1/2034	1,255,000
3/1/2035	545,000
9/1/2035	-0-

¹ The amount is determined by utilizing the standard prepayment model of the Securities Industry and Financial Markets Association and a Mortgage Loan prepayment rate equal to 50% of the standard prepayment model. See “Projected Weighted Average Lives of the Series 2026A PAC Bonds” herein.

If the Directed Series 2026A Principal Payments are insufficient in any semiannual period to redeem the Series 2026A PAC Bonds in the amount described above, the Series 2026A PAC Bonds will continue to be redeemable in future semiannual periods from Directed Series 2026A Principal Payments received in such future semiannual period in the same manner as described above. If there are excess Directed Series 2026A Principal Payments with respect to any semiannual period, such excess may be applied by the Issuer to any authorized purpose under the General Indenture, including the redemption of other Bonds as described under “ – Special Redemption from Prepayments and Excess Revenues” above or the Series 2026A PAC Bonds, if necessary, under the Code.

The Issuer may redeem the Series 2026A PAC Bonds from any amounts available under the General Indenture other than Directed Series 2026A Principal Payments to the extent that such redemption will not reduce the outstanding principal amount of the Series 2026A PAC Bonds to an amount less than the Outstanding PAC Bonds Amounts shown in the table above for each applicable period, unless necessary, under the Code, as such amounts may have been adjusted due to a redemption of the Series 2026A PAC Bonds from Unexpended Proceeds, as described above.

If the Series 2026A PAC Bonds are redeemed on a date other than a Bond Payment Date, the Series 2026A PAC Bonds Applicable Amount as of such redemption date will be determined by straight-line interpolation between the Outstanding PAC Bonds Amounts for the Bond Payment Dates immediately preceding and succeeding such redemption date.

If the Series 2026A PAC Bonds are redeemed from Unexpended Proceeds, the Series 2026A PAC Bonds Applicable Amounts set forth for each semiannual period will be reduced on a proportionate basis

unless otherwise directed by the Issuer (provided that such direction shall not impact the weighted average life of the Series 2026A PAC Bonds).

The weighted average life of a security refers to the average length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The projected weighted average lives of the Series 2026A PAC Bonds will be influenced by, among other factors, the rate at which all amounts received by the Issuer or the Trustee representing the recovery of all or a portion of Principal Receipts received by the Issuer with respect to such Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities.

Payments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The results of the model used in this Official Statement have been calculated using the Securities Industry and Financial Markets Association (“SIFMA”) (formerly the Public Securities Association (“PSA”)) prepayment standard or model (the “PSA Prepayment Benchmark”) which is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The PSA Prepayment Benchmark assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first thirty (30) months of the respective lives and then assumes a constant prepayment rate of the unpaid principal balance for the remaining life of the mortgage loans. “100% PSA” assumes prepayment rates of 0.2% of mortgage loans and an additional 0.2% per year in each month thereafter (for example, 0.4% per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, 100% PSA assumes a constant prepayment rate of 6% per year. Multiples will be calculated from this prepayment rate standard; e.g. “200% PSA” assumes prepayment rates will be 0.4% per year in month one, 0.8% per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. “0% PSA” assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The achievement of certain results or other expectations contained in this section involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied in this section. The Issuer does not expect or intend to issue any updates or revisions to this section if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

The following table of Projected Weighted Average Lives of the Series 2026A PAC Bonds (the “Table”) is based on certain hypothetical assumptions and information available as of October 12, 2026 including, among other assumptions some or all of which are unlikely to reflect actual experience), that:

(a) the Series 2026A Guaranteed Mortgage Securities are purchased from November 19, 2026 to April 1, 2027 with a weighted average origination date of approximately January 1, 2027, a weighted average Mortgage Loan interest rate of 7.09% and a weighted average pass-through rate of 6.59%;

(b) 100% of the Series 2026A Guaranteed Mortgage Securities will be Ginnie Mae Securities;

(c) the Series 2026A Mortgage Loans will have an original term of 30 years and will be payable in approximately equal monthly installments of principal and interest over 360 months;

(d) all Series 2026A Mortgage Loans are prepaid at the indicated percentage of the PSA Prepayment Benchmark;

(e) all Principal Receipts of the Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities are timely received;

(f) Prepayments on the Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities will be used to redeem Series 2026A Bonds as described in “THE SERIES 2026A BONDS — Redemption of Series 2026A Bonds — Redemption of the Series 2026A PAC Bonds” above, and the Issuer does not direct the Trustee to apply such amounts to other purposes as may be permitted by the Indenture;

(g) moneys on deposit in the Revenue Fund related to any other Series of Bonds will not be applied to redeem Series 2026A Bonds or purchase Mortgage Loans related to the Series 2026A Bonds;

(h) Principal Receipts of and Excess Revenues from the Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities will not be applied to redeem other Series of Bonds or purchase Mortgage Loans related to such other Series; and

(i) no Investment revenues from any other Series of Bonds will be used to redeem Series 2026A Bonds.

The computation of the projected weighted average lives of the Series 2026A PAC Bonds under each of the scenarios presented in the Table is based on one of two sets of indicated assumptions about the exercise of the Optional Redemption provision pursuant to the Series 2026A Indenture:

(a) In the case of scenarios labeled “Optional Call Not Exercised,” it is assumed that the Issuer will not exercise its right to optionally redeem the Series 2026A PAC Bonds.

(b) In the case of scenarios labeled “Optional Call Exercised,” it is assumed that the Issuer will exercise its right to optionally redeem all then-eligible Series 2026A PAC Bonds on September 1, 2034.

Based on such assumptions, the following table indicates the projected weighted average lives of the Series 2026A PAC Bonds.

Projected Weighted Average Lives (in years) of the Series 2026A PAC Bonds*

<u>% of PSA</u>	<u>Optional Call</u>	<u>Optional</u>
<u>Prepayment</u>	<u>Not Exercised</u>	<u>Call Exercised</u>
<u>Benchmark</u>		
0%	27.7	7.8
25	9.4	6.2
50	5.0	4.9
75	5.0	4.9
100	5.0	4.9
200	5.0	4.9
300	5.0	4.9
400	5.0	4.9
500	5.0	4.9
600	5.0	4.9
700	5.0	4.9

The PSA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of prepayments of the Series 2026A Mortgage Loans, and there is no assurance that the prepayments of the

* Preliminary, subject to change.

Series 2026A Mortgage Loans will conform to any of the assumed prepayment rates. See “Risk Factors—Prepayment and Redemption Considerations” herein for a discussion of certain factors that may affect the rate of Prepayments of the Series 2026A Mortgage Loans.

Bondholders owning less than all of the Series 2026A PAC Bonds may experience redemptions at a rate that varies from the projected weighted average lives shown in the Series 2026A PAC Bonds Projected Weighted Averages Lives Table.

The Issuer makes no representation as to the percentage of the principal balance of the Series 2026A Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment.

Special “Ten Year Rule” Mandatory Redemption. The “Ten-Year Rule” (Section 143(a)(2)(A)(iv) of the Code) requires that repayments and Prepayments of principal on Mortgage Loans must be used to redeem the Series of tax-exempt bonds that financed such Mortgage Loans to the extent such repayments and Prepayments are received more than 10 years after such Series was issued as a tax-exempt bond. Such repayments and Prepayments, when received, are referred to herein as “Restricted Principal Receipts.” The Ten Year Rule generally limits the Issuer’s ability to cross-call Bonds from Restricted Principal Receipts.

To comply with the Ten Year Rule, with respect to the Series 2026A Mortgage Loans and the Series 2026A Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans expected to be acquired with moneys made available upon the issuance of the Series 2026A Bonds, the following cumulative percentage of scheduled Series 2026A Principal Repayments and Prepayments on such Series 2026A Mortgage Loans and Series 2026A Guaranteed Mortgage Securities (or portions thereof) and Series 2026A DPA Second Mortgage Loans financed with the proceeds of the Series 2026A Bonds received on or after the following dates is required to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the Series 2026A Bonds through payment thereof at maturity or redemption:

Start Date	End Date	Percent
November 19, 2026	November 18, 2036	0.0%
November 19, 2036	Final Maturity	100.0%

Unless the Ten Year Rule is repealed, all “Ten Year Rule” redemptions from Restricted Principal Receipts with respect to the Series 2026A Mortgage Loans, the Series 2026A Guaranteed Mortgage Securities (or portions thereof) and the Series 2026A DPA Second Mortgage Loans financed with moneys made available upon the issuance of the Series 2026A Bonds shall be applied to redeem Series 2026A Bonds, other than the Series 2026A Lock-Out Serial Bonds.

Purchase in Lieu of Redemption. Series 2026A Bonds may be purchased in lieu of redemption as set forth in the Officer’s Certificate delivered to the Trustee, at a purchase price not exceeding the redemption price applicable on the next date when Series 2026A Bonds are redeemable (provided that such purchase price may exceed the applicable redemption price unless the amount of such excess shall be paid from moneys not pledged under the General Indenture, or moneys which could otherwise be released to the Issuer pursuant to the General Indenture.

Partial Redemption. If less than all of the Series 2026A Bonds are to be redeemed at any time, the Issuer shall direct the maturities and principal amounts thereof to be redeemed. If less than all Bonds of like Series, tenor, interest rate and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed while the Series 2026A Bonds are held in the DTC book-entry system will be made

as a “Pro-Rata Pass-Through Distribution of Principal” by DTC. Such redemption procedure will result in a pro rata redemption of Series 2026A Bonds among DTC Participants, but may not ensure a pro rata redemption of Series 2026A Bonds among all Beneficial Owners thereof.

Notice of Redemption. The Trustee will transmit notice of redemption to the registered owners of the Series 2026A Bonds to be redeemed not less than twenty (20) days prior to the redemption date (or such shorter period as may be acceptable to the securities depository (if applicable) or the then-registered owner). Such notice shall specify the redemption date, the redemption price, the place and manner of payment and that from the redemption date interest will cease to accrue on the Series 2026A Bonds which are the subject of such notice and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

PLAN OF FINANCE AND SOURCES AND USES OF FUNDS*

Upon issuance of the Series 2026A Bonds, the proceeds of the Series 2026A Bonds, together with other money from the sources described below, will be applied as follows:

Sources

Series 2026A Bond Principal	\$
Series 2026A Bond Premium	
Issuer Funds	
TOTAL	<u><u>\$</u></u>

Uses

Series 2026A Mortgage Loan Account	\$
Series 2026A Downpayment Assistance Account	
Series 2026A Revenue Account	
Series 2026A Cost of Issuance Account ¹	
TOTAL	<u><u>\$</u></u>

¹ Amounts deposited in the Series 2026A Cost of Issuance Account will be applied to pay costs of issuance, including, but not limited to, the fees and expenses of the Issuer, the Underwriters, Bond Counsel and Disclosure Counsel, the Financial Advisor, the rating agency fee, the Trustee’s initial fees and expenses, and other costs relating to the issuance of the Series 2026A Bonds.

The Issuer expects to use moneys deposited into the Series 2026A Mortgage Loan Account to purchase approximately \$14,450,000* of Series 2026A Guaranteed Mortgage Securities on or about the date of delivery of the Series 2026A Bonds and to purchase approximately \$66,500,000* of Series 2026A Guaranteed Mortgage Securities on or before April 1, 2027. Such Series 2026A Guaranteed Mortgage Securities are expected to have a weighted average term of 360 months, a weighted average Mortgage Loan interest rate of 7.09%* and a weighted average pass-through rate of 6.59% based on information available as of October 12, 2026. The Issuer also expects to use amounts in the Series 2026A Downpayment Assistance Account to provide approximately \$4,050,000 of down payment and closing cost assistance in the form of the DPA Second Mortgage Loans in connection with the Series 2026A Mortgage Loans.

* Preliminary, subject to change.

SECURITY FOR THE SERIES 2026A BONDS

General

The Series 2026A Bonds are special, limited obligations of the Issuer, payable solely out of the revenues, receipts, and security pledged therefor under the Indenture. The Series 2026A Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Series 2026A Bonds do not constitute a debt or obligation of the State of Texas, or any political subdivision, agency or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Issuer except as provided in the Indenture. The Issuer has no taxing power. The Series 2026A Bonds are not obligations of, or guaranteed by, the United States of America, GNMA or any other agency of the United States of America.

Under the Indenture, the Series 2026A Bonds are secured by an assignment and pledge of, and security interest in, all Revenues, proceeds of the Bonds, Funds, Accounts, Qualified Mortgage Loans (including any DPA Second Mortgage Loans), rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to the General Indenture or any Series Indenture (the “Trust Estate”).

The term “Revenues” means (a) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Issuer from Mortgage Loans, including DPA Second Mortgage Loans, and Guaranteed Mortgage Securities, including Prepayments, (b) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, (c) all payments and receipts received by the Issuer under a Qualified Hedge Agreement and (d) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to the Indenture and all other payments and receipts received with respect to Mortgage Loans, including the proceeds of any mortgage insurance claims (but excluding Service Charges, Escrow Payments, or other financing, commitment or similar fees or charges of the Issuer or a Mortgage Lender at or prior to the time of financing or purchasing a Mortgage Loan).

The Servicer is obligated to pay the principal of and interest on the GNMA Certificates in an amount equal to (i) the scheduled principal and interest due on the underlying Qualified Mortgage Loans (less the related servicing and guaranty fees), whether or not the Servicer has received such principal and interest payments on the underlying Qualified Mortgage Loans, and (ii) prepayments on the underlying Qualified Mortgage Loans received by the Servicer. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates. See “GNMA Mortgage-Backed Certificate Program.”

No Reserve Fund Deposit

The General Indenture establishes a Reserve Fund and authorizes a deposit thereto if required in connection with the issuance of any series of Bonds. No deposit to the Reserve Fund is required in connection with the issuance of the Series 2026A Bonds and, as such, no deposit will be made to the Reserve Fund in connection with the issuance of the Series 2026A Bonds.

Investments

The Issuer is permitted to invest funds on deposit under the Indenture in Investments as described in “The General Indenture” below. Investments may include other investments with different characteristics which an Authorized Representative deems to be in the interest of the Issuer, as reflected in an Officer’s Certificate or in a Supplemental Indenture or a Series Indenture, if at the time of inclusion such inclusion

will not, in and of itself, adversely affect the then-current rating on the Series 2026A Bonds by each Rating Agency then rating the Series 2026A Bonds at the request of the Issuer.

Moneys deposited in the Accounts established with respect to the Series 2026A Bonds will be invested in Investments. An investment agreement qualifying as an Investment may be delivered, from time to time, in connection with the Series 2026A Bonds or any other Series of Bonds. Such investment agreements and any related guarantees are herein referred to as the “Investment Agreements.” In each case, the Investment Agreements must be consistent with, and permit a continuation of, the then-current rating on the Series 2026A Bonds by each Rating Agency then rating the Series 2026A Bonds at the request of the Issuer.

In the event of a failure to receive timely payment on any Investment, including any Investment Agreement, the ability of the Issuer to pay principal of and interest on the Series 2026A Bonds could be adversely affected.

Valuation of Assets

As of each Interest Payment Date and as of the date of issuance of any Series of Bonds, the Issuer is required to compute the value of certain assets in accordance with the terms of the General Indenture. The computation of asset value is for certain purposes under the General Indenture, including issuance of Series of Bonds and the release of amounts free and clear of the pledge of the General Indenture, and is not indicative of the market value of such assets. Asset value is subject to fluctuation as a result of prepayments, foreclosures, purchases of additional Mortgage Loans and Guaranteed Mortgage Securities, issuance of additional Series of Bonds and the release and expenditure of funds. On the delivery date of the Series 2026A Bonds, the asset value is expected to be approximately \$85,000,000* and the aggregate principal amount of the Outstanding Bonds is expected to be \$83,355,000*. The amount of asset value in excess of 100% of the Outstanding Bonds (the “**Parity Test**”) is available to the Issuer, subject to certain other conditions (including satisfaction of the Cash Flow Test hereinafter described), for any purpose under the Act, including other Mortgage Financing Programs of the Issuer. The Issuer has no present intention to release any assets from the lien of the Indenture.

The value of the assets pledged under the General Indenture is computed as follows:

- (1) For a Mortgage Loan (including any Guaranteed Mortgage Security), the unpaid principal amount thereof;
- (2) Cash and Investments held in a Mortgage Loan Account for the first two years after the issuance of the Bonds funding that Account, at the par amount thereof; and
- (3) For other Investments and deposits: (a) the principal amount or amortized cost of an Investment, whichever is lower, if it matures more than twenty-four (24) months after the date of computation or is held subject to a repurchase agreement, and (b) the principal amount of a deposit or of an Investment that matures within twenty-four (24) months after the date of computation and is not held subject to a repurchase agreement, provided further that (c) accrued interest shall be excluded from each such computation.

* Preliminary, subject to change.

Additional Bonds

The General Indenture permits the issuance of Additional Bonds without limitation as to amount (except as may be limited by law) to provide funds for the purposes of making or purchasing Qualified Mortgage Loans and Guaranteed Mortgage Securities and refunding Outstanding Parity Bonds issued under the General Indenture, but only upon satisfying certain conditions set forth in the General Indenture, including the Parity Test and the Cash Flow Test. The Series 2026A Bonds, any Outstanding Parity Bonds and any Additional Bonds issued under the General Indenture on parity will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Indenture.

The Issuer has also reserved the right to issue other obligations not secured by the pledge and lien of the General Indenture.

The Issuer is permitted under the General Indenture to issue bonds that are secured on a subordinate basis to the Series 2026A Bonds (“Subordinated Bonds”). No Subordinated Bonds will be issued in connection with the Series 2026A Bonds.

GNMA MORTGAGE-BACKED CERTIFICATE PROGRAM

The summary of the GNMA Mortgage-Backed Certificate Program, GNMA Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the applicable GNMA guide or guides and to the GNMA Certificates and other documents for full and complete statements of their provisions.

None of the Issuer, the Trustee, the Underwriters, the Financial Advisor, Bond Counsel, Disclosure Counsel or counsel to the Underwriters has independently verified such information, and none assumes responsibility for the accuracy of such information.

GNMA is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”), with its principal office in Washington, D.C. GNMA is authorized by Section 306(g) of Title III of the National Housing Act, as amended (the “Housing Act”), to guarantee the timely payment of the principal of, and interest on, certificates which represent an undivided interest in a pool of mortgage loans insured by FHA under the Housing Act or Title V of the Housing Act of 1949, or guaranteed by VA under the Servicemen’s Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated October 12, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed certificates of the type to be delivered to the Trustee on behalf of the Issuer are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.” In order to meet its obligations under such guaranties, GNMA, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranties of the timely payment of the principal of or interest on all GNMA Certificates. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement GNMA’s guaranties. Under the terms of its guaranties, GNMA warrants that, in the event it is called upon at any time to make payment on its guaranties, it will, if necessary, in accordance with Section 306(d) of Title III of the Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

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

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans in a minimum aggregate amount approved by GNMA. Each GNMA I Certificate will be a “mortgage loan pass-through” certificate which will require the Servicer to pass through to the paying and transfer agent therefor (the “GNMA Paying Agent”) by the fifteenth day of each month (or the sixteenth day, if such day is not a business day, provided that, if neither the fifteenth nor the sixteenth day is a business day, then the first business day prior to the fifteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA guaranty fee and the Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Servicer in the previous month. Each GNMA II Certificate will require the Servicer to pass through to the GNMA Paying Agent, by the nineteenth day of each month (or the twentieth day, if such day is not a business day; provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA guaranty fee and the Servicer’s servicing fee), whether or not the Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Servicer in the previous month. In each case, the GNMA Paying Agent is then required to pass through to the Trustee on or before the third business day following the nineteenth day of each month the scheduled payments received from the Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA, upon execution of the GNMA Guaranty Agreement, issuance of a GNMA Certificate by the Servicer, and subsequent sale of such GNMA Certificate to the Trustee, will have guaranteed to the Trustee as holder of such GNMA Certificate the timely payment of principal of and interest on such GNMA Certificate.

CERTAIN TRANSACTION ASSUMPTIONS

The foregoing is intended only as a summary of transaction assumptions attendant to an investment in the Series 2026A Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the documents referred to herein. See “Risk Factors” herein.

Transaction Assumptions

The Series 2026A PAC Bonds and the Series 2026A Bonds sold at a premium, if any, will be sold at a price in excess of their principal amount. Each Series 2026A Bond purchaser (including secondary market purchasers) should consider that the Series 2026A Bonds of each maturity are subject to redemption (or purchase in lieu of redemption) at par (except for mandatory redemptions of the Series 2026A PAC Bonds and the Series 2026A Lock-Out Serial Bonds from unexpended funds on the Nonorigination Redemption Date) from various sources, including mandatory sinking fund payments, amounts in the Revenue Fund that represent Prepayments and Excess Revenues, and from optional redemptions described herein. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds.”

The ability of the Issuer to pay principal of and interest on the Series 2026A Bonds depends upon the receipt of sufficient and timely payments of principal of and interest on the GNMA Certificates and the investment of moneys held under the Indenture in Investment Securities. Timely payment of principal and

interest on the Series 2026A Bonds is anticipated to occur based on numerous assumptions, including, but not limited to, the following assumptions:

1. The Trustee shall purchase with proceeds of the Series 2026A Bonds, and available funds of the Issuer, approximately \$80,950,000* in principal amount of GNMA Certificates bearing interest at a weighted average pass-through rate of approximately 6.59%* per annum at a weighted average purchase price equal to approximately 100.08%* of the principal amount thereof. The Mortgage Loans will have terms of 30 years and bear interest at a weighted average rate of approximately 7.09%* per annum. The Mortgage Loan Rate and the Pass-Through Rate are subject to increase or decrease.

2. The Trustee shall purchase with proceeds of the Series 2026A Bonds, and available funds of the Issuer, approximately \$4,050,000* in Series 2026A DPA Second Mortgage Loans at a purchase price of 100% of the principal amount thereof. Such Series 2026A DPA Second Mortgage Loans will be non-amortizing loans, junior and subordinate to the related first mortgage loan, with a stated rate of interest of 0% and a term of 360 months. Series 2026A DPA Second Mortgage Loans feature a principal amount that is due upon the final maturity of thirty years or upon the earliest to occur of any of the following events: (i) the termination of the first mortgage loan, (ii) the sale of the related home or the institution of foreclosing procedures thereon, (iii) the home ceases to be the borrower's primary residence, or (iv) there is a default under the agreements between the mortgagor and the Issuer related to such down payment assistance. The Issuer may modify the down payment assistance programs and develop new down payment assistance programs as part of its homeownership lending programs.

3. Payments on the GNMA Certificates will be made on a timely basis.

4. Timely payment of interest and principal of Investment Securities purchased with moneys on deposit in the Special Program Fund and the Revenue Fund.

5. The Trustee will redeem Series 2026A Bonds on a timely basis in accordance with the provisions of the Indenture.

6. The Issuer's Program Expenses will be paid on a timely basis and in the correct amounts and shall not exceed:

(i) for the semi-annual Issuer Fee 1/2 of 0.25% of the outstanding principal amount of Series 2026A Guaranteed Mortgage Securities beginning on September 1, 2027; and

(ii) for the semi-annual Trustee Fee 1/2 of 0.03% of the outstanding principal amount of the Series 2026A Bonds beginning on March 1, 2027.

The final maturity date of the Series 2026A Bonds is based upon the assumption that none of the Series 2026A Guaranteed Mortgage Securities or related Series 2026A DPA Second Mortgage Loans will be prepaid. In the event of such prepayment, an appropriate portion of the Series 2026A Bonds will be specially redeemed as provided for in the Indenture and as described above under the caption "The Series 2026A Bonds—Redemption of Series 2026A Bonds—Special Redemption from Prepayments and Excess Revenues." No reliable prediction may be made with regard to the level of Prepayments in full or other early terminations of Series 2026A Guaranteed Mortgage Securities or related Series 2026A DPA Second Mortgage Loans and the resulting special mandatory redemption of the Series 2026A Bonds. This is particularly true in the case of the Series 2026A Mortgage Loans which are expected to be originated at a rate below current market rates for comparable mortgage loans, which must comply with the requirement

* Preliminary, subject to change.

that persons assuming a Mortgage Loan must meet the requirements of the Code, if applicable, and the Act and which may have an associated DPA Second Mortgage Loan. The Issuer expects prepayments of the Series 2026A Mortgage Loans, and it is therefore probable that the Series 2026A Bonds will be redeemed prior to their stated maturities.

The assumptions set forth above are only assumptions, are not complete, and subsequent events may not correspond to such assumptions. Moneys in the Series 2026A Cost of Issuance Account, will not be available to pay the Series 2026A Bonds.

RISK FACTORS

General Risk Factors

The purchase of the Series 2026A Bonds involves certain investment considerations and risks discussed throughout this Official Statement. Prospective purchasers of the Series 2026A Bonds should make a decision to purchase the Series 2026A Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained and cited herein. Certain of those investment considerations and risks are summarized below. This summary is not intended to be definitive or exhaustive, and the order in which the following investment considerations and risks are presented is not intended to reflect their relative significance. Also see “Tax Matters – Series 2026A Bonds” herein for a discussion of the conditions under which interest on the Series 2026A Bonds may not be exempt from federal income taxation.

Risks of Nonorigination

There are numerous reasons why Mortgage Loans may not be originated. One significant risk is the availability of other loan programs, including programs offered by the Issuer (see “Risks Related to Other Mortgage Financing Programs of the Issuer”), other housing finance agencies, corporations, authorities or other profit or nonprofit entities in the State of Texas, that have loan terms which are more attractive than those offered by the Program, such as lower mortgage rates or greater down payment and closing cost assistance. Another significant risk is that prevailing mortgage interest rates could decline sufficiently to make the terms of the Mortgage Loans unattractive to potential homebuyers. If interest rates decline and the Program is rendered less attractive, the Issuer may determine to issue a new series of bonds that would offer more attractive Mortgage Loan terms. No assurance can be given that the interest rate and payment assistance offered by the Program on the Mortgage Loans will be competitive, or will remain competitive, with other mortgage loans available to eligible mortgagors, including other programs offered by the Issuer.

It is also possible that administrative problems relating to the Program could occur, such as the failure of Lenders to timely submit loan files or sell Mortgage Loans to the Servicer, defective loan files, or the failure of the Servicer to timely purchase Mortgage Loans from Lenders. In addition, the Servicer could fail to pool the Mortgage Loans on a timely basis, fail to convert such pools into GNMA Certificates, or fail to sell the GNMA Certificates to the Trustee on a timely basis.

The dollar amount of commitments to guarantee securities that GNMA can approve and the dollar amount that FHA, VA and USDA-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 USDA-RHS reaches the limit of its authority, or if the FHA maximum loan limit is reduced, or if GNMA, in its sole discretion, or the federal government, alters or amends the GNMA I or II mortgage-backed securities program in such a way as to prevent the Lenders from originating Mortgage Loans, the Lenders might not be able to originate Mortgage Loans and the Servicer may not be able to issue

and deliver GNMA Certificates in the anticipated principal amount. In addition, the Servicer may become unqualified to issue GNMA Certificates and a successor Servicer may have to be appointed. The failure to originate Mortgage Loans, or the inability of the Servicer or any other person to issue GNMA Certificates, or the failure to deliver GNMA Certificates to the Trustee in the anticipated amount, would result in the mandatory redemption of Series 2026A Bonds.

Further, GNMA could take actions relating to their guaranty or change existing procedure that would result in an inability to timely deliver GNMA Certificates to the Trustee. Under the Program, the Servicer is required to pool Mortgage Loans into GNMA Certificates only, and therefore any changes in the GNMA Certificate program could adversely affect origination of the Mortgage Loans and the delivery of GNMA Certificates for purchase by the Trustee. See “The Program—General.”

To facilitate the operation of the Program, from time to time, the Issuer may use certain of its general operating funds to purchase Guaranteed Mortgage Securities in anticipation of the issuance of Bonds. The Issuer is not obligated to use the proceeds of the Series 2026A Bonds or other Bonds in any particular order and, depending upon the respective mortgage loan interest rates, the Issuer may elect, from time to time, to use proceeds of particular Series of Bonds to the exclusion of other Series of Bonds, including the Series 2026A Bonds. Additionally, the Issuer may finance Mortgage Loans originated by Lenders pursuant to the Program through sources of funding other than the issuance of Bonds. Failure to originate Mortgage Loans in amounts contemplated in connection with the issuance of each Series of Bonds may result in redemption of such Series of Bonds, in whole or in part.

If for any reason described in the preceding paragraphs, or for any other reason, moneys in the Mortgage Loan Account are not applied to the purchase of GNMA Certificates, unexpended moneys in such account will be applied to the mandatory redemption of Series 2026A Bonds on the Nonorigination Redemption Date. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds—Redemption from Unexpended Proceeds.”

Risks Related to Other Mortgage Financing Programs of the Issuer

In addition to financing Mortgage Loans with proceeds of Bonds issued pursuant to the General Indenture, the Issuer operates a program to finance Guaranteed Mortgage Securities in the secondary market and hedge market risk in the “to be announced” market (the “TBA Program”). The TBA Program is available to borrowers who may not be first-time homebuyers and whose annual income may be in excess of 80% of the greater of the state or local median family income. Since the TBA Program and the Series 2026A Bond Proceeds are both intended to provide financing for similarly situated borrowers, the success of the TBA Program has the potential of disrupting the Issuer’s ability to originate and pool Series 2026A Mortgage Loans to be financed by the Series 2026A Bonds. However, the Issuer expects the interest rates on the Series 2026A Mortgage Loans to be less than the interest rates on the mortgage loans financed pursuant to the TBA Program. See “The Program—Other Mortgage Financing Programs of the Issuer” below.

Prepayment and Redemption Considerations

Prepayments made with respect to Mortgage Loans and Guaranteed Mortgage Securities that are not used to cross-call other Series of Bonds or applied to purchase additional Mortgage Loans and Guaranteed Mortgage Securities, together with certain other excess revenues (including certain scheduled principal payments) and other amounts that are available under the General Indenture, may result in the redemption of some portion of the Series 2026A Bonds at par earlier than their respective stated maturities.

The Trustee will receive scheduled payments and prepayments of the principal of each of the GNMA Certificates. Prepayments consist of all principal payments in excess of the regularly scheduled principal payments on the GNMA Certificates, including, but not limited to, payments representing: (i) optional prepayments of Mortgage Loans, (ii) casualty insurance proceeds or condemnation awards applied to the prepayment of Mortgage Loans following a partial or total destruction or condemnation of a residence, (iii) mortgage insurance or guaranty proceeds or other amounts received with respect to Mortgage Loans following acceleration thereof upon the occurrence of an event of default thereunder, (iv) prepayments of the Mortgage Loans required pursuant to applicable rules, regulations, policies and procedures of FHA, USDA-RHS, VA or GNMA, (v) prepayments of the Mortgage Loans without notice while under supervision of a trustee in bankruptcy, and (vi) prepayments of the Mortgage Loans in connection with the modification of such loans that results in the removal of Mortgage Loans from the pool of loans backing the related GNMA Certificates (see “– Developments in the Residential Mortgage Market May Adversely Affect Series 2026A Bond Yield” below). Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant effect on the rate of prepayments.

In general, if prevailing interest rates are below the interest rate on the Mortgage Loans, the Mortgage Loans are likely to be subject to higher prepayment rates than if prevailing rates are at or above the interest rates on such Mortgage Loans. Conversely, if interest rates rise, the rate of prepayment would be expected to decrease. A lower rate of principal prepayments than expected on the Series 2026A Guaranteed Mortgage Securities would negatively affect the yield on the Series 2026A Bonds sold at a discount. A higher rate of principal prepayments than expected on the Series 2026A Guaranteed Mortgage Securities would negatively affect the yield of Series 2026A Bonds sold at a premium. Because it is impossible to predict with any accuracy the timing and dollar amount of principal prepayments on the Series 2026A Guaranteed Mortgage Securities that will be made, investors may find it difficult to analyze the effect of prepayments on the yield on the Series 2026A Bonds.

The rate of prepayment on the Mortgage Loans also may be affected by whether, upon a sale of the mortgaged property, the purchaser may assume the Mortgage Loan. Subject to satisfaction of certain terms set forth in the Program, the Mortgage Loans are assumable by qualified purchasers. Assumption of Mortgage Loans, rather than payoff upon a sale or transfer of the related mortgaged property, will reduce the level of prepayments. There is no way to determine the effect that such assumptions or non-assumptions of Mortgage Loans will have on principal payments on the Bonds.

Prepayment rates may be further affected by a provision under current law which may require the borrower of a Mortgage Loan originated under the Program to pay to the United States a portion of the gain upon the disposition of a residence financed if such disposition occurs within nine years from the date of purchase as a recapture of a portion of the borrower’s benefit from tax-exempt financing. See “Risk Factors – Recapture of Federal Subsidy” herein.

In accordance with the terms of the Indenture and pursuant to an Officer’s Certificate, the Issuer may elect to transfer moneys on deposit in the Revenue Fund to one or more Mortgage Loan Accounts to purchase, finance or acquire additional Mortgage Loans or Guaranteed Mortgage Securities, after the payment of (a) debt service on the Bonds (including Sinking Fund Installments and any payments to a Hedge Provider), (b) the Redemption Price of any Bonds called for redemption, (c) the purchase price of Bonds designated to be purchased by an Officer’s Certificate, and (d) to the Reserve Fund, of the amount, if any, needed to increase the amount therein to the Reserve Requirement. The use of moneys in the Revenue Fund to purchase, finance or acquire additional Mortgage Loans or Guaranteed Mortgage Securities is known as “recycling.” See “The Series 2026A Bonds—Redemption of Series 2026A Bonds” above.

Certain Revenues relating to one Series of Bonds (including moneys received from repayments and Prepayments from Guaranteed Mortgage Securities and down payment assistance loans financed with the proceeds of such Series) in excess of Revenues needed to pay principal and interest currently due on any of the Bonds, to pay expenses or to meet other purposes set forth in the Indenture generally may be used at any time to redeem Bonds of that Series and/or Bonds of certain other Series (subject to limitations, if any, set forth in the applicable Series Indentures), or for recycling. The use of Revenues in respect of one Series to redeem Bonds of another Series is known as “cross-calling.” The Series and maturities of Bonds to be cross-called from time to time, if any, will be determined by the Issuer consistent with the Indenture. The Issuer has the right to cross-call and expects to execute a program of cross-calls consistent with its Program goals and objectives but can make no assurances that it will or will not cross-call in the future. In determining whether to redeem the Series of Bonds to which such prepayments and/or repayments are related and/or Bonds of a Series other than the Series of Bonds to which such prepayments and/or repayments are related, the Issuer expects to consider a combination of factors, including, but not limited to, the existing Bond interest rates, applicable federal tax law, the expected average lives of the Bonds, and the prevailing interest rates in the municipal bond market. In general, the Issuer expects to cross-call higher interest rate Bonds before lower interest rate Bonds. However, various refunding strategies, the requirements and restrictions contained in the Indenture, and other tax and economic considerations may cause the Issuer to apply moneys, if available, for cross-calling bonds in a different manner.

So long as any Series 2026A PAC Bonds are outstanding, the Series 2026A Indenture limits cross-calling and the recycling of prepayments to finance additional Mortgage Loans to amounts in excess of such Prepayments needed to redeem the Series 2026A PAC Bonds up to the Outstanding PAC Bonds Amount for the applicable Bond Payment Date. The Issuer may (and currently intends to if permitted by law) issue additional bonds (which may or may not be issued pursuant to the General Indenture), which may finance mortgages at interest rates below the rates provided for the Series 2026A Mortgage Loans. Amounts initially deposited in the Series 2026A Mortgage Loan Account which are not used to purchase Series 2026A Guaranteed Mortgage Securities (or otherwise finance Series 2026A Mortgage Loans) may be used to redeem an appropriate portion of the Series 2026A Bonds. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds” above.

In addition, the Issuer may provide funds through other programs for the refinancing of Mortgage Loans purchased, acquired or financed with proceeds of the Bonds. If Mortgage Loans are so refinanced and paid in full, such payments would be treated as Prepayments on the Mortgage Loans, resulting in an early redemption of the Bonds. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds” above.

The “Ten-Year Rule” generally requires that Principal Receipts on Mortgage Loans financed with proceeds of tax-exempt bonds must be used to redeem the Series of Bonds that financed such Mortgage Loans to the extent such repayments are received more than 10 years after such Series (or, with respect to Refunding Bonds, the original bond) was issued as a tax-exempt bond. Such repayments, when received, are considered “Restricted Principal Receipts.” See “The Series 2026A Bonds - Redemption of Series 2026A Bonds - Special “Ten Year Rule” Mandatory Redemption” above. The Ten-Year Rule generally limits the Issuer’s ability to cross-call Bonds from Restricted Principal Receipts or to recycle such Restricted Principal Receipts. From time to time, there have been efforts to repeal the Ten-Year Rule. Any repeal of the Ten-Year Rule may lead to increased recycling or to the cross-calling of the Bonds (including, but not limited to, the Series 2026A Bonds).

The Issuer is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the GNMA Certificates. Prepayments with respect to the GNMA Certificates allocated to the Series 2026A Bonds will be applied to the special redemption from revenues of the Series 2026A Bonds, or other Bonds issued under the Indenture at the price and in accordance with

the procedures described under the heading “The Series 2026A Bonds – Redemption of Series 2026A Bonds” herein.

The Issuer’s decision to redeem the Series 2026A Bonds or any particular Series of Bonds, to purchase additional GNMA Certificates, and related DPA Second Mortgage Loans, or to undertake any other activity permitted under the General Indenture will be affected by, among other things, redemption restrictions relating to particular Series and maturities of Bonds and the Ten-Year Rule and other considerations under the Code (as defined in the General Indenture) as well as the ability of the Issuer to instead use such funds to purchase additional GNMA Certificates, and related DPA Second Mortgage Loans, at interest rates which are both advantageous to the Issuer and competitive in the then existing mortgage market relevant to the Issuer or to undertake any other activity that is advantageous to the Issuer and is permitted by the General Indenture.

No representation is made as to the actual timing of the origination of the Series 2026A Mortgage Loans, the yield to redemption of any Series 2026A Bonds, the redemption of any Series 2026A Bonds or the rate of prepayment on the Series 2026A Mortgage Loans. Investors seeking to maximize yield are urged to make an investment decision with respect to the Series 2026A Bonds based upon the investor’s desired yield to redemption or maturity, the anticipated yield to redemption or maturity of the Series 2026A Bonds resulting from the price thereof and the investor’s own determination as to (a) the anticipated rate of prepayments with respect to the Mortgage Loans (including the Series 2026A Mortgage Loans) and (b) the Issuer’s ability and willingness to redeem Bonds and recycle.

Developments in the Residential Mortgage Market May Adversely Affect Series 2026A Bond Yield

The residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance and market value of mortgage revenue bonds. In response to increased delinquencies and losses with respect to residential mortgage loans, the federal government, state governments, consumer advocacy groups and others have urged aggressive action to modify mortgage loans to avoid foreclosures and, in response, certain mortgage servicers have established foreclosure avoidance programs for borrowers. In addition, numerous laws, regulations and rules relating to mortgage loans generally, and foreclosure actions particularly, have been enacted by federal, state and local governmental authorities and it is likely that additional laws, regulations and rules will be proposed. These laws, regulations and rules, together with judicial decisions, may result in delays in the foreclosure process, reduced payments by borrowers, modification of the original terms of the mortgage loans (including the Mortgage Loans), including permanent forgiveness of debt, increased prepayments due to the availability of government-sponsored refinancing initiatives and/or increased reimbursable mortgage servicing expenses. Several courts have also taken unprecedented steps to slow the foreclosure process or prevent foreclosure altogether.

Any modification of a Mortgage Loan may result in the removal of such Mortgage Loan from the pool of loans backing the related Guaranteed Mortgage Securities. The principal balance of the removed Mortgage Loan will be distributed on the related Guaranteed Mortgage Securities and will affect expected timing of distributions of principal on the Guaranteed Mortgage Securities, and, therefore, the Series 2026A Bonds. Bondholders bear the risk that modifications of the Mortgage Loans may reduce the yield on any Series 2026A Bonds purchased at a premium.

Recapture of Federal Subsidy

Federal law requires recapture by the federal government of the federal subsidy provided by certain Mortgage Loans originated under the Program, if a qualified residence financed with such mortgages is sold or otherwise disposed of within nine years of such financing, and the seller exceeds certain income limits. Mortgage Loans financed with proceeds of the Series 2026A Bonds will be subject to such recapture

provisions. The maximum recapture amount is approximately 6.25% of the original principal amount of such Mortgage Loan. The portion of this amount that a mortgagor will be required to pay to the federal government depends upon the length of time the residence is held prior to disposition. The recapture amount is limited to 50% of the gain derived on disposition of the residence and is reduced if the mortgagor does not exceed certain income limitations. Such recapture provisions may result in reduced demand for Series 2026A Mortgage Loans.

Yield and Prepayment Considerations

The Series 2026A Bonds will be sensitive to the rate and the timing of principal payments and prepayments on the respective Mortgage Loans. As a result, actual weighted average lives of the Series 2026A Bonds may vary substantially over the lives of such Series 2026A Bonds. The yield to the holders of Series 2026A Bonds purchased at a discount or premium will be affected by the actual rate of principal prepayments on the Mortgage Loans to the extent such prepayments affect principal payments on the Guaranteed Mortgage Securities. A lower rate of principal prepayments than expected on the Guaranteed Mortgage Securities would negatively affect the yield on the Series 2026A Bonds sold at a discount, and a higher rate of prepayments than expected would negatively affect the yield on the Series 2026A Bonds sold at a premium. Because it is impossible to predict with any accuracy the timing and dollar amount of principal prepayments that will be made on the Guaranteed Mortgage Securities, investors may find it difficult to analyze the effect of prepayments on the yield on the Series 2026A Bonds.

Risks of Remedies and Loss of Tax-Exemption on Series 2026A Bonds

The remedies available upon an Event of Default under the Indenture, the Servicing Agreement, the Lender Agreements, the Continuing Disclosure Agreement or other documents or agreements relating to the Series 2026A Bonds or the Program, or if a default occurs with respect to any Investment Security, 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 applicable documents may not be readily available or may be limited.

The various legal opinions to be delivered with respect to the Series 2026A Bonds and the Program 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.

Under certain circumstances, interest on the Series 2026A Bonds may be subject to federal income taxation, including on a retroactive basis. See “Tax Matters – Series 2026A Bonds.”

Investment Obligations

The Indenture provides that amounts on deposit in any Funds and Accounts under the Indenture may be from time to time invested or reinvested in Investments. The failure to receive timely payment on Investments could adversely affect the Issuer’s ability to pay principal of and interest on the Bonds.

Rating Downgrade

Because the GNMA Certificates are guaranteed by GNMA, any downgrade in the sovereign credit rating of the United States of America by the Rating Agency (see “Rating” herein) likely would result in a downgrade of the Series 2026A Bonds by the Rating Agency. Any reduction of the rating in effect for the Series 2026A Bonds may adversely affect their market price. See “Rating” herein.

Substitution of Rating Agencies

The Series 2026A Bonds have been assigned a long-term credit rating as more fully described under “RATING” herein. Pursuant to the Indenture, the Issuer may substitute such long-term rating with a substantially equivalent rating provided by another nationally recognized statistical rating organization providing long-term ratings with respect to obligations similar to the Series 2026A Bonds. No consent of the holders of any Series 2026A Bonds shall be required in connection with such substitution.

Business Disruption Risk

General. Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Issuer’s ability to conduct its business. A prolonged disruption in the Issuer’s operations could have an adverse effect on the Issuer’s financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Issuer has developed a Business Continuity and Disaster Recovery Plan (the “Plan”). The Plan is designed to aid the Issuer in (i) taking all reasonable and practical steps to minimize possible exposure to a disaster or potentially damaging event, (ii) initiating reasonable and appropriate recovery steps in the event of a disaster or potentially damaging event, and (iii) providing for continuity of operations in the event of a disaster or potentially damaging event. No assurances can be given that the Issuer’s efforts to mitigate the effects of a disaster or potentially damaging event will be successful in preventing any and all disruptions to its operations should such a disaster or potentially damaging event occur.

Cybersecurity. The Issuer relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Issuer faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance authorities and other public finance entities have been targeted by outside third parties, including technically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the Issuer, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Issuer uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Issuer conducts regular information security and privacy awareness training that is mandatory for all Issuer staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. The Issuer’s Managed IT Service Provider and Controller focuses on and leads the efforts of the Issuer to keep its cyber assets secure.

Despite its efforts, no assurances can be given that the Issuer’s security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the financial condition, results or business of the Issuer; however, the Issuer is not able to predict the severity of these attacks. The results of any attack on the Issuer’s computer and information technology systems could impact its operations for an unknown period of time, damage the Issuer’s digital networks and systems, and damage the Issuer’s reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such

damage to the Issuer's reputation and relationships could adversely affect the Issuer's ability to make loans and issue Series 2026A Bonds in the future.

THE PROGRAM

General

The Issuer has established the Program pursuant to the Act as a means of financing the cost of home mortgage loans which will provide affordable housing for Eligible Borrowers within the Eligible Loan Area. Reservations for Mortgage Loans under the Program commenced on or about August 5, 2026.

The Lenders have agreed to originate and sell Mortgage Loans to the Servicer according to the terms and conditions set forth in the Lender Agreements. See "The Lender Agreements." The Servicer will service all the Mortgage Loans in accordance with the terms of the Servicing Agreement. See "Servicing" below and "The Servicing Agreement." The Servicer will pool the FHA-insured, VA-guaranteed and USDA-RHS-guaranteed Mortgage Loans and will issue GNMA Certificates the payments of principal and interest of which are guaranteed by GNMA. See "GNMA Mortgage-Backed Certificate Program."

The Lenders will originate the Mortgage Loans on a first-come, first-served basis in accordance with the Program Guidelines on or before the beginning of the Mortgage Loan reservation period. The Issuer may issue additional Notices of Availability of Funds during the reservation period.

Under the Program, the Lenders may only originate Mortgage Loans to Eligible Borrowers whose annual income does not exceed 80% of the greater of the state or local median family income.

The Issuer has covenanted to make funds continuously available for a 12-month period to finance Mortgage Loans for Residences located in Targeted Areas, in the total principal amount of 20% of the Series 2026A Bond proceeds. The 12-month period begins on the first day Mortgage Loans are available for Targeted Areas under the Program.

Origination and Purchase of Mortgage Loans

Each Lender will be required to use its best efforts to originate Mortgage Loans in accordance with the requirements of the Lender Agreement, the Program Guidelines and other applicable Program Documents, including the applicable loan origination, eligibility, credit underwriting and appraisal standards of FHA, VA or USDA-RHS for mortgage loans which are FHA-insured, VA-guaranteed or USDA-RHS guaranteed, respectively. Each Lender is required to deliver all documents specified in the Lender Agreement, the Program Guidelines and other applicable Program Documents that are required for the review and approval of the Mortgage Loans, to the Servicer and the Issuer (as compliance agent) prior to the date the Mortgage Loans are to be purchased by the Servicer.

Each Lender may collect from each Eligible Borrower or Seller, or both, as permitted by law and applicable federal regulations, at the time any Mortgage Loan is made an origination fee in an amount not to exceed 1.00% of the original principal amount of the Mortgage Loan. Lenders also may collect certain other reasonable and customary fees in accordance with the Agreement.

Down Payment Assistance

The Issuer will initially make funds available to provide down payment and closing cost assistance up to 5% of initial total Mortgage Loan principal (including mortgage insurance premium) for each Mortgage Loan. The assistance in the form of a DPA Second Mortgage Loan will be provided to each

Mortgagor at the closing of the Mortgage Loan in the form of a 30-year deferred second lien. The assistance may be used only to pay all or a portion of the down payment and closing costs associated with the related Mortgage Loan or for reductions in principal of such Mortgage Loan. No portion of the assistance is permitted to be paid to the Mortgagor. Upon sale, transfer or refinance of the senior lien or failure to occupy property as principal residence during the 30-year term, the terms require repayment in full of the DPA Second Mortgage Loan.

Mortgage Loan Terms

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 Agreements and the limitations of the FHA, VA or USDA-RHS, as applicable, as of the closing date on the Mortgage Loan. Mortgage Loans purchased by the Servicer also must be current in payments of principal and interest, and must be in compliance with the requirements of the GNMA guidelines.

The Mortgage Loan Rate will be established by the Issuer. The Mortgage Loan Rate may be increased or decreased. Any increase or decrease in the Mortgage Loan Rate will result in a corresponding increase or decrease in the Pass-Through Rate of the related GNMA Certificates.

Moneys in the Mortgage Loan Account will be used to purchase GNMA Certificates backed by Mortgage Loans evidenced by promissory notes secured by deeds of trust on Residences within the Eligible Loan Area. Mortgage Loans originated by Lenders must meet the origination standards set forth in the Lender Agreements and all other Program Documents, including all applicable federal tax requirements.

The acquisition cost of a Residence may not exceed 90% or, in the case of a Residence in a Targeted Area, 110%, of the applicable area purchase price for single family residences in the area in which the Residence is located (the "Maximum Purchase Price"). The initial Maximum Purchase Price limits are based on the safe harbor guidelines set forth in the applicable Internal Revenue Service Revenue Procedure.

In addition, Mortgage Loans will be made only to Eligible Borrowers whose Family Income does not exceed the applicable Maximum Family Income. The Maximum Family Income limits are subject to adjustment from time to time.

Eligible Borrowers are also required to be First-Time Homebuyers except for Residences in Targeted Areas or for qualifying veterans. Further, Mortgage Loans may not be used to refinance existing mortgage loans.

In order to qualify for purchase by the Servicer under the Program, each Mortgage Loan must be FHA-insured, VA-guaranteed or USDA-RHS-guaranteed, and the principal amount of such Mortgage Loan cannot be in excess of the applicable limit imposed by FHA, VA or USDA-RHS, as applicable.

Upon submission of each Mortgage Loan for purchase by the Servicer, the Lender will make certain warranties as to each Mortgage Loan. Further, with respect to each Mortgage Loan, the Eligible Borrower, the Seller and the related Lender are required to submit affidavits (or in the case of the Lender, a certification) regarding compliance with the mortgage eligibility requirements of the Code (and any other requirements of the Program). The Lender Agreements and the Program Guidelines prescribe various procedures to be followed by the Lenders and the Issuer (as compliance agent) in reviewing and verifying the affidavits and information provided by the Eligible Borrower and the Seller.

Servicing

The Servicer will service all Mortgage Loans originated by Lenders and purchased by the Servicer. The Servicer is approved by FHA, VA and USDA-RHS, as applicable, to service FHA-insured, VA-guaranteed and USDA-RHS guaranteed mortgage loans. The Servicer will pool the Mortgage Loans into GNMA Certificates and sell them to the Trustee or the Issuer. The Servicing Agreement governs the servicing responsibilities (and other responsibilities) of the Servicer under the Program. The Servicer is required to service the Mortgage Loans in conformity with the applicable GNMA guidelines for servicing. See “The Servicing Agreement.”

In addition to its obligations as described under the caption “GNMA Mortgage-Backed Certificate Program,” the 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 the Lenders will be transferred to the Servicer upon purchase of the Mortgage Loans. As compensation for the performance of its servicing duties under the Agreements, the Servicer is entitled to receive a monthly fee equal to one-twelfth of 0.44% of the outstanding principal amount of each Mortgage Loan serviced which backs a GNMA Certificate. Under the Program as it relates to the Series 2026A Bonds, the Servicer will pool the Mortgage Loans exclusively into GNMA Certificates. The Servicer also is entitled to retain assumption fees and late charges.

Under the GNMA Certificates, the Servicer is obligated to make monthly advances, regardless of whether principal and interest payments on the Mortgage Loans or any insurance or guaranty proceeds are actually received by the Servicer, 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 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 is obligated to make such reimbursements. If the Servicer fails to make the payments under the GNMA Certificates, GNMA is obligated to make such payments.

The 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 Servicer.

Assumption of Mortgage Loans and transfers of Residences are permitted subject to the conditions described in the Agreements. See “The Servicing Agreement.” Prepayments of the Mortgage Loans in whole or in part are permitted under the Program without penalty; any such prepayments will be passed through under the GNMA Certificates. The Series 2026A Bonds are subject to mandatory redemption to the extent the Trustee receives amounts under the GNMA Certificates representing Prepayments. See “The Series 2026A Bonds—Redemption of Series 2026A Bonds—Special Redemption from Prepayments and Excess Revenues.”

Servicer Information

The following information relates to and was supplied by Lakeview Loan Servicing, LLC (“Lakeview”). Such information has not been verified by the Issuer, the Underwriters, the Financial Advisor, Bond Counsel, Disclosure Counsel or counsel to the Underwriters, and is not guaranteed as to completeness or accuracy.

As of September 30, 2026, Lakeview serviced approximately 3.2 million single-family mortgage loans, with an aggregate principal balance of approximately \$864.2 billion. Lakeview currently services single-family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of September 30, 2026, according to its unaudited quarterly financial statements, Lakeview had total assets of approximately \$35.1 billion and a net worth of \$11.5 billion. For the six months ending September 30, 2026, Lakeview originated and purchased single-family mortgage loans in the total principal amount of approximately \$150.7 billion.

Lakeview is (i) an FHA- and VA-approved lender in good standing, (ii) a GNMA-approved issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of mortgage loans backing Fannie Mae securities and (iv) a Freddie Mac approved seller and servicer of mortgage loans backing Freddie Mac securities. Lakeview is not liable for the payment of the principal of the Bonds or the interest or redemption premium, if any thereon.

While Lakeview has supplied the information in the preceding three paragraphs, it is not responsible for the accuracy or completeness of this Official Statement.

Outstanding Single Family Mortgage Revenue Bonds

Through earlier single family mortgage programs outside the Indenture (the “Prior Single Family Programs”), the Issuer had issued single family mortgage bonds (the “Prior Single Family Bonds”) to purchase GNMA and Fannie Mae Certificates representing mortgage loans financing single-family residences in the State. The Prior Single Family Bonds were issued under separate bond indentures of the Issuer and are not secured by the Indenture.

The following table sets forth certain information regarding the Issuer’s Prior Single Family Bonds as of September 1, 2026.

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates
Series 2011A	February 24, 2011	\$22,000,000	\$165,000	September 1, 2028	5.15% - 5.25%
Series 2013A	February 14, 2013	30,700,000	2,740,000	September 1, 2041	2.70%
Series 2019A	May 9, 2019	40,000,000	8,785,000	March 1, 2050	2.35% - 4.25%
Series 2023A	February 28, 2023	60,000,000	51,120,000	September 1, 2053	2.80% - 5.50%
Series 2024A	March 6, 2024	56,930,000	52,255,000	September 1, 2054	3.30% - 6.00%
Series 2024B	March 6, 2024	18,070,000	16,725,000	September 1, 2054	4.87% - 6.00%
Total		\$227,700,000	\$131,790,000		

Other Mortgage Financing Programs of the Issuer

In 2012, the Issuer created its TBA Program under the “Home Sweet Texas” program (the “Home Sweet Texas Program”). The Home Sweet Texas Program offers first mortgage loans and down payment assistance grants or deferred forgivable second loans to qualified homebuyers within the state. The Issuer also created its Texas Heroes Program (the “Texas Heroes Program”) in 2003, which offers first mortgage loans and down payment assistance grants or deferred forgivable second loans for teachers, first responders, corrections officers, and veterans. The total aggregate principal amount of mortgage loans financed under the Home Sweet Texas Program and Texas Heroes Program financed through the TBA mortgage-backed security market in each calendar year since 2021 is set forth below:

Calendar Year	Mortgage Volume	Number of Households Served
2021	\$4,829,237,752	22,201
2022	\$2,558,720,885	10,430
2023	\$2,743,973,364	11,240
2024	\$2,129,036,893	8,733
2025	\$2,389,386,061	9,563
2026 ⁽¹⁾	\$2,269,842,265	8,866

⁽¹⁾ As of September 30, 2026.

Both of the Home Sweet Texas Program and Texas Heroes Program continue to exist and will run concurrently with the Program financed by the Bonds, including the Series 2026A Bonds. **None of the mortgage loans (or the related mortgage-backed securities) originated under the Home Sweet Texas Program and the Texas Heroes Program are pledged as security for the Bonds.**

THE GENERAL INDENTURE

The following is a summary of certain provisions of the Indenture. The summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Indenture. For a description of certain other provisions of the Indenture relating to the Series 2026A Bonds, see “The Series 2026A Bonds” and “Security for the Series 2026A Bonds”. Copies of the General Indenture are available from the Issuer or the Trustee.

Mortgage Loan Accounts

Each Series Indenture shall establish a separate Mortgage Loan Account to be held by the Trustee, to record the receipt and disbursement of any proceeds of the Series of Bonds therein authorized for the making, purchase or financing of Qualified Mortgage Loans (including Guaranteed Mortgage Securities) or Mortgage Loans or for the financing of Qualified Mortgage Loans previously made or purchased. Upon the acquisition of Qualified Mortgage Loans with proceeds of a particular Series of Bonds, the Trustee shall credit such Qualified Mortgage Loans to the applicable Account under the Revenue Fund.

The Trustee shall, from time to time, apply moneys held in each Mortgage Loan Account for the purpose of making or purchasing Qualified Mortgage Loans or Mortgage Loans (including Guaranteed Mortgage Securities) or of reimbursing the Issuer for payments made by it from other funds for that purpose, upon receipt by the Trustee of an Officer’s Certificate stating:

(1) The Mortgage Loan Account from which the payment is to be made, and the amount, manner and recipient of the payment, which may be made to the Issuer or to a Mortgage Lender; and

(2) That each Qualified Mortgage Loan fully satisfied the provisions set forth below under the caption “Qualification of Mortgage Loans.”

All interest and other income received from the deposit and investment of money in Mortgage Loan Accounts shall be transferred by the Trustee, as received, to the Revenue Fund.

The Issuer may, by Officer's Certificate, direct the Trustee to transfer amounts in any Mortgage Loan Account to the Revenue Fund. Amounts transferred to the Revenue Fund may, by Officer's Certificate, be re-transferred to the Mortgage Loan Account subject to limitations set forth in the General Indenture.

Qualification of Mortgage Loans

Each Qualified Mortgage Loan made, purchased, or financed from Bond proceeds shall conform to the terms, conditions, provisions, and limitations stated in the General Indenture and any applicable Series Indenture except to the extent, if any, that a variance therefrom is required by any agency or instrumentality of the United States guaranteeing or insuring or otherwise assisting in the payment of the Qualified Mortgage Loan.

Each Qualified Mortgage Loan made by the Issuer shall be made for the purpose of financing the cost of home mortgage loans for a person or family of low, very low or extremely low income as defined in the Act and rules adopted by the Issuer pursuant thereto.

The Issuer may participate in a Qualified Mortgage Loan with another party or parties, so long as the interest of each shall have equal priority as to lien in proportion to the amount of the Qualified Mortgage Loan secured, but such interests need not be equal as to interest rate, time or rate of amortization or otherwise.

As of each Interest Payment Date, to the extent the Parity Test is not satisfied, the Issuer will direct the Trustee to transfer moneys from the Special Program Fund to the Revenue Fund or to one or more Mortgage Loan Accounts. From the amount so transferred to Mortgage Loan Accounts, the Trustee shall purchase additional Qualified Mortgage Loans, and from the amount so transferred to the Revenue Fund, the Trustee shall purchase Investments, as directed by Officer's Certificate, at prices such that the aggregate Value of such Qualified Mortgage Loans and Investments, with any cash retained from the amounts transferred, will increase so far as possible to satisfy the Parity Test. The amount and use of funds transferred to any Mortgage Loan Account pursuant to this paragraph shall be subject to the following special conditions:

- (1) the aggregate amount so transferred to a Mortgage Loan Account at any time shall not exceed the aggregate principal amount of Prepayments of Mortgage Loans theretofore made or purchased from that Account; and
- (2) Mortgage Loans so purchased shall conform to all of the provisions of the General Indenture.

The Issuer shall enter into a Servicing Agreement with respect to each Mortgage Loan unless it determines to service the Mortgage Loan itself.

Deposits of Mortgage Loan Revenues

The Issuer will collect and deposit, or will cause Servicers to collect and deposit, with the Trustee, or with depositories in the name of the Trustee, as soon after receipt as practicable, all Revenues derived from Qualified Mortgage Loans, including DPA Second Mortgage Loans and Defaulted Mortgage Loans, and the Trustee shall credit all such receipts to the Revenue Fund.

Revenue Fund

Subject to the terms of the related Series Indenture, on or before each Interest Payment Date, and at other times as directed by an Officer's Certificate, the Trustee shall withdraw from any money in the Revenue Fund and make the following payments, or credit to each of the following Funds and Accounts the amount indicated in the following tabulation, or so much thereof as remains after first making such payment or paying into each Fund or Account preceding it in the following tabulation the amount indicated:

- (1) pay the interest and all Principal Installments then due and payable (including Sinking Fund Installments) and any payments to a Hedge Provider;
- (2) to pay the Redemption Price of any Bonds called for redemption in accordance with Article VII of the General Indenture and any Series Indenture;
- (3) to the purchase of Bonds designated in the Officer's Certificate in accordance with the provisions of the General Indenture with respect to selection of Bonds to be purchased or redeemed;
- (4) to the Reserve Fund, the amount, if any, needed to increase the amount therein to the Reserve Requirement;
- (5) to one or more Mortgage Loan Accounts or to pay Program Expenses or payments to a Hedge Provider, as directed by Officer's Certificates furnished to the Trustee;
- (6) to one or more other Funds or Accounts as may be established by and as may be directed in any Series Indenture or Officer's Certificate; and
- (7) the remainder shall be held in the Revenue Fund until and unless directed by Officer's Certificate to be transferred (i) to the Special Program Fund, (ii) to make payments to a Hedge Provider or (iii) such remainder or any part thereof may be directed by an Officer's Certificate to be withdrawn for use for any purpose authorized by the Act, free and clear of any lien or pledge created by this General Indenture, but only upon the filing of an Officer's Certificate demonstrating that the Parity Test and the Cash Flow Test will still be satisfied after giving effect to such withdrawal or transfer.

The Trustee shall withdraw moneys from the Revenue Fund for application by the Trustee or the Paying Agents to the payment of unpaid interest on and principal of the Bonds when due. Moneys held in the Revenue Fund for the payment of Sinking Fund Installments shall be applied to the purchase or redemption of Bonds to which such Sinking Fund Installments relate. No such money may be used to purchase Bonds less than twenty-five days prior to the Sinking Fund Installment Date, or at a price higher than the then applicable Redemption Price.

Money in the Revenue Fund may be used to purchase Bonds designated in the Officer's Certificate, at a purchase price not exceeding the Redemption Price applicable on the next date when such Bonds are redeemable from said Fund, respectively, under the provisions of the applicable Series Indentures (provided that such purchase price may exceed the applicable Redemption Price if and to the extent the amount of such excess shall be paid from moneys not pledged under the General Indenture, or moneys which could otherwise be released to the Issuer pursuant to the General Indenture). The Issuer will not at any time cause Bonds to be purchased or redeemed, if this would have any material adverse effect on its ability to pay, when due, the Principal Installments of and interest on the Bonds Outstanding after such purchase or redemption.

Interest and other income derived from the investment or deposit of money in the Revenue Fund shall be retained in the Revenue Fund as received.

Deficiencies in the Revenue Fund

Not later than twenty-five (25) days before each Interest Payment Date and each Principal Installment Date, the Trustee shall notify the Issuer in writing if the aggregate amount in the Revenue Fund is expected to be insufficient to pay the interest and all Principal Installments then due and payable, and shall state the estimated amount of such deficiency. Within ten (10) days after receiving any such notice, the Issuer shall deliver to the Trustee an Officer's Certificate stating the amount, if any, which the Issuer will pay to the Trustee, or will direct the Trustee to transfer within five (5) days thereafter, for deposit in said Accounts, from the general account in the Special Program Fund, from a designated Mortgage Loan Account or from the proceeds of refunding Bonds.

If the amount in the Revenue Fund five (5) days before any Interest Payment Date is not sufficient to pay all interest then due, or is not sufficient to pay all Principal Installments then due, the Trustee shall withdraw the amount of such deficiency from the Reserve Fund for credit to the Revenue Fund to make such payments.

If there remains a deficiency in the Revenue Fund after withdrawing all money in the Reserve Fund, the Trustee shall transfer money to restore the deficiency from any other Fund or Account established by this General Indenture, except as may be otherwise expressly set forth in any Series Indenture or Supplemental Indenture.

Reserve Fund

The Indenture establishes the Reserve Fund for the Issuer to maintain with the Trustee as a Depository in the name of the Trustee which the Issuer may elect to fund as provided in a Series Indenture. The amount of the deposit to the Reserve Fund, if any, in connection with the issuance of any Series of Bonds shall be set forth in the related Series Indenture. **There is no Reserve Fund requirement for the Series 2026A Bonds.**

If the Revenue Fund lacks sufficient and available amounts to provide for the payment when due of Principal Installments of and interest on the Bonds, the Trustee shall withdraw from the Reserve Fund, if required and if containing any funds, and pay into the Revenue Fund the amount of the deficiency. The Trustee shall notify the Issuer in writing prior to any such withdrawal from the Reserve Fund. If, on the Principal Installment Date, all withdrawals from the Reserve Fund have been made as required on the same or any prior date by any other provision of General Indenture, within five (5) days thereafter the Trustee shall withdraw any amount therein in excess of the Reserve Requirement and credit it to the Revenue Fund unless otherwise directed in an Officer's Certificate.

The Issuer may satisfy the Reserve Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Series Indenture establishing such Reserve Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments and the obligation of the Issuer to reimburse the issuer of any such credit instruments for any such claims or draws shall be set forth in the Series Indenture establishing such Reserve Requirement; provided, however, that the obligation of the Issuer to reimburse such issuer shall be subordinate to the payment of the principal of and interest on the Bonds.

Special Program Fund

The General Indenture establishes a Special Program Fund, to be held and applied by the Trustee, in which the Issuer may deposit, at any time, any available funds not pledged under the General Indenture, including, but not limited to, proceeds of a Series of Bonds, or other funds previously pledged under an indenture securing obligations satisfied and discharged by the issuance of a Series of refunding Bonds, if such proceeds or other funds are not needed to accomplish such satisfaction and discharge. Money so deposited shall be held in a general account in the Special Program Fund and, until disbursed or committed to be disbursed as provided below, shall be available to restore deficiencies in other Funds and Accounts, as provided in the General Indenture.

Subject to the foregoing, amounts in the general account in the Special Program Fund shall be disbursed or transferred, as directed by Officer's Certificates, to effectuate (a) loans by the Issuer to provide special assistance to eligible sponsors, mortgagors or occupants of housing for persons and families of low and moderate income in paying the cost of development, rental or ownership of such housing or (b) reappropriations to any fund or account pertaining to any other program for any purpose authorized by the Act.

The full amount committed at any time by the Issuer for a special assistance loan shall be transferred by the Trustee to a separate restricted account in the Special Program Fund. Such loans shall be disbursed from the restricted account at times and in amounts directed by Officer's Certificates, and repayments thereof shall be credited upon receipt to the general account. The Issuer also may direct the Trustee to establish one or more separate restricted accounts for any lawful purpose of the Issuer, including security for any obligation of the Issuer. Funds held in a restricted account or disbursed pursuant to reappropriation shall no longer be available for transfer to any other Fund or Account, except as provided in the directions to the Trustee relating to the establishment of such restricted account.

Unless otherwise set forth in a Series Indenture or an Officer's Certificate, at such time as any Series of Bonds is no longer outstanding and the related Series Indenture has been discharged, all moneys, assets and investments allocated to such Series (other than any cash and investments held by the Trustee in connection with a defeasance of such Series) shall be credited to the Special Program Fund.

Hedging Transaction

A Hedge Agreement is a Qualified Hedge Agreement if, at the time of execution of such Hedge Agreement, (1) the provider of the Hedge Agreement is a Qualified Hedge Institution or the provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Hedge Institution and (2) the Issuer designates the Hedge Agreement as a Qualified Hedge Agreement by an Officer's Certificate.

If the Issuer enters into any Qualified Hedge Agreement with respect to any Bonds and the Issuer has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to specified Bonds, then during the term of the Qualified Hedge Agreement and so long as the Hedge Provider of the Qualified Hedge Agreement is not in default:

(8) for purposes of any calculation of debt service, the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to the Issuer by the Hedge Provider and plus any payments reasonably expected to be made by the Issuer to the Hedge Provider in accordance with the terms of the

Qualified Hedge Agreement (other than fees, expenses or termination payments payable to such Hedge Provider for providing the Qualified Hedge Agreement);

(9) any such payments (other than fees, expenses and termination payments) required to be made by the Issuer to the Hedge Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Revenue Fund pursuant to the General Indenture, unless otherwise specified by the Issuer to be paid from other moneys;

(10) any such payments received by or for the account of the Issuer from the Hedge Provider pursuant to such Qualified Hedge Agreement shall constitute Revenues and be deposited in the Revenue Fund; and

(11) fees not equivalent to regular Bond debt service payments, as well as expenses and termination payments, if any, payable to the Hedge Provider may be paid from amounts on deposit in the Revenue Fund pursuant to the General Indenture, or such other funds as are specifically designated by the Issuer, in each case if and to the extent expressly provided in the Qualified Hedge Agreement or applicable Series Indenture.

Pledge of Trust Estate

The Trust Estate has been pledged to the payment of the principal and Redemption Price of, Sinking Fund Installments with respect to and interest on the Bonds in accordance with the terms and provisions of the General Indenture, and the Trustee has been granted a security interest therein. The Trustee shall file or cause to be filed or recorded all such financing statements, continuation statements and other instruments as may be necessary to perfect, and maintain perfected, such security interests to the extent that such perfection can be accomplished by such filing. The Issuer may pledge additional assets and revenues to the Bonds or any Series of Bonds pursuant to a Supplemental Indenture or a Series Indenture.

Payment of Bonds

The Issuer shall duly and punctually pay or cause to be paid, solely from amounts available in the Trust Estate, the principal of and interest on the Bonds, at the dates and places and in the manner mentioned in such Bonds, according to the true intent and meaning thereof, and shall pay or cause to be paid to the Trustee any part of any Sinking Fund Installments pursuant to any provision of General Indenture and any related Series Indenture, all from the Trust Estate pledged under the General Indenture and any other assets pledged pursuant to a Series Indenture; provided, that the Bonds shall be special, limited obligations of the Issuer.

Accounts and Reports

The Issuer shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of their transactions relating to the Program and all Funds and Accounts established by or pursuant to the General Indenture.

Cash Flow Certificates

The Issuer shall file a Cash Flow Certificate with the Trustee (i) whenever a Series of Bonds are issued pursuant to the General Indenture and a related Series Indenture, (ii) prior to or concurrent with the conversion (i.e., in conjunction with the resetting of the interest rate determination method thereon) of any Series of Bonds, (iii) no later than six (6) months following the end of each Fiscal Year and (iv) at such other times as required by the General Indenture or as may be required by a Supplemental Indenture, and

may file a Cash Flow Certificate at any time in its discretion, provided that the Issuer is not required to file a Cash Flow Certificate as aforesaid if the Issuer certifies to the Trustee that the assumptions for the most recently filed Cash Flow Certificate still reflect the Issuer's reasonable expectations, and provided further that the Issuer is not required to file a Cash Flow Certificate as required by (iii) above if the Issuer notifies each Rating Agency then rating the Bonds at the request of the Issuer of the Issuer's intention to not prepare a new Cash Flow Certificate and each such Rating Agency does not object to the same within ten (10) days, in which case such most recently filed Cash Flow Certificate shall be deemed a newly filed Cash Flow Certificate as required aforesaid.

A Cash Flow Certificate shall set forth projected Revenues, Program Expenses and the interest payments and Principal Installments for each Bond Year during which Bonds will be Outstanding based upon the reasonable expectations of the Issuer at the time such Certificate is filed. The Cash Flow Certificate shall also set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Issuer's reasonable expectations at the time such Cash Flow Certificate is filed.

Supplements and Amendments to the General Indenture

The General Indenture may be amended or supplemented at any time without the consent of any of the Bondholders or of the Trustee for the following purposes:

- (1) To close the General Indenture against, or provide limitations and restrictions in addition to, the limitations and restrictions contained in the General Indenture on the issuance in future of Bonds or of other notes, bonds, obligations or evidences of indebtedness;
- (2) To add to the covenants or agreements of the Issuer in the General Indenture other covenants or agreements to be observed by the Issuer which are not contrary to or inconsistent with the General Indenture as theretofore in effect;
- (3) To add to the limitations or restrictions in the General Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the General Indenture as theretofore in effect;
- (4) To surrender any right, power or privilege reserved to or conferred upon the Issuer by the General Indenture;
- (5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the General Indenture, of the Revenues or any other money, securities, Funds or Accounts; or
- (6) To specify, determine or authorize by Series Indenture any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with the General Indenture as theretofore in effect.

Supplemental Indentures Not Affecting Bondholders

The General Indenture may be amended or supplemented at any time without the consent of any of the Bondholders or of the Trustee to modify any of the provisions of the General Indenture or to release the Issuer from any of the obligations, covenants, agreements, limitations, conditions or restrictions contained in the General Indenture, provided that:

- (1) No Bonds are Outstanding at the time the resolution becomes effective; or

(2) Such resolution, by its terms, is applicable only to the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Issuer in relation to the Holders of Bonds issued after it becomes effective.

Supplemental Indentures Effective Upon Consent of Trustee

The General Indenture may be amended or supplemented at any time with the consent of the Trustee, but without the consent of any of the Bondholders, for any of the following purposes:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the General Indenture;

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

(3) To make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondholders (and the Trustee may rely upon the respective opinions of the nationally recognized Rating Agencies then rating the Bonds at the request of the Issuer as to whether the then-current rating of the Bonds will be adversely affected as conclusively establishing whether the change is materially adverse to the security of the Bondholders).

Supplements or Amendments with Consent of Holders

The General Indenture may be amended or supplemented at any time for any purpose with the written consent of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given; provided that if such modification or amendment, by its terms, will not take effect so long as any Bonds of any specified Series, maturity and interest rate remain outstanding or will not affect the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Issuer in relation to the Holders of such Bonds, the consent of the Holders of such Bonds shall not be required, and such Bonds shall not be deemed to be outstanding for the purpose of any such calculation of Outstanding Parity Bonds; and provided further that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Parity Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the description of Bonds, the consent of the Holders of which is required to effect any such modification or amendment. No such modification or amendment shall change or modify any of the rights or obligations of any Bond Service Provider without the filing with the Trustee of the Bond Service Provider's written consent.

The General Indenture may be amended or supplemented at any time for any purpose with the consent of at least a majority of the Bondholders in principal amount of the Bonds Outstanding at the time such consent is given, except that none of the rights or obligations of a Bond Service Provider may be changed or modified without its written consent.

Defeasance

The pledge of Revenues and other moneys, securities and funds in the General Indenture, and the covenants, agreements and other obligations of the Issuer to the Bondholders therein, will be discharged and satisfied, if the Issuer shall pay or cause to be paid to the Holders of the Bonds and coupons the principal

and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Indenture.

Any Bonds for the payment or redemption of which moneys shall have been deposited with the Trustee by or on behalf of the Issuer, whether at or prior to the maturity or the redemption date of such Bond shall be deemed to have been paid within the meaning of the General Indenture; provided that if any Bond is to be redeemed prior to its maturity, all action necessary to call such Bond for redemption shall have been taken, and notice of such redemption shall have been duly given, or provision satisfactory to the Trustee shall have been made for the giving of such notice. Any moneys so held by the Trustee shall be invested, at the direction of an Authorized Representative of the Issuer, in Investments maturing on or before the date when payment to the Holder of the Bond or interest coupon is due, and all interest and earnings on such Investments shall be deposited in the Revenue Fund.

Any Bonds, whether at or prior to the maturity or the redemption date or Interest Payment Date, shall be deemed paid if:

(1) In case such Bond is to be redeemed prior to its maturity, there shall have been taken all action necessary to call such Bond for redemption, and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(2) There shall have been deposited with the Trustee by or on behalf of the Issuer either (i) moneys in an amount which shall be sufficient, or (ii) Governmental Obligations (not redeemable at the option of the issuer thereof) will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, or the Redemption Price to become due on said Bonds, on the redemption date or maturity date thereof, as the case may be, as confirmed by a verification report prepared by an independent certified accounting firm or similarly qualified firm; and

(3) Neither such Investments, nor any money so deposited with the Trustee, nor any money received by the Trustee on account of principal or interest on said Investments may be withdrawn or used for any purpose other than, and all such money shall be held in trust for and be applied to the payment, when due, of the principal, redemption premiums or interest for the payment or redemption of which they were deposited.

Refunding Bonds

Upon compliance with certain provisions of the General Indenture, Bonds may be issued thereunder to refund Bonds previously issued under the General Indenture or other obligations issued under the provisions of any prior indentures of the Issuer.

Events of Default

Each of the following shall constitute an event of default under the General Indenture:

(1) Interest on any of the Bonds shall become due on any date and shall not be paid on said date, or the principal or Redemption Price of any of the Bonds shall become due on any date, whether at maturity or upon call for redemption, and shall not be paid on said date;

(2) Bonds subject to redemption by operation of Sinking Fund Installments shall not have been redeemed and paid in the amount required in the Indentures on any date;

(3) A default shall be made in observance or performance of any covenant, contract or other provision in the Bonds or Indenture contained, and such default shall continue for a period of ninety (90) days after written notice of the Issuer from a Bondholder or from the Trustee specifying such default and requiring the same to be remedied; or

(4) There shall be filed a petition seeking a composition of indebtedness of the Issuer under any applicable law or statute of the United States or of the State.

Remedies

Upon the happening and continuance of an event of default, the Trustee may, and shall upon the written request of the Holders of not less than a majority in principal amount of the Bonds affected by an event of default described in clause (1) or (2) of “Events of Default” above, or not less than a majority in principal amount of all Bonds if the event of default is one described in clause (3) or (4) of “Events of Default” above, proceed to protect the rights of the Bondholders under the laws of the State or under the General Indenture. No Bondholder shall have the right to institute any proceedings for any remedy under the Indentures unless the Trustee, after being so requested to institute such proceedings by not less than a majority in principal amount of the Bonds then Outstanding (or if such event is an event of default described in clause (1) or (2) of “Events of Default” above, not less than a majority in principal amount of the Bonds then Outstanding of the Series with respect to which such Event of Default has happened), and offered satisfactory indemnity, shall have refused or neglected to comply with such request within a reasonable time and unless the proceeding is brought for the ratable benefit of all Holders of all Bonds. However, nothing in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on such Holders’ Bonds.

Application of Money after Default

All money collected by the Trustee at any time pursuant to the General Indenture, subject to the limitations set forth in the General Indenture, except to the extent, if any, otherwise directed by the court, be paid by the Trustee into the Revenue Fund and other funds described in Article IV of the General Indenture, and shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the General Indenture with respect to such Funds and Accounts.

If at any time the amounts in the Revenue Fund and any other funds held by the Issuer or Bond Service Providers available for the payment of interest or principal or Redemption Price then due with respect to Bonds shall be insufficient for such payment, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in the General Indenture) shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement), in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by required call for redemption as part of a Sinking Fund Installment, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds so due on any date, then to the

payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

If the principal of all the Bonds shall have become or have been declared due and payable, such amounts (other than amounts held for the payment or redemption of particular Bonds as provided in the General Indenture) shall be applied to the payment of the principal and interest (including regularly scheduled payments due under a Qualified Hedge Agreement which are equivalent to Bond interest, but not including fees, expenses or payments due upon the early termination of a Qualified Hedge Agreement) then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

The Trustee

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by the General Indenture by giving not less than sixty (60) days' written notice to the Issuer and transmitting notice thereof, at the Trustee's expense, to the Holders of all Outstanding Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice, unless previously a successor shall have been appointed by the Issuer or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed. The Trustee's rights to indemnity and reimbursement of outstanding fees and expenses shall survive the Trustee's resignation.

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, or by the Issuer so long as there is no Event of Default in existence pursuant to the General Indenture, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Issuer. Such instrument shall provide for an effective date not less than thirty (30) days after the date of delivery to the Trustee, and shall make such other provisions for transfer of duties to the successor trustee as shall be deemed reasonably necessary in the sole discretion of the Issuer. Copies of each such instrument shall be delivered by the Issuer to the Trustee and any successor thereof. The Trustee's rights to indemnity and amounts then due and payable shall survive any such removal.

In case at any time the Trustee, or any successor thereof, shall resign or shall be removed by action of the Bondholders, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed or if any public office shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Issuer, the predecessor Trustee and any other Bond Service Providers. Pending such appointment, the Issuer shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by Bondholders as herein authorized.

In case at any time the Trustee, or any successor thereof, shall be removed by the Issuer, the Issuer shall forthwith appoint a Trustee to fill such vacancy. Notice of such appointment shall be mailed to each

Bondholder. Any successor Trustee appointed by the Issuer shall, immediately and without further act, be superseded by a Trustee appointed by Bondholders.

If in a proper case, no appointment of a successor Trustee shall be made pursuant to the foregoing provisions within forty-five (45) days after the Trustee shall have given to the Issuer notice as described above with respect to resignation of the Trustee, or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any other Bond Service Provider or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee.

Any Trustee appointed under the provisions described in the preceding three paragraphs in succession to the Trustee shall be a trust company or bank having the powers of a trust company within or outside the State, having capital surplus and undivided profits aggregating at least \$50,000,000 if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by the General Indenture.

THE LENDER AGREEMENTS

The following is a summary of certain provisions of the Lender Agreements; the summary is qualified in its entirety by references to the Lender Agreements.

Lender Qualifications

Lenders must qualify to be participating Lenders under the Program and must be approved by the Issuer and the Servicer. Each Lender must execute a Lender Agreement with the Issuer. Each Lender must also execute a Loan Correspondent Purchase and Sale Agreement with the Servicer.

Each Lender originating FHA Mortgage Loans, USDA-RHS Mortgage Loans or VA Mortgage Loans is required to be an FHA-approved, USDA-RHS-approved or VA-approved mortgagee, respectively.

Covenants Relating to the Tax-Exempt Status of Bonds

The Issuer and the Lenders have covenanted in the Lender Agreements not to knowingly take, permit, or fail to take any action if such action or inaction would impair the excludability of the interest on the Series 2026A Bonds from gross income for federal tax purposes pursuant to the Code.

Origination and Closing of Mortgage Loans

Each Lender agrees to use its best efforts to originate Mortgage Loans under the Program for sale to the Servicer. Each Lender will sell the Mortgage Loans to the Servicer at the applicable Mortgage Loan Sale Price. The Lenders will be notified of the availability of funds under the Program, and various Program terms, in accordance with the Program Guidelines.

Mortgage Loan Terms

All Mortgage Loans are to be originated in accordance with the loan origination, eligibility and credit underwriting standards in effect under the Program Documents, including the Lender Agreement, the Program Guidelines and the GNMA guidelines. In addition, each Mortgage Loan: (1) must be made to an Eligible Borrower to finance a Residence which is the principal residence of the Eligible Borrower; (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 applicable rate, which interest will be payable in

arrears and which includes amounts equal to the servicing fee; (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 Mortgage Loan 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 or USDA-RHS and GNMA, 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 Agreements and the limitations of FHA, VA, USDA-RHS and/or GNMA, as applicable, as of the date of Mortgage Loan closing; (7) must be the subject of FHA Insurance, a VA Guaranty or a USDA-RHS guaranty; (8) must restrict the assumption of the Mortgage Loan as required under the Program Documents; (9) must be the subject of a title insurance policy or have a valid commitment therefor; (10) must be current in payments of principal, interest, taxes and insurance; (11) must relate to a Residence the Purchase Price of which is not in excess of the Maximum Purchase Price; (12) must comply in all respects with the GNMA guidelines and FHA, VA and USDA-RHS rules and regulations, as applicable, and all Program Documents; and (13) must be eligible for pooling into GNMA Certificates.

Verification of Mortgage Eligibility Requirements

The Issuer will act as compliance agent under the Program and will be responsible for approving the qualification of each Eligible Borrower under the applicable Program rules. In connection with the Issuer's determination, the Lender must do the following: (1) obtain affidavits of the Mortgagor, the Seller and Lender in the forms prescribed by the Program Guidelines, evidencing compliance by the borrower with the eligibility requirements of the Program; (2) review the contents of the Mortgagor's affidavit with the Mortgagor prior to the execution thereof; (3) obtain the Mortgagor's federal tax returns to verify that the Mortgagor did not claim deductions on the residence; (4) perform such additional verification procedures as required under the Program Guidelines to enable the Issuer to verify that the borrower eligibility requirements of the Program are satisfied as of the date of execution of the Mortgage Loan; and (5) 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.

Approval and Purchase

Any Mortgage Loan with respect to which the related 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 Servicer pending correction of such defect. The Servicer is only required to purchase non-defective Mortgage Loans. The purchase of an approved Mortgage Loan by the Servicer from the Lender will take place on a Mortgage Loan purchase date designated by the Servicer and at the applicable Mortgage Loan sales price.

Fees and Charges at Mortgage Loan Closing

At the Mortgage Loan closing, a Lender may collect from the Eligible Borrower or Seller on behalf of Eligible Borrower a 1% origination fee, and retain all reasonable and customary closing charges, including insurance premiums and warehouse fees, to the extent that such charges 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 Mortgage Loan closing will be credited to the proper party at such closing.

Defects

Each Lender agrees to repurchase any defective Mortgage Loan from the Servicer in accordance with the provisions of the Loan Correspondent Purchase and Sale Agreement, the Lender Agreement and any other applicable Program Document. Additionally, each Lender agrees to reimburse the Issuer the down payment and closing cost assistance provided for each such defective Mortgage Loan in accordance with the terms of the Lender Agreement.

THE SERVICING AGREEMENT

The following is a summary of certain provisions of the Servicing Agreement; the summary is qualified in its entirety by references to the Servicing Agreement.

Covenants Relating to the Tax-Exempt Status of the Series 2026A Bonds

The Issuer and the Servicer have covenanted in the Servicing Agreement not to knowingly take, permit, or fail to take any action if such action or inaction would impair the excludability of the interest on the Series 2026A Bonds from gross income for federal tax purposes pursuant to the Code.

Servicing Duties

See “The Program—Servicing” for a summary of certain of the servicing duties of the Servicer under the Program.

The Servicer will service all Mortgage Loans purchased from Lenders and will have the authority to do all things in connection with such servicing which it deems necessary or desirable. The Lender Agreements require the Lenders to sell the Mortgage Loans to the Servicer on a servicing-released basis. The Servicer will pay a servicing release amount to the Issuer in the amount set forth in the Servicing Agreement. Additional servicing compensation in the form of late payment charges or otherwise may be received by the Servicer to the extent permitted by law and not contrary to the terms of the Servicing Agreement.

The Servicer is required to pay all expenses incurred by it in connection with its servicing activities under the Servicing Agreement (including maintenance of an errors and omissions insurance policy and fidelity bond) and is not entitled to reimbursement, except as specifically provided in the Servicing Agreement.

The 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 and FHA, VA or USDA-RHS, as applicable.

Review of Mortgage Loans

The Issuer is responsible for the review of each Mortgage Loan to determine compliance with the Program requirements under the Act and the Code. In performing such review, the Issuer is required to use reasonable efforts to satisfy itself that the mortgagor, mortgage loan and residence eligibility requirements of the Program (including the requirements of the Code) are met with respect to each Mortgage Loan, and that the Lender originating such Mortgage Loan has complied with the verification requirements of the Lender Agreement and the Program Guidelines.

The Servicer is responsible for establishing compliance of the Lender and the Mortgage Loan with the terms of the Loan Correspondent Purchase and Sale Agreement.

Compensation of Servicer

As compensation for the performance of its servicing duties under the Agreements, the Servicer is entitled to receive a monthly fee equal to one-twelfth of 0.44% of the outstanding principal amount of each Mortgage Loan serviced which backs a GNMA Certificate.

Assumption Agreements

The 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 under the Lender Agreement and the Program Guidelines, and the Mortgage Loan remains insured or guaranteed under all applicable insurance or guarantees. In such event, the 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 MATTERS – SERIES 2026A BONDS

General

In the opinion of Bond Counsel, under applicable law, subject to continuing compliance by the Issuer and others with certain covenants in the Agreements and the Indenture and related financing documents, and in reliance upon representations and conclusions in certificates, studies and reports of the Issuer and certain other participants in the financing, interest on the Series 2026A Bonds is not includable in gross income of the owners thereof for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals.

In expressing its opinion with respect to the Series 2026A Bonds, Bond Counsel will rely on certain representations of the Issuer and others as to matters solely within the knowledge of such persons. No independent investigation will be made by Bond Counsel with respect to certain of those matters.

For taxable years beginning after 2022, the Code imposes a minimum tax of fifteen percent (15%) of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax exempt obligations, such as the Series 2026A Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2026A Bonds.

Bond Counsel's opinion with respect to the Series 2026A Bonds is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and representations and covenants of the Issuer described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel and such opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations, which may include bonds such as the Series 2026A Bonds. If an audit of such Series 2026A Bonds is commenced, under current procedures

the Service is likely to treat the Issuer as the “taxpayer,” and the owners of the Series 2026A Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2026A Bonds, the Issuer may have different or conflicting interests from the owners of such Series 2026A Bonds. Public awareness of any future audit of the Series 2026A Bonds could adversely affect the value and liquidity of the Series 2026A Bonds during the pendency of the audit, regardless of its ultimate outcome.

Ownership of the Series 2026A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income credit, corporations subject to the alternative minimum tax on adjusted financial statement income and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers of the Series 2026A Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Series 2026A Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Sections 143 and 146 through 150 of the Code and applicable regulations provide that the interest on an issue of bonds (such as the Series 2026A Bonds), the proceeds of which are used to provide mortgages on owner-occupied residences, is not includable in gross income of the owners thereof for federal income tax purposes pursuant to section 103(a) of the Code if such bonds are “qualified mortgage bonds,” and, among other requirements, are issued in fully registered form. The term “qualified mortgage bonds” means bonds that are part of an issue that meet the requirements summarized below. The Series 2026A Bonds are intended to qualify as “qualified mortgage bonds.”

Mortgage Eligibility Requirements

Residence Requirements. All the residences for which financing is provided with the proceeds of an issue of qualified mortgage bonds must be located within the jurisdiction of the Issuer and must be single family residences which, at the time of execution or assumption of the respective mortgages, can reasonably be expected to become the principal residences of the respective mortgagors within a reasonable time after the financing is provided.

Prior Homeownership Limitations. At least 95% of the net proceeds of an issue of qualified mortgage bonds must be for mortgagors who did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. However, this limitation does not apply to loans for “targeted area” residences and loans to Qualified Veterans.

Purchase Price Requirements. Each residence for which financing is provided with the proceeds of an issue of qualified mortgage bonds must have an acquisition cost not exceeding 90% of the average area purchase price. However, in the case of a targeted area residence, the acquisition cannot exceed 110% of the average area purchase price. The applicable regulations permit an issuer to rely upon average area

purchase price limitations published by the Internal Revenue Service as safe harbor limitations or to utilize other limitations if the issuer has more accurate and comprehensive data than the safe harbor limitations.

The Maximum Purchase Price limits are set forth in the Program Guidelines and are based on limits set forth in revenue procedures published from time to time by the Internal Revenue Service, and other sources.

Income Limitations. Under applicable federal tax law, the maximum family income of the persons who are provided financing under an issuance of qualified mortgage bonds cannot exceed 100% (for families of 2 or less) or 115% (for families of 3 or more) of the greater of the state or local median family income. In the case of any financing provided for targeted area residences in qualified census tracts or areas of chronic economic distress, the maximum family income is unlimited for one-third of the mortgage loans, and the limit for the remaining two-thirds is 120% (for families of 2 or less) or 140% (for families of 3 or more) of the applicable median family income. The maximum family income limits are set forth in the Agreements. Under the Program, Eligible Borrower's annual family income cannot exceed 80% of the greater of the state or local median family income.

New Mortgage Requirement. No part of the proceeds of an issue of qualified mortgage bonds may be used to acquire or replace an existing mortgage. All the lendable proceeds of an issue must be used to provide new mortgages to persons who did not have an existing mortgage (whether or not paid off) on the residence at any time prior to the execution of the new mortgage. An exception from the new mortgage requirement is provided for the replacement of construction period loans, bridge loans and other similar temporary initial financing having a term not exceeding 24 months or for qualified subprime loans.

Assumption Requirements. In the event of the assumption of a mortgage financed with the proceeds of a qualified mortgage bond issue, the residence requirements, prior homeownership limitation, purchase price requirements and income limitations must be satisfied at the time of the assumption as if the loan were being made for the first time.

Volume Cap Limitations. Section 146 of the Code provides that the aggregate amount of "private activity bonds," including qualified mortgage bonds, issued by an issuer during the calendar year may not exceed the allocated portion of the State's volume cap. The Issuer has obtained allocation of volume cap from the Texas Bond Review Board in an amount sufficient to permit the issuance of the Series 2026A Bonds as qualified mortgage bonds.

Targeted Area Requirements. An amount equal to at least 20% of the Series 2026A Bond proceeds must be made available for owner financing in Targeted Areas for at least one year from the time such owner financing is first made available for Targeted Area loans.

Arbitrage Requirements

An issue of qualified mortgage bonds (such as the Series 2026A Bonds) must satisfy the arbitrage requirements of sections 143 and 148 of the Code. In part, such requirements are as follows: (i) the effective rate of interest on mortgages provided with proceeds of qualified mortgage bonds may not exceed the yield on such bonds by more than 1.125% and, in calculating the effective interest rate on the mortgages, there must be taken into account all amounts borne by the mortgagor either directly or indirectly and (ii) arbitrage earned on nonmortgage investments must be paid to the United States.

Compliance with Tax Requirements

Section 143 of the Code and the applicable regulations provide that, with respect to each issue of qualified mortgage bonds, the targeted area requirements and clause (i) of the arbitrage requirements discussed above are met if the Issuer attempts in good faith to meet such requirements by taking all reasonable steps to assure compliance and if any failure to meet such requirements is due to inadvertent error. With respect to the mortgage eligibility requirements, section 143 of the Code and the applicable regulations provide that such requirements are met, with respect to each issue of qualified mortgage bonds, if (i) the Issuer attempts in good faith to meet such requirements before the mortgages are originated including establishing reasonable procedures and conducting reasonable investigations, (ii) at least 95% of the proceeds of the issue used for mortgages are used for mortgages which meet all of the mortgage eligibility requirements at the time of execution or assumption, and (iii) any failure to meet such requirements is corrected within a reasonable period of time after such failure is discovered or should have been discovered through the exercise of reasonable diligence. Consequently, a failure to satisfy the mortgage eligibility requirements at any time during the term of each issue of tax-exempt bonds could result in the interest on such bonds being includable in gross income for federal tax purposes retroactively to the date of issuance (as determined for federal tax purposes).

Certain procedures and safeguards have been incorporated into the Agreements and the Indenture to ensure compliance with the requirements of section 143 of the Code with respect to the Series 2026A Bonds. Furthermore, the Issuer, the Servicer, each Lender and the Trustee have each covenanted in the Agreements to follow such procedures toward compliance with such requirements. The Issuer and the Trustee have also made certain representations and covenants relevant to the tax status of interest on the Series 2026A Bonds in the Indenture and the Agreements.

Subject to the condition that the parties continuously comply with the above-referenced covenants and in reliance upon certain representations of the Issuer and others in certain certificates and any required verification report, Bond Counsel will provide its opinion to the effect that, under applicable law, interest on the Series 2026A Bonds will not be includable in gross income of the owners thereof for purposes of federal income taxation, and that interest on such Series 2026A Bonds will not be a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Failure to comply with certain of such covenants and representations could cause interest on the Series 2026A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026A Bonds.

Tax Accounting Treatment of Premium and Discount on Certain Series 2026A Bonds

The initial public offering price of certain Series 2026A Bonds, which includes the Series 2026A PAC Bonds (collectively the “Series 2026A Premium Bonds”), may be greater than the amount payable on such Series 2026A Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Series 2026A Premium Bonds (assuming that a substantial amount of the Series 2026A Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Series 2026A Premium Bonds. The basis for federal income tax purposes of a Series 2026A Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2026A Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity.

Purchasers of the Series 2026A Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on such Series 2026A Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Series 2026A Premium Bonds.

The initial public offering price of certain Series 2026A Bonds (the “Discount Series 2026A Bonds”) may be less than the amount payable on such Series 2026A Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Series 2026A Bond (assuming that a substantial amount of the Discount Series 2026A Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Series 2026A Bond. A portion of such original issue discount allocable to the holding period of such Discount Series 2026A Bond by the initial purchaser will, upon the disposition of such Discount Series 2026A Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2026A Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Series 2026A Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Series 2026A Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Series 2026A Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Series 2026A Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Series 2026A Bond was held) is includable in gross income.

Owners of Discount Series 2026A Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Series 2026A Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Series 2026A Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Series 2026A Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

CONTINUING DISCLOSURE

General

Pursuant to the terms of a Continuing Disclosure Agreement with respect to the Series 2026A Bonds (the “Disclosure Agreement”), the Issuer will send or cause to be sent to the MSRB, through its EMMA system, certain financial information and operating data and notices of certain events, pursuant to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, by

the Securities and Exchange Commission (the “Rule”). The Disclosure Agreement is expected to be executed in substantially the form attached to this Official Statement as Appendix D.

A failure by the Issuer to comply with the Disclosure Agreement will not constitute a default under the Indenture, although bondholders will have any available remedy at law or in equity, including seeking mandate or specific performance by court order to cause the Issuer to comply with its obligations under the Disclosure Agreement. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026A Bonds and their market price.

The Continuing Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Owners or beneficial owners from time to time of the Series 2026A Bonds, and shall create no rights in any other person or entity. UNDER NO CIRCUMSTANCES SHALL THE ISSUER, THE TRUSTEE, OR THE DISSEMINATION AGENT BE LIABLE TO A BONDHOLDER OR BENEFICIAL OWNER OF ANY SERIES 2026A BOND OR ANY OTHER PERSON, IN CONTRACT OR IN TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE TRUSTEE, OR THE DISSEMINATION AGENT, RESPECTIVELY UNDER THE CONTINUING DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS AGREEMENT. EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR “MANDAMUS” OR SPECIFIC PERFORMANCE. THE TRUSTEE IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

Past Compliance

During the past five years the Issuer did not make timely filings on EMMA of two bond upgrade notices from Moody’s Investors Service, Inc. dated May 4, 2021 related to the Issuer’s Series 2011A and Series 2013A single family bond issues and the Issuer’s Series 2011B single family bond issue. On January 4, 2023, the Issuer filed notice of such upgrades on the currently outstanding bonds. Additionally, the Issuer did not timely file the Annual Bond Disclosure Report for fiscal year 2022 relating to the Series 2011A and Series 2013A single family bond issues although the report was uploaded to EMMA on March 18, 2023 for CUSIPs related to Series 2011A and on January 5, 2024 for the CUSIP related to Series 2013A. Lastly, the Dissemination Agent did not always make timely filings on EMMA of bond calls resulting from mortgage loan prepayments.

ELIGIBILITY FOR INVESTMENT

Under the authority of the Act, the Series 2026A Bonds are legal and authorized investments for any banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and sinking funds of cities, towns, villages, counties, school districts and other political corporations or subdivisions of the State of Texas. The Series 2026A Bonds are also declared eligible under the terms of the Act to secure the deposit of any and all public funds of the State of Texas and any and all public funds of cities, towns, villages, counties, school districts and other political corporations or subdivisions of the State of Texas, and are deemed to be lawful and sufficient security for such deposits at their face value. The Issuer has not made any investigation of any other rules, regulations or laws which may affect eligibility of the Series 2026A Bonds for investment or to secure the deposit of public funds.

NO LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, which affects the existence of the Issuer or its governing body or the titles of its officers to their respective offices or seeks to prohibit, restrain or enjoin the sale of the Series 2026A Bonds, or the revenues or assets pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2026A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2026A Bonds, the Indenture, the Agreements or the Continuing Disclosure Agreement.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2026A Bonds by the Issuer are subject to the approving opinions of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Bond Counsel. The form of the approving opinion of Bond Counsel is set forth in Appendix C hereto. Certain legal matters will be passed upon for the Issuer by Barnes & Thornburg LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP.

FINANCIAL ADVISOR

cfX Incorporated (the “Financial Advisor”) is employed by the Issuer as an independent financial advisor in connection with the issuance of the Series 2026A Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Series 2026A Bonds is contingent upon the issuance and delivery of the Series 2026A Bonds. cfX Incorporated, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal, state or local tax status of the Series 2026A Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies.

cfX Incorporated has provided the following for inclusion in this Official Statement: cfX Incorporated has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer with respect to the issuance of the Series 2026A Bonds, but it does not guarantee the accuracy or completeness of such information. cfX Incorporated did not participate in the underwriting of the Series 2026A Bonds. The participation of cfX Incorporated should not be seen as a recommendation to buy or sell the Series 2026A Bonds, and investors should seek the advice of their accountants, lawyers and registered representatives as appropriate. Fees payable to the Financial Advisor are contingent upon the issuance of the Series 2026A Bonds.

UNDERWRITING

Raymond James & Associates, Inc. and Fidelity Capital Markets, a division of National Financial Services LLC (the “Underwriters”) have agreed to purchase from the Issuer all the Series 2026A Bonds at a total purchase price equal to the sum of the products of the principal amount of each maturity times the related offering price set forth on the inside cover page hereof. The Issuer has agreed to pay the Underwriters \$_____ for their fees and expenses relating to the Series 2026A Bonds (including the fees and expenses of their counsel). The Series 2026A Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such initial offering price may be changed from time to time.

Fidelity Capital Markets, a division of National Financial Services LLC (“FCM”), an underwriter of the Bonds, has entered into an agreement with its affiliate broker dealer, Fidelity Brokerage Services LLC (“FBS”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to this agreement, FCM may compensate FBS for any bonds sold via the FBS distribution channels to its customers.

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

RATING

It is a condition to the issuance and delivery of the Series 2026A Bonds that the Series 2026A Bonds have been assigned a rating of “AA+” by S&P Global Ratings, a Standard and Poor’s Financial Services LLC business (the “Rating Agency”). No application has or will be made to any other rating agency for a rating on the Series 2026A Bonds. The assigned rating reflects only the views of the Rating Agency at the time such rating is given, and the Issuer makes no representation as to the appropriateness of such rating. An explanation of the significance of a rating may be obtained from the Rating Agency.

The Issuer has provided the Rating Agency information and materials relating to the Series 2026A Bonds, including information and materials that have not been included in this Official Statement. Generally, a rating agency bases its rating on such information and materials and on investigations, studies and assumptions by such rating agency. There is no assurance that the rating initially assigned to the Series 2026A Bonds will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the Rating Agency, if in its sole judgment, 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 Series 2026A Bonds.

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MISCELLANEOUS

This Official Statement is submitted in connection with the issuance and delivery of the Series 2026A Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchaser or the Owner of any Series 2026A Bond. Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

By: _____
President

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APPENDIX A

DEFINITIONS

Certain capitalized terms used in this Official Statement and not otherwise defined under “Introduction” or elsewhere herein are set forth below. In some cases such definitions represent a condensed or otherwise modified form of the definition set forth in the Indenture or the Agreements. Reference is made to the Indenture and the Agreements for the complete definitions of such terms and for other capitalized terms that are not defined in this Official Statement.

“Act”: Subchapter Y of Chapter 2306, Texas Government Code, as amended from time to time.

“Agreements”: the Servicing Agreement and the Lender Agreements.

“Authorized Representative”: the Chair, Vice Chair, President or Executive Vice President of the Issuer, or any other legally authorized signatory of the Issuer.

“Bond”: any Bond authorized under the General Indenture and issued pursuant to a Series Indenture.

“Bond Counsel”: Norton Rose Fulbright US LLP or any nationally recognized bond counsel who is either currently under contract to provide such services to the Issuer or is acceptable to the Issuer.

“Bond Service Provider”: the Trustee, a Depository, or a Paying Agent.

“Bond Year”: means, with respect to the Series 2026A Bonds, a twelve-month period ending on August 31st of each year, except that the first Bond Year shall commence on the date of delivery of the Series 2026A Bonds and shall end on August 31, 2027.

“Bondholder” or “Holder”: the registered owner of any Outstanding Bond or Bonds.

“Cash Flow Certificate”: an Officer’s Certificate meeting the requirements of the General Indenture.

“Cash Flow Test”: projected annual Revenues sufficient to pay projected Program Expenses and scheduled Interest Requirements and Principal Requirements, all as set forth in a Cash Flow Certificate pursuant to the General Indenture.

“Certificate”: fully-modified mortgage-backed securities purchased by the Trustee on behalf of the Issuer.

“Chair”: the Chair of the Board of Directors of the Issuer.

“Closing Date”: November 19, 2026*, the date of issuance and delivery of the Series 2026A Bonds.

“Code”: the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; each reference to a Section of the Code herein shall be deemed to include the United States Treasury regulations proposed or in effect thereunder and applied to the Bonds or the use of the proceeds

* Preliminary, subject to change.

thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Continuing Disclosure Agreement”: means that certain Continuing Disclosure Agreement between the Issuer and Computershare Trust Company, N.A., as the dissemination agent, dated the date of issuance of the Series 2026A Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“Cost of Issuance”: all items of expense payable or reimbursable directly or indirectly by the Issuer and related to the authorization, sale and issuance of Bonds and the financing and purchase of Qualified Mortgage Loans.

“Credit Facility”: a letter of credit, standby bond purchase agreement, bond insurance policy, credit commitment, line of credit, guaranty, surety bond or other credit facility, issued with respect to any Bonds by a state chartered banking corporation, national banking association or other financial institution or any insurance company with an investment grade rating on its outstanding long-term senior unsecured and uninsured obligations from any Rating Agency.

“Depository”: each financial institution appointed pursuant to the General Indenture to act as depository, and any successor thereof designated by or pursuant to Article XI of the General Indenture.

“Directed Series 2026A Principal Payments”: with respect to any redemption date, repayments and Prepayments from Series 2026A Mortgage Loans or Series 2026A Guaranteed Mortgage Securities, less the principal amount of any Series 2026A Bonds scheduled to mature or subject to sinking fund redemption on such redemption date (or, if no such Series 2026A Bonds are scheduled to mature or are subject to sinking fund redemption on such redemption date, a pro rata portion of the next subsequent scheduled maturity amount or Sinking Fund Payment amount of such Series 2026A Bonds).

“DPA Second Mortgage Loan”: means a Qualified Mortgage Loan secured by a subordinate lien made for the purpose of providing down payment and closing cost assistance in connection with a Series 2026A Mortgage Loan.

“Escrow Payment”: all payments made by or on behalf of an eligible borrower of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

“Excess Revenues”: means Revenues under the General Indenture which are not required to make Debt Service Payments under the General Indenture.

“Executive Vice President”: the Executive Vice President of the Issuer.

“Fannie Mae”: the Federal National Mortgage Association, its successors and assigns.

“FHA”: the Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States of America to which the powers of the Federal Housing Administration have been transferred.

“FHA Insurance”: FHA mortgage insurance issued by the FHA under one of its insurance programs pursuant to Sections 203(b) (Home Unsubsidized), 203(k), 203(h), 221(d)(2) and 234(c) (Condominium Ownership) of the National Housing Act.

“FHA-Insured”: insured under FHA Insurance.

“Fiscal Year”: the period of twelve (12) calendar months commencing on September 1 in any calendar year and ending on August 31 in the following year.

“Freddie Mac”: the Federal Home Loan Mortgage Corporation, its successors and assigns.

“Funds” and “Accounts”: Funds and Accounts, including any subaccounts, established pursuant to this General Indenture, any Supplemental Indenture, or any Series Indenture.

“General Indenture”: the General Indenture of Trust, dated as of November 1, 2026, as it may from time to time be amended, modified, or supplemented as herein provided.

“GNMA”: the Government National Mortgage Association, its successors and assigns.

“Governmental Obligations”: (a) direct obligations of the United States of America, and (b) obligations the timely payment of the principal of, and interest on, which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

“Guaranteed Mortgage Securities”: mortgage-backed securities guaranteed as to payment of principal and interest by GNMA, Fannie Mae, Freddie Mac, or any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase or guarantee timely payment of Qualified Mortgage Loans backed by or representing Mortgage Loans.

“Hedge Agreement”: a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Issuer providing for payments between the parties based on levels of, or changes in, interest rates or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows the Issuer to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under the General Indenture.

“Hedge Provider”: any person or entity providing a Hedge Agreement pursuant to an agreement with or upon the request of the Issuer.

“Home”: real property and improvements thereon, including, but not limited to, a condominium unit, which consists of not more than four dwelling units owned by one Mortgagor.

“Interest Payment Date”: each March 1 and September 1 with respect to the Series 2026A Bonds, and with respect to any other Series of Bonds, the date on which interest on any Series of Bonds is required to be paid under the applicable Series Indenture.

“Interest Requirement”: as of any particular date of computation, the sum of the unpaid interest then due plus the interest to accrue on all Outstanding Bonds to the first day of the following month, plus the additional amount of such interest to accrue to their next respective Interest Payment Dates. Interest Requirement shall also include any regular payments under a Qualified Hedge Agreement if so specified

by a Series Indenture or an Officer's Certificate, but shall not include any fees, expenses or termination payments.

"Investments": any of the following which at the time are certified to the Trustee in an Officer's Certificate as (a) legal investments for Bond Service Providers under the laws of the State for moneys held hereunder which are then proposed to be invested therein and (b) permitted by the then effective investment policy of the Issuer:

- (i) Governmental Obligations;
- (ii) Direct and general obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency then rating the Bonds at the request of the Issuer;
- (iii) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service), GNMA, Small Business Administration, Resolution Funding Corporation, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof;
- (iv) Repurchase agreements, provided that such obligation is (1) rated in one of the three highest rating categories by any Rating Agency then rating the Bonds at the request of the Issuer or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times equal to at least the principal amount of such obligation;
- (v) Certificates of deposit, time deposits, demand deposits, and other deposit products, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits, demand deposits, and other deposit products shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by an irrevocable letter of credit issued by the United States of America or such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;
- (vi) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2;
- (vii) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

Guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, unless such contract or agreement would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer.

Notwithstanding the foregoing, and subject to State law, it is expressly understood that the definition of Investments shall be, and be deemed to be, expanded and/or amended, or new definitions and related provisions shall be added to this General Indenture, thus permitting investments with different characteristics from those permitted which an Authorized Representative deems from time to time to be in the interest of the Issuer, as reflected in an Officer's Certificate or in a Supplemental Indenture, unless at the time of inclusion such inclusion would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer, as certified in such Officer's Certificate or Supplemental Indenture.

"Issue Date": the date as of which any Series of Bonds is issued and from which interest thereon accrues, as specified by the applicable Series Indenture.

"Issuer": the Texas State Affordable Housing Corporation, a public nonprofit corporation duly created, organized and existing pursuant to the Act and the laws of the State or any successor thereto.

"Lender": means a mortgage lending institution participating in the Program and executing a Lender Agreement.

"Lender Agreement": means each Mortgage Origination Agreement between the Issuer and a Lender, as amended from time to time.

"Mortgage": a mortgage deed or other instrument securing a Mortgage Loan and constituting a lien on a Home, subject only to such encumbrances as are approved by the Issuer.

"Mortgage Lender": any bank, investment bank, mortgage bank or company, pension or retirement fund, savings bank, or savings and loan association which is authorized to do business in the State which is an FHA, USDA-RHS, VA-approved Mortgagee, or qualified to sell mortgages to Fannie Mae or to Freddie Mac, or any agency or instrumentality of the United States or the State, making or holding a Mortgage Loan, whether for its own account or as agent of the Issuer, and approved by the Issuer.

"Mortgage Loan": a loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note. The definition of "Mortgage Loan" shall not include, unless otherwise provided in a Series Indenture, any Mortgage Loan which is not credited to the Mortgage Loan Account, the Revenue Fund or other Fund or Account established under the General Indenture.

"Mortgage Loan Accounts": the Accounts so designated which may be established pursuant to the General Indenture.

"Mortgagor": the obligor or joint obligors on a Mortgage Loan.

"National Housing Act": the National Housing Act of 1934, as amended, 12 U.S.C. § § 1716 et seq.

"Nonorigination Redemption Date": with respect to the Series 2026A Bonds, May 19, 2030, the date set forth in the Series 2026A Indenture upon which Series 2026A Bonds may be redeemed from Series 2026A Unexpended Proceeds, or any extended date established pursuant to the conditions provided in the Series 2026A Indenture.

"Note": any obligation not designated as a bond, issued by the Issuer pursuant to the Act to make or purchase an obligation which is then, or thereafter becomes, a Qualified Mortgage Loan.

“Officer’s Certificate”: a certificate signed by an Authorized Representative.

“Outstanding”: a reference as of any particular time to all Bonds theretofore delivered except (a) any Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Issuer or by any other Bond Service Provider, at or before that time, (b) any Bond for the payment or redemption of which either moneys or Investments in the amounts, of the maturities and otherwise described and required under the provisions of the General Indenture with respect to defeasance of Bonds has been deposited with one or more Bond Service Providers in trust (whether upon or prior to the maturity or redemption date of the Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption has been given or provided for in accordance with Article VII of the General Indenture, (c) any Bond in lieu of or in substitution for which another Bond has been delivered pursuant to the redemption, purchase, and cancellation provisions of the General Indenture and (d) any Bond owned by the Issuer.

“Parity Test”: the Value equals or exceeds one hundred percent (100%) of all Outstanding Bonds.

“Paying Agent”: any bank, financial institution or other organization appointed by or pursuant to the General Indenture, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this General Indenture, including Computershare Trust Company, N.A. acting as paying agent with respect to the Series 2026A Bonds.

“Persons or families of low, very low and extremely low income”: an individual or household whose income qualifies as low income, very low income or extremely low income as determined from time to time by Chapter 2306, Texas Government Code, as amended or the Issuer's board of directors in a manner consistent with federal housing programs.

“Prepayment”: any money received from a payment of principal on a Mortgage Loan in excess of the scheduled payments of principal then due or from the sale of a Mortgage Loan.

“President”: the President of the Issuer.

“Principal Assets”: as of any date of computation of Value, all Mortgage Loans, Guaranteed Mortgage Securities, deposited cash, and Investments in all Mortgage Loan Accounts, in the Reserve Fund, and in the Revenue Fund, other than Investments and cash held pursuant to the General Indenture or to pay accrued interest on Outstanding Bonds.

“Principal Installment”: as of any particular date of computation, an amount equal to the principal amount of Outstanding Bonds which mature on a single future date, reduced by the aggregate amount of any Sinking Fund Installments payable before that date toward the retirement of such Outstanding Bonds, but including the remaining amount as a Sinking Fund Installment payable on said future date.

“Principal Installment Date”: the date on which a Principal Installment is payable.

“Principal Office”: with respect to a Bond Service Provider, its principal or head office or corporate trust or principal trust office in the city in which the Bond Service Provider is described as being located.

“Principal Requirement”: as of any particular date of computation, for all Bonds then Outstanding, the sum of (i) all unpaid Principal Installments then due, plus (ii) all Principal Installments to become due within twelve (12) months thereafter.

“Program”: the Issuer’s programs of financing or purchasing Qualified Mortgage Loans, including the payment, when due, of principal of and redemption premium, if any, and interest on Notes and Bonds.

“Program Documents”: means the Indenture, the Servicing Agreement, the Lender Agreements, the Program Guidelines, and all other documents relating to the Program.

“Program Expenses”: all the Issuer’s expenses of administering the Program under the General Indenture and the Act and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Trustee, any Depository and Paying Agent; Cost of Issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; Hedge Agreement payments so designated by an Authorized Representative including, without limitation, payments due upon the early termination of a Hedge Agreement; Credit Facility fees; bond insurer fees; financial advisory fees, rebate analyst fees, accounting and consulting fees, attorneys’ fees, remarketing agent fees; and any other expenses and fees required or permitted to be paid by the Issuer under the provisions of the General Indenture, any Supplemental Indenture or any Series Indenture, all to the extent properly allocable to the Program.

“Program Guidelines”: means the written guidelines for the Program established by the Issuer, which are subject to amendment from time to time, including but not limited to the (i) Guidelines for Down Payment Assistance (Bond and Non-Bond) and Mortgage Credit Certificates, (ii) Single Family Homeownership Programs: Mortgage Origination Agreement, and (iii) Mortgage Credit Certificate Program: Lender Participation Agreement.

“Qualified Hedge Agreement”: a Hedge Agreement which meets the tests set forth in the General Indenture.

“Qualified Hedge Institution”: (a) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by the Issuer are rated in any of the three highest rating categories by each Rating Agency then rating the Bonds at the request of the Issuer, or (b) GNMA, Fannie Mae, Freddie Mac or any successor thereto, or any other federal agency or instrumentality the obligations of which are backed by the full faith and credit of the United States of America; and further provided that it is expressly understood that the definition of the Qualified Hedge Institution shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the General Indenture, thus permitting a Qualified Hedge Agreement with a different entity from those permitted which an Authorized Representative deems from time to time to be in the interest of the Issuer, as reflected in an Officer’s Certificate or in a Supplemental Indenture, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Issuer, as certified in such Officer’s Certificate or Supplemental Indenture.

“Qualified Mortgage Loan”: (a) a Mortgage Loan satisfying the conditions set forth in the General Indenture or (b) a Guaranteed Mortgage Security backed by a pool of Qualified Mortgage Loans.

“Rating Agency”: a nationally recognized statistical rating organization which is registered with the United States Securities and Exchange Commission in accordance with the Credit Rating Agency Reform Act of 2006.

“RD”: the Rural Development Service of the U.S. Department of Agriculture (formerly, the Farmers Home Administration “FHA”) or other corporation or instrumentality created or chartered by the United States to which the powers of RD have been transferred.

“RD Guaranty”: a guaranty by RD under the successor to the FmHA Section 502 Guaranteed Homeownership Rural Housing Loan Program.

“Redemption Price”: as of any date of redemption before maturity, the principal amount of a Bond, or any portion thereof, plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms.

“Reserve Fund”: the Fund so designated which is established and created by the General Indenture.

“Reserve Requirement”: as of any particular date of computation, an amount of money equal to the sum of the amounts required by each Series Indenture to be maintained in the Reserve Fund with respect to the Series of Bonds authorized thereby, if any.

“Restricted Principal Receipts”: means Series 2026A Principal Repayments and Series 2026A Prepayments received on and after November 19, 2036.

“Revenue Fund”: the Fund so designated which is established by the General Indenture.

“Revenues”: (a) all amounts received as repayment of principal, interest and all other charges received for, and all other income and receipts derived by the Issuer from, Mortgage Loans and Guaranteed Mortgage Securities, including Prepayments, (b) moneys deposited in a sinking, redemption or reserve fund or other Fund or Account to secure Bonds or to provide for the payment of the principal of, premium or interest on Bonds, (c) all payments and receipts received by the Issuer under a Qualified Hedge Agreement and (d) to the extent hereinafter provided, interest earnings or income received on moneys so deposited in any Fund or Account pursuant to this General Indenture and all other payments and receipts received with respect to Mortgage Loans, including the proceeds of any mortgage insurance claims (but excluding Service Charges, Escrow Payments, or other financing, commitment or similar fees or charges of the Issuer or a Mortgage Lender at or prior to the time of financing or purchasing a Mortgage Loan).

“Scheduled Sinking Fund Redemptions”: means the amount designated for any particular due date in the Series 2026A Indenture for the retirement of Series 2026A Term Bonds on an unconditional basis.

“Serial Bonds”: Bonds so designated in a Series Indenture.

“Series”: all Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Indenture.

“Series Indenture”: an indenture of the Issuer authorizing the issuance of Bonds pursuant to the General Indenture.

“Series 2026A Bonds”: means the Issuer’s Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT), authorized pursuant to this Series 2026A Indenture and the General Indenture in the aggregate principal amount of \$83,355,000*.

“Series 2026A Cost of Issuance Account”: means the account so established in accordance with Section 3.04(c) of the Series Indenture.

“Series 2026A Downpayment Assistance”: means the original principal amount of a DPA Second Mortgage Loan.

“Series 2026A Downpayment Assistance Account”: means the account so established in accordance with Sections 3.04(e) hereof.

“Series 2026A Guaranteed Mortgage Securities”: means the Guaranteed Mortgage Securities purchased by the Trustee with proceeds of the Series 2026A Bonds and backed by Series 2026A Mortgage Loans.

“Series 2026A Indenture”: means the Series 2026A Indenture, dated as of November 1, 2026, between the Issuer and the Trustee, authorized and executed in accordance with the General Indenture.

“Series 2026A Lock-Out Serial Bonds”: the Series 2026A Serial Bonds maturing on September 1, from September 1, 2027* through and including September 1, 2034*.

“Series 2026A Mortgage Loan”: means a Qualified Mortgage Loan originated in connection with the issuance of the Series 2026A Bonds which (a) is FHA-Insured or VA-Guaranteed, (b) has an RD Guaranty, or (c) is a conventional mortgage loan and which satisfies the requirements of this Series 2026A Indenture and Section 303 of the General Indenture.

“Series 2026A Mortgage Loan Account”: means the account so established in accordance with Section 303 of the General Indenture and Section 3.04(a) of the Series Indenture.

“Series 2026A PAC Bonds”: the Series 2026A Bonds maturing on September 1, 2056*, in the principal amount of \$13,000,000*.

“Series 2026A Prepayments”: unscheduled payments of principal from the Series 2026A Mortgage Loans.

“Series 2026A Principal Repayments”: the scheduled payments of principal then due or from the sale of Series 2026A Mortgage Loans.

“Series 2026A Revenue Account”: means the account so established in accordance with Article IV of the General Indenture and Section 3.04(b) of the Series Indenture.

“Series 2026A Term Bonds”: means the Series 2026A Bonds maturing September 1, 2041*, September 1, 2046*, September 1, 2051*, September 1, 2056*, and the Series 2026A PAC Bonds.

* Preliminary, subject to change.

“Series 2026A Unexpended Proceeds”: means the proceeds of the Series 2026A Bonds deposited in the Series 2026A Mortgage Loan Account which are not applied to the purchase of Series 2026A Mortgage Loans, Series 2026A Guaranteed Mortgage Securities or DPA Second Mortgage Loans.

“Service Charge”: any charge authorized to be deducted by a Servicer from payments on a Mortgage Loan and any reimbursement of the cost of servicing by the Issuer, before deposit of the payments with the Trustee.

“Servicer”: the public or private institution (including the Trustee or a Depository) with which the Issuer shall execute a Servicing Agreement, including Lakeview Loan Servicing, LLC, a Delaware limited liability company.

“Servicing Agreement”: a contractual agreement of the Issuer with a Servicer for the servicing of Qualified Mortgage Loans, as may be amended, supplemented or modified from time to time.

“Sinking Fund Installment”: any amount of money required by or pursuant to a Series Indenture to be paid on a specified date by the Issuer toward the retirement of any particular Term Bonds before maturity.

“Sinking Fund Installment Date”: the date on which a Sinking Fund Installment is payable.

“Special Program Fund”: the Fund so designated which may be established pursuant to the General Indenture, including any general account or restricted account therein.

“State”: the State of Texas.

“Subordinated Bonds”: Bonds authorized by the General Indenture and issued pursuant to a Series Indenture which by their terms are junior in right of payment to Bonds.

“Supplemental Indenture”: any indenture of the Issuer amending or supplementing this General Indenture, adopted and becoming effective in accordance with the terms of the General Indenture.

“Term Bonds”: Bonds so designated in a Series Indenture.

“Trust Estate”: all Revenues, proceeds, Funds, Accounts, Qualified Mortgage Loans, rights, interests, collections, and other property pledged to the payment of any Bonds pursuant to the General Indenture or any Series Indenture.

“Trustee”: the trustee appointed by or pursuant to the General Indenture, its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the General Indenture.

“VA”: the Department of Veterans Affairs, an agency of the United States of America, or any successor to its functions.

“VA-Guaranteed”: guaranteed by the VA under the Servicemen’s Readjustment Act of 1944, as amended.

“VA Guaranty”: a guaranty by the VA under the Servicemen’s Readjustment Act of 1944, as amended, meeting the requirements of the GNMA Guide, as defined in the Program Documents.

“Value”: a periodic valuation of Principal Assets to be made in an Officer’s Certificate, which may rely on the most recent Cash Flow Certificate, at the times required in the General Indenture (and not for

financial reporting), at amounts computed for the several categories of Principal Assets, respectively, as follows:

- (a) for a Mortgage Loan, the unpaid principal amount thereof;
- (b) for any amount of cash and Investments held in a Mortgage Loan Account at any computation date within two (2) years after the Issue Date of the Series of Bonds issued to establish the Mortgage Loan Account, the par amount thereof; and
- (c) for other Investments and deposits: (i) the principal amount or amortized cost of an Investment, whichever is lower, if it matures more than twenty-four (24) months after the date of computation or is held subject to a repurchase agreement and (ii) the principal amount of a deposit or of an Investment that matures within twenty-four (24) months after the date of computation and is not held subject to a repurchase agreement, provided further that (iii) accrued interest shall be excluded from each such computation.

“Vice Chair”: the Vice-Chair of the Board of Directors of the Issuer.

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APPENDIX B

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, acts as securities depository for the Series 2026A Bonds (for purposes of this section, the Series 2026A Bonds will be referred to as the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Securities and will be deposited with DTC.

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

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written 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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC by the Trustee.

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

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, DTC's nominee, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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.

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

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

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

APPENDIX C

FORM OF BOND COUNSEL OPINION FOR THE SERIES 2026A BONDS

[Series 2026A Bond Closing Date]

WE HAVE ACTED AS BOND COUNSEL for the Texas State Affordable Housing Corporation (the “Issuer”) for the purpose of rendering our opinion with respect to the matters discussed herein in connection with the issuance of \$83,355,000* aggregate principal amount of the Texas State Affordable Housing Corporation Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the “Bonds”). We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. The Bonds are limited obligations of the Issuer payable solely from the sources described therein.

WE HAVE EXAMINED the Bonds and have also examined, and in expressing the opinions hereinafter described we rely upon, original or certified copies of the proceedings of the Board of Directors of the Issuer authorizing issuance of the Bonds; certificates of the Issuer relating to the expected use of proceeds of the Bonds and certain other funds of the Issuer and to other material facts within the sole knowledge of the Issuer, a General Indenture of Trust dated as of November 1, 2026, between the Issuer and Computershare Trust Company, N.A., as trustee (the “Trustee”) and a Series 2026A Indenture dated as of November 1, 2026, between the Issuer and the Trustee (collectively, the “Bond Documents”); and such other documents and material and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such certificates.

WE ARE OF THE OPINION, based upon such examination, that under applicable laws of the United States of America and of the State of Texas in force and effect on the date hereof, the Bonds have been duly authorized, executed, and delivered and constitute valid and legally binding limited obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the extent that the enforcement thereof may be limited by laws of general application relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors or the exercise of judicial discretion in accordance with general principles of equity.

IT IS FURTHER OUR OPINION THAT, assuming continuing compliance after the date hereof by the Issuer and the Trustee with the applicable provisions of the Bond Documents, and in reliance upon representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended (the “Code”), of the owners thereof for federal income tax purposes pursuant to sections 103 and 143 of the Code and existing regulations, published rules and court decisions thereunder and will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals.

WE EXPRESS NO OTHER OPINION with respect to the legal or beneficial ownership of the Bonds for federal income tax purposes or any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of the Bonds. Ownership of tax exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of interest in a financial asset securitization investment trust, corporations subject to the alternative minimum tax on adjusted financial statement income, individual

* Preliminary, subject to change.

recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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TEXAS STATE AFFORDABLE HOUSING CORPORATION
Homeownership Mortgage Revenue Bonds
Series 2026A (Non-AMT)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of [____], 2026 (this “Disclosure Agreement”) is executed and delivered by Texas State Affordable Housing Corporation (the “Issuer”) and Computershare Trust Company, N.A. (the “Trustee”), with respect to the Issuer’s Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT) (the “Series 2026A Bonds”). The Issuer and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Trustee for the benefit of the Owners and beneficial owners of the Series 2026A Bonds and in order to assist the Participating Underwriter for the Series 2026A Bonds in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the “Securities and Exchange Commission”).

SECTION 2. Definitions. In addition to the definitions set forth in the General Indenture of Trust dated as of November 1, 2026 (the “General Indenture”), between the Issuer and the Trustee, as supplemented by the Series 2026A Indenture dated as of November 1, 2026 (the “Series Indenture”), between the Issuer and the Trustee (the General Indenture and the Series Indenture collectively, the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement that is not defined in this Disclosure 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 Disclosure Agreement.

“Bonds” shall mean all bonds issued under the Indenture.

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

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

“EMMA” means Electronic Municipal Market Access, an electronic service of the Municipal Securities Rulemaking Board.

“Financial Obligation” means 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.

“Fiscal Year” means the fiscal year from September 1 through August 31.

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

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the registered owner of any Series 2026A Bond.

“Participating Underwriter” shall mean any person required to comply with the Rule in connection with the offering of the Series 2026A Bonds.

“Responsible Officer” shall mean, in the case of the Trustee, the officer or officers specifically administering the Indenture.

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

“Trustee” shall mean Computershare Trust Company, N.A., or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending August 31, 2026, provide to the MSRB, in the electronic or other form required by the MSRB, an Annual Bond Disclosure Report which is consistent with the requirements of Section 4 of this 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 Disclosure Agreement; *provided* that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the balance of the Annual Bond Disclosure Report, and later than the date required in this paragraph 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. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) Business Days prior to the date specified in subsection (a) for providing the Annual Bond Disclosure Report to the MSRB, the Dissemination Agent shall provide the Annual Bond Disclosure Report to the Issuer and the Trustee. If by the date specified in this subsection 3(b), 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 intending to comply with subsection (a).

(c) If the Trustee is able to verify that an Annual Bond Disclosure Report has not been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) on behalf of the Issuer prepare and file the Annual Bond Disclosure Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof; and

(ii) file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Bond Disclosure Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB 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 for the Series 2026A Bonds shall contain or incorporate by reference the following:

(a) If prepared and when available, the audited financial statements of 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.

(b) Updates, for the most recently ended fiscal year, of the financial information and operating data of the type contained in the following section of the Official Statement: “SECURITY FOR THE BONDS – Valuation of Assets”.

(c) Tables (or other descriptive format) setting forth the following information, as of the end of such Fiscal Year (if not otherwise set forth in the audited financial statements):

(i) For each maturity of Bonds Outstanding under the Indenture, the maturity date, the interest rate, the original aggregate principal amount and the principal amount remaining Outstanding.

(ii) The outstanding principal amount, interest rate and type (i.e., Ginnie Mae, Fannie Mae or Freddie Mac) of the 2026 Series A Guaranteed Mortgage Securities.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed 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;
2. Non payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the 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;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

(For the purposes of the event identified in this paragraph 12, 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, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee under the Indenture 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 Bondholders, 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, 3, 4, 5, 6 (unless a judgment as to materiality is required to be made), 8 (if the event is a tender offer), 9, 11, 12 or 16 above, it shall promptly notify the Trustee in writing and shall direct the Dissemination Agent to immediately file a notice of such occurrence with the Municipal Securities Rulemaking Board. 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 any Listed Event under number 2, 6 (if a judgment as to materiality is required), 7, 8 (if the event is a bond call), 10, 13, 14 or 15 above, it shall promptly determine if such event is material. If the Issuer determines that such event is material, it shall immediately notify the Trustee and the Dissemination Agent in writing and shall direct the Dissemination Agent to immediately file a notice of such occurrence with the Municipal Securities Rulemaking Board. 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 to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

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 a Responsible Officer obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. It is agreed and understood that the duty to make the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Trustee has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any of such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Trustee be liable in damages or in tort to any Participating Underwriter, the Issuer, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 6. Termination of Reporting Obligations. The Issuer’s obligations under this Disclosure Agreement with respect to the Series 2026A Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of the Series 2026A Bonds. If such termination

occurs prior to the final maturity of the Series 2026A Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Computershare Trust Company, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Trustee may amend this Disclosure Agreement with consent of Dissemination Agent (and the Trustee shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this 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), 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 Series 2026A 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 delivery of the Series 2026A 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 by the Owners of the Series 2026A Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Series 2026A Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related 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(a), 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).

The Issuer may also amend or repeal the provisions of this Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters

judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2026A Bonds in the primary offering of the Series 2026A Bonds.

SECTION 9. Additional Information; Miscellaneous. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this 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 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 Disclosure Agreement, the Issuer shall have no obligation under this Disclosure 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 Municipal Securities Rulemaking Board (or other applicable repository) shall be in an electronic format and accompanied by identifying information, all as prescribed by the Municipal Securities Rulemaking Board.

SECTION 10. Default. In the event of a failure of the Issuer or the Trustee to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2026A Bonds, shall, upon the Dissemination Agent being indemnified to its satisfaction), or any Owner or beneficial owner of the Series 2026A Bonds may, take such actions as may be necessary and appropriate to cause the Issuer or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Series 2026A Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article XI of the General Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Trustee and the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Trustee or the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the time and with the content described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Agreement. Neither the Trustee nor the Dissemination Agent shall have any duty with respect to the content of any disclosures made pursuant to the terms hereof. Neither the Trustee nor the Dissemination Agent shall have any duty or obligation to review or verify any Annual Bond Disclosure Report, the Issuer's audited financial statements, Listed Events or any other information, disclosures or notices provided to the Trustee or the Dissemination by the Issuer and neither the Trustee nor the Dissemination Agent shall be deemed to be acting in any fiduciary capacity for the Issuer, the Bondholders or any other party. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied its

obligations under this Disclosure Agreement. The Dissemination Agent may conclusively rely upon certification of the Issuer at all times. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, 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 11 shall survive resignation or removal of the Dissemination Agent and payment in full of the Series 2026A Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that either the Trustee or the Dissemination Agent is an "obligated person" under the Rule. The fact that the Trustee may have a banking relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Trustee or a Responsible Officer thereof has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Trustee pursuant to this Disclosure Agreement or the Indenture. Neither the Trustee nor the Dissemination Agent shall in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Trustee hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to them and believed to be genuine and to have been signed or presented by the proper party or parties.

The Trustee and the Dissemination Agent may, from time to time, consult with legal counsel of their own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE TRUSTEE OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE DISSEMINATION AGENT OR THE TRUSTEE, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE TRUSTEE IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and the beneficial owners from time to time of the Series 2026A Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 13. Counterparts. This 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.

[Remainder of Page Intentionally Left Blank]

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

By: _____
President

[Signature Page for Continuing Disclosure Agreement]

COMPUTERSHARE TRUST COMPANY,
N.A. (as Trustee and Dissemination Agent)

By: _____
Authorized Officer

[Signature Page for Continuing Disclosure Agreement]

EXHIBIT A

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

Name of Issuer: Texas State Affordable Housing Corporation

Name of Bond Issue: Homeownership Mortgage Revenue Bonds, Series 2026A (Non-AMT)

Date of Delivery: [____], 2026

NOTICE IS HEREBY GIVEN that Texas State Affordable Housing 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 [____], 2026, between the Issuer and Computershare Trust Company, N.A., as trustee. The Issuer anticipates that the Annual Bond Disclosure Report will be filed by _____.

Dated: _____

COMPUTERSHARE TRUST COMPANY, N.A.,
on behalf of Texas State Affordable Housing
Corporation

By: _____

Title: _____

cc: Texas State Affordable Housing Corporation



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