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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 6, 2026

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS
Moody's: "Aa1"
S&P: "AA+"
(See "RATINGS" herein)

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, interest on the Series 2026D Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026D BONDS" herein, including information regarding potential alternative minimum tax consequences for corporations.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$250,000,000*
Residential Mortgage Revenue Bonds, Series 2026D
("Series 2026D Bonds")

Dated Date/Delivery Date:	November 18, 2026*
Due:	January 1 and July 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2026D Bonds will be payable on each January 1 and July 1, commencing January 1, 2027* as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2026D Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2026D BONDS – Redemption Provisions."
Denominations:	The Series 2026D Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2026D Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2026D Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS RELATING TO THE SERIES 2026D BONDS" herein.
Purpose:	The Series 2026D Bonds are being issued for the primary purpose of (i) acquiring Mortgage Loans (as defined herein), or participations therein, through the purchase of mortgage-backed, pass-through certificates (the "2026D Mortgage Certificates"), including providing down payment and closing cost assistance for Assisted Mortgage Loans (as defined herein), (ii) paying lender compensation related to the 2026D Mortgage Loans (as defined herein), (iii) repaying and/or currently refunding the Repaid FHLB Advances (as defined herein), thereby providing funds for purposes (i)-(ii), and (iv) paying Costs of Issuance (as defined herein). The 2026D Mortgage Certificates will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."
Security:	The Series 2026D Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2026D Bonds are limited obligations of the Texas Department of Housing and Community Affairs (the "Department") and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2026D Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2026D Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2026D Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Municipal Advisor:	CSG Advisors

Morgan Stanley

Jefferies **RBC Capital Markets**

BofA Securities, Inc. **Fidelity Capital Market** **J.P. Morgan**

Loop Capital Markets **Ramirez & Co., Inc.** **Piper Sandler** **Wells Fargo Securities**

* Preliminary, subject to change.

MATURITY SCHEDULE*

$40,990,000 Series 2026D Serial Bonds

Maturity Date	Principal Amount ($)	Interest Rate	Price	CUSIP[1]
January 1, 2028	1,475,000			
July 1, 2028	1,505,000			
January 1, 2029	1,535,000			
July 1, 2029	1,565,000			
January 1, 2030	1,595,000			
July 1, 2030	1,630,000			
January 1, 2031	1,665,000			
July 1, 2031	1,700,000			
January 1, 2032	1,735,000			
July 1, 2032	1,770,000			
January 1, 2033	1,815,000			
July 1, 2033	1,855,000			
January 1, 2034	1,895,000			
July 1, 2034	1,940,000			
January 1, 2035	1,985,000			
July 1, 2035	2,030,000			
January 1, 2036	2,080,000			
July 1, 2036	2,135,000			
January 1, 2037	2,185,000			
July 1, 2037	2,240,000			
January 1, 2038	2,300,000			
July 1, 2038	2,355,000			

$15,510,000 ____% Series 2026D Term Bond due July 1, 2041 Price _____% CUSIP[1]
$32,210,000 ____% Series 2026D Term Bond due July 1, 2046 Price _____% CUSIP[1]
$42,635,000 ____% Series 2026D Term Bond due July 1, 2051 Price _____% CUSIP[1]
$56,655,000 ____% Series 2026D Term Bond due July 1, 2056 Price _____% CUSIP[1]
$62,000,000 ____% Series 2026D Premium PAC Term Bond due July 1, 2057 Price _____% CUSIP[1]

(Interest Accrues from Date of Delivery)

* *Preliminary, subject to change.*

[1] 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. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Department, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes a Preliminary Official Statement of the Department with respect to the Series 2026D Bonds that has been "deemed final" by the Department as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page and inside front cover hereof, and the appendices attached hereto, does not constitute, and is not to be used in connection with, an offer to sell or the solicitation of an offer to buy the Series 2026D Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth in this Official Statement has been obtained from the Department and other sources which are believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under such document shall, under any circumstances, create any implications that there has been no change in the affairs of the Department or other matters described herein since the date hereof.

Neither the Department nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

The Trustee assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

Many statements contained in this Official Statement, including the appendices and the documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on the Department's beliefs, as well as assumptions made by, and information currently available to, the management and staff of the Department. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this Official Statement.

The Department's projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Department's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Department. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the Department's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2026D BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH ARE INTENDED TO STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2026D BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING EFFORTS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2026D BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED HEREIN, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The Series 2026D Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Indenture or any other document been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Any registration or qualification of the Series 2026D Bonds in accordance with applicable provisions of the securities laws or the states in which the Series 2026D Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2026D Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

TABLE OF CONTENTS

INTRODUCTION **1**
PLAN OF FINANCE **3**
SOURCES AND USES OF FUNDS **3**
THE SERIES 2026D BONDS **4**
General 4
Interest Rates 4
Redemption Provisions 4
Partial Redemption 10
Notice of Redemption 11
Conditional Notices of Redemption 11
Payment of Redeemed Bonds 11
Purchase in Lieu of Redemption 12
Average Life and Prepayment Speeds 12
SECURITY FOR THE BONDS **15**
Pledge of Trust Indenture 15
Supplemental Mortgage Security 16
Cashflow Statement and Asset Test 16
Additional Bonds 16
Outstanding Subordinate Lien Obligation 17
Sale of Mortgage Certificates and Mortgage Loans 17
Certain Information as to Revenues, Investments, Debt Service and Department Expenses 17
INVESTMENT CONSIDERATIONS **18**
Future Changes in Federal and State Tax Law 18
Termination of Mortgage Loans and Mortgage Certificates 19
Mortgage Loan Principal Prepayments 19
10-Year Rule 19
Non-Origination of Mortgage Loans 19
Availability of Remedies 20
Disclaimer Regarding Cyber Risks 20
THE DEPARTMENT **21**
General 21
Purpose and Impact 21
Governing Board 22
Administrative Personnel 23
THE TRUST INDENTURE **24**
General 24
Funds and Accounts 25
Mortgage Loan Fund 25
Cost of Issuance Fund 25
Revenue Fund 25
Interest Fund and Principal Fund 26
Special Redemption Fund 26
Expense Fund 27
Residual Revenues Fund 27
Rebate Fund 27
Withdrawals from Funds to Pay Debt Service 27
Investments 28
Other Department Covenants 28
Events of Default 28
Bondholders' Rights in the Event of Default 29
Application of Proceeds 29
Trustee 30
Depositories 30
Supplemental Indentures without Consent of Bondholders 31
Amendment of Trust Indenture with Consent of Bondholders 31

Defeasance 32
TAX MATTERS RELATING TO THE SERIES 2026D BONDS 32
Tax Exemption 32
Collateral Tax Consequences 33
Tax Accounting Treatment of Original Issue Premium 34
Tax Accounting Treatment of Original Issue Discount 34
Tax Legislative Changes 35
Federal Income Tax Requirements 35
CONTINUING DISCLOSURE OF INFORMATION 39
Annual Reports 39
Event Notices 40
Availability of Information from MSRB 41
Limitations and Amendments 41
Duties, Immunities, and Liabilities of Trustee 42
RATINGS 42
UNDERWRITING 42
MUNICIPAL ADVISOR 44
FINANCIAL STATEMENTS 44
LITIGATION MATTERS 45
APPROVAL OF LEGALITY 45
ADDITIONAL INFORMATION 46

APPENDIX A	GLOSSARY	A-1
APPENDIX B-1	GNMA AND THE GNMA CERTIFICATES	B-1
APPENDIX B-2	FANNIE MAE AND THE FANNIE MAE CERTIFICATES	B-2
APPENDIX C	FORM OF PROPOSED OPINION OF BOND COUNSEL	C-1
APPENDIX D-1	ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES	D-1
APPENDIX D-2	BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS	D-2
APPENDIX E	APPLICABLE MEDIAN FAMILY INCOMES AND MAXIMUM ACQUISITION COST LIMITATIONS	E-1
APPENDIX F	TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS	F-1
APPENDIX G	SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS	G-1
APPENDIX H	USE OF PROCEEDS REPORT	H-1

OFFICIAL STATEMENT

Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$250,000,000*
Residential Mortgage Revenue Bonds,
Series 2026D
("Series 2026D Bonds")

INTRODUCTION

This Official Statement provides certain information concerning the Texas Department of Housing and Community Affairs (the "Department") in connection with the issuance of its Residential Mortgage Revenue Bonds, Series 2026D (the "Series 2026D Bonds"). Capitalized terms used but not otherwise defined herein shall have the respective meanings for such terms as set forth in "APPENDIX A – GLOSSARY."

The Department, a public and official agency of the State of Texas (the "State"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act") for the purpose of, among other things, financing sanitary, decent and safe housing for individuals and families of low and very low income and families of moderate income. The Department is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs (the "TDCA"), both of which were abolished by the Act and all functions and obligations of which were transferred to the Department pursuant to the Act. Under the Act, the Department may issue bonds, notes and other obligations to finance or refinance residential housing and multifamily developments located in the State and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. See "THE DEPARTMENT."

The Series 2026D Bonds are authorized to be issued pursuant to the Act, a resolution adopted by the Governing Board of the Department (the "Board") on September 3, 2026, (the "Resolution"), the Pricing Certificate (as hereafter defined), an Amended and Restated Residential Mortgage Revenue Bond Trust Indenture, dated as of July 1, 2019 (the "Master Indenture" and as amended and supplemented from time to time, collectively, the "Trust Indenture") between the Department and The Bank of New York Mellon Trust Company, N.A., Houston, Texas, as trustee (the "Trustee"), and a Fifty-Second Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 2026 (the "Fifty-Second Supplemental Indenture"). As permitted by Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board in the Resolution delegated the authority to certain authorized representatives (each, an "Authorized Representative") to execute a pricing certificate (a "Pricing Certificate") specifying final pricing terms with respect to the Series 2026D Bonds. The Trust Indenture authorizes the Department to issue bonds to provide funds to, among various things, (i) acquire or refinance single family mortgage loans or participations therein ("Mortgage Loans") that are made to Eligible Borrowers, as determined from time to time by the Department, (ii) purchase mortgage-backed securities (the "Mortgage Certificates") that are backed by Mortgage Loans and guaranteed by the Government National Mortgage Association ("GNMA" or "Ginnie Mae"), (iii) refund Outstanding Bonds issued under the Trust Indenture, and (iv) to pay costs associated therewith.

The Department has previously issued multiple series of single family mortgage revenue bonds under the Trust Indenture of which $2,595,644,395 in aggregate principal amount was Outstanding as of

* *Preliminary, subject to change.*

June 30, 2026. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds."

The Series 2026D Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture (collectively, the "Bonds") are equally and ratably secured by the Trust Estate held by the Trustee pursuant to the Trust Indenture. See "THE TRUST INDENTURE" and "SECURITY FOR THE BONDS – Additional Bonds."

Proceeds of the Series 2026D Bonds in the amount of $222,885,000* are being issued for the primary purpose of (i) acquiring Mortgage Loans, or participations therein, through the purchase of Mortgage Certificates guaranteed as to timely payment of principal and interest by Ginnie Mae (such Mortgage Certificates purchased with proceeds of the Series 2026D Bonds referred to herein as the "2026D Mortgage Certificates,") which represent beneficial ownership of pools of Mortgage Loans, including funding loans for down payment and closing cost assistance (as hereinafter defined, the "DPA Loans") with respect to Assisted Mortgage Loans, (ii) paying lender compensation related to the 2026D Mortgage Loans, and (iii) paying Costs of Issuance. See "PLAN OF FINANCE."

Proceeds of the Series 2026D Bonds in the amount of $27,115,000* are being used as part of the Department's volume cap recycling program to repay amounts owed under the Advances and Securities Agreement, dated November 1, 2016, by and between the Federal Home Loan Bank of Dallas and the Department, as amended, and the side letters executed pursuant thereto (the "FHLB Agreement"), representing recycled mortgage loan repayments, thereby (i) providing funds for the purchase of 2026D Mortgage Certificates, (ii) funding DPA Loans, and (iii) paying lender compensation related to the 2026D Mortgage Loans. See "PLAN OF FINANCE."

The Series 2026D Bonds are on a parity in all respects with all Outstanding Prior Bonds and, unless subordinated, any Bonds subsequently issued. The Prior Bonds are payable solely from and are secured by a pledge of and lien on the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), Investment Securities, moneys held in the Funds (excluding the Rebate Fund) and other property pledged under the Trust Indenture (collectively, the "Trust Estate"). The Trust Estate currently includes, among other things, Mortgage Certificates which were purchased with the proceeds of the Prior Bonds. The Mortgage Certificates are guaranteed by GNMA or Fannie Mae. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds – Mortgage Loans and Mortgage Certificates." There is no requirement that proceeds of subsequent issues of Bonds be used to purchase Mortgage Certificates. All payments with respect to principal of and interest on Mortgage Loans (net of servicing fees) and on Mortgage Certificates (net of servicing and guaranty fees) received by the Department and the earnings on investments of Funds and accounts held pursuant to the Trust Indenture constitute Revenues. The pledge of and lien on the Trust Estate is subject to discharge if moneys or qualified securities sufficient to provide for the payment of all Outstanding Bonds are deposited and held in trust for such payment. See "SECURITY FOR THE BONDS."

THE SERIES 2026D BONDS ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THE PAYMENT THEREOF AS MORE FULLY DESCRIBED HEREIN. NEITHER THE STATE NOR ANY AGENCY OF THE STATE, OTHER THAN THE DEPARTMENT, NOR THE UNITED STATES OF AMERICA OR ANY AGENCY, DEPARTMENT OR OTHER INSTRUMENTALITY THEREOF, INCLUDING GNMA AND FANNIE MAE, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026D BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR THE UNITED STATES OF AMERICA IS PLEDGED, GIVEN OR LOANED TO

* *Preliminary, subject to change.*

SUCH PAYMENT. THE DEPARTMENT HAS NO TAXING POWER. GNMA AND FANNIE MAE GUARANTEE ONLY THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE GNMA CERTIFICATES AND FANNIE MAE CERTIFICATES, RESPECTIVELY, WHEN DUE AND DO NOT GUARANTEE THE PAYMENT OF THE SERIES 2026D BONDS OR ANY OTHER OBLIGATIONS ISSUED BY THE DEPARTMENT.

There follows in this Official Statement a brief description of the plan of finance, the Department and its bond programs, together with summaries of certain terms of the Series 2026D Bonds, the Trust Indenture, and certain provisions of the Act, as well as other matters. All references herein to the Act, the Trust Indenture, and other agreements are qualified in their entirety by reference to each such document, copies of which are available from the Department, and all references to the Series 2026D Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Trust Indenture.

For information concerning the Prior Bonds and the Mortgage Loans and Mortgage Certificates acquired with proceeds of the Prior Bonds, see "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Prior Bonds" and "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES." For information concerning other single family and multifamily programs of the Department, see "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS."

PLAN OF FINANCE

Proceeds of the Series 2026D Bonds will be deposited to the 2026D Mortgage Loan Account of the Mortgage Loan Fund and used to (a) purchase 2026D Mortgage Certificates and pay related costs, and (b) fund all or a portion of the DPA Loans originated in conjunction with Assisted Mortgage Loans. A portion of the proceeds of the Series 2026D Bonds will also be used to repay and/or refund the Repaid FHLB Advances. A portion of the proceeds of the Series 2026D Bonds will also be used to pay a portion of the costs of issuance of the Series 2026D Bonds. See "SOURCES AND USES OF FUNDS" herein.

SOURCES AND USES OF FUNDS

The sources of funds and the uses thereof in connection with the Series 2026D Bonds are expected to be approximately as set forth below.

	TOTAL
SOURCES OF FUNDS	
Bond Proceeds	
Issuer Contribution[1]	
TOTAL SOURCES	**$**
USES OF FUNDS	
Mortgage Loan Accounts[2]	
Underwriter Compensation	
Costs of Issuance	
TOTAL USES	**$**

[1] An additional amount not to exceed $10,000,000 may be used for capitalized interest.

[2] Includes the purchase of 2026D Mortgage Certificates and funds attributed to down payment assistance, lender compensation, and servicing fees for DPA Loans.

THE SERIES 2026D BONDS

General

The Series 2026D Bonds will be dated the date of delivery. The Series 2026D Bonds are issuable only as fully registered bonds, without coupons, and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as the Bond Depository for the Series 2026D Bonds. The Series 2026D Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof, as more fully described herein. The principal or Redemption Price of, and interest on, the Series 2026D Bonds will be payable by the Trustee to DTC, which will be responsible for making such payments to DTC Participants (hereinafter defined) for subsequent remittance to the owners of beneficial interests in the Series 2026D Bonds or their nominees. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."

The Series 2026D Bonds mature on the dates and in the amounts set forth on the inside cover hereof.

Interest Rates

The Series 2026D Bonds will accrue interest from the date of delivery, until maturity or prior redemption at the respective per annum rates of interest set forth on the inside cover page hereof. Interest accrued on the Series 2026D Bonds will be payable on January 1 2027*, and semiannually on each January 1 and July 1 thereafter until maturity or prior redemption. Interest on the Series 2026D Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Redemption Provisions*

The Series 2026D Bonds are subject to optional redemption, special redemption, and mandatory sinking fund redemption at various times prior to their scheduled maturities at various Redemption Prices as described below. **The Department anticipates that a significant portion of the Series 2026D Bonds will be redeemed prior to their scheduled maturities as the result of the receipt by the Department of amounts representing Mortgage Loan Principal Payments (consisting of all amounts representing scheduled payments of principal and any Mortgage Loan Principal Prepayments) and from Excess Revenues (including residual Trust Indenture revenues whether or not derived in connection with the Series 2026D Bonds).**

Special Redemption from Unexpended Proceeds of Series 2026D Bonds

The Series 2026D Bonds are subject to special redemption from unexpended proceeds of the Series 2026D Bonds, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2026D Bonds to be so redeemed shall be equal to (a) for all Series 2026D Bonds, other than the 2026D Premium PAC Term Bond, 100% of the principal amount thereof, without premium; and (b) for the 2026D Premium PAC Term Bond, the applicable Redemption Price that maintains the respective original yields on such 2026D Premium PAC Term Bond (as calculated by the Department and as shown on a schedule attached to the Fifty-Second Supplemental Indenture), plus in each case accrued interest thereon to, but not including, the date of redemption. Notwithstanding the foregoing, a De Minimis Special Redemption shall be treated as a Special Redemption from Mortgage Loan Principal Payments and such portion of the Series 2026D Bonds shall be redeemed as described under "Special Redemption from 2026D Mortgage Loan Principal Payments" below. In the event of a redemption of the 2026D Premium PAC Term Bond as described in this paragraph on a date other than a redemption date listed on the schedule attached to the

* *Preliminary, subject to change.*

Fifty-Second Supplemental Indenture, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed on such schedule immediately preceding and succeeding such redemption date.

Such Special Redemption from Unexpended Proceeds may occur at any time on or after June 1, 2027, unless the Certificate Purchase Period is extended in accordance with the Fifty-Second Supplemental Indenture. In no event will the redemption occur later than May 1, 2030.

As described in "INVESTMENT CONSIDERATIONS – Non-Origination of Mortgage Loans," in Fiscal Year 2025, the Department has averaged approximately $53 million per month in GNMA mortgage-backed securities issued that are backed by tax-exempt bond eligible mortgage loans, exclusive of loans for which a mortgage credit certificate was issued. The Department has not had an unexpended proceeds call since November 1, 2010.

Except for the De Minimis Special Redemption, the Series 2026D Bonds to be redeemed as described in this subcaption shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

Special Redemption from 2026D Mortgage Loan Principal Payments

The Series 2026D Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, at any time and from time to time as directed by the Department pursuant to a Letter of Instructions but at least once during each semiannual period commencing with the semiannual period ending on January 1, 2027, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2026D Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2026D Mortgage Certificates transferred to the 2026D Special Redemption Account in accordance with the Trust Indenture.

In the event of a redemption from Mortgage Loan Principal Payments relating to the 2026D Mortgage Certificates, the Trustee shall select the particular Series 2026D Bonds to be redeemed as follows:

(a) the Trustee shall redeem the 2026D Premium PAC Term Bond, but only to the extent that the Outstanding principal amount of such 2026D Premium PAC Term Bond following any such redemption is not less than the 2026D Premium PAC Term Bond Outstanding Applicable Amount as of such date; and

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The 2026D Premium PAC Term Bond Outstanding Applicable Amount is as follows:

Date	2026D Premium PAC Term Bond Outstanding Applicable Amount ($)	Date	2026D Premium PAC Term Bond Outstanding Applicable Amount ($)
11/18/2026	62,000,000	1/1/2032	31,470,000
1/1/2027	62,000,000	7/1/2032	27,610,000
7/1/2027	61,250,000	1/1/2033	23,835,000
1/1/2028	60,465,000	7/1/2033	20,130,000
7/1/2028	58,275,000	1/1/2034	16,500,000
1/1/2029	55,375,000	7/1/2034	12,945,000
7/1/2029	51,765,000	1/1/2035	9,465,000
1/1/2030	47,620,000	7/1/2035	6,055,000
7/1/2030	43,470,000	1/1/2036	2,755,000
1/1/2031	39,395,000	7/1/2036	-
7/1/2031	35,390,000	and thereafter	

(b) amounts remaining following the redemption described in clause (a) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, to redeem all other Series 2026D Bonds (other than the 2026D Premium PAC Term Bond) on a proportionate basis; provided, however, the 2026D Premium PAC Term Bond may also be redeemed in excess of the 2026D Premium PAC Term Bond Outstanding Applicable Amount, but only if such redemption is necessary to preserve the tax-exempt status of the Series 2026D Bonds or if no other Series 2026D Bonds remain outstanding.

If any Series 2026D Bonds are redeemed as described in "Special Redemption from Unexpended Proceeds of Series 2026D Bonds" herein (other than a De Minimis Special Redemption), the 2026D Premium PAC Term Bond Outstanding Applicable Amount described for the current and each future period will be reduced on a proportionate basis.

With regard to (b) above, in lieu of redeeming Series 2026D Bonds and subject to the requirements under the Fifty-Second Supplemental Indenture and/or described in the tax certificate executed by the Department with respect to the Series 2026D Bonds, the Department can otherwise instruct the Trustee pursuant to a Letter of Instructions accompanied by a Cashflow Certificate to transfer moneys on deposit in the 2026D Principal Account, the 2026D Revenue Account, or the 2026D Special Redemption Account to either: (a) the 2026D Mortgage Loan Account to be used to make or purchase Mortgage Loans, or (b) to the redemption of a different series of Bonds, subject to any additional covenants made in the applicable Series Supplement.

Special Redemption From Excess Revenues

The Series 2026D Bonds are subject to redemption prior to maturity and may be redeemed, in whole or in part, at any time and from time to time as directed by the Department pursuant to a Letter of Instructions but at least once during each semiannual period commencing with the semiannual period ending on January 1, 2027, after giving notice as provided in the Trust Indenture and in accordance with a Letter of Instructions, at a Redemption Price equal to one hundred percent (100%) of the principal amount of such Series 2026D Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from amounts transferred to the 2026D Special Redemption Account from the Residual Revenues Fund in accordance with the Fifty-Second Supplemental Indenture (whether or not derived in connection with the Series 2026D Bonds).

In the event of a redemption from Excess Revenues, the Trustee shall apply amounts transferred to the 2026D Special Redemption Account from the Residual Revenues Fund in accordance with the Trust Indenture to redeem the Series 2026D Bonds Outstanding in the same manner described in clauses (a) and (b), under "Special Redemption from 2026D Mortgage Loan Principal Payments" above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

Cross calls of the Series 2026D Bonds, with Mortgage Loan Principal Payments securing any Series of Bonds other than the Series 2026D Bonds are permitted, but only to the extent permitted in accordance with the Series Supplement authorizing such Series of Bonds, and, as applicable, as described in the tax certificate executed by the Department in connection therewith, except that no such Mortgage Loan Principal Payments may be applied to the redemption of the 2026D Premium PAC Term Bond so as to reduce the Outstanding principal amount of the 2026D Premium PAC Term Bond below the 2026D Premium PAC Term Bond Outstanding Applicable Amount as of the date of any such redemption.

The Trustee may transfer any amounts as set forth or described in a Letter of Instructions from the 2026D Residual Revenues Account, or the 2026D Special Redemption Account to be used to redeem Series 2026D Bonds in accordance with the Fifty-Second Supplemental Indenture.

On June 1, 2026, the Department posted notices of partial redemption relating to (i) three (3) outstanding premium PAC term bonds totaling $15,915,000 (the "SFMRB PAC Bonds") issued under the Department's Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of July 1, 2017 (as supplemented and amended, the "Single Family Trust Indenture"), and (ii) seven (7) outstanding premium PAC term bonds totaling $24,980,000 (the "RMRB PAC Bonds", and collectively with the SFMRB PAC Bonds, the "Redeemed PAC Bonds") issued under the Trust Indenture, and such redemption occurred on July 1, 2026 (the "Redemption Date"). The Department used Surplus Revenues (as defined in the Single Family Trust Indenture) with respect to the SFMRB PAC Bonds, and Excess Revenues with respect to the RMRB PAC Bonds, to redeem the Redeemed PAC Bonds to their respective outstanding applicable amounts as of the Redemption Date, in each case as specified in the applicable Single Family Trust Indenture and Trust Indenture and the respective supplemental indenture executed with respect to such Redeemed PAC Bond.

A listing of the series designations, affected CUSIPs, coupons and redemption amounts for each of the Redeemed PAC Bonds is below.

SFMRB PAC Bond CUSIPs:

Series	CUSIP	Coupon	7/1/2026 Redemption Amount
2022B	88275FVW6	6.00%	$ 8,750,000
2023C	88275FYZ6	6.00%	3,595,000
2023D	88275FZU6	6.25%	3,570,000
Total			$15,915,000

RMRB PAC Bond CUSIPs:

Series	CUSIP	Coupon	7/1/2026 Redemption Amount
2022B	882750SX1	5.75%	$ 5,850,000
2023B	882750VB5	6.00%	7,905,000
2023C	882750VW9	6.25%	2,540,000
2024A	882750XX5	5.75%	2,345,000
2024B	882750WV0	6.00%	4,305,000
2024C	882750ZY1	6.00%	960,000
2024D	882750YW6	6.00%	1,075,000
Total			$24,980,000

Optional Redemption

The Series 2026D Bonds (except for the 2026D Premium PAC Term Bond) maturing on or after January 1, 2035, are subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on and after July 1, 2034, at the option of the Department after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2026D Bonds or portions thereof to be redeemed, plus accrued interest, if any, to, but not including, the redemption date.

The 2026D Premium PAC Term Bond is subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after July 1, 2034, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to, but not including, the redemption date:

Redemption Date	Redemption Price
July 1, 2034	
January 1, 2035	
July 1, 2035	
January 1, 2036	
July 1, 2036 and thereafter	100.000%

If the 2026D Premium PAC Term Bond is redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Mandatory Sinking Fund Redemption

The Series 2026D Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed after giving notice as provided in the Trust Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a Redemption Price equal to 100% of the principal amount of such Series 2026D Bonds or portions thereof to be redeemed, plus accrued interest if any, to, but not including, the redemption date, from amounts that have been transferred to the 2026D Principal Account from the 2026D Revenue Account:

$15,510,000 Term Bond Maturing July 1, 2041

Redemption Date	Principal Amount ($)	Redemption Date	Principal Amount ($)
1/1/2039	2,420,000	7/1/2040	2,615,000
7/1/2039	2,480,000	1/1/2041	2,685,000
1/1/2040	2,550,000	7/1/2041*	2,760,000

*Final Maturity

$32,210,000 Term Bond Maturing July 1, 2046

Redemption Date	Principal Amount ($)	Redemption Date	Principal Amount ($)
1/1/2042	2,835,000	7/1/2044	3,255,000
7/1/2042	2,915,000	1/1/2045	3,345,000
1/1/2043	2,995,000	7/1/2045	3,440,000
7/1/2043	3,080,000	1/1/2046	3,540,000
1/1/2044	3,165,000	7/1/2046*	3,640,000

*Final Maturity

$42,635,000 Term Bond Maturing July 1, 2051

Redemption Date	Principal Amount ($)	Redemption Date	Principal Amount ($)
1/1/2047	3,740,000	7/1/2049	4,310,000
7/1/2047	3,850,000	1/1/2050	4,435,000
1/1/2048	3,960,000	7/1/2050	4,560,000
7/1/2048	4,070,000	1/1/2051	4,690,000
1/1/2049	4,190,000	7/1/2051*	4,830,000

*Final Maturity

$56,655,000 Term Bond Maturing July 1, 2056

Redemption Date	Principal Amount ($)	Redemption Date	Principal Amount ($)
1/1/2052	4,965,000	7/1/2054	5,730,000
7/1/2052	5,110,000	1/1/2055	5,895,000
1/1/2053	5,255,000	7/1/2055	6,065,000
7/1/2053	5,410,000	1/1/2056	6,240,000
1/1/2054	5,565,000	7/1/2056*	6,420,000

*Final Maturity

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$62,000,000 2026D Premium PAC Term Bond Maturing July 1, 2057

Redemption Date	Principal Amount ($)	Redemption Date	Principal Amount ($)
1/1/2028	320,000	1/1/2043	645,000
7/1/2028	325,000	7/1/2043	665,000
1/1/2029	330,000	1/1/2044	685,000
7/1/2029	340,000	7/1/2044	705,000
1/1/2030	345,000	1/1/2045	725,000
7/1/2030	350,000	7/1/2045	745,000
1/1/2031	360,000	1/1/2046	765,000
7/1/2031	365,000	7/1/2046	785,000
1/1/2032	375,000	1/1/2047	810,000
7/1/2032	385,000	7/1/2047	830,000
1/1/2033	390,000	1/1/2048	855,000
7/1/2033	400,000	7/1/2048	880,000
1/1/2034	410,000	1/1/2049	905,000
7/1/2034	420,000	7/1/2049	930,000
1/1/2035	430,000	1/1/2050	955,000
7/1/2035	440,000	7/1/2050	985,000
1/1/2036	450,000	1/1/2051	1,015,000
7/1/2036	460,000	7/1/2051	1,040,000
1/1/2037	470,000	1/1/2052	1,070,000
7/1/2037	485,000	7/1/2052	1,100,000
1/1/2038	495,000	1/1/2053	1,135,000
7/1/2038	510,000	7/1/2053	1,165,000
1/1/2039	520,000	1/1/2054	1,200,000
7/1/2039	535,000	7/1/2054	1,235,000
1/1/2040	550,000	1/1/2055	1,270,000
7/1/2040	565,000	7/1/2055	1,310,000
1/1/2041	580,000	1/1/2056	1,345,000
7/1/2041	595,000	7/1/2056	1,385,000
1/1/2042	610,000	1/1/2057	8,035,000
7/1/2042	630,000	7/1/2057*	13,385,000

*Final Maturity

The principal amount of the Series 2026D Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2026D Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to scheduled mandatory redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

Partial Redemption

Except as described in "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from Unexpended Proceeds of Series 2026D Bonds," "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from 2026D Mortgage Loan Principal Payments" "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from Excess Revenues," if less than all of the Series 2026D Bonds of the same maturity and interest rate shall be called for prior redemption, the particular Series 2026D Bonds or portions of Series 2026D Bonds to be redeemed in part shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that any Series 2026D Bond redeemed in part shall be redeemed in

an amount such that the unredeemed portion thereof shall equal an Authorized Denomination, and provided further that, in selecting Series 2026D Bonds for redemption, the Trustee shall treat each Series 2026D Bond in a denomination greater than the minimum Authorized Denomination as representing that number of Series 2026D Bonds of the minimum Authorized Denomination which is obtained by dividing the Principal Amount at maturity of such Series 2026D Bond by the minimum Authorized Denomination. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."

Notice of Redemption

Except as provided below, the Trustee shall give notice, in the name of the Department, of the redemption of Series 2026D Bonds to the holders thereof, which notice shall specify the maturity and interest rates of the Series 2026D Bonds to be redeemed, the redemption date and the method and place or places of payment of the Redemption Price of such Series 2026D Bonds, the conditions, if any, to such redemption and, if less than all of the Series 2026D Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2026D Bonds so to be redeemed, and, in the case of Series 2026D Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2026D Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof, in the case of Series 2026D Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. If applicable, such notice shall provide that the redemption of the Series 2026D Bonds is conditioned upon moneys being available for such purpose on the redemption date or such other conditions as may be set forth in such notice. See "THE SERIES 2026D BONDS – Conditional Notices of Redemption."

The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than 30 days, nor more than 60 days prior to the redemption date to the holders of any Series 2026D Bonds or portions thereof which are to be redeemed, at the address shown on the registration books maintained by the Trustee.

Conditional Notices of Redemption

The Department reserves the right to give notice of its election or direction to redeem Series 2026D Bonds conditioned upon the occurrence of subsequent events.

Payment of Redeemed Bonds

Notice having been given as provided in the Trust Indenture, the Series 2026D Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Series 2026D Bond, the Department shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Series 2026D Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Series 2026D Bond so surrendered, Series 2026D Bonds of like maturity, interest rate and aggregate principal amount in any Authorized Denomination. If, on the redemption date, moneys for the redemption of all the Series 2026D Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as specified in the Trust Indenture, then, from and after the redemption date, interest on the Series 2026D Bonds or portions thereof of like maturity so called for redemption shall cease to accrue and become payable. If such moneys shall not be available on the redemption date, such Series 2026D Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Purchase in Lieu of Redemption

The Trust Indenture permits the purchase of Bonds, including the Series 2026D Bonds, in the open market in lieu of redemption of such Series 2026D Bonds. Any such purchase may be at a price not exceeding the then applicable Redemption Price for such Series 2026D Bonds.

Average Life and Prepayment Speeds*

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The SIFMA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. The SIFMA Prepayment Model does not purport to be either an historical description of the prepayment of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the 2026D Mortgage Certificates. One hundred percent (100%) of the SIFMA Prepayment Model assumes prepayment rates of 0.2 percent per year of the then unpaid principal balance of such mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent of the SIFMA Prepayment Model assumes a constant prepayment rate of six percent per year. Multiples will be calculated from this prepayment rate speed e.g., 200 percent of the SIFMA Prepayment Model assumes prepayment rates will be 0.4 percent per year on month one, 0.8 percent per year in month two, reaching 12 percent per year in month 30 and remaining constant at 12 percent per year thereafter. The amounts shown in the tables under "THE SERIES 2026D BONDS—Redemption Provisions — Special Redemption from 2026D Mortgage Loan Principal Payments" above for 2026D Premium PAC Term Bond Outstanding Applicable Amount are based on many assumptions, including (i) receipt of prepayments on the 2026D Mortgage Loans equal to 50 percent of SIFMA's standard prepayment model (as further described below) (the "SIFMA Prepayment Model") in the case of 2026D Premium PAC Term Bond Outstanding Applicable Amount; and (ii) that 100 percent of the moneys on deposit in the 2026D Mortgage Loan Account attributable to the proceeds of the Series 2026D Bonds will be used to purchase 2026D Mortgage Certificates.

The following table assumes, among other things, that:

(i) all amounts in the 2026D Mortgage Loan Account will be used to purchase 2026D Mortgage Certificates and DPA Loans;

(ii) 2026D Mortgage Loans will be purchased on average on January 30, 2027;

(iii) $45,000,000 of 2026D Mortgage Loans (Non-Targeted Areas) will have an original term of 30 years with three (3) points of repayable DPA Loans and have an average interest rate of 6.737% per annum;

(iv) $12,500,000 of 2026D Mortgage Loans (Targeted Areas) will have an original term of 30 years with three (3) points of repayable DPA Loans and have an average interest rate of 6.500% per annum;

(v) $75,000,000 of 2026D Mortgage Loans (Non-Targeted Areas) will have an original term of 30 years with four (4) points of repayable DPA Loans and have an average interest rate of 6.861% per annum;

(vi) $20,000,000 of 2026D Mortgage Loans (Targeted Areas) will have an original term of 30 years with four (4) points of repayable DPA Loans and have an average interest rate of 6.620% per annum;

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* *Preliminary, subject to change.*

(vii) $50,000,000 of 2026D Mortgage Loans (Non-Targeted Areas) will have an original term of 30 years with five (5) points of repayable DPA Loans and have an average interest rate of 6.986% per annum;

(viii) $12,500,000 of 2026D Mortgage Loans (Targeted Areas) will have an original term of 30 years with five (5) points of repayable DPA Loans and have an average interest rate of 6.745% per annum;

(ix) $30,000,000 of 2026D Mortgage Loans (Non-Targeted Areas) will be "Low Rate Option Loans" with an original term of 30 years with no DPA Loans and have an average interest rate of 6.401% per annum;

(x) $5,000,000 of 2026D Mortgage Loans (Targeted Areas) will be "Low Rate Option Loans" with an original term of 30 years with no DPA Loans and have an average interest rate of 6.252% per annum;

(xi) Trustee's fees will be 0.02% per annum of Series 2026D Bonds outstanding with an annual minimum of $3,500 payable monthly;

(xii) 2026D Mortgage Loans prepay at the indicated percentage of the SIFMA Prepayment Model;

(xiii) all 2026D Mortgage Loans are pooled and assigned to GNMA upon the issuance to the Trustee of GNMA Certificates and payments on such Mortgage Certificates are timely made and used on a timely basis to redeem the Series 2026D Bonds as described in (xiii) and (xiv) below;

(xiv) the Series 2026D Bonds are not redeemed pursuant to unexpended proceeds redemption;

(xv) the Series 2026D Bonds, other than the 2026D Premium PAC Term Bond where noted, are not redeemed pursuant to optional redemption;

(xvi) no amounts allocable to any other series of Bonds are used to cross-call the Series 2026D Bonds and no amounts allocable to the Series 2026D Bonds are used to cross-call any other series of Bonds;

(xvii) the Investment Securities held in each of the 2026D Mortgage Loan Account will pay interest at the rate of 0% per annum and the Investment Securities held in each of the 2026D Revenue Fund will pay interest at the rate of 0% per annum for the first three years and 0.05% per annum thereafter;

(xviii) Series 2026D Bonds will be redeemed semi-annually as described under "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from 2026D Mortgage Loan Principal Payments" for the respective Series 2026D Bonds; and

(xix) Series 2026D Bonds will be redeemed semi-annually as described under "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from Excess Revenues" for the respective Series 2026D Bonds.

Based on the foregoing and other assumptions, some or all of which may not reflect actual experience, the tables below indicate the projected weighted average lives of the following Term Bonds.

Projected Weighted Average Life (in Years)[1]

Series 2026D Bonds						
					2026D Premium PAC Term Bond Due 7/1/2057	
SIFMA Prepayment Model	Term Bond due 7/1/2041	Term Bond due 7/1/2046	Term Bond due 7/1/2051	Term Bond due 7/1/2056	(Optional Call not Exercised)	(Optional Call Exercised)
0%	13.4	17.5	22.5	26.7	15.2	7.0
50%	13.1	16.1	18.6	19.2	5.5	5.2
75%	12.0	14.3	16.0	16.1	5.5	5.2
100%	11.1	12.8	13.8	13.8	5.5	5.2
125%	10.2	11.5	12.0	12.0	5.5	5.2
150%	9.4	10.4	10.6	10.6	5.5	5.2
175%	8.7	9.4	9.5	9.5	5.5	5.2
200%	8.1	8.5	8.6	8.6	5.5	5.2
300%	6.1	6.1	6.1	6.1	5.5	5.2
400%	4.7	4.7	4.7	4.7	5.5	5.2
500%	3.8	3.8	3.8	3.8	5.5	5.2
600%	3.2	3.2	3.2	3.2	5.5	5.2
700%	2.9	2.9	2.9	2.9	5.5	5.2

[1] The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bonds to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

In addition to the table above, "APPENDIX F – TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS" sets forth a table of additional average life-related data at various prepayment speeds.

The holder of less than all of the Outstanding principal amount of a 2026D Premium PAC Term Bond, or a Term Bond may not achieve the results indicated above. The Department does not undertake to update this table or any other projections contained in this Official Statement based on the Department's actual experience with respect to repayment and prepayment of the Series 2026D Bonds. See "INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that may affect the rate of prepayments of the Mortgage Loans.

The SIFMA Prepayment Model does not purport to be a prediction of the anticipated rate of prepayments of the Mortgage Loans, and there is no assurance that the prepayments of the Mortgage Loans will conform to any of the assumed prepayment rates. See "INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that may affect the rate of prepayments of the Mortgage Loans. The Department makes no representation as to the percentage of the principal balance of the Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment. Investors may view the Department's website for information regarding the Trust Estate, including information regarding Mortgage Loans and Mortgage Certificates. Investors should be aware of the disclaimers before viewing, particularly the Department's representation that it has no obligation to update its website.

The information set forth above with respect to the prepayment experience (as a percentage of the SIFMA Prepayment Model) has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Department, the Municipal Advisor or the Underwriters.

The achievement of certain results or other expectations contained in this section involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied in this section. The Department does not expect or intend to issue any updates or

revisions to this section if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

SECURITY FOR THE BONDS

Pledge of Trust Indenture

The Bonds, including the Series 2026D Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture.

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money, and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

The structure of Program 117 allows Eligible Borrowers to choose between Mortgage Loans offered either at various levels of down payment assistance ("Assisted Option") or without an accompanying DPA Loan ("Low Rate Option"). Mortgage Loans will bear interest at annual rates announced from time to time by the Department. All Assisted Option Loans are accompanied by a DPA Loan that provides funds for down payment and closing cost assistance in the form of a second lien loan with no stated interest in an amount equal to a percentage of the original principal amount of the related first lien Assisted Mortgage Loan. DPA Loans are due on sale, refinance, or repayment of the first mortgage, and have a thirty year term. Borrowers choosing the Low Rate Option do not receive down payment or closing cost assistance. The Department reserves the right to modify the down payment assistance options available through Program 117 at any time.

The Series 2026D Bonds are limited obligations of the Department and are payable solely from the Revenues and funds pledged for the payment thereof as more fully described herein. Neither the State nor any agency of the State, other than the Department, nor the United States of America nor any agency, department or other instrumentality thereof, including GNMA, and Fannie Mae, is obligated to pay the principal or Redemption Price of, or interest on, the Series 2026D Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. GNMA and Fannie Mae guarantee only the payment of the principal of and interest on the GNMA Certificates and Fannie Mae Certificates, respectively, when due and do not guarantee the payment of the Series 2026D Bonds or any other obligations issued by the Department.

Supplemental Mortgage Security

The Trust Indenture requires that each Mortgage Loan be further secured by Supplemental Mortgage Security, if any, as provided in the Supplemental Indenture authorizing the Series of Bonds used to purchase such Mortgage Loan. Pursuant to the Fifty-Second Supplemental Indenture, the Department has determined that the Supplemental Mortgage Security for the 2026D Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae pursuant to the Ginnie Mae Certificates.

Cashflow Statement and Asset Test

The Department is required to deliver periodically a "Cashflow Statement" prepared or verified by a nationally-recognized firm experienced in preparing mortgage revenue bond cashflows, comparing estimates of Revenues with the debt service requirements and Department Expenses with respect to Outstanding Bonds, which Cashflow Statement must demonstrate the sufficiency of such Revenues to pay scheduled debt service on the Bonds and Department Expenses at their respective requirements under each of the scenarios required by the Rating Agencies. Under the terms of the Trust Indenture, such Cashflow Statements must incorporate certain assumptions concerning Mortgage Loan Principal Prepayments, reinvestment rates, expenses and certain other assumptions as required by the Rating Agencies. The Cashflow Statement is required to be prepared (i) upon the issuance of a Series of Bonds; (ii) upon the adjustment of the interest rate or rates on a Series of Bonds, unless otherwise required by the applicable Series Supplement; (iii) upon the purchase or redemption of Bonds other than as assumed in the Cashflow Statement most recently filed with the Trustee; (iv) upon the application of Mortgage Loan Principal Payments other than as assumed in the Cashflow Statement most recently filed with the Trustee; (v) upon the application of amounts in the Residual Revenues Fund other than as assumed in the Cashflow Statement most recently filed with the Trustee; (vi) at such times, if any, as may be required by a Supplemental Indenture; and (vii) not later than two and one-half years after the date of filing of the most recent Cashflow Statement. The Department, at its option, may file a revised or amended Cashflow Statement with the Trustee at any time.

The Department has covenanted in the Trust Indenture that it will not make, acquire, refinance or sell Mortgage Loans or Mortgage Certificates or purchase or redeem Bonds, including the Series 2026D Bonds, or take certain other actions permitted under the Trust Indenture, unless such actions are consistent with the assumptions set forth in its most recent Cashflow Statement.

Moneys held under the Trust Indenture in excess of the amounts required by the Asset Test (hereinafter described) may, at the written direction of the Department accompanied by a Cashflow Certificate, be transferred to the Department to be used for any purpose authorized or permitted by the Act, free and clear of the pledge and lien of the Trust Indenture. In general, the Asset Test is deemed satisfied if the outstanding principal balance of the Mortgage Loans and Mortgage Certificates and money and Investment Securities held in all Funds (other than the Cost of Issuance Fund, Expense Fund, Rebate Fund and any mortgage pool self-insurance reserve established by the Department with respect to Mortgage Loans) is at least equal to 102% of the principal amount of Bonds Outstanding. See "THE TRUST INDENTURE – Residual Revenues Fund."

Additional Bonds

Various series of Bonds, including refunding Bonds, may be issued as provided in the Trust Indenture on a parity with the Bonds of all other Series, secured by a pledge of and lien on the Trust Estate. As a condition to the issuance of additional Bonds, including refunding Bonds, the Department must deliver various items to the Trustee including the opinions of Bond Counsel to the effect that, among other things, the series of Bonds is validly issued in accordance with the Trust Indenture and the Act. The Department must also deliver to the Trustee a Cashflow Statement which gives effect to the issuance of such additional

Bonds as described above under "Cashflow Statement and Asset Test" and a written confirmation from each Rating Agency that the issuance of Bonds of each Series will not adversely affect the rating then in effect on any Outstanding Bonds (determined without regard to any Credit Agreement). The Department has reserved the right to adopt one or more other bond indentures and to issue other obligations payable from sources other than the Trust Estate or, payable from the Trust Estate, including the Revenues, if the pledge of and lien on the Trust Estate and the Revenues is junior to or subordinate to the pledge of and lien on the Trust Estate and the Revenues.

Outstanding Subordinate Lien Obligation

The Department entered into a Loan Agreement dated September 28, 2016 (the "Subordinate Loan Agreement"), with Woodforest National Bank ("Woodforest") for a secured draw down credit facility in an aggregate principal amount not to exceed $10,000,000 as evidenced by the Department's Series 2016 Issuer Note (the "Subordinate Note"). The Department has drawn the full $10,000,000 authorized amount under the Subordinate Loan Agreement, all of which currently is outstanding. The Subordinate Note bears interest at 1.0% per annum and no scheduled interest or principal payments are payable until the stated maturity date of September 28, 2026. The Subordinate Note is secured by and payable solely from a lien on and pledge of the Trust Estate established by the Trust Indenture, which lien and pledge expressly is subordinate to the lien and pledge of the Trust Estate securing the Series 2026D Bonds and the Outstanding Prior Bonds. Proceeds from the Subordinate Note were used to make down payment assistance loans to qualified borrowers. Upon the occurrence of an event of default under the terms of the Subordinate Loan Agreement (which includes whenever the amount determined pursuant to the Asset Test is less than 102% plus the then outstanding amount of the Subordinate Note), the Subordinate Note will bear interest at a per annum rate of 6.0% and the outstanding principal amount thereof may be declared to be immediately due and payable. Upon the Trustee's receipt of written notice from Woodforest that the Department has failed to pay the Subordinate Note in full when due, the Trustee will transfer the unpaid amount from the Residual Revenues Fund to Woodforest to the extent permitted by the provisions of the Trust Indenture described in the last paragraph under "THE TRUST INDENTURE – Residual Revenues Fund."

Sale of Mortgage Certificates and Mortgage Loans

The Department may, at its election, sell, assign, transfer or otherwise dispose of any Mortgage Loan or Mortgage Certificate, in whole or in part, or any of the rights of the Department with respect to any Mortgage Loan or Mortgage Certificate, in whole or in part, free and clear of the lien of the Trust Indenture, but only if a Cashflow Statement establishes that such sale, assignment, transfer or other disposition will not adversely affect the ability of the Department to pay when due the principal or Redemption Price of and interest on the Bonds and the Rating Agency shall have confirmed that such sale, assignment, transfer or other disposition will not have an adverse effect on the rating then in effect on the Bonds. The Department may also sell any Mortgage Loan, Mortgage Certificate or other obligation evidencing or securing a Mortgage Loan if it is necessary for the Department to take such action in order to maintain the excludability of interest on any of the Bonds from gross income for federal income tax purposes. If proceeds from the sale of the Mortgage Certificates are to be applied to the redemption of Series 2026D Bonds, such Series 2026D Bonds must be redeemed under the applicable redemption provision of the Trust Indenture. See "THE SERIES 2026D BONDS – Redemption Provisions."

Certain Information as to Revenues, Investments, Debt Service and Department Expenses

On the basis of the Cashflow Statement prepared in connection with the issuance of the Series 2026D Bonds, the Department expects that the scheduled payments, together with Mortgage Loan Principal Prepayments received, if any, of the principal of and interest on the Mortgage Loans and the Mortgage Certificates and amounts held under the Trust Indenture and the earnings thereon, will be sufficient to pay the principal or Redemption Price of and interest on the Series 2026D Bonds and all other Prior Bonds Outstanding when due. In arriving at the foregoing conclusions, the Department has included all Series

2026D Bonds and Prior Bonds but has not considered the issuance of additional Bonds or the application or investment of the proceeds thereof. Since obligations issued under the Trust Indenture, unless subordinated, will rank equally and ratably with the Series 2026D Bonds and the Prior Bonds with respect to the security afforded by the Trust Indenture, the availability of money for repayment thereof could be significantly affected by the issuance, application and investment of proceeds of additional Bonds.

The maturity of and mandatory sinking fund installments of the Series 2026D Bonds have been established on the basis of the consolidated scheduled payments of the Mortgage Loans (including Mortgage Certificates) under the Trust Indenture. The interest rates on the Mortgage Loans acquired with moneys made available from the issuance of the Series 2026D Bonds will be established so that, together with payments of principal of and interest on the Mortgage Loans and the Mortgage Certificates outstanding under the Trust Indenture and moneys on deposit in the various funds and accounts under the Trust Indenture (as well as income derived from investments thereof), sufficient Revenues will be expected to be available to pay on a timely basis the principal of and interest on all Bonds outstanding under the Trust Indenture, including the Series 2026D Bonds and certain other amounts required to be paid under the Trust Indenture. Such expectation is based on, among others, the following assumptions:

(a) moneys held in the Mortgage Loan Fund, the Revenue Fund and the Residual Revenues Fund will be invested at the rates per annum applicable to each (a portion of the earnings from which may be subject to rebate to the United States Department of Treasury), and timely payments will be made to the Trustee of amounts due under such investments;

(b) the payments on the Mortgage Loans (including the Mortgage Certificates) will be made in full and received by or on behalf of the Department on the 30th day following their scheduled payment dates;

(c) the Mortgage Lenders, the servicers, and the Master Servicers will perform their duties in a timely manner;

(d) all future expenses with respect to the Bonds and administering and servicing the Mortgage Loans, including the Trustee's fees and payment of Department Expenses, will be paid in full on a timely basis from interest paid on the Mortgage Loans and the Mortgage Certificates and investment income on funds held by the Trustee;

(e) all of the lendable proceeds of the Series 2026D Bonds will be used to purchase Mortgage Certificates representing Mortgage Loans with terms of thirty (30) years that will provide for payment of principal and interest in approximately equal monthly installments; and

(f) the proceeds of the Series 2026D Bonds will be used to provide for the purchase of Mortgage Certificates, all of which are projected to be GNMA Certificates.

The Department makes no assurances that the foregoing assumptions can be realized, particularly in times of market turmoil. In particular, the Department establishes the interest rates on the Mortgage Loans (including Mortgage Certificates) on an ongoing basis as the Department deems necessary and appropriate, subject to the requirements of the Trust Indenture, including the Cashflow Statement. Interest rates are determined by reference to conventional mortgage rates, availability of mortgage funding alternatives, historical interest rate patterns and the Department's cost of funds.

INVESTMENT CONSIDERATIONS

Future Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in states that, if enacted, could alter the federal and state tax matters referred to herein or otherwise prevent beneficial

owners of the Bonds from realizing the full current benefit of the tax status of such interest, and thus adversely affect the market value of the Bonds, and/or change the expected characteristics of the Bonds (such as loan origination and loan prepayment rates). It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted it, would apply retroactively to bonds (such as the Bonds) issued prior to enactment. In addition, executive, regulatory or other administrative actions may be taken or proposed to be taken from time to time, or litigation may be threatened or commenced, which could adversely affect the market value of the Bonds. Purchasers of the Bonds should consult their tax advisors in the event of any such proposed or pending legislation, executive, regulatory or administrative initiatives or litigation. The opinions expressed by Bond Counsel with respect to the Bonds are based upon existing law as of the date of issuance of the Bonds and Bond Counsel assumes no obligation to revise or supplement such opinions in the event of any changes that occur after such date of issuance.

Termination of Mortgage Loans and Mortgage Certificates

The maturity and sinking fund redemption installments of the Series 2026D Bonds were determined on the basis of the assumption that there will be no early terminations of the Mortgage Loans or the Mortgage Certificates relating to the Series 2026D Bonds. The Department expects Mortgage Loans and Mortgage Certificates relating to the Series 2026D Bonds will be terminated prior to final maturity as a result of Mortgage Loan Principal Prepayments. All Mortgage Loan Principal Prepayments relating to the Series 2026D Bonds will be deposited in the applicable subaccount of the Revenue Fund and transferred to the 2026D Special Redemption Account for use to redeem the applicable series of the Series 2026D Bonds or other Bonds in accordance with the Trust Indenture or used to acquire new Mortgage Loans or participations therein. **Accordingly, the Department anticipates that a significant portion of the Series 2026D Bonds will be redeemed prior to their scheduled maturity.**

Mortgage Loan Principal Prepayments

The Department anticipates that the Trustee will receive Mortgage Loan Principal Prepayments on the Mortgage Certificates. Mortgage Loan Principal Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant short-term effect on the rate of prepayments. The Department is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the Mortgage Certificates. Mortgage Loan Principal Prepayments on the Mortgage Certificates may be applied to the prepayment of the respective series of the Series 2026D Bonds or used to acquire new Mortgage Loans or participations therein. See "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from 2026D Mortgage Loan Principal Payments."

10-Year Rule

The "10-Year Rule" (Section 143(a)(2)(A)(iv) of the Code), as it is commonly called, generally requires that scheduled payments and prepayments of the principal of the 2026D Mortgage Certificates allocable to the Series 2026D Bonds must be used to redeem the Series 2026D Bonds to the extent such repayments are received more than 10 years after the issue date thereof (or, with respect to any tax-exempt Bonds redeemed by the Series 2026D Bonds, the original Bond). Such principal payments, when received, are considered "Restricted Principal Receipts". The 10-Year Rule generally limits the Department's ability to cross-call Bonds from Restricted Principal Receipts or to recycle such Restricted Principal Receipts. If the United States Congress were to amend or repeal the 10-Year Rule, such repeal may lead to increased recycling or to the cross-calling of the Bonds (including, but not limited to, the Series 2026D Bonds).

Non-Origination of Mortgage Loans

One of the principal factors in originating Mortgage Loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford and will find attractive. The

Department has determined that there is a shortage of funds in the State to make such loans at interest rates and on terms that a substantial number of potential borrowers within the State can afford. Should mortgage interest rate levels decline, or should one or more alternative governmental programs become available at below market rates, mortgage loans could become available at rates competitive with or lower than the rate specified for the Mortgage Loans, and the total amount of Mortgage Loans anticipated to be originated under the Program may not be so originated.

Non-origination may also be affected by other programs of the Department as described in "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Other Department Programs."

The failure to originate Mortgage Loans, or the inability to deliver Mortgage Certificates to the Trustee in the amounts contemplated from proceeds of the Series 2026D Bonds, will result in redemption of Series 2026D Bonds prior to their stated maturities. See "THE SERIES 2026D BONDS – Redemption Provisions – Special Redemption from Unexpended Proceeds of Series 2026D Bonds."

In Fiscal Year 2025, the Department has averaged approximately $53 million per month in GNMA mortgage-backed securities issued that are backed by tax-exempt bond eligible mortgage loans, exclusive of loans for which a mortgage credit certificate was issued. The Department has not had an unexpended proceeds call since November 1, 2010.

Availability of Remedies

The remedies available to the owners of the Series 2026D Bonds upon an Event of Default under the Trust Indenture or other documents described herein are in certain respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy laws, the Trust Indenture and the various Program documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026D Bonds will, therefore, be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally and by general principles of equity which permit the exercise of judicial discretion, and by principles of sovereign immunity.

Disclaimer Regarding Cyber Risks

The Department, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the Department may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Department's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the Department's current efforts to manage cyber threats and security will, in all cases, be successful. The Department cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The Department relies on other entities and service providers in the course of operating the Department's programs, as well as other trustees, custodians, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the Department and the owners of the Series 2026D Bonds, including the possibility of impacting the timely payments of debt service of the Series 2026D Bonds or timely filings pursuant to the Disclosure Agreement.

THE DEPARTMENT

General

The Department, a public and official agency of the State of Texas (the "State") was created pursuant to and in accordance with Chapter 2306, Texas Government Code, as amended from time to time (together with other laws of the State applicable to the Department, the "Act"). The Department is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs (the "TDCA"), both of which were abolished by the Act and their functions and obligations transferred to the Department. One of the purposes of the Department is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State. Pursuant to the Act, the Department may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Department.

The Department is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the "Sunset Act") and its continued existence is subject to a review process that resulted in passage of legislation in the Seventy-Eighth Legislative Session in 2003 which continued the Department in existence until September 1, 2011. Senate Bill 1659, 88th Legislature, Regular Session (2023) extended the existence of the Department until September 2029, at which time it will be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor of the State shall designate an appropriate State agency to continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

In the Act, the State also pledges and agrees with the holders of any bonds issued under the Act that the State will not limit or alter the rights vested in the Department to fulfill the terms of any agreements made with the holders thereof that would in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses incurred in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Purpose and Impact

The Department is the state agency responsible for affordable housing, community and energy assistance programs, colonia activities, and regulation of the state's manufactured housing industry. The Department currently administers $2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community based opportunities and assistance to Texans in need. The overwhelming majority of the Department's resources are derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

The mission of the Department is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive.

Aligning with the Department's mission, proceeds of the Series 2026D Bonds will be primarily used to purchase Mortgage Certificates secured by qualified Mortgage Loans and will fund down payment and closing cost assistance. Mortgage Loans will primarily include loans originated under the My First Texas Home Program to qualified individuals and families whose gross annual household income does not exceed 115% AMFI (100% for households of 2 persons or less), based on IRS adjusted income limits, or

140% AMFI (120% for households of 2 persons or less) if in a targeted area. Eligible Borrowers must generally be first-time homebuyers, qualified veterans, or purchasing in a targeted area. See also "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, AND OTHER MATTERS – The Program and the Mortgage Loans."

For the period September 1, 2024 through August 31, 2026, the Department financed almost $1.5 billion of first lien loans with bond proceeds and assisted 6,287 households. Approximately 85% of the number of Mortgage Loans were made to families with incomes less than 80% AMFI. The distribution of income bands for the borrowers of Mortgage Loans purchased with Series 2026D Bonds is expected to be similar to previously financed loans in the Department's Single Family Mortgage Revenue Bond Program.

Loans financed through the Single Family and Residential Mortgage Revenue Bond Program September 1, 2024 through August 31, 2026								
AMFI Band	$ Amt of 1st Liens	Percent of Loan Amount ($)	No. of 1st Lien Loans	Percent of No. of 1st Lien Loans	$ Amt of 2nd Liens	Percent of Loan Amount ($)	No. of 2nd Lien Loans	Percent of No. of 2nd Lien Loans
<50.0%	503,473,864	33.88%	2,272	36.14%	13,663,521	34.72%	1,761	36.99%
50.0%-59.9%	267,335,074	17.99%	1,178	18.74%	7,213,786	18.33%	906	19.03%
60.0%-69.9%	246,069,520	16.56%	1,037	16.49%	6,451,622	16.39%	777	16.32%
70.0%-79.9%	207,285,190	13.95%	826	13.14%	5,523,158	14.03%	625	13.13%
80.0%-89.9%	145,748,656	9.81%	551	8.76%	3,554,414	9.03%	388	8.15%
90.0%-99.9%	90,336,210	6.08%	330	5.25%	2,194,668	5.58%	231	4.85%
= or>100%	25,899,545	1.74%	93	1.48%	751,912	1.91%	73	1.53%
Total	1,486,148,059	100.00%	6,287	100.00%	39,353,081	100.00%	4,761	100.00%

In conjunction with the Mortgage Loans, the Department financed $39 million in down payment assistance and closing costs assistance loans.

Down Payment Assistance Statistics and Closing Cost Assistance September 1, 2024 through August 31, 2026	
Total DPA Provided ($)	$39,353,081
Total DPA Provided (# of Loans)	4,761
Percent of Borrowers Receiving DPA	75.73%
Average DPA Provided per Borrower	$8,266
Average DPA Provided (% of Loan Amount)	3.54%

The Department intends to prepare a voluntary report after proceeds of the Series 2026D Bonds have been fully disbursed to purchase Mortgage Certificates, and post this report to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. The voluntary report is expected to take the form presented in "APPENDIX H - USE OF PROCEEDS REPORT" of this Official Statement, and is expected to include information regarding the Mortgage Loans financed with the proceeds of the Series 2026D Bonds and how such proceeds were spent.

Governing Board

The Department is governed by a governing board (the "Board") consisting of seven public members, appointed by the Governor, with the advice and consent of the State Senate. Board members hold office for six year staggered terms. Each member serves until his or her successor is appointed and qualified.

Each member is eligible for reappointment. Members serve without compensation but are entitled to reimbursement for actual expenses incurred in performing their duties of office. The Act requires the Governor to make appointments so that the places on the Board are occupied by persons who have a demonstrated interest in issues related to housing and support services and who broadly reflect the geographic, economic, cultural, and social diversity of the State, including ethnic minorities, persons with disabilities, and women.

The Governor of the State designates a member of the Board to serve as the presiding officer (the "Chair") of the Board at the pleasure of the Governor. The Chair presides at all meetings and performs such other duties as may be prescribed from time to time by the Board and by the Act. In addition, the members of the Board elect one of its members as assistant presiding officer (the "Vice Chair") to perform the duties of the Chair when the Chair is not present or is incapable of performing such duties. The Board also elects a Secretary and a Treasurer (which offices may be held by one individual and neither office holder must be a Board member) to perform the duties prescribed by the Board.

One seat on the Board is currently vacant. The remaining members of the Board, their occupations and their terms of office are as follows:

LEO VASQUEZ, Chair and Board Member. Corporate Finance and Business Management Consultant, Houston, Texas. His term expires January 31, 2029.

KENNY MARCHANT, Vice Chair and Board Member. Retired U.S. Representative for the 24th Congressional District of Texas, Coppell, Texas. His term expires January 31, 2031.

CINDY CONROY, Board Member. Director of community outreach and aide to the chairman of WestStar bank, El Paso, Texas. Her term expires January 31, 2027.

ANNA MARIA FARIAS, Board Member. Retired Assistant Secretary, Office of Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development, a U.S. Senate-confirmed position, San Antonio, Texas. Her term expires January 31, 2027.

AJAY THOMAS, Board Member. Executive Vice President and U.S. Head of Public Finance for FHN Financial, a division of First Horizon Bank, Austin, Texas. His term expires January 31, 2031.

HOLLAND HARPER, Board Member. Chief Development Officer of Harrison, Walker and Harper, LLC, Paris, Texas. His term expires January 31, 2029.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Under Article 16 §17 of the Texas Constitution, all state officers continue to perform the duties of their offices until their successors are duly qualified. This ensures that, until the Governor appoints a replacement, the requirements of office are satisfied.

Administrative Personnel

The Act provides that the Department is to be administered by an Executive Director to be employed by the Board with the approval of the Governor. The Executive Director serves at the pleasure of the Board, but may also be removed by a newly elected Governor who did not approve the Executive Director's appointment by action taken within 90 days after such Governor takes office. The Executive Director is responsible for administering the Department and its personnel. The Executive Director may, within the limitations established by the General Appropriations Act, employ other employees necessary for the discharge of the duties of the Department, subject to the annual budget and the provisions of any resolution authorizing the issuance of the Department's bonds.

Currently, the Department has approximately 341 employees. The following is a biographical summary of certain of the Department's senior staff members who have responsibility with respect to single family housing matters.

ROBERT WILKINSON, Executive Director. Mr. Wilkinson was hired by the Governing Board to serve as the Executive Director at the Board meeting of July 25, 2019, and he began his tenure on August 15, 2019. Most recently, Mr. Wilkinson served as the Deputy Budget Director to Texas Governor Greg Abbott. Mr. Wilkinson served in the Budget and Policy Division within the Office of the Governor for the first three legislative sessions of Governor Abbott's administration; 2015, 2017, and 2019. His duties included the development of the Governor's proposed budgets, the analysis and tracking hundreds of filed bills including the General Appropriations Act, the development of policy, and the coordination of governance with executive state agencies. Housing and the Department were important elements of Mr. Wilkinson's portfolio of responsibility from 2014 (under former Governor Rick Perry) through 2019. Before 2014, Mr. Wilkinson held other positions within the Office of the Governor and worked in the private sector in various capacities including a stint as a project manager at a large commercial electrical contractor. Mr. Wilkinson received his Bachelor of Arts from the University of Texas at Austin.

SCOTT FLETCHER, serves as Deputy Executive Director of Housing Finance and Portfolio Management for the Department. He is responsible for the Department's Bond Finance, Homeownership, Multifamily Housing, Asset Management, Real Estate Analysis, and Multifamily Direct Lending divisions. Prior to joining the Department in 2022, Scott spent more than 30 years in fixed income capital markets and public finance, serving in trading, portfolio management, risk management, and executive leadership roles in both the public and private sectors. Scott earned a Master of Business Administration with an emphasis in Finance from the University of Missouri–Kansas City and a Bachelor of Science in Business Administration with concentrations in Finance and Economics from the University of Nebraska.

LISA JOHNSON, Director of the Texas Homeownership Division, joined the Department in the Housing Trust Fund Department in 2017 administering State and Federal Down payment assistance programs for the Texas Bootstrap Program, Bond Finance and NSP Neighborhood Stabilization Programs and transitioned to the Texas Homeownership Team learning all facets of the division in 2019, working to promote and expand the Department's Down Payment Assistance, MCC Programs and Homebuyer Education throughout the State of Texas. Down payment assistance, credit counseling and overall buyer and seller education are an integral part of the important work of the Texas Homebuyer Team. Prior to joining the Department, Ms. Johnson worked diligently to help borrowers, investors and builders to reach their real estate goals as a licensed Texas Loan Officer and remains a licensed Texas Real Estate Agent.

JAMES "BEAU" ECCLES, General Counsel. J. Beau Eccles joined the Department in June 2015 as its General Counsel and is responsible for coordination of all internal and external legal counsel for the Department. Before joining the Department, Mr. Eccles served as an Assistant Texas Attorney General for thirteen years, including five years as Deputy Chief, then two years as Chief, of the General Litigation Division. Mr. Eccles is a graduate of the Texas Tech School of Law, and received his B.A. from the University of Texas at Austin.

THE TRUST INDENTURE

General

The Trust Indenture, which includes the Master Indenture and each of the Series Supplements and amendments thereto relating to the Bonds, contains various covenants and security provisions, certain of which are summarized below. In addition, the Trust Indenture contains requirements for the purchase of Mortgage Loans and certain covenants with respect to applicable provisions of federal income tax law. See "TAX MATTERS RELATING TO THE SERIES 2026D BONDS." Reference should be made to the Trust

Indenture, a copy of which may be obtained from the Department, for a full and complete statement of its provisions.

Funds and Accounts

The following Funds have been established under the Master Indenture: Mortgage Loan Fund; Cost of Issuance Fund; Revenue Fund; Interest Fund; Principal Fund; Special Redemption Fund; Residual Revenues Fund; and Expense Fund and the 1998/1999A Special Mortgage Loan Fund established under the Tenth Series Supplement. The Series Supplements create within each Fund separate accounts for each Series or related Series of Bonds. The Fifty-Second Supplemental Indenture creates accounts for the Series 2026D Bonds within each listed Fund. The accounts so created do not grant a priority of one Series of Bonds over that of any other Series of Bonds, but are for accounting purposes only. In addition, the Fifty-Second Supplemental Indenture establishes a 2026D Rebate Fund.

Mortgage Loan Fund

The Trustee is required to apply amounts in the Mortgage Loan Fund to pay the costs of making, acquiring, or refinancing Mortgage Loans (including the acquisition of Mortgage Certificates), and accrued interest thereon, if so directed in a Letter of Instructions from the Department. Any such disbursements are required to be within the certificate purchase period relating to the particular Series of Bonds. The Trustee is required to transfer amounts in the Mortgage Loan Fund relating to an account established for each Series of the Bonds to the Special Redemption Fund at the end of each Mortgage Loan origination period for such Series to pay the Redemption Price of Bonds of each Series to be redeemed or the purchase price of Bonds to be purchased. To the extent required by the provisions of the Master Indenture summarized below under the subheading "Withdrawals from Funds to Pay Debt Service", amounts in the Mortgage Loan Fund may be applied to the payment of principal or Redemption Price of and interest on the Bonds. See "SECURITY FOR THE BONDS –Sale of Mortgage Certificates and Mortgage Loans" and "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Program and the Mortgage Loans – Mortgage Loans."

Cost of Issuance Fund

Amounts credited to the Cost of Issuance Fund may be applied to pay Costs of Issuance. If at any time amounts on deposit in the Cost of Issuance Fund are in excess of the amounts reasonably required to pay Costs of Issuance (and do not represent proceeds of the Series 2026D Bonds), the Department may transfer such excess to the Department.

Revenue Fund

All Revenues are required to be deposited into the Revenue Fund promptly upon receipt by the Department. Prior to the transfer of any other amount from the Revenue Fund, the Department may transfer from the Revenue Fund an amount equal to any rebatable arbitrage to the Rebate Fund. On or before each interest payment date on the Bonds, the Trustee will transfer from the Revenue Fund to the Interest Fund an amount which, when added to any amounts already on deposit therein, will equal the amount of interest to become due and payable on the Bonds on such interest payment date.

On or before each maturity date and each date fixed for the redemption of Bonds, the Trustee is required to transfer amounts on deposit in the Revenue Fund representing Mortgage Loan Principal Payments to the Principal Fund, the Mortgage Loan Fund or to the Special Redemption Fund at the Department's direction by a Letter of Instructions accompanied by a Cashflow Certificate or, in the absence of such instructions, as required by the Series Supplements.

On or before each maturity date and each date fixed for redemption of Bonds, the Trustee also must transfer from the Revenue Fund the other amounts on deposit therein in the following order of priority:

(a) first, to the Interest Fund, an amount, if any, which, when added to any amounts already on deposit therein, will equal the amount of interest to become due and payable on the Bonds on such maturity date or redemption date;

(b) second, to the Principal Fund, an amount which, when added to any amounts already on deposit therein, will equal the principal amount of all Bonds maturing on such date and the Redemption Price of all Bonds becoming subject to scheduled mandatory redemption on such redemption date;

(c) third, to the Expense Fund, the amount or amounts specified in the Series Supplements applicable to the Bonds then Outstanding as being necessary to pay Department Expenses consisting of amounts, if any, to be paid to obtain or maintain Supplemental Mortgage Security;

(d) fourth, to the Expense Fund, the amount then required for the payment of Department Expenses (other than as described in clause (c) above), but not in excess of the maximum amount specified in the applicable Series Supplements applicable to the Bonds then Outstanding;

(e) fifth, to the Special Mortgage Loan Fund, the amount, if any, specified in the most recent Cashflow Statement as required by the Series Supplement to maintain the tax-exempt status of the Bonds; and

(f) finally, to the Residual Revenues Fund, the portion, if any, of the amount remaining in the Revenue Fund on such maturity date or redemption date after the foregoing transfers, which the Department directs to be so transferred. Any such amounts transferred to the Residual Revenues Fund constitute "Excess Revenues." See "THE TRUST INDENTURE – Residual Revenues Fund."

Interest Fund and Principal Fund

The Trustee is required to pay out of the Interest Fund by each interest payment date or date fixed for redemption of Bonds, the amount required for the interest payment due on such date. The Trustee is required to pay out of the Principal Fund by each date on which Bonds mature or become subject to scheduled mandatory redemption, the amount required for the payment of the principal amount of Bonds maturing and the Redemption Price of the Bonds subject to scheduled mandatory redemption on such date.

The Trustee, at any time at the direction of the Department in a Letter of Instructions accompanied by a Cashflow Certificate, is required to apply amounts available in the Principal Fund to pay the purchase price of Bonds.

Special Redemption Fund

Amounts in the Special Redemption Fund are required to be applied by the Trustee to pay the Redemption Price of the Bonds becoming subject to redemption (other than by scheduled mandatory redemption) or, at the direction of the Department, may be transferred to the Revenue Fund if notice of redemption has not been given or such amounts have not been committed to the purchase of Bonds. The Trustee, at any time at the direction of the Department in a Letter of Instructions accompanied by a Cashflow Certificate, is required to apply amounts available in the Special Redemption Fund to pay the purchase price of Bonds.

Expense Fund

Amounts in the Expense Fund may be paid out from time to time by the Department for Department Expenses, taxes, insurance, foreclosure fees, including appraisal and legal fees, security, repairs and other expenses incurred by the Department in connection with the protection and enforcement of its rights in any Mortgage Loan and the preservation of the mortgaged property securing such Mortgage Loans. Excess amounts in the Expense Fund may be transferred to the Revenue Fund at the direction of the Department.

Residual Revenues Fund

During such time as the Department is not meeting the asset test described in the next paragraph (the "Asset Test"), amounts in the Residual Revenues Fund are required to be retained in the Residual Revenues Fund or transferred to the Mortgage Loan Fund or the Special Redemption Fund, as directed by a Letter of Instructions from the Department accompanied by a Cashflow Certificate or, in the absence of such instructions, as may be required by the applicable Series Supplements.

The Department will be deemed to have met the Asset Test if: (i) the Department has on file with the Trustee a Cashflow Statement giving effect to a transfer and release proposed as described in the next paragraph; and (ii) as of the date of such Cashflow Statement, the sum of the outstanding principal balance of the Mortgage Loans and the Mortgage Certificates, and the money and Investment Securities (valued at their amortized values as required by the Trust Indenture) held in all Funds (other than the Cost of Issuance Fund, the Expense Fund and any mortgage pool self-insurance reserve established by the Department with respect to the Mortgage Loans) is at least equal to 102% of the aggregate principal amount of Bonds then Outstanding.

If at any time the Department meets the Asset Test, the Trustee is required to apply amounts in the Residual Revenues Fund (in excess of those required to be maintained under the Trust Indenture in order to permit the Department to continue to meet the Asset Test) as follows: (i) the Trustee is required to transfer such amounts to the Mortgage Loan Fund or the Special Redemption Fund or remit such amounts to the Department to be used for any purpose authorized or permitted by the Act, free and clear of the pledge and lien of the Trust Indenture, if so directed by a Letter of Instructions from the Department; or (ii) in the absence of such instructions, the Trustee is required to retain such amounts in the Residual Revenues Fund.

Rebate Fund

Funds on deposit in the Rebate Fund are required to be withdrawn periodically by the Department and set aside to pay any amounts required to be rebated to the United States under applicable provisions of federal income tax law.

Withdrawals from Funds to Pay Debt Service

If on any interest payment date on the Bonds, after giving effect to the transfers from the Revenue Fund described above, the amount in the Interest Fund or the Principal Fund is less than the amount required to make interest and principal payments then due, the Trustee shall transfer from the following Funds in the following order of priority the amount of such deficit and apply such amount to pay interest and principal as necessary: (i) Residual Revenues Fund; (ii) Special Redemption Fund; and (iii) Mortgage Loan Fund.

None of the following are deemed available under the Trust Indenture for the payment of debt service on the Bonds: (i) the moneys in the Special Redemption Fund which are to be used to redeem Bonds as to which notice of redemption has been given or committed to the purchase of Bonds; (ii) moneys in the Mortgage Loan Fund which are to be used to make, acquire, or refinance Mortgage Loans with respect to which the Department has entered into commitments with borrowers, Mortgage Lenders or others; or (iii) Mortgage Loans credited to the Mortgage Loan Fund.

Investments

Moneys held in the Mortgage Loan Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Special Redemption Fund, and the Residual Revenues Fund are required to be invested and reinvested by the Trustee or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Department and moneys held in the Cost of Issuance Fund and the Expense Fund are required to be invested and reinvested by the Department or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Department, to the fullest extent practicable and if permitted by the Act, in Investment Securities the principal of which the Department estimates will be received not later than such times as will be necessary to provide moneys when needed for payments to be made from each such Fund. See "SECURITY FOR THE BONDS – Investment of Funds" and "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company."

Interest earned from investing any moneys in any Fund or profits realized from any investments in any Fund are required to be retained in such Fund until it contains the amount required by the Trust Indenture to be deposited therein; thereafter such earnings and profits, net of any losses (except that which represents a return of accrued interest paid in connection with the purchase by the Department, the Trustee or any Depository of any investment), are required to be transferred to the Revenue Fund.

Other Department Covenants

The Department is required to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries must be made of its transactions in accordance with generally accepted accounting principles. The Department is required to file annually, within 180 days after the close of each Bond Year, with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an accountant's certificate, including the following statements in reasonable detail: a statement of financial position as of the end of such Bond Year; and a statement of Revenues and Department Expenses for such Bond Year. The Department at all times is required to appoint, retain and employ competent personnel for the purpose of carrying out its programs and must establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the Department must be qualified for their respective positions.

Events of Default

Each of the following events is an "Event of Default" under the Trust Indenture: (i) default in the due and punctual payment of the principal or Redemption Price of any Bond when due; (ii) default in the due and punctual payment of any installment of interest on any Bond when due; (iii) default by the Department in the performance or observance of any other of its covenants, agreements, or conditions in the Trust Indenture or in the Bonds, and the continuance of such default for a period of 60 days after written notice thereof to the Department by the Trustee or to the Department and to the Trustee by the owners of not less than 10% in principal amount of the Bonds then Outstanding; or (iv) the commencement of various proceedings involving the Department in bankruptcy or seeking reorganization, arrangement, readjustment or composition of its debts or for any other relief under the federal bankruptcy laws or under any other insolvency act or law, state or federal, now or hereafter existing, or seeking the involuntary appointment of a receiver or trustee of the Department or for all or a substantial part of its property, and unless commenced by or consented to by the Department, their continuation for 90 days undismissed or undischarged.

Bondholders' Rights in the Event of Default

If an Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, must, by written notice delivered to the Department, declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable; subject, however, to the right of the owners of more than 50% in aggregate principal amount of the Bonds then Outstanding, by written notice to the Department and to the Trustee, to annul such declaration and destroy its effect at any time if all Events of Default, other than those arising from nonpayment of principal or interest due solely as a result of such acceleration, have been cured. Such annulment will not extend to nor affect any subsequent Event of Default nor impair or exhaust any right or power consequent thereon.

If any Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, must: (i) by mandamus or other suit, action or proceeding at law or in equity require the Department to perform its covenants, representations and duties under the Trust Indenture; (ii) bring suit upon the Bonds; (iii) by action or suit in equity require the Department to account as if it were the trustee of a trust for the owners of the Bonds; (iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; or (v) take such other steps to protect and enforce its rights and the rights of the owners of the Bonds, whether by action, suit or proceeding in aid of the execution of any power granted in the Trust Indenture or for the enforcement of any other appropriate legal or equitable remedy.

If any Event of Default occurs and is continuing, then the Trustee may, and upon written request by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, must, proceed by suit or suits, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal of and interest on the Bonds under a judgment or decree of a court or courts of competent jurisdiction or by the enforcement of any other appropriate legal or equitable remedy, as the Trustee deems most effectual to protect and enforce any of its rights or the rights of the Bondholders under the Trust Indenture.

Application of Proceeds

The proceeds received by the Trustee in case of an Event of Default, together with all securities and other moneys which may then be held by the Trustee as a part of the Trust Estate, are required to be applied in order, as follows:

(a) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee;

(b) to the payment of the interest and principal then due on the Bonds, as follows:

(i) unless the principal of all the Bonds has become or has been declared due and payable, to the payment to the persons entitled thereto of: first, all installments of interest then due, in order of maturity, and, if the amount available is not sufficient to pay in full any installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without any discrimination or preference; and second, the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available is not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amount or Redemption Price due on such date, without any discrimination or preference; and

(ii) if the principal of all the Bonds has become or has been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) to the payment of the amounts required for reasonable and necessary Department Expenses.

Trustee

The Bank of New York Mellon Trust Company, N.A., is currently the Trustee for all Series of Bonds issued under the Trust Indenture.

The Department is required to pay reasonable compensation to the Trustee, any Depositories and any paying agent (other than the GNMA Paying Agent) for all services rendered under the Trust Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and for the performance of their powers and duties under the Trust Indenture.

The Trustee may be removed, with or without cause, if so requested by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding. In addition, the Trustee may be removed, with or without cause, at any time (unless an Event of Default has occurred and is continuing) by resolution of the Governing Board of the Department; provided, that all holders of Bonds be given notice of such action and the Department shall not have received, within 60 days after such notice, written objections to such action by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding. The Trustee may also resign, upon appropriate notice. In either event, a successor is required to be appointed. Any successor Trustee must be a bank or trust company organized under the laws of the United States of America or any state thereof or a national banking association doing business, and having capital stock and surplus aggregating at least $75,000,000, which is willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed on it by the Trust Indenture.

Depositories

The Department may appoint one or more depositories to hold all or a designated portion of the moneys and investments subject to the lien and pledge of the Trust Indenture (other than moneys and securities required to be held in the Interest Fund, the Principal Fund and the Special Redemption Fund). Any depository appointed by the Department must be: (i) the State Comptroller, acting by and through the Texas Treasury Safekeeping Trust Company, a special-purpose corporate trust company organized under the laws of the State of Texas; or (ii) a bank or trust company organized under the laws of the United States or any state thereof and having capital stock and surplus of at least $50,000,000 which the Department determines to be capable of properly discharging its duties in such capacity and which is acceptable to the Trustee. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company."

All moneys and securities deposited with any Depository under the provisions of the Trust Indenture are required to be held in trust for the Trustee or the Department, as applicable, and the Bondholders, and may not be applied in any manner that is inconsistent with the provisions of the Trust Indenture.

Any Depository may at any time resign and be discharged of its duties and obligations under the Trust Indenture by giving at least 60 days' written notice to the Department and the Trustee. Any

Depository may be removed at any time by the Department by resolution of the Governing Board of the Department.

Supplemental Indentures without Consent of Bondholders

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Department and the Trustee, without the consent of any Bondholders: (i) to authorize Bonds of a Series and to specify the matters relative to such Bonds which are not contrary to or inconsistent with the Trust Indenture; (ii) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Trust Indenture; (iii) to insert such provisions clarifying matters or questions arising under the Trust Indenture as are necessary or desirable and are not contrary to or inconsistent with the Trust Indenture as theretofore in effect; (iv) to grant to or confer upon the Trustee for the benefit of the Bondholder any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Trustee; (v) to close the Trust Indenture against, or provide limitations on, the delivery of Bonds; (vi) to add to the covenants of the Department in the Trust Indenture other covenants which are not inconsistent with the Trust Indenture; (vii) to add to the restrictions in the Trust Indenture other restrictions to be observed by the Department which are not inconsistent with the Trust Indenture; (viii) to surrender any right, power or privilege reserved to or conferred upon the Department by the terms of the Trust Indenture that is not inconsistent with the Trust Indenture; (ix) to confirm the subjection to any lien or pledge created by the Trust Indenture of the Trust Estate or any other moneys; (x) to modify any of the provisions of the Trust Indenture in any other respect, effective only after all Bonds of any Series Outstanding at the date of adoption of such Supplemental Indentures shall cease to be outstanding; (xi) to amend the Trust Indenture to permit its qualification under the Trust Indenture Act of 1939 or any state blue sky law; (xii) to add to the definition of Investment Securities in accordance with the provisions of such definition; or (xiii) to make any other change in the Trust Indenture which does not, in the opinion of the Trustee, materially and adversely affect the rights of the holders of the Bonds.

Amendment of Trust Indenture with Consent of Bondholders

The Department and the Trustee, at any time and from time to time, may execute and deliver a Supplemental Indenture for the purpose of making any modification or amendment to the Trust Indenture, but only with the prior written consent of the holders of at least 2/3 in aggregate principal amount of the Bonds then Outstanding at the time such consent is given, and in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least 2/3 in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular Series and maturity remain Outstanding, the consent of the holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Trust Indenture. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture may permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (i) a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; (ii) a reduction in the principal amount or Redemption Price of any Bond or in the rate of interest thereon; (iii) the creation of a lien on or a pledge of the Revenues or any part thereof, other than the lien and pledge of the Trust Indenture or as permitted by the Trust Indenture: (iv) the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or (v) a reduction in the aggregate principal amount or classes of Bonds of which the consent of the holders is required to effect any such modification or amendment. For the purposes of the Trust Indenture, a Series is deemed to be affected by a modification or amendment of the Trust Indenture if the same adversely affects or diminishes the rights of the owners of Bonds of such Series. The Trustee is required to determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series would be affected by any modification or amendment of the Trust Indenture and any such determination will be binding and conclusive on the Department and all holders of Bonds.

Defeasance

If the Department pays irrevocably or causes to be paid irrevocably, or there otherwise is paid, to the owners of all Bonds the principal amount or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Trust Indenture, then the pledge of the Trust Estate under the Trust Indenture and all covenants, agreements and other obligations of the Department to the Bondholders, will thereupon terminate. Bonds or interest installments for the payment or redemption of which moneys are held in trust by the Trustee or any paying agent at the maturity or redemption date thereof will be deemed to have been paid within the meaning of the Trust Indenture. In addition, all Outstanding Bonds of any Series will be deemed to have been paid within the meaning of the Trust Indenture if: (i) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Department has given to the Trustee irrevocable instructions to give notice of redemption of such Bonds on said date; (ii) there has been deposited with the Trustee or any paying agent either moneys in an amount which are sufficient, or Government Obligations not subject to redemption prior to the maturity thereof, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or any paying agent at the same time, are sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and (iii) in the event said Bonds are not to be redeemed within the next succeeding 60 days, the Department has given the Trustee irrevocable instructions to give a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee or paying agent and that said Bonds are deemed to have been paid in accordance with the Trust Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Any moneys held for the payment of any of the Bonds which remain unclaimed for three years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption must, at the written request of the Department, be repaid to the Department, free from trust, and the Bondholders thereafter may look only to the Department for the payment of such Bonds.

TAX MATTERS RELATING TO THE SERIES 2026D BONDS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Series 2026D Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Series 2026D Bonds.

Tax Exemption

In the opinion of Bracewell LLP, Bond Counsel, subject to certain conditions set forth in the opinion and under existing law, interest on the Series 2026D Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not an item of tax preference subject to the alternative minimum tax on individuals. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C.

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Series 2026D Bonds, to be excludable from gross income for federal income tax purposes. These requirements include the various mortgage eligibility, arbitrage, targeted area, recapture, use of proceeds and information reporting requirements discussed more fully below under the caption "Federal Income Tax Requirements." The Department has covenanted in the Trust Indenture that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the procedures, safeguards and covenants of the Master Servicer and Mortgage Lenders in the Program Agreements and the covenants of the Department in the Trust Indenture and the Program Agreements pertaining to those sections of the Code that affect the excludability of the interest on the Series 2026D Bonds from gross income for federal income tax purposes, and in addition, will rely on representations by parties involved with the issuance of the Series 2026D Bonds and the Mortgage Loans with respect to matters solely within the knowledge of such parties, which representations Bond Counsel has not independently verified. If the Department, a Mortgage Lender, or the Master Servicer fails to comply with such procedures, safeguards and covenants or if such representations should be determined to be inaccurate or incomplete, interest on the Series 2026D Bonds could become includable in gross income from the date of original delivery thereof, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Series 2026D Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, acquisition, ownership or disposition of the Series 2026D Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Trust Indenture upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Series 2026D Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to its attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service" or "IRS"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2026D Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Department as the taxpayer and the owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2026D Bonds could adversely affect the value and liquidity of the Series 2026D Bonds, regardless of the ultimate outcome of the audit.

Collateral Tax Consequences

Prospective purchasers of the Series 2026D Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Series 2026D Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Series 2026D Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Series 2026D Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Series 2026D Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad

Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2026D Bonds.

Prospective purchasers of the Series 2026D Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2026D Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

If issue price of any maturity of the Series 2026D Bonds exceeds the stated Redemption Price payable at maturity of such Series 2026D Bonds, such Series 2026D Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount

If issue price of any maturity of the Series 2026D Bonds is less than the stated redemption price payable at maturity of such Series 2026D Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Series 2026D Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Series 2026D Bonds under the captions "TAX MATTERS RELATING TO THE SERIES 2026D BONDS – Tax Exemption," "– Collateral Tax Consequences" and "– Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Series 2026D Bonds for contemporaneous sale to the public and (ii) all of the Series 2026D Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the Department nor Bond Counsel has made any investigation or offers any comfort that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2026D Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Series 2026D Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Series 2026D Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2026D Bonds. Prospective purchasers of the Series 2026D Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

Federal Income Tax Requirements

General

Sections 103 and 143 of the Code and applicable regulations thereunder provide that the interest on bonds the proceeds of which are used directly or indirectly to finance owner-occupied residences, will not be excludable from gross income for federal income tax purposes unless such bonds are part of a "qualified mortgage issue." A "qualified mortgage issue" must meet the following requirements: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve fund) are to be used to finance owner-occupied residences, (ii) the mortgages financed by the issue satisfy certain mortgage eligibility requirements, as set forth more fully below under the subheading "Mortgage Eligibility Requirements," (iii) certain arbitrage limitations described more fully below under the subheading "Requirements Related to Arbitrage" must be satisfied, (iv) a specified portion of the lendable proceeds of such issue must be made available for a minimum period of time for owner financing of residences located within certain targeted areas, as described more fully below under the subheading "Targeted Area Requirement," (iv) mortgagors must be informed regarding the recapture of a portion of the proceeds from the disposition of certain residences, as described more fully below under the subheading "Recapture Requirements," (v) the issue must not meet the private business tests, as described more fully below under

the subheading "Private Business Use Limitations," (vi) amounts received as repayment of principal on the Mortgage Loans ten years after the date of issuance of the bonds must be used to redeem bonds that are part of the issue, as described more fully under the subheading "Redemption Requirements" below and (vii) the issue must meet certain reporting requirements, as set forth more fully below under the subheading "Reporting Requirements."

In addition, to be "qualified mortgage bonds," the bonds must have been approved by (i) the Governing Board of the Department and (ii) an "applicable elected representative" of the State after a public hearing following reasonable public notice. Further, the costs of issuance financed by an issue of bonds cannot exceed two percent of the proceeds of such issue. Additionally, the amount of such an issue of bonds, other than certain refunding bonds, when added to the amount of all other private activity bonds issued within the State during calendar year of issuance must not exceed the unified volume cap for private activity bonds imposed by the Code and applicable regulations.

Mortgage Eligibility Requirements

The Code contains six basic mortgage eligibility requirements that must be met at the time a mortgage is executed or assumed.

Residence Requirement. The Code requires that each home financed by a mortgage loan is a single-family residence (i) that can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after financing is provided and (ii) located in the jurisdiction of the Department.

First-time Homebuyer Requirement. The Code requires that at least 95% of the net proceeds of an issue be used to finance residences of mortgagors who have not had a present ownership interest in their principal residences at any time during the three-year period prior to execution of the mortgage loan; provided, however, that the three-year requirement does not apply (i) to financings with respect to Targeted Area Residences, (ii) in the case of land possessed under a "contract for deed" by a mortgagor whose principal residence is located on such land and whose family income is not more than 50% of the area median family income (the "Contract for Deed Exception"), or (iii) financing of any residence of a qualified veteran, if such veteran has not previously qualified for and received such financed by reason of this exception. For purposes of the Contract for Deed Exception, the term "contract for deed" means a seller-financed contract for the conveyance of land under which legal title does not pass to the purchaser until the consideration under the contract is fully paid to the seller, and the seller's remedy for nonpayment is forfeiture rather than judicial or nonjudicial foreclosure.

Purchase Price Limitations. The Code requires that the acquisition cost of the residence may not exceed 90% of the "average area purchase price" applicable to such residence, or, in the case of Targeted Area Residences, 110% of the applicable "average area purchase price." The Service has published "safe harbor rules" identifying purchase price limitations in the State that are considered to be in compliance with the requirements of the Code. The Department has determined to rely on the safe harbor figures for purposes of the Series 2026D Bonds.

Income Requirements. The Code requires that all the mortgage loans financed with the proceeds of an issue be provided to borrowers whose family income does not exceed 115% (100% in the case of individuals or families of two) of the greater of the statewide median income or the median income of the area in which the residence is located, subject to an upward adjustment in certain high housing cost areas. For Targeted Area Residences, the percentages in the foregoing sentence are 140% and 120%, respectively, and one-third of the financings may be provided without regard to such limits.

Requirements as to Assumptions of Mortgages. The Code provides that a mortgage loan may be assumed only if the assuming mortgagor complies with the residence requirement, first-time homebuyer

requirement, purchase price limitations and income requirements, as if the loan were being made to the assuming mortgagor for the first time.

New Mortgage Requirement. The Code requires that no part of the proceeds of an issue of qualified mortgage bonds may be used to acquire or replace an existing mortgage (whether or not paid off) on the residence at any time prior to the execution of the new mortgage. An exception from the new mortgage requirement is provided for (i) the replacement of construction period loans, bridge loans or other similar temporary initial financing having a term not exceeding 24 months, and (ii) certain residences described within the Contract for Deed Exception.

Requirements Related to Arbitrage and Rebate

Sections 143 and 148 of the Code provide that: (i) the effective interest rate on the mortgage loans financed with the proceeds of an issue of qualified mortgage bonds may not exceed the yield on such bonds by more than 1.125 percentage points; provided that, the Department may meet this requirement by the payment of yield reduction payments as set forth in the regulations promulgated under the Code; (ii) no more than 10% of the proceeds of an issue of bonds may be invested in any reserve or replacement fund; (iii) no more than the lesser of 5% of the proceeds of an issue of bonds or $100,000 (other than amounts invested for certain temporary periods or in a "reasonably required reserve fund") may be invested at a yield materially higher than the yield on such bonds; and (iv) the amount of funds held in certain accounts (other than amounts held for certain temporary periods) for an issue of bonds invested at a yield greater than the yield on such bonds may not exceed 150% of the current year's debt service on such bonds appropriately reduced as mortgage loans are prepaid. In calculating the effective interest rate on the mortgages, all amounts borne by the mortgagor either directly or indirectly must be taken into account.

The Code also requires the issuer to make rebate payments to the federal government in connection with certain investment earnings on non- mortgage investments, to the extent that such investment earnings exceed the amount that would have been earned on such investments if the investments were earning a return equal to the yield on the tax-exempt bonds to which such non-mortgage investments relate.

Targeted Area Requirement

The Code requires that either an amount equal to (a) at least 20% of the lendable proceeds of an issue of qualified mortgage bonds or (b) 40% of the average annual aggregate principal amount of mortgages executed during the immediately preceding three calendar years for single family, owner-occupied residences in targeted areas within the Department's jurisdiction, if such amount is less, must be reserved, for at least one year from the date on which owner-financing is first made available with respect to residences located within one or more targeted areas ("Targeted Area Residences"). Targeted Areas consist of (i) census tracts identified by the United States Treasury Department as having a substantial concentration of lower-income persons or (ii) areas of chronic economic distress designated by the State and approved by HUD. The State, at the request of the Department, has designated and HUD and the Secretary of the Treasury have approved, certain "areas of chronic economic distress" within the State. In addition, the Department has determined that there are "qualified census tracts" within the State.

Recapture Requirements

The Code subjects to a tax any mortgagor who disposes of an interest in a residence with respect to which there is or was any federally-subsidized indebtedness (i.e., a mortgage loan), the payment for which the mortgagor was liable in whole or in part. Specifically, such a mortgagor is subject to the payment of an additional tax reflecting the "recapture amount" with respect to such indebtedness. This recapture amount is determined pursuant to a formula established in the Code based on the "federally-subsidized amount," the time of disposition and certain family income limits applicable to the mortgagor. This

recapture provision does not apply to any disposition of an interest in a residence by reason of death or any such disposition that is more than nine years after the date the mortgage loan is made.

In order to facilitate the collection of the recapture amount from mortgagors, the Code requires that the issuer of any issue of qualified mortgage bonds, at the time of settlement of a mortgage loan, provide a written statement informing the mortgagor of the potential recapture under the Code. Furthermore, the Code requires that the issuer, not later than 90 days after the date each such mortgage is closed, provide a written statement to the mortgagor specifying the federally-subsidized amount with respect to such mortgage loan and the applicable income limits.

Private Business Use Limitations

The Code provides that an issue of qualified mortgage bonds must not meet the private business use test and the private security or payment tests set out in sections 141(b)(1) and (2) of the Code. The private business use test limits, subject to certain exceptions, the amounts of proceeds that can be used, directly or indirectly, in a trade or business carried on by any person (other than a natural person) that is not a state or local governmental unit to no more than 10% of the proceeds of the issue. The private security or payment test provides that, subject to certain exceptions, the payment of principal of, or the interest on, more than 10% of the proceeds of an issue be, directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) be derived from payments in respected of such property.

Redemption Requirements

The Code contains two redemption requirements that must be satisfied in order for an issue of bonds to be treated as "qualified mortgage bonds." The Code requires that all proceeds of an issue of qualified mortgage bonds in an amount of $250,000 or more that are not expended to finance residences within 42 months of the date of issuance of such bonds must be used within such 42-month period to redeem bonds that are part of such issue of bonds. The Code also requires that all amounts of $250,000 or more that are received by the issuer and representing complete repayments of mortgage loans or prepayments of principal of mortgage loans must be used to redeem bonds of the same issue not later than the close of the first semiannual period beginning after the date the prepayment or complete repayment is received; provided that, such requirement does not apply to amounts received within 10 years after the date of issuance of the original bonds.

Reporting Requirements

An issuer of qualified mortgage bonds is required to file with the Secretary of the Treasury an informational report containing various data regarding such bonds and the mortgages financed with the proceeds thereof.

Compliance with Tax Requirements

With respect to the mortgage eligibility requirements described above, the Code provides that such requirements will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements before the mortgage loans are executed; (ii) 95% or more of the lendable proceeds were used for mortgage loans that met all the mortgage eligibility requirements at the time of execution or assumption; and (iii) any failure to meet such requirements is corrected within a reasonable period of time after such failure is discovered. In determining whether or not 95% of the mortgage loans satisfy the mortgage eligibility requirements, the issuer is entitled to rely upon affidavits of the mortgagors and sellers of residences financed with the mortgage loans and upon federal income tax returns of the mortgagors, even if the relevant information in such affidavits and returns ultimately proves to be false, unless the issuer knows or has reason to know that such information is false.

The Code provides that the requirements related to arbitrage, Targeted Area Residences and recapture will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements and (ii) any failure to meet such requirements is due to inadvertent error after having taken reasonable steps to comply with such requirements.

The Department has covenanted in the Trust Indenture and the Mortgage Lenders and the Master Servicer have covenanted in the Program Agreements to (i) comply with the above-described requirements of the Code with respect to the proceeds of the Series 2026D Bonds and (ii) establish and follow procedures and safeguards sufficient to ensure compliance with such requirements. Nevertheless, if the Department, a Mortgage Lender, or the Master Servicer should fail to comply with such covenants, interest on the Series 2026D Bonds could become includable in gross income for federal income tax purposes from the date of issuance thereof, regardless of the date on which the event causing such inclusion occurs.

CONTINUING DISCLOSURE OF INFORMATION

In the Continuing Disclosure Agreement, dated as of November 1, 2026 (the "Disclosure Agreement"), between the Trustee and the Department, the Department has made the following agreement for the benefit of the holders and beneficial owners of the Series 2026D Bonds. The Department is required to observe the Disclosure Agreement for so long as it remains obligated to advance funds to pay the Series 2026D Bonds. Under the Disclosure Agreement, the Department will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

No Eligible Borrower is an "obligated person" (as defined in Rule 15c2-12 (as amended, the "Rule")) of the United States Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended for whom financial information or operating data would be presented in this Official Statement had such Eligible Borrower been known at the time of the offering of the Series 2026D Bonds.

The Department's Bond Finance Division has policies and procedures in place to assist the Department in complying with continuing disclosure undertakings such as the Disclosure Agreement. The Department's policies and procedures and the Disclosure Agreement were amended in response to the two notice events added, effective February 27, 2019, to the list of events for which notice is required by the Rule. See "—Event Notices" below.

Annual Reports

The Department will provide certain updated financial information and operating data to the MSRB annually within six months after the end of its Fiscal Year. The information to be updated includes all quantitative financial information and operating data with respect to the Department of the general type included in this Official Statement in "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES" and "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS" and the annual financial statements of the Texas Department of Housing and Community Affairs – Revenue Bond Enterprise Fund for the Fiscal Year ended August 31, 2025 and for each subsequent Fiscal Year (financial statements for the last completed Fiscal Year will be unaudited, unless an audit is performed in which event the audited financial statements will be made available). The Department will update and provide this information within six months after the end of each Fiscal Year ending on or after August 31. The Department will provide the updated information to the MSRB.

The Department may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the Department commissions an audit and it is completed by the required

time. If audited financial statements are not available by the required time, the Department will provide unaudited financial statements within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described herein under "FINANCIAL STATEMENTS" or such other accounting principles as the Department may be required to employ from time to time pursuant to state law or regulation.

The Department's previous Fiscal Year ended on August 31, 2026. Accordingly, the Department will provide updated information to the MSRB in the electronic format prescribed by the MSRB, if any, by the last day of February in the year 2027. The Department's current Fiscal Year ends on August 31, 2027. Accordingly, it will provide updated information to the MSRB in the electronic format prescribed by the MSRB, if any, by the last day of February in the year 2028 and will be required to provide updated information to the MSRB by the last day of February in each year thereafter, unless the Department changes its Fiscal Year. If the Department changes its Fiscal Year, it will notify the MSRB of the change.

The Department determined in 2017 that the annual disclosure of information regarding the Residential Mortgage Revenue Bond Program ("RMRB Program") would no longer include certain annual information since the RMRB Program has no whole mortgage loans and over 99% of the mortgage-backed certificates are Ginnie Mae Certificates. As such, information related to: (i) whole mortgage loans and (ii) mortgage-backed certificate type and delinquency data are immaterial to the current RMRB Program and were and will be omitted in its annual disclosure. Based on the changing make-up of the pledged assets under the Department's various indentures, the Department will determine materiality of disclosure items and may modify its disclosure accordingly in the future.

Event Notices

The Department will provide notice to the MSRB of any of the following events with respect to the Series 2026D Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of securities holders; (3) Series 2026D Bond calls, if material, and tender offers; (4) release, substitution, or sale of property securing repayment of the Series 2026D Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; (6) appointment of a successor or additional trustee or the change of name of a trustee; and (7) incurrence of a financial obligation of the Department, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Department, any of which affect security holders.

The Department will also provide notice to the MSRB of any of the following events with respect to the Series 2026D Bonds without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series 2026D Bonds, or other events affecting the tax-exempt status of the Series 2026D Bonds; (6) defeasances; (7) rating changes; and (8) bankruptcy, insolvency, receivership or similar event of an obligated person; and (9) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Department, any of which reflect financial difficulties.

For the purposes of the above described event notices, the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source

of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The Department has expressed its intent in the Disclosure Agreement that the words used in (7) in the first paragraph of this subcaption and item (9) immediately above and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Department will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The Department will also provide timely notice of any failure by the Department to provide annual financial information in accordance with their agreement described above under "Annual Reports."

Availability of Information from MSRB

The Department has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Series 2026D Bonds only if the holders comply with the procedures and pay any charges that may be established by the MSRB such information vendors or obtain the information through securities brokers who do so. Such information is available at no charge at www.emma.msrb.org.

Limitations and Amendments

The Department has agreed to update information and to provide notices of material events only as described above. The Department has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Department makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2026D Bonds at any future date. The Department disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Disclosure Agreement or from any statement made pursuant to its Disclosure Agreement, although holders of Series 2026D Bonds may seek a writ of mandamus to compel the Department to comply with its Disclosure Agreement.

The Disclosure Agreement may be amended by the Department and the Trustee from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Department, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell any Series 2026D Bonds in the primary offering of the Series 2026D Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Disclosure Agreement that authorizes such an amendment) of the Outstanding Series 2026D Bonds consent to such amendment or (b) a person that is unaffiliated with the Department (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2026D Bonds. If the Department so amends the Disclosure Agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of any change in the type of financial information and operating data so provided. The Department may also amend or repeal the provisions of the Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling any Series 2026D Bonds in the primary offering of such Series 2026D Bonds.

Notwithstanding the foregoing, under current state law, the Department is required to have an audit performed annually by independent accountants, which audit is available to any person who makes a request to the Department and upon payment of the cost of copying thereof.

Duties, Immunities, and Liabilities of Trustee

The Trust Indenture is made applicable to the Disclosure Agreement as if the Disclosure Agreement were (solely for this purpose) contained in the Trust Indenture. The Trustee shall have only such duties as are specifically set forth in the Disclosure Agreement, and no implied covenants shall be read into the Disclosure Agreement against the Trustee.

RATINGS

Moody's Ratings ("Moody's") and S&P Global Ratings, a division of S&P Global, Inc. ("S&P"), have assigned ratings to the Series 2026D Bonds of "Aa1" and "AA+," respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings do not represent recommendations to buy, sell, or hold the Series 2026D Bonds. The ratings reflect only the respective views of such organizations at the time such ratings were assigned and the Department makes no representation as to the appropriateness of the ratings.

There is no assurance that any ratings assigned to the Series 2026D Bonds will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026D Bonds.

UNDERWRITING

The Series 2026D Bonds are being purchased from the Department by the Underwriters listed on the cover page of this Official Statement. Pursuant to the bond purchase agreement for the Series 2026D Bonds (the "Bond Purchase Agreement"), the Underwriters have agreed to purchase the Series 2026D Bonds at a total purchase price of $_____ (including $_____ of premium). The Underwriters will receive a fee of $_____ in connection with the purchase of the Series 2026D Bonds. The Bond Purchase Agreement provides, among other things, that the Underwriters' obligations to make their respective purchases are subject to certain terms and conditions set forth in such Bond Purchase Agreement, including the approval of certain legal matters by their counsel and certain other conditions. The initial public offering prices of the Series 2026D Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Series 2026D Bonds to certain dealers (including dealers depositing the Series 2026D Bonds into unit investment trusts, certain of which may be sponsored or managed by one or more of the Underwriters) and others at prices other than the public offering prices stated on the inside front cover hereof.

BofA Securities, Inc., one of the Underwriters of the Series 2026D Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026D Bonds.

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.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2026D Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2026D Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2026D Bonds that such firm sells.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2026D Bonds, has entered into a retail distribution agreement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution agreement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2026D Bonds.

RBC Capital Markets LLC ("RBCCM"), an underwriter of the Series 2026D Bonds, has entered into a distribution agreement with its affiliate RBC Securities, Inc. ("RBC Securities") (formerly known as City National Securities, Inc.). As part of this arrangement, RBCCM may distribute securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for their selling efforts with respect to the Series 2026D Bonds.

RBCCM serves as an underwriter for the Department and is involved in the issuance of single family and multifamily tax-exempt bonds. From time to time RBCCM may be simultaneously engaged in this role under an active bond offering. The agreement and services provided therein are not related to the subject transaction identified herein.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the Series 2026D Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2026D Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2026D Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2026D Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Department and to

persons and entities with relationships with the Department, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Department (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Department.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

MUNICIPAL ADVISOR

The Department has retained CSG Advisors Incorporated as its municipal advisor (the "Municipal Advisor") in connection with the offering of the Series 2026D Bonds. The Municipal Advisor will act as an independent advisory firm and will not be engaged in the business of underwriting, trading or distributing the Series 2026D Bonds.

The Municipal Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2026D Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

FINANCIAL STATEMENTS

The financial statements of the Texas Department of Housing and Community Affairs-Revenue Bond Enterprise Fund as of and for the Fiscal Year ended August 31, 2025, have been audited by the Texas State Auditor's Office, independent auditors, as stated in their report rendered in connection therewith and are incorporated by reference in this Official Statement.

The financial data as of and for the 10 months ended June 30, 2026 which is incorporated by reference in this Official Statement, has been derived from the unaudited internal records of the Department. The Department's independent auditors have not reviewed, examined, or performed any procedures with respect to the unaudited financial information, nor have they expressed an opinion or any other form of assurance on such information, and assume no responsibility for, and disclaim any association with the unaudited information. The unaudited information is preliminary and is subject to change as a result of the audit and may materially differ from the audited financial statements when they are released.

The Department's FY2025 Audited Financial Statements (Revenue Bond Enterprise Fund) as of August 31, 2025 are available for inspection at the Department's offices, upon request, or at:

https://www.tdhca.texas.gov/programs/financial-administration-division

The Department's Interim Financial Statements as of June 30, 2026 are available for inspection at the Department's offices, upon request, or at:

Investors | Texas Department of Housing and Community Affairs

THE SERIES 2026D BONDS ARE SECURED ONLY BY THE ASSETS AND REVENUES DESCRIBED UNDER THE CAPTION "SECURITY FOR THE BONDS" AND NOT BY ANY OTHER SOURCE.

LITIGATION MATTERS

The Department is expected to deliver a certificate upon the delivery of the Series 2026D Bonds stating that there is no controversy or litigation of any nature pending or, to its knowledge, threatened to restrain or enjoin the delivery of the Series 2026D Bonds, or in any way contesting or affecting the validity of the Series 2026D Bonds, the Trust Indenture, or any proceedings of the Department taken with respect to the delivery of the Series 2026D Bonds, or the existence or powers of the Department insofar as they relate to the delivery of the Series 2026D Bonds or such pledge or application of moneys and security.

APPROVAL OF LEGALITY

Legal matters incident to the delivery of the Series 2026D Bonds are subject to the approving opinion of Bracewell LLP, Bond Counsel. Certain legal matters will be passed upon for the Department by its General Counsel, James "Beau" Eccles, Esq., and by its Disclosure Counsel, McCall, Parkhurst & Horton L.L.P. Certain legal matters will be passed upon for the Underwriters by their counsel Chapman and Cutler LLP.

In its capacity as Bond Counsel, Bracewell LLP has reviewed the information appearing in this Official Statement describing the Series 2026D Bonds, the security therefor and the federal income tax status thereof, appearing under "THE SERIES 2026D BONDS" (but excluding the (i) phrases regarding maintaining the original yield under "– Redemption Provisions," (ii) third paragraph under "– Redemption Provisions – Special Redemption from Unexpended Proceeds of Series 2026D Bonds," and (iii) information contained therein under the subheading "—Average Life and Prepayment Speeds"), "SECURITY FOR THE BONDS" (but excluding the information contained therein under the subheading "—Certain Information as to Revenues, Investments, Debt Service and Department Expenses"), "THE TRUST INDENTURE," "TAX MATTERS RELATING TO THE SERIES 2026D BONDS," "APPROVAL OF LEGALITY," APPENDIX A, APPENDIX C and APPENDIX G — "Texas Treasury Safekeeping Trust Company," APPENDIX G — "Legality for Investment" and APPENDIX G — "The Program and the Mortgage Loans" (but excluding the information under the subheadings "—Servicing," "—The Master Servicers" and "—Investment of Funds"), to this Official Statement solely to determine whether such information fairly and accurately describes or summarizes the provisions of the Act, the laws of the State, the Trust Indenture, the Fifty-Second Supplemental Indenture, the Depository Agreement, the Series 2026D Bonds and certain aspects of its opinion relating to the federal tax implications with respect to the Series 2026D Bonds. Bond Counsel was not requested to participate and did not take part in the preparation of any other information contained herein and did not assume responsibility with respect thereto or undertake independently to verify the accuracy of any of such information. Except as set forth above, Bond Counsel does not pass upon the fairness, accuracy or completeness of this Official Statement, and no person is entitled to rely upon such firm's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of the information contained herein.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Trust Indenture are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. The information contained above is subject to change without notice and no implication is to be derived therefrom or from the sale of the Series 2026D Bonds that there has been no change in the affairs of the Department from the date hereof.

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This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or owners of any of the Series 2026D Bonds.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: */s/*
Chair and Member
Governing Board

By: */s/*
Executive Director

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APPENDIX A

GLOSSARY

Unless otherwise provided in the text of this Official Statement, capitalized terms used in this Official Statement shall have the following definitions:

"Act" shall mean Chapter 2306, Government Code, as amended from time to time (together with other laws of the State applicable to the Department).

"Advances" means advances made to the Department by the Federal Home Loan Bank pursuant to the FHLB Agreement.

"Assisted Mortgage Loan" shall mean a Mortgage Loan that includes a DPA Loan.

"Authorized Denominations" shall mean $5,000 principal amount or any integral multiples thereof.

"Authorized Representative of the Department" shall mean the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, Director of Financial Administration of the Department, the Deputy Executive Director – Housing Finance of the Department and the Secretary or any Assistant Secretary to the Board or any other employee or officer or member of the Department authorized to perform specific acts or duties by resolution duly adopted by the Board and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

"Board" shall mean the Governing Board of the Department.

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

"Bond Year" shall mean each twelve-month period that ends on December 31.

"Bonds" shall mean, unless subordinated, any bond or bonds, as the case may be, authenticated and delivered pursuant to the Trust Indenture.

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

"Cashflow Certificate" shall mean a written certificate signed by an Authorized Representative of the Department stating that the action described in the Letter of Instructions to which such certificate pertains is consistent with the assumptions used in the Cashflow Statement most recently filed with the Trustee.

"Cashflow Statement" shall mean a cashflow statement conforming to the requirements of the Trust Indenture.

"Certificate Purchase Period" shall mean the period from the date of initial delivery of the Series 2026D Bonds to and including May 1, 2027*, but which may be extended to a date no later than April 1, 2030, in accordance with the Fifty-Second Supplemental Indenture.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

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

"Costs of Issuance" shall mean the items of expense payable or reimbursable directly or indirectly by the Department and related to the authorization, sale, issuance and remarketing of Bonds, which items of expense shall include without limiting the generality of the foregoing: travel expenses; printing costs; costs of reproducing documents; computer fees and expenses; filing and recording fees; initial fees and charges of the Fiduciaries; bond discounts; underwriting fees and remarketing fees; legal fees and charges; consulting fees and charges; auditing fees and expenses; financial advisory fees; credit rating fees; initial amounts paid to obtain Supplemental Mortgage Security or a Credit Agreement; fees and charges for execution, transportation and safekeeping of Bonds; and other administrative or other costs of issuing, carrying, repaying, and remarketing Bonds and investing the Bond proceeds and costs incurred in marketing or advertising the Program.

"Credit Agreement" shall mean (i) any agreement of the Department entered into in connection with and for the purpose of (A) enhancing or supporting the creditworthiness of a Series of Bonds or (B) providing liquidity with respect to Bonds which by their terms are subject to tender for purchase, and (ii) a Swap Agreement. A determination by the Department that an agreement constitutes a Credit Agreement under this definition shall be conclusive.

"Credit Agreement Obligations" shall mean any amounts payable by the Department under and pursuant to a Credit Agreement other than amounts payable as a Termination Payment.

"De Minimis Special Redemption" shall mean a one-time redemption of Series 2026D Bonds from unexpended Proceeds in an amount less than $500,000 that is treated as a Special Redemption from Mortgage Loan Principal Payments in accordance with the Fifty-Second Supplemental Indenture.

"Department" shall mean the Texas Department of Housing and Community Affairs and its successors and assigns.

"Department Expenses" shall mean the Department's expenses of carrying out and administering its powers, duties and functions in connection with mortgage loans and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; expenses for data processing, insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Fiduciaries; mortgage loan servicing fees; Costs of Issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; amounts paid to obtain and maintain Supplemental Mortgage Security; Credit Agreement Obligations; and any other expenses required or permitted to be paid by the Department under the provisions of the Act, the Master Indenture and any Supplemental Indenture.

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* *Preliminary, subject to change.*

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

"DPA Loan" means a subordinated, no stated interest loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to the 2026D Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are due on sale, refinance, or repayment of the first mortgage and have a thirty year term.

"Eligible Borrower" shall mean eligible borrowers who meet the criteria described under "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – The Program and the Mortgage Loans – Eligible Borrowers."

"Excess Revenues" shall mean any moneys remaining in the Revenue Fund and transferred to the Residual Revenues Fund after all other transfers required by the Trust Indenture on any maturity date or redemption date for the Bonds.

"Fannie Mae" shall mean the Federal National Mortgage Association, a federally-chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq.

"Fannie Mae Certificate" shall mean a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security bearing interest at the applicable Pass-Through Rate, issued by Fannie Mae in book-entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Fannie Mae and backed by conventional Mortgage Loans in the related Fannie Mae pool.

"FDIC" shall mean the Federal Deposit Insurance Corporation or any successor agency or instrumentality of the United States of America.

"FHA" shall mean the Federal Housing Administration or its successors.

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

"Fiduciaries" shall mean the Trustee, the Depository, and any bond depository and any paying agent.

"Fifty-Second Supplemental Indenture" shall mean the Fifty-Second Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 2026, by and between the Department and the Trustee, together with any amendments, related to the Series 2026D Bonds.

"Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States of America, or its successor.

"Fund" shall mean the Mortgage Loan Fund, the Cost of Issuance Fund, the Revenue Fund, the Interest Fund, the Principal Fund, the Special Redemption Fund, the Rebate Fund, the Expense Fund, the Residual Revenues Fund and the Special Mortgage Loan Fund established under the Trust Indenture.

"Ginnie Mae" or "GNMA" shall mean the Government National Mortgage Association, a government sponsored enterprise organized and existing under the laws of the United States.

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

"Government Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by the full faith and credit of, the United States of America.

"Investment Securities" shall mean and include any one or more of the following securities, if and to the extent the same are at the time legal for investment of Department funds:

(a) Government Obligations;

(b) FHA debentures;

(c) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any agency or instrumentality of the United States of America acting pursuant to authority granted by the Congress of the United States, including, without limitation the following: Fannie Mae (excluding mortgage-backed securities valued at greater than par on the portion of unpaid principal and mortgage-backed securities representing payment of principal only or interest only with respect to the underlying loans); Freddie Mac, GNMA, Student Loan Marketing Association, or other successor agencies;

(d) Obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(e) Debt obligations (excluding obligations that do not have a fixed par value and/or the terms of which do not provide for payment of a fixed dollar amount at maturity or redemption) of any person, but only if such debt obligations are rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency;

(f) Federal funds, unsecured certificates of deposit, time deposits and banker's acceptances (in each case, having maturities not in excess of one year) of any bank the short-term unsecured debt obligations of which are rated by each Rating Agency in the highest category for short-term obligations;

(g) Certificates of deposit and time deposits which are fully insured as to principal and interest by the FDIC;

(h) Commercial paper having maturities not in excess of one year rated by each Rating Agency in the highest category for short-term obligations;

(i) Money market funds rated by each Rating Agency in the highest category for money market funds;

(j) Repurchase agreements the subject of which are obligations described in clauses (a), (b), (c) or (d) above, with: (i) any Person whose long-term unsecured general indebtedness is rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency, or if the term of such repurchase agreement does not exceed one year, whose short-term unsecured general indebtedness is rated by each Rating Agency in the highest category for short-term obligations; and (ii) with any member of the Association of Primary Dealers;

(k) Investment agreements secured or unsecured as required by the Department, with any Person whose long-term unsecured general indebtedness is rated by each Rating Agency in a category at least as high as the rating then assigned to the Bonds by each such Rating Agency or, if the term of such investment agreement does not exceed one year, whose short-term unsecured general indebtedness is rated by each Rating Agency in the highest category for short-term obligations[1]; and

(l) Investment securities described in any Supplemental Indenture the inclusion of which in the definition of Investment Securities for purposes of the Trust Indenture will not adversely affect, in and of itself, any rating then assigned to the Bonds by a Rating Agency, as evidenced by a letter from each such Rating Agency.

"Letter of Instructions" shall mean, with respect to the Series 2026D Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two Authorized Representatives of the Department.

"Master Servicer" shall mean, with respect to Program 117, The Money Source, Inc. (TMS), or any successor thereto as a servicer for such program, including any designee to act on its behalf. Otherwise, the term refers the servicer for the respective Mortgage Loans.

"Master Indenture" shall mean the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture, dated as of July 1, 2019, between the Department and the Trustee, which amended and restated the Residential Mortgage Revenue Bond Trust Indenture, dated as of November 1, 1987, as previously amended and supplemented, pursuant to which the Bonds of each Series are authorized to be issued.

"Mortgage" shall mean any mortgage or deed of trust securing a Mortgage Loan.

"Mortgage Certificate" shall mean a mortgage-backed security that evidences beneficial ownership of a mortgage pool, that satisfies the requirements of the applicable Series Supplement and that is purchased from amounts identified in the applicable Series Supplement and pledged by the Department to the Trustee pursuant to the Trust Indenture.

"Mortgage Lender" shall mean any bank or trust company, mortgage banker approved by Fannie Mae or Freddie Mac, national banking association, savings bank, savings and loan association, non-profit corporation, mortgage company, the Department, any financial institution or governmental agency and any other entity approved by the Department; provided such mortgage lender is authorized to make mortgage loans satisfying the requirements of the Trust Indenture.

"Mortgage Loan" shall mean (i) any loan evidenced by a Mortgage Note and secured by a Mortgage which satisfies the requirements of the Trust Indenture, which is made, acquired or refinanced, directly or indirectly, from amounts in the Mortgage Loan Fund or other moneys of the Department (including amounts

[1] The Department may enter into other investment agreements if the requirements of paragraph (1) of this definition of "Investment Securities" are satisfied.

derived from temporary indebtedness incurred in anticipation of the issuance of Bonds), and which is pledged by the Department to the Trustee pursuant to the Trust Indenture; and (ii) any evidence of a participation in a loan described above. In the proper context, Mortgage Loan may mean and include a Mortgage Certificate.

"Mortgage Loan Principal Payment" shall mean, with respect to any Mortgage Loan, all amounts representing (i) scheduled payments of principal thereof and (ii) Mortgage Loan Principal Prepayments other than portions, if any, of Mortgage Loan Principal Prepayments representing any penalty, fee, premium or other additional charge for the prepayment of principal which may be paid pursuant to the terms of a Mortgage Loan.

"Mortgage Loan Principal Prepayment" shall mean any moneys received or recovered by the Department from any payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan) on any Mortgage Loan other than the scheduled payments of principal called for by such Mortgage Loan, whether (i) by voluntary prepayment made by the borrower, (ii) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof (other than insurance moneys received or recovered and used in accordance with the provisions of the Trust Indenture to repair or reconstruct the mortgaged premises which were the subject of insurance proceeds), (iii) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department, (iv) in the event of a default thereon by the borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department or by any other proceedings taken by the Department, (v) from any special hazard insurance policy or standard hazard insurance policy covering mortgaged premises, (vi) from any Supplemental Mortgage Security, or (vii) from any proceeds received from any private mortgage insurer, the FHA, the VA, the RDA or any other agency or instrumentality of the United States of America in respect of any primary mortgage insurance or guaranty of a Mortgage Loan.

"Mortgage Note" shall mean any note, bond or other instrument evidencing a borrower's obligation to repay a Mortgage Loan.

"Mortgage Pool" shall mean, with respect to a Mortgage Certificate, the pool of Mortgage Loans the beneficial ownership of which is represented by such Mortgage Certificate, as described in the schedule of pooled Mortgage Loans pertaining to such Mortgage Certificate.

"Outstanding" shall mean, when used with reference to Bonds, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Trust Indenture except:

(a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Indenture; and

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

"Pass-Through Rate" shall mean the interest rate accruing each month on a 2026D Mortgage Certificate, which will equal the mortgage rate of the 2026D Mortgage Loans backing the 2026D Mortgage Certificate less servicing and guaranty fees, which fees are retained by the Master Servicer.

"Person" shall mean an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

"Program 117" shall mean the program established by the Department pursuant to which the Department makes, acquires or refinances, directly or indirectly, Mortgage Loans or Mortgage Certificates related to the Series 2026D Bonds.

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

"RDA" shall mean the Rural Development Agency of the United States Department of Agriculture or its successors.

"Rebate Fund" shall mean, collectively, the Rebate Funds established pursuant to the Series Supplements into which amounts to be paid to the United States of America will be deposited until disbursed.

"Redemption Price" shall mean, with respect to any Series 2026D Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2026D Bond or the Trust Indenture.

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

"Repaid FHLB Advances" means the particular Advances specified in the Pricing Certificate.

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

"Series" shall mean all Bonds designated as a Series in a Series Supplement and which are authenticated and delivered on original issuance in a simultaneous transaction, and all Bonds delivered in exchange for or in lieu of such Bonds.

"Series Supplement" shall mean the Supplemental Indenture providing for the issuance of a Series of Bonds, as the same may be amended from time to time.

"Series 2026D Bonds" shall mean the Department's Residential Mortgage Revenue Bonds, Series 2026D issued under the Master Indenture and the Fifty-Second Supplemental Indenture.

"State" shall mean the State of Texas.

"Supplemental Indenture" shall mean any trust indenture supplemental to or amendatory of the Trust Indenture, executed and delivered by the Agency or the Department and the Trustee in accordance with the Master Indenture.

"Swap Agreement" shall mean an agreement with respect to a Series of Bonds providing for an interest rate exchange or other interest rate hedge for the purpose of converting in whole or in part the Department's fixed or variable interest rate liability on all or a portion of such Bonds to a fixed or variable rate liability, including converting a variable rate liability to a different variable rate liability.

"Tenth Series Supplement" shall mean the Tenth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1988 between the Department and the Trustee.

"Term Bonds" shall mean the Series 2026D Term Bonds titled as such on the inside cover page of this Official Statement.

"Termination Payment" shall mean an amount owed by the Department to a counterparty pursuant to a Swap Agreement incurred in connection with the termination of the Swap Agreement and which, on the date of execution of the Swap Agreement, is not an amount representing a regularly-scheduled payment under the Swap Agreement.

"Trust Indenture" shall mean the Master Indenture, as supplemented and amended from time to time.

"2026D Mortgage Certificates" shall mean the Ginnie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of the Fifty-Second Supplemental Indenture which are purchased by the Trustee from amounts available in the 2026D Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Trust Indenture.

"2026D Mortgage Loan Account" shall mean the 2026D Mortgage Loan Account of the Mortgage Loan Fund.

"2026D Mortgage Loans" shall mean the portion of each Mortgage Loan included in each Mortgage Pool represented by a 2026D Mortgage Certificate.

"2026D Premium PAC Term Bond" shall mean the Series 2026D Bond maturing on July 1, 2057*, which was sold at a premium as shown on the inside cover page.

"2026D Principal Account" shall mean the 2026D Principal Account of the Principal Fund.

"2026D Revenue Account" shall mean the 2026D Revenue Account of the Revenue Fund.

"2026D Special Redemption Account" shall mean the 2026D Special Redemption Account of the Special Redemption Fund.

"Treasury" shall mean the United States Department of the Treasury.

"Underwriters" shall mean the underwriters named on a schedule to the Bond Purchase Agreement.

"VA" shall mean the United States Department of Veterans Affairs or its successors.

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* *Preliminary, subject to change.*

APPENDIX B-1

GNMA AND THE GNMA CERTIFICATES

This summary of the GNMA Mortgage Backed Securities Program, the GNMA Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage Backed Securities Guide published by GNMA and to said documents for full and complete statement of their provisions. The following summary is of the GNMA I Program and the GNMA II Program, as amended.

Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD") with its principal office in Washington, D.C.

To issue GNMA Certificates, the Master Servicer must first apply to and receive from GNMA the Commitment to Guarantee Mortgage Backed Securities (the "MBS Agreement"). The MBS Agreement authorizes the Master Servicer to apply to GNMA for the issuance of Mortgage-Backed Securities to be eligible for guaranty by GNMA up to a stated date and issue GNMA Certificates up to a stated amount during a one-year period following the date of the MBS Agreement. Each MBS Agreement is valid for a 12-month period from the date of commitment.

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans in a minimum aggregate amount of $250,000 (or such lesser amount as may be approved by GNMA). Each GNMA I Certificate will be a "mortgage loan pass-through" certificate which will require the Master Servicer to pass through to the paying and transfer agent therefor (the "GNMA Paying Agent") by the fifteenth day of each month (or the sixteenth day, if such day is not a business day, provided that, if neither the fifteenth nor the sixteenth day is a business day, the first business day prior to the fifteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Master Servicer in the previous month. Each GNMA II Certificate will require the Master Servicer to pass through to the GNMA Paying Agent for the GNMA II Program, by the nineteenth day of each month (or the twentieth day, if such day is not a business day; provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer received such payments, plus any prepayments on the Mortgage Loan received by the Master Servicer in the previous month. The GNMA Paying Agent is then required to pass through to the Trustee on or before the third business day following the nineteenth day of each month the scheduled payments received from the Master Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool of mortgage loans insured by FHA under the Housing Act, or guaranteed by RDA under Title V of the Housing Act of 1949, or guaranteed by VA under the Servicemen's Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code. Section 306(g) further provides that " the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated October 12, 1969, of an Assistant Attorney General of the United States, states that such guarantees under Section 306(g) of mortgage backed certificates of the type being delivered to the Trustee

on behalf of the Department are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

GNMA, upon execution of the GNMA Guaranty appended to the GNMA Certificate and upon delivery of the GNMA Certificate to the Master Servicer, will have guaranteed to the Trustee as holder of the GNMA Certificate the timely payment of principal of and interest on the GNMA Certificate. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(g) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Certificate. The Treasury is authorized to purchase any obligation so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

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

The Master Servicer will be responsible for servicing and otherwise administering the Mortgage Loans in accordance with generally accepted practices of the mortgage banking industry and the GNMA Mortgage Backed Securities Guide (the "Guide").

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

The Master Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA as guarantor will be able to continue such payments as scheduled on the third business day following the twentieth day of each month. If, however, such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

The GNMA Guaranty Agreement to be entered into by GNMA and the Master Servicer upon issuance of the GNMA Certificates (the "GNMA Guaranty Agreement") will provide that, in the event of a default by the Master Servicer, GNMA will have the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the Mortgage Loans, and the Mortgage Loans are to thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Certificate. In such event, the GNMA Guaranty Agreement will provide that GNMA will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein. At any time, GNMA may enter into an agreement with an institution approved by GNMA under which such institution undertakes and agrees to assume any part or all of such duties, and no such agreement will detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor.

Payment of principal and interest on the GNMA Certificate is required to be made in monthly installments on or before the third business day following the twentieth of each month commencing the month following the date of issue of the GNMA Certificate.

Each installment on the GNMA Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Certificate. The amount of principal due on the GNMA Certificate is to be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans subject to adjustment by reason of unscheduled recoveries of principal on the Mortgage Loans. In any event, the Master Servicer is required to pay to the Trustee, as holder of the GNMA Certificate, monthly installments of not less than the interest due on the GNMA Certificate at the rate specified in the GNMA Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or early recovery of principal. Final payment is to be made upon surrender of the outstanding GNMA Certificate.

The Office of Inspector General (OIG) is required to conduct an annual audit of GNMA under the provisions of the Chief Financial Officers (CFO) Act of 1990 ("CFO Act"). The complete OIG report is included in the separate management report of GNMA prepared pursuant to the CFO Act which is available upon request from GNMA at Government National Mortgage Association, 451 Seventh Street, SW, Washington, D.C. 20410-9000.

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APPENDIX B-2

FANNIE MAE AND THE FANNIE MAE CERTIFICATES

General

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

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

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

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the "SEC"). The SEC filings are available at the SEC's website at http://www.sec.gov. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's website at http://www.fanniemae.com/portal/about-fm/investor-relations/quarterly-annual-results.html or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents before making an investment decision.

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

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

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a website (http://www.sec.gov) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such website. The SEC's website is not part of this Official Statement.

Mortgage-backed Securities Program

Fannie Mae is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transferred into a stockholder-owned and privately managed corporation by legislation enacted in 1968. The Secretary of Housing and Urban Development exercises general regulatory power over Fannie Mae. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Although the Secretary of the Treasury of the United States has certain discretionary authority to purchase obligations of Fannie Mae, neither the United States nor any agency or instrumentality thereof is obligated to finance Fannie Mae's obligations or assist Fannie Mae in any manner.

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

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the "Fannie Mae Guides") published by Fannie Mae, as modified by the Pool Purchase Contract (as hereinafter described), and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture dated as of November 1, 1981, as amended (the "Fannie Mae Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool.

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

Pool Purchase Contract

It is expected that Fannie Mae and the Master Servicer will enter into a Pool Purchase Contract, pursuant to which the Master Servicer will be permitted to deliver, and Fannie Mae will agree to purchase mortgage loans in exchange for Fannie Mae Certificates. The purpose of the Pool Purchase Contract is to provide for certain additions, deletions and changes to the Fannie Mae Guides relating to the purchase of mortgage loans. In the event of a conflict between the Pool Purchase Contract and the Fannie Mae Guides, the Pool Purchase Contract will control. The description set forth below assumes that the Pool Purchase Contract will be executed substantially in the form presented by Fannie Mae to the Master Servicer as of the date hereof.

The Pool Purchase Contract obligates the Master Servicer to service the mortgage loans in accordance with the requirements of the Fannie Mae Guides and the Pool Purchase Contract.

Fannie Mae Certificates

Each Fannie Mae Certificate will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the Mortgage Loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received. The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the registered holder of Fannie Mae Certificates, would consist solely of payments and other recoveries on the underlying Mortgage Loans and, accordingly, monthly distributions to the Trustee, as the holder of Fannie Mae Certificates, would be affected by delinquent payments and defaults on such Mortgage Loans.

Payments on Mortgage Loans; Distributions on Fannie Mae Certificates

Payments on a Fannie Mae Certificate will be made on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or, if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related mortgage pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Mortgage Loan that was prepaid in full during the second month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest), (iii) the amount of any partial prepayment of a Mortgage Loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distributions, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. Fannie Mae may, in its discretion, include with any distribution principal prepayments, both full and partial, received during the month prior to the month of distribution but is under no obligation to do so.

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APPENDIX C

FORM OF PROPOSED OPINION OF BOND COUNSEL

[_____], 2026

Texas Department of Housing and
Community Affairs
221 East 11th Street
Austin, Texas 78701

The Bank of New York Mellon Trust Company,
N.A., as Trustee
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256

Morgan Stanley & Co. LLC,
as Representative of the Underwriters
1585 Broadway, 11th Floor
New York, New York 10036

Ladies and Gentlemen:

We have represented the Texas Department of Housing and Community Affairs (the "Department") as its bond counsel in connection with the issuance of the Department's Residential Mortgage Revenue Bonds, Series 2026D (the "Series 2026D Bonds") pursuant to a resolution adopted by the Governing Board of the Department on September 3, 2026 (the "Bond Resolution") and a pricing certificate with respect to the Series 2026D Bonds (the "Pricing Certificate") executed on October 14, 2026 by an authorized officer of the Department pursuant to the Bond Resolution; the Amended and Restated Residential Mortgage Revenue Bond Trust Indenture dated as of July 1, 2019 (as amended and supplemented from time to time, the "RMRB Indenture"), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and the Fifty-Second Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 2026 (the "Fifty-Second Supplemental Indenture"), between the Department and the Trustee with respect to the Series 2026D Bonds. The RMRB Indenture and the Fifty-Second Supplemental Indenture are referred to herein collectively as the "Indenture." The Series 2026D Bonds are being issued in the principal amounts, bear interest at the rates, mature on the dates and are subject to redemption prior to maturity as provided in the Indenture. Capitalized terms not otherwise defined herein have the meanings assigned to such terms in the Indenture.

The RMRB Indenture permits the issuance of additional bonds, and such bonds have been issued, on a parity with the Series 2026D Bonds upon the terms and conditions set forth in the RMRB Indenture. The Department reserves the right in the RMRB Indenture to issue other bonds of the Department under the RMRB Indenture for other programs similar to the program initially funded with the proceeds of the Series 2026D Bonds and to refund bonds issued under the RMRB Indenture, and further reserves the right to issue bonds payable from the pledges and assignments in trust pursuant to the RMRB Indenture that are junior or subordinate to the Series 2026D Bonds, all as provided in the RMRB Indenture.

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Series 2026D Bonds under the Constitution and laws of the State of Texas (the "State") and the security therefor and with respect to the excludability of interest on the Series 2026D Bonds from gross income for federal income tax purposes. We have not been engaged to review, or undertaken the review of, the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Series 2026D Bonds, and we express no opinion relating thereto (excepting only the matters set forth in our supplemental opinion of bond counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Department or the disclosure thereof.

In our capacity as bond counsel, we have participated in the preparation of and have examined a transcript of certain proceedings pertaining to the Series 2026D Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Department, the State and the Trustee, and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Department, the State, the Trustee and others. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. Moreover, we have examined executed Bond No. TRD-1 of the Series 2026D Bonds.

We have assumed with your permission and without independent verification (i) the genuineness of certificates, records and other documents (collectively, "documents") and the information submitted to us and the accuracy and completeness of the statements contained therein; (ii) the due authorization, execution and delivery of the documents by the parties thereto other than the Department, and the validity and binding effect of the documents on such parties; (iii) that all documents submitted to us as originals are accurate and complete; (iv) that all documents submitted to us as copies are true and correct copies of the originals thereof; and (v) that all information submitted and representations and certifications delivered to us by the Department and other parties are accurate and complete.

In providing the opinions set forth herein, we have relied on representations and certifications of the Department and other parties involved with the issuance of the Series 2026D Bonds and the Mortgage Loans with respect to matters solely within the knowledge of the Department and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the procedures, safeguards and covenants of the Servicer and Mortgage Lenders in the Program Agreement and the covenants of the Department in the Indenture and the Program Agreement.

Based upon such examination, in reliance on such representations and certifications and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that:

1. The Department is a public and official governmental agency of the State, duly created and existing under the laws of the State, particularly Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, the "Act"), and has full power and authority to adopt the Bond Resolution, to execute the Pricing Certificate and to perform its obligations thereunder; to execute and deliver the Fifty-Second Supplemental Indenture; to perform its obligations under the Indenture; and to issue and sell the Series 2026D Bonds and to utilize the proceeds therefrom for the purposes set forth in the Bond Resolution and the Indenture.

2. The Department has duly adopted the Bond Resolution and has duly authorized, executed and delivered the Pricing Certificate and the Fifty-Second Supplemental Indenture, and the Fifty-Second Supplemental Indenture has been duly and lawfully adopted by the Department in accordance with the provisions of the RMRB Indenture, is authorized or permitted by the RMRB Indenture and is valid and binding upon the Department. The Indenture constitutes a legal, valid and binding obligation of the Department. Pursuant to the Indenture, all of the Department's right, title and interest in and to the Trust Estate, including the Revenues and other amounts to be received by the Department have been validly and effectively assigned and, upon receipt of such Revenues and amounts by the Trustee, pledged as security for the payment of the principal and redemption price of and interest on the Series 2026D Bonds.

3. The Department has duly authorized the issuance, execution and delivery of the Series 2026D Bonds. The authorized officers of the Department have duly executed the Series 2026D Bonds and the Trustee has duly authenticated the Series 2026D Bonds, to the extent required by the Indenture, and delivered the Series 2026D Bonds to or at the direction of the initial purchasers thereof. The Series 2026D Bonds constitute legal, valid and binding limited obligations of the Department and are entitled to the benefit and security of the Indenture.

4. The Series 2026D Bonds are issued pursuant to the provisions of the Act and constitute limited obligations of the Department and are payable solely from the revenues, funds and assets of the Department pledged under the Indenture and not from any other revenues, funds or assets of the Department. The Series 2026D Bonds are not and do not create or constitute in any way an obligation, a debt or a liability of the State, or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. The Department has no taxing power.

5. Interest on the Series 2026D Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals, but we observe that such interest is taken into account in computing the alternative minimum tax imposed on certain corporations.

We express no opinion as to the amount or timing of interest on the Series 2026D Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Series 2026D Bonds. These opinions are specifically limited, to the extent applicable, to the laws of the State and the laws of the United States of America. Further, in the event that the information submitted to us, the representations of the Department or other parties involved with the issuance of the Series 2026D Bonds and the Mortgage Loans upon which we have relied are determined to be inaccurate or incomplete, or the Department, a Mortgage Lender or the Servicer fails to comply with the procedures, safeguards and covenants in the Indenture and the Program Agreement, interest on the Series 2026D Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Series 2026D Bonds, regardless of the date on which the event causing such inclusion occurs.

We express no opinion as to the priority or perfection of the security interest granted by the Department in the Trust Estate.

The enforceability of certain provisions of the Series 2026D Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore, availability of equitable remedies under the Series 2026D Bonds may be limited by general principles of equity that permit the exercise of judicial discretion. Furthermore, the enforceability of any indemnification provisions contained in the Indenture may be limited by applicable securities laws and public policy.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement these opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

This letter is delivered to the addressees hereof in connection with the issuance and delivery of the Series 2026D Bonds. The opinions set forth above speak only as of the date of this letter and only in connection with the Series 2026D Bonds and may not be applied to any other transaction. The opinions expressed herein are for the sole benefit of, and may be relied upon only by, the addressees named above, and this opinion letter may not otherwise be used, circulated, quoted, or referred to, in whole or in part, without the prior written consent of the undersigned in each and every instance. We observe that we are engaged solely to represent the Department as its bond counsel in this matter.

Very truly yours,

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APPENDIX D-1

ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES

Additional Information Concerning Mortgage Certificates

The Texas Department of Housing and Community Affairs (the "Department") owns an extensive portfolio of GNMA/FNMA/ Freddie Mac Certificates (Mortgage Certificates) acquired with the proceeds of the Department's Single Family Mortgage Revenue Bonds, Single Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bonds), Residential Mortgage Revenue Bonds, GNMA Collateralized Home Mortgage Revenue Bonds and Collateralized Home Mortgage Revenue Bonds. The following tables summarize certain information regarding the Residential Mortgage Revenue Bond Trust Indenture as of June 30, 2026.

Residential Mortgage Revenue Bond (RMRB) Trust Indenture

Series	Original Issue Amount	Bonds Outstanding	Average Weighted Mortgage Rates for Outstanding Mortgage Certificates (%)	Mortgage Certificates Outstanding	Down Payment Assistance
Surplus	$ -	$ -	3.56	$ 13,568,580	$221,953,234
2019 A	166,350,000	83,310,000	4.90	81,619,113	
2021 A/B	161,369,927	109,379,395	3.80	108,365,504	
2022 A	190,000,000	165,140,000	3.99	162,888,180	
2022 B	150,000,000	132,330,000	6.03	130,001,900	
2023 A	230,000,000	212,005,000	6.00	209,341,237	
2023 B/C	250,000,000	236,660,000	6.22	232,415,348	
2024 A/B	250,000,000	241,280,000	6.15	238,195,271	
2024 C/D	250,000,000	242,890,000	6.29	240,718,718	
2025A	175,000,000	173,520,000	6.21	170,191,758	
2025 B/C	250,000,000	249,130,000	6.33	246,002,588	
2025D	250,000,000	250,000,000	6.03	247,485,161	
2026A	250,000,000	250,000,000	5.81	248,071,151	
2026B	250,000,000	250,000,000	5.78	90,170,886	
TOTAL	$2,822,719,927	$2,595,644,395	5.81	$2,419,035,395	$221,953,234

Note 1: In addition to the RMRB Bonds Outstanding shown above, the Department has issued one subordinate Note Payable with an outstanding balance of $10,000,000.

Note 2: RMRB 2026B in the principal amount of $250 million in proceeds, closed on June 9, 2026. RMRB 2026C in the principal amount of $300 million in proceeds, closed on August 20, 2026. As of September 23, 2026, RMRB 2026B and RMRB 2026C are fully reserved.

Note 3: Down Payment Assistance Loans not included for cashflow purposes.

RMRB Mortgage Certificate Loan Type

Loan Type	Number of Outstanding Mortgage Loans	Outstanding Principal Amount ($)	Percent of Mortgage Certificates Outstanding
GNMA Certificates	11,226	2,415,424,571	99.85%
FNMA Certificates	28	3,610,818	0.15%
TOTAL	11,254	2,419,035,389	100.00%

RMRB Mortgage Certificates Servicers

Servicers	Number of Outstanding Mortgage Loans	Percent of Mortgage Certificates Outstanding
Idaho	6,684	59.39%
The Money Source	4,083	36.28%
Bank of America	372	3.31%
US Bank	115	1.02%
TOTAL	11,254	100.00%

Other Information

Mortgage Loan Information Management System

All Mortgage Loans made with proceeds of the Department's mortgage revenue bonds permit partial or complete prepayment without penalty. Mortgage Loans, in general, may also be terminated prior to their respective maturities as a result of events such as default, sale, condemnation or casualty loss. A number of factors, including general economic conditions, homeowner mobility and mortgage market interest rates, will affect the rate of actual prepayments for a particular portfolio of mortgage loans.

The Department does not service the Mortgage Loans backing Mortgage Certificates; however, the Department monitors the origination and payment of such Mortgage Loans.

DISCLAIMER

"All information contained herein is obtained from sources believed to be accurate and reliable. Refer to the Official Statement and operative documents of each series for complete information on that issue. Because of the possibility of human and mechanical error as well as other factors, such information is provided "as is" without warranty of any kind and, in particular, no representation or warranty, expressed or implied, is made nor to be inferred as to the accuracy, timeliness or completeness, of any such information. Under no circumstances shall the Texas Department of Housing and Community Affairs have any liability to any person or entity for (a) any loss or damage in whole or part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any such information, or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if the Texas Department of Housing and Community Affairs is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, any such information."

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APPENDIX D-2

BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

General - Single Family Since 1979, the year of creation of the Texas Housing Agency (the Agency), a predecessor to the Department, through June 30, 2026, there have been issued by the Agency or the Department, seventy-one series of Single Family Mortgage Revenue Bonds, five series of Junior Lien Single Family Mortgage Revenue Refunding Bonds, fifty-four series of Residential Mortgage Revenue Bonds, eleven series of Collateralized Home Mortgage Revenue Bonds, ten series of GNMA/FNMA Collateralized Home Mortgage Revenue Bonds, and two series of Government National Mortgage Association Collateralized Home Mortgage Revenue Bonds. As of June 30, 2026, the aggregate outstanding principal amount of bonded indebtedness of the Department for single family housing purposes was $3,922,126,289. In addition, the Department has issued four subordinate Notes. As of June 30, 2026, the aggregate outstanding principal balance of the subordinate Notes was $10,000,000.

Single Family Mortgage Revenue Bonds (SFMRBs) The Department has issued seventy-one series of Single Family Mortgage Revenue Bonds under a Single Family Mortgage Revenue Bond Trust Indenture, dated as of October 1, 1980, which was amended and restated on June 1, 2017. These bonds are secured on an equal and ratable basis by the trust estate established by the SFMRB Indenture. As of June 30, 2026, twenty series were outstanding with an aggregate outstanding principal amount of $1,296,481,894. On September 16, 2020, all outstanding Loan Agreements were paid in full and are no longer outstanding.

Junior Lien Bonds The Department has issued five series of its Junior Lien Single Family Mortgage Revenue Refunding Bonds (the Junior Lien Bonds) pursuant to a Junior Lien Trust Indenture, dated as of May 1, 1994. The Junior Lien Bonds are secured on an equal and ratable basis with each other and on a subordinated basis to the Single Family Mortgage Revenue Bonds by the trust estate held under the SFMRB Indenture. As of June 30, 2026, one series was outstanding with an aggregate outstanding principal amount of $30,000,000.

Residential Mortgage Revenue Bonds (RMRBs) The Department has issued fifty-four series of Residential Mortgage Revenue Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture. These bonds are secured on an equal and ratable basis by the trust estate established by the RMRB Indenture. As of June 30, 2026, eighteen series were outstanding with an aggregate outstanding principal amount of $2,595,644,395. In addition, the Department has issued one subordinate Note under the RMRB Indenture. As of June 30, 2026, the aggregate outstanding principal balance of the subordinate Note was $10,000,000. This note was paid in full on September 4, 2026.

General - Multifamily The Department is a conduit issuer for the State of Texas with authority to issue tax-exempt and taxable Multifamily Mortgage Revenue Bonds statewide. The Department and the Agency have issued Multifamily Mortgage Revenue Bonds which have been issued pursuant to separate trust indentures and are secured by individual trust estates which are separate and distinct from each other. As of June 30, 2026, an aggregate principal amount of $953,660,357 was outstanding. In addition, the Department has issued 24 Multifamily Notes. As of June 30, 2026, the aggregate outstanding principal balance of the Multifamily Notes was $592,160,915.

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APPENDIX E

APPLICABLE MEDIAN FAMILY INCOMES AND MAXIMUM ACQUISITION COST LIMITATIONS

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My First Texas Home
Texas Department of Housing & Community Affairs

Texas Mortgage Credit Certificate
Texas Department of Housing & Community Affairs

TDHCA My First Texas Home & Texas Mortgage Credit Certificate Combined Income and Purchase Price Limits Table

All person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse) will be considered.

See current Rates and Offerings HERE

		Income Limits Effective: July 13, 2026				Purchase Price Limits Effective: July 13, 2026	
		INCOME LIMITS				PURCHASE PRICE LIMITS	
		Govt Loan and NON Targeted MCC		Govt Loan and * Targeted MCC			
Area of State	Counties in Area	100% AMFI 1 or 2 Persons	115% AMFI 3 or more Persons	120% AMFI 1 or 2 Persons	140% AMFI 3 or more Persons	1-UNIT Non-Targeted Area	1-UNIT * Targeted Area
COUNTIES NOT LISTED BELOW ARE SUBJECT TO BALANCE OF STATE INCOME LIMITS use this row -->		$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Amarillo, HMFA	Armstrong, Carson, Potter*, Randall*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Andrews County	Andrews	$101,500	$116,725	N/A		$566,354	N/A
Austin County, HMFA	Austin	$104,000	$119,600	N/A		$566,354	N/A
Austin-Round Rock-San Marcos, MSA	Bastrop, Caldwell, Hays*, Travis*, Williamson*	$134,400	$154,560	$161,280	$188,160	$598,019	$730,912
Atascosa County, HMFA	Atascosa	$104,725	$120,434	$125,670	$146,616	$583,580	$713,265
Blanco County	Blanco	$106,700	$122,705	N/A		$566,354	N/A
Borden County	Borden	$101,500	$116,725	N/A		$566,354	N/A
Brazoria County, HMFA	Brazoria	$126,000	$144,900	N/A		$566,354	N/A
Burnet County	Burnet	$101,500	$116,725	N/A		$566,354	N/A
Cooke County	Cooke*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Crane County	Crane	$101,500	$116,725	N/A		$566,354	N/A
Dallas, HMFA	Collin*, Dallas*, Denton*, Ellis, Hunt*, Kaufman*, Rockwall	$121,100	$139,265	$145,320	$169,540	$589,596	$720,617
Fayette County	Fayette	$101,500	$126,845	N/A		$566,354	N/A
Fort Worth - Arlington, HMFA	Johnson, Parker, Tarrant*	$110,300	$126,845	$132,360	$154,420	$589,596	$720,617
Gillespie County	Gillespie	$109,300	$125,695	N/A		$566,354	N/A
Glasscock County	Glasscock	$145,920	$170,240	N/A		$850,703	N/A
Hartley County	Hartley	$105,600	$121,440	N/A		$566,354	N/A
Hemphill County	Hemphill	$114,400	$131,560	N/A		$566,354	N/A
Hood County, HMFA	Hood	$106,000	$121,900	N/A		$566,354	N/A
Houston-The Woodlands-Sugar Land, HMFA	Chambers, Fort Bend*, Galveston*, Harris*, Liberty, Montgomery*, Waller	$104,000	$119,600	$124,800	$145,600	$566,354	$692,211
Jackson County	Jackson	$101,500	$116,725	N/A		$566,354	N/A
Kendall County, HMFA	Kendall	$139,700	$160,655	N/A		$583,580	N/A
Kent County	Kent	$101,500	$116,725	N/A		$566,354	N/A
King County	King*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Lampasas County	Lampasas	$106,300	$122,245	N/A		$566,354	N/A
Lipscomb County	Lipscomb	$101,500	$116,725	N/A		$566,354	N/A
Loving County	Loving	$101,500	$116,725	N/A		$566,354	N/A
Martin County, HMFA	Martin	$103,300	$118,795	N/A		$566,354	N/A
Medina County, HMFA	Medina	$104,725	$120,434	N/A		$583,580	N/A
Mitchell County	Mitchell	$101,500	$116,725	N/A		$566,354	N/A
Midland, HMFA	Midland	$108,900	$125,235	N/A		$566,354	N/A
Odessa MSA	Ector*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Oldham County, HMFA	Oldham	$101,500	$116,725	N/A		$566,354	N/A
Pecos County	Pecos*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Reagan County	Reagan	$101,500	$116,725	N/A		$566,354	N/A
Roberts County	Roberts	$101,500	$116,725	N/A		$566,354	N/A
San Angelo MSA	Irion, Tom Green*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
San Antonio-New Braunfels, HMFA	Bandera, Bexar*, Comal, Guadalupe*, Wilson	$104,725	$120,434	$125,670	$146,616	$583,580	$713,265
Schleicher County	Schleicher	$101,500	$116,725	N/A		$566,354	N/A
Sherman-Denison, MSA	Grayson*	$101,500	$116,725	$121,800	$142,100	$566,354	$692,211
Somervell County, HMFA	Somervell	$101,500	$116,725	N/A		$566,354	N/A
Stonewall County	Stonewall	$101,500	$116,725	N/A		$566,354	N/A
Washington County	Washington	$101,600	$116,840	N/A		$566,354	N/A
Ward County	Ward	$101,500	$116,725	N/A		$566,354	N/A
Wise County, HMFA	Wise	$112,300	$129,145	N/A		$589,596	N/A
Yoakum County	Yoakum	$101,500	$116,725	N/A		$566,354	N/A

* Property must be located in a qualified targeted census tract to use the Targeted Area Limits.

"**AMFI**" - Area Median Family Income "**MSA**" - Metropolitan Statistical Area "**HMFA**" - HUD Metro FMR Area

* **Targeted Areas are Areas of Severe Economic Distress**

2 UNIT Purchase Price Limits - See Page 5

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APPENDIX F

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Term Bonds due 7/1/2041	Term Bonds due 7/1/2046	Term Bonds due 7/1/2051	Term Bonds due 7/1/2056	Premium PAC Term Bonds Due 7/1/2057 (Optional Call not Exercised)	Premium PAC Term Bonds Due 7/1/2057 (Optional Call Exercised)
0%	Average Life (years)	13.4	17.5	22.5	26.7	15.2	7.0
	Average Maturity Date	4/14/2040	5/12/2044	5/13/2049	7/14/2053	1/16/2042	11/21/2033
	First Redemption Date	1/1/2039	1/1/2042	1/1/2047	7/1/2051	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	7/1/2051	7/1/2055	7/1/2051	7/1/2034
50%	Average Life (years)	13.1	16.1	18.6	19.2	5.5	5.2
	Average Maturity Date	12/19/2039	12/22/2042	6/30/2045	2/8/2046	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	7/1/2051	1/1/2052	7/1/2036	7/1/2034
75%	Average Life (years)	12.0	14.3	16.0	16.1	5.5	5.2
	Average Maturity Date	11/30/2038	3/23/2041	10/30/2042	1/10/2043	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	1/1/2051	1/1/2051	7/1/2036	7/1/2034
100%	Average Life (years)	11.1	12.8	13.8	13.8	5.5	5.2
	Average Maturity Date	12/15/2037	9/19/2039	8/30/2040	9/17/2040	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	7/1/2049	7/1/2049	7/1/2036	7/1/2034
125%	Average Life (years)	10.2	11.5	12.0	12.0	5.5	5.2
	Average Maturity Date	2/4/2037	5/30/2038	12/1/2038	12/2/2038	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	7/1/2048	7/1/2048	7/1/2036	7/1/2034
150%	Average Life (years)	9.4	10.4	10.6	10.6	5.5	5.2
	Average Maturity Date	4/23/2036	4/7/2037	7/7/2037	7/6/2037	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	7/1/2046	1/1/2047	1/1/2047	7/1/2036	7/1/2034
175%	Average Life (years)	8.7	9.4	9.5	9.5	5.5	5.2
	Average Maturity Date	8/8/2035	4/10/2036	5/20/2036	5/19/2036	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	1/1/2046	1/1/2046	1/1/2046	7/1/2036	7/1/2034
200%	Average Life (years)	8.1	8.5	8.6	8.6	5.5	5.2
	Average Maturity Date	12/20/2034	6/1/2035	6/16/2035	6/15/2035	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	1/1/2045	1/1/2045	1/1/2045	7/1/2036	7/1/2034
300%	Average Life (years)	6.1	6.1	6.1	6.1	5.5	5.2
	Average Maturity Date	12/18/2032	1/3/2033	1/2/2033	1/1/2033	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2041	1/1/2042	1/1/2042	1/1/2042	7/1/2036	7/1/2034
400%	Average Life (years)	4.7	4.7	4.7	4.7	5.5	5.2
	Average Maturity Date	8/11/2031	8/9/2031	8/9/2031	8/8/2031	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2039	7/1/2039	7/1/2039	7/1/2039	7/1/2036	7/1/2034
500%	Average Life (years)	3.8	3.8	3.8	3.8	5.5	5.2
	Average Maturity Date	9/17/2030	9/15/2030	9/14/2030	9/14/2030	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	1/1/2038	1/1/2038	1/1/2038	1/1/2038	7/1/2036	7/1/2034
600%	Average Life (years)	3.2	3.2	3.2	3.2	5.5	5.2
	Average Maturity Date	2/15/2030	2/15/2030	2/15/2030	2/15/2030	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	7/1/2033	7/1/2033	7/1/2033	7/1/2033	7/1/2036	7/1/2034
700%	Average Life (years)	2.9	2.9	2.9	2.9	5.5	5.2
	Average Maturity Date	10/19/2029	10/19/2029	10/19/2029	10/19/2029	5/13/2032	2/13/2032
	First Redemption Date	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027	7/1/2027
	Last Redemption Date	1/1/2032	1/1/2032	1/1/2032	1/1/2032	7/1/2036	7/1/2034

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APPENDIX G

SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS

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DTC AND BOOK-ENTRY

DTC will act as securities depository for the Series 2026D Bonds. The Series 2026D Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2026D Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2026D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026D Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026D Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' Records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026D Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026D Bonds, except in the event that use of the book-entry system for the Series 2026D Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026D Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026D Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026D Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026D Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2026D Bonds may wish to ascertain that the nominee holding the Series 2026D Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026D Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026D Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026D Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2026D Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026D Bonds at any time by giving reasonable notice to the Department or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

The Department, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2026D Bonds (i) payments of principal of or interest and premium, if any, on the Series 2026D Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series 2026D Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2026D Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official

Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

NEITHER THE DEPARTMENT, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE SERIES 2026D BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2026D BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO OWNERS OF SERIES 2026D BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2026D BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER.

Discontinuation of Book-Entry-Only System

In the event that the book-entry-only system is discontinued by DTC or the Department, the following provisions will be applicable to the Series 2026D Bonds. Series 2026D Bonds may be exchanged for an equal aggregate principal amount of Series 2026D Bonds in other Authorized Denominations of the same Series and maturity upon surrender thereof at the applicable corporate trust office of the Trustee with a duly executed assignment in form satisfactory to the Trustee. The transfer of any Series 2026D Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender of such Series 2026D Bond to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or transfer of registration of Series 2026D Bonds, the Department or the Trustee may make a charge sufficient to reimburse it or them for any tax, fee, or other governmental charge required to be paid with respect to such exchange or registration of transfer, as well as the administrative expenses, if any, charged by the Trustee for the transfer or exchange. The Trustee will not be required to transfer or exchange any Series 2026D Bond for a period of 20 days next preceding an interest payment date on such Series 2026D Bonds or next preceding any selection of Series 2026D Bonds to be redeemed or thereafter until after mailing of any notice of redemption on any Series 2026D Bonds called for redemption, or transfer or exchange any Series 2026D Bonds called for redemption. The Department and the Trustee may treat the Person in whose name a Series 2026D Bond is registered as the absolute owner thereof for all purposes, whether such Series 2026D Bond is overdue or not, for the purpose of receiving payment of, or on account of the principal of, interest on, such Series 2026D Bond. If any Series 2026D Bond is not presented for payment when the principal or the Redemption Price therefor becomes due, and if moneys sufficient to pay such Series 2026D Bond (or the portion thereof called for redemption) or such interest, as is applicable, have been deposited under the Trust Indenture, all liability of the Department to the owner thereof for the payment of such Series 2026D Bonds (or portion thereof) or such interest, as applicable, will be discharged, and thereupon it shall be the duty of the Trustee to hold such money for the benefit of the owner of the applicable Series 2026D Bond, who will thereafter be restricted exclusively to such money, for any claim on his part under the Trust Indenture or on or with respect to, such principal, Redemption Price and/or interest. Money not claimed within three years will be turned over to the Comptroller of Public Accounts of the State of Texas (the "Comptroller"), in accordance with Title 6, Texas Property Code.

THE PRIOR BONDS

In addition to the Series 2026D Bonds to be issued, fifty-four series of Prior Bonds have been issued pursuant to the Master Indenture. As of June 30, 2026, $2,595,644,395 in aggregate principal amount of such Prior Bonds were Outstanding in the following principal amounts:

Series	Original Issue Amount	Bonds Outstanding
2019A	$ 166,350,000	$ 83,310,000
2021A/B	161,369,927	109,379,395
2022A	190,000,000	165,140,000
2022B	150,000,000	132,330,000
2023A	230,000,000	212,005,000
2023BC	250,000,000	236,660,000
2024AB	250,000,000	241,280,000
2024CD	250,000,000	242,890,000
2025A	175,000,000	173,520,000
2025B/C	250,000,000	249,130,000
2025D	250,000,000	250,000,000
2026A	250,000,000	250,000,000
2026B	250,000,000	250,000,000
TOTAL	**$2,822,719,927**	**$2, 595,644,395**

Note 1: In addition to RMRB Bonds Outstanding shown above, the Department has issued one subordinate note payable with an outstanding balance of $10 million.

Note 2: RMRB 2026B in the principal amount of $250 million in proceeds, closed on June 9, 2026. RMRB 2026C in the principal amount of $300 million in proceeds, closed on August 20, 2026. As of September 23, 2026, RMRB 2026B and RMRB 2026C are fully reserved.

Note 3: Down Payment Assistance Loans not included for cashflow purposes.

For a more detailed description of the Prior Bonds, please refer to "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES."

Mortgage Loans and Mortgage Certificates

Mortgage Loans and Mortgage Certificates held under the Residential Mortgage Revenue Bond Program as of June 30, 2026 were as follows:

Prior Mortgage Certificates	Outstanding Principal Amount
Ginnie Mae	$2,415,424,571
Fannie Mae	3,610,818
TOTAL	$2,419,035,389

For a detailed examination of the Mortgage Loans and Mortgage Certificates acquired with proceeds of the Prior Bonds, please refer to "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES." Unless otherwise specified, all information is as of June 30, 2026.

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

The Department has entered into a Depository Agreement relating to the Bonds (as amended and supplemented, the "Depository Agreement"), by and among the Department, the Trustee, and the Texas

Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (the "Trust Company"). Pursuant to the Depository Agreement, the Trust Company will hold all moneys and securities required to be credited to all Funds (other than the Special Mortgage Loan Fund). All money and securities required by the Trust Indenture to be credited to such Funds and Accounts are required to be remitted to the Trust Company from time to time by the Department and the Trustee. The Trust Company is required to remit amounts from the appropriate accounts held by it to the Trustee at such times as are necessary to pay the principal or Redemption Price of and interest on the Bonds when due. Moneys held in the accounts held by the Trust Company are required to be invested by the Trust Company pursuant to instruction from the Department as described herein under "THE TRUST INDENTURE – Investments." The Trust Company is required to hold all moneys and securities delivered to it under the Depository Agreement in trust for the benefit of the Department, the Trustee and the owners of the Bonds.

The Department has agreed to pay the Trust Company a fee for performing its duties under the Depository Agreement. The Department has the right to remove the Trust Company as Depository under the Depository Agreement at any time by filing a written notice with the Trustee and the Trust Company to that effect. The Trust Company may resign as Depository under the Depository Agreement by giving at least 60 days' written notice to the Department and the Trustee of its determination to resign. Upon any such removal or resignation, the Trust Company is required to deliver all moneys and securities held by it under the Depository Agreement to its successor thereunder, or, if there is no successor, to the Trustee.

LEGALITY FOR INVESTMENT

The Act provides that all obligations issued by the Department are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians, and the sinking and other public funds of the State, municipalities, counties, school districts, and other political subdivisions and public agencies of the State.

The Act also provides that all obligations issued by the Department are eligible and lawful security for all deposits of public funds of the State and all public agencies to the extent of the par or market value thereof, whichever is greater.

To the extent that the Series 2026D Bonds constitute "collateralized mortgage obligations that have a stated final maturity of greater than 10 years" within the meaning of the Texas Public Funds Investment Act, the Series 2026D Bonds are not an "authorized investment" for a state agency, a local government, or other investing entity subject to the provisions of the Public Funds Investment Act.

No representation is made that the Series 2026D Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The Department has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Series 2026D Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Series 2026D Bonds for such purposes.

THE PROGRAM AND THE MORTGAGE LOANS

The Program

The Department has established a single family mortgage purchase program ("Program") pursuant to the Act for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers (as described below). The component of the Program relating to the Series 2026D Bonds has been designated as the Department's Bond Program No. 117 ("Program 117"). In

connection with the issuance of the Series 2026D Bonds and the Prior Bonds and any additional Bonds, the Department purchased or shall purchase certain qualified Mortgage Loans (or participations therein) or Mortgage Certificates backed by Mortgage Loans originated by commercial banks, savings and loan associations, mortgage companies, non-profit corporations, and other qualified financial institutions (the "Mortgage Lenders"). As a result of the issuance of the Series 2026D Bonds, the Trustee, on behalf of the Department, has agreed to purchase the 2026D Mortgage Certificates.

Mortgage Loans evidenced by the 2026D Mortgage Certificates will bear interest at rates established from time to time by the Department pursuant to the provisions of the Trust Indenture. The 2026D Mortgage Certificates are expected to be comprised of GNMA Certificates. The purchase price for such GNMA Certificates will be 100% of par (plus accrued interest).

The guidelines adopted by the Department from time to time in connection with the Program establish the eligibility of lenders to participate in the Program, time limitations with respect to commitments for and originations of Mortgage Loans, the types of Mortgage Loans eligible for purchase by the Master Servicer, the eligibility of mortgagors, the requirements for dwellings which secure Mortgage Loans, the fees which a Mortgage Lender may charge to originate a Mortgage Loan, the fees which a lending institution may charge for servicing a Mortgage Loan, as well as other aspects of the Program. In connection with each phase of the Program, the Department executed or will execute origination, sale and servicing agreements or mortgage origination agreements and program supplements (collectively, the "Agreement") with the respective Mortgage Lenders. The Agreement obligated or will obligate the Mortgage Lenders to use their best efforts to originate and sell to the Department Mortgage Loans in conformity with the guidelines. Each Mortgage Loan was or will be reviewed prior to acquisition by the Compliance Agent designated by the Department for compliance with applicable provisions of the Program as set forth in the guidelines and with applicable provisions of federal income tax laws. The procedures set forth in the Agreement are established by the Department after consideration of standards and requirements customary in the secondary mortgage market. The Department anticipates that it may revise its procedures from time to time to conform with changes in the procedures followed by Fannie Mae, RHS, Ginnie Mae, VA or other major secondary mortgage market institutions.

Mortgage Lender Reservations – First-Come, First-Served

No funds made available through Program 117 will be allocated to any specific Mortgage Lenders. All funds will be made available to Mortgage Lenders on a controlled first-come, first-served basis.

Low Income Reservation

For the first one-year period of Program 117, the Department is requiring that 30% of the funds made available through the issuance of the Series 2026D Bonds be reserved for Mortgage Loans for individuals and families of low income (not exceeding 80% of applicable median family income ("AMFI")).

Since March 1, 2024, approximately 85% of the number of Mortgage Loans settled by the Department that were eligible for inclusion in a tax-exempt bond issue and securitized into GNMA Certificates were made to borrowers at or below 80% of AMFI.

Low and Moderate Income Reservation

The remaining lendable funds will be made available for Mortgage Loans to Eligible Borrowers of low and moderate incomes whose family income does not exceed, for families of three persons or more, one hundred fifteen percent (115%) (one hundred forty percent (140%) in targeted areas) of AMFI, and,

for individuals and families of two persons, one hundred percent (100%) (one hundred twenty percent (120%) in targeted areas) of AMFI.

Eligible Borrowers

Each Mortgage Loan is required to be made to a person whose family income does not exceed certain income limits. In addition, to be eligible for a Mortgage Loan an applicant must be a person: (i) who intends to occupy the residence to be financed with such Mortgage Loan as his or her principal residence within a reasonable period after financing is provided; (ii) who, except in the case of certain targeted area loans, certain qualified veterans, certain exception loans hereinafter described, and certain homes falling into the Contract for Deed Exception, has not had a present ownership interest in a principal residence at any time during the three-year period preceding the date of execution of the Mortgage; and (iii) who has not had an existing mortgage on the residence (other than a mortgage falling into the Contract for Deed Exception) to be financed with such Mortgage Loan at any time prior to the execution of the Mortgage, other than certain permitted temporary financing mortgages. The Department, subject to the requirements of applicable provisions of federal income tax law and applicable regulations, may approve a limited number of exception loans that do not satisfy the requirement described in clause (ii) in the immediately preceding sentence. The maximum income for Eligible Borrowers varies according to family size and location.

Eligible Property

Each residence financed with a Mortgage Loan must consist of real property and improvements permanently affixed thereon which is located within the State of Texas. Each residence must be a single-family, owner-occupied attached or detached structure, a single-family condominium unit or a single unit in a planned unit development or a qualifying duplex, triplex, or four-plex. Each residence financed with a Mortgage Loan must have an acquisition cost (the "Maximum Acquisition Cost") not exceeding certain acquisition cost limits established by the Department from time to time. The Maximum Acquisition Cost varies according to location.

Mortgage Loans

The Department may, at its election, sell, assign, transfer or otherwise dispose of any Mortgage Loan or Mortgage Certificate in accordance with the terms and provisions of the Trust Indenture, as more particularly described in "SECURITY FOR THE BONDS – Sale of Mortgage Certificates and Mortgage Loans." The Department shall not consent or agree to or permit any amendment or modification of any Mortgage Loan which will in any manner materially impair or materially adversely affect the rights or security of the Bondholders under the Trust Indenture in such Mortgage Loan except for amendments and modifications made in connection with settling any default on any Mortgage Loan which are consistent with the Cashflow Statement most recently filed with the Trustee, or in connection with a refinancing of a Mortgage Loan. See "SECURITY FOR THE BONDS – Cashflow Statement and Asset Test."

Compliance with Tax Law and Program Guidelines

Each Mortgage Lender was required or will be required to follow certain procedures in the origination of Mortgage Loans to insure compliance with the mortgage eligibility requirements of applicable federal income tax laws and other requirements applicable to the Mortgage Loans. These procedures will include, but may not be limited to, the following: (i) obtaining affidavits of the borrower and seller and certificates of the real estate agent, if any, providing and certifying certain information regarding borrower income, home acquisition cost, and other loan information; (ii) reviewing the contents of the affidavits and certificates with the persons executing them prior to the execution thereof; (iii) except

in the case of certain targeted area loans or certain other exception loans, obtaining signed or certified copies of the borrower's federal income tax returns for the preceding three years to verify that the borrower did not claim deductions for taxes or interest on indebtedness with respect to real property constituting his or her principal residence or a borrower's affidavit that he or she was not required to file such a return during one or more of the preceding three years; (iv) performing such additional investigations as may be appropriate under the circumstances to verify that the requirements of applicable federal income tax laws are satisfied as of the date of the execution of the Mortgage; (v) reviewing the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the applicable requirements; (vi) preparing, executing, and delivering a certificate relating to compliance with the requirements set forth immediately above; and (vii) carrying out such additional verification procedures as may be reasonably requested by the Department, its designated compliance agent, or the Trustee. If any Mortgage Loan fails to meet the guidelines established by the Department, the originating Mortgage Lender will be required to correct such failure within a reasonable time after such failure is discovered by either repurchasing the non-qualifying Mortgage Loan in full or by replacing the non-qualifying Mortgage Loan with a Mortgage Loan which meets the applicable requirements.

Servicing

The Master Servicer may deduct its servicing fees directly from amounts received on such Mortgage Loans. As compensation for its duties as servicer of Mortgage Loans, the Master Servicer will be entitled to receive a monthly servicing fee.

Servicing of the Mortgage Loans is required to be carried out in accordance with generally accepted practices in the mortgage lending industry and in accordance with the servicing standards set forth in the GNMA Guide or the Fannie Mae Guides, as applicable. In particular, the Master Servicer will be required to pursue collection on the applicable Mortgage Loans with prudence and diligence, manage foreclosure or assignment procedures, and file, process and receive the proceeds from FHA mortgage insurance, VA or RHS guaranty claims, or private mortgage insurance.

The Master Servicer, as servicer of the Mortgage Loans, must, if applicable, provide to the Department and such other person specified in a Supplemental Indenture, audited financial statements on an annual basis and monthly reports relating to Mortgage Loan originations and purchases. The Master Servicer may not resign from its servicing duties unless it is determined that its duties are no longer permissible under applicable laws and then only upon the assumption of the servicing duties by a successor servicer acceptable to FHA, VA, Ginnie Mae, Fannie Mae and the Department. In the event the Master Servicer is in material breach of its servicing obligations imposed by Ginnie Mae, Fannie Mae or the Department or a material adverse change has occurred in the financial condition of the Master Servicer, the Department, with the approval, if applicable, of Ginnie Mae and Fannie Mae, may terminate the Master Servicer's servicing rights and transfer and assign those rights to another Fannie Mae and Ginnie Mae approved servicer.

The Master Servicers

The Money Source, Inc. ("TMS") will serve as Master Servicer for Mortgage Loans related to the Series 2026D Bonds. The Department engaged TMS as Master Servicer for all new Mortgage Loans beginning in February 2025.

Under the TMS servicing agreement (the "TMS Agreement"), the Department may terminate the agreement for cause or without cause upon 120 days' advance written notice. Following termination, TMS would continue to service Mortgage Loans previously purchased and actively serviced by TMS and, subject to the TMS Agreement, certain Mortgage Loans for which reservations were outstanding at the time of termination.

Idaho Housing and Finance Association ("IHFA") served as the Department's Master Servicer for new Mortgage Loans from 2016 through January 2025. The Department and IHFA subsequently entered into a termination agreement (the "Termination Agreement") terminating IHFA's role as Master Servicer. In connection with the Termination Agreement, IHFA sold the mortgage servicing rights for the Department's first-lien Mortgage Loans to BSI Financial Services ("BSI") in a transaction that closed on October 2, 2026. Servicing of those Mortgage Loans will transfer from IHFA to BSI over the next several months.

The Department has also entered into an agreement with BSI to service the Department's related second-lien down payment assistance loans as the associated first-lien servicing is transferred. The Department retains no rights or economic interest in the mortgage servicing rights sold to BSI.

Prior to the Termination Agreement, the Department reimbursed IHFA approximately $21.4 million for principal and interest advances made on delinquent Mortgage Loans in accordance with GNMA guidelines. Under the Termination Agreement, IHFA agreed to repay the Department for all such previously funded advances, and the Department has no obligation to fund additional advances. In addition, the Department is entitled to receive its contractual economic benefit from the sale of the mortgage servicing rights to BSI.

As of June 30, 2026, IHFA serviced approximately 6,684 Mortgage Loans financed with the proceeds of certain Prior Bonds, with an outstanding principal balance of $1,428,349,773. As described above, servicing of these Mortgage Loans will transfer to BSI.

As of June 30, 2026, TMS serviced approximately 4,083 Mortgage Loans financed with the proceeds of certain Prior Bonds, with an outstanding principal balance of $955,791,976.

As of June 30, 2026, Bank of America, N.A. serviced approximately 372 Mortgage Loans financed with the proceeds of certain Prior Bonds, with an outstanding principal balance of $26,548,867.

As of June 30, 2026, U.S. Bank National Association serviced approximately 115 Mortgage Loans financed with the proceeds of certain Prior Bonds, with an outstanding principal balance of $8,344,773.

Investment of Funds

Moneys in all Funds established pursuant to the Trust Indenture will be invested in Investment Securities pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company. See "APPENDIX G – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company." Moneys held or invested in all Funds and accounts (except for the Rebate Fund) under the Trust Indenture are for the equal and ratable benefit of all owners of the Bonds.

The following table summarizes certain information as of June 30, 2026, regarding yields (calculated on the basis of stated maturity) on existing investments (valued at par) within particular Trust Indenture funds relating to Prior Bonds:

Fund or Account	Approximate Amount Invested (Par Value)	Rate	Date	Provider
RMRB 1998A/B	$ 25,737,114.48	3.61%	Short Term	Natwest
RMRB 1999B/C/D	225,245.39	3.61%	Short Term	Natwest
RMRB 2009C3	15,599.71	3.61%	Short Term	Natwest
RMRB 2019A	5,642,266.43	3.61%	Short Term	Natwest
RMRB 2021A/B	4,106,691.39	3.61%	Short Term	Natwest
RMRB 2022A	7,844,052.43	3.61%	Short Term	Natwest
RMRB 2022B	12,165,781.04	3.61%	Short Term	Natwest
RMRB 2023A	10,695,444.82	3.61%	Short Term	Natwest
RMRB 2023BC	20,729,722.83	3.61%	Short Term	Natwest
RMRB 2024AB	16,345,000.16	3.61%	Short Term	Natwest
RMRB 2024CD	12,236,767.66	3.61%	Short Term	Natwest
RMRB 2025A	9,822,709.85	3.61%	Short Term	Natwest
RMRB 2025BC	11,684,278.65	3.61%	Short Term	Natwest
RMRB 2025D	11,518,441.11	3.61%	Short Term	Natwest
RMRB 2026A	4,755,745.89	3.61%	Short Term	Natwest
RMRB 2026B	167,938,914.66	3.61%	Short Term	Natwest
	$321,463,776.50			

Proceeds of the Series 2026D Bonds deposited into the 2026D Mortgage Loan Account will be invested in Investment Securities.

The ability of the Department to make timely payments of principal of and interest on the Series 2026D Bonds and the Prior Bonds could be affected if the parties to the various investment agreements for the Series 2026D Bonds or the Prior Bonds do not honor their obligations thereunder to repay such moneys and the interest thereon at the times and rates set forth in the respective investment agreements.

The Department has adopted an investment policy (the "Investment Policy") which applies to all financial assets of the Department. The Investment Policy's objectives, in the order of priority, are as follows: (1) safety of principal, (2) sufficient liquidity to meet Department cashflow needs, (3) achievement of a market rate of return on investments, and (4) conformance with all applicable State statutes, particularly the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. With respect to bond proceeds, the Investment Policy provides that such proceeds should be invested as permitted by the applicable trust indenture.

OTHER DEPARTMENT PROGRAMS

The Department administers a variety of programs, in addition to its single family mortgage revenue bond program, that also fulfill its goals of providing safe and affordable housing throughout the State. Some of these programs may overlap or compete with the Program.

Taxable Mortgage Program

In addition to the Program, the Department offers mortgage loan financing options through its Taxable Mortgage Program (the "TBA Program"). Currently, all mortgage loans originated through the TBA Program are accompanied by a DPA Loan through which the mortgagor receives funds for down payment and closing cost assistance in the form of a 0%, non-amortizing, three year forgivable or 30-year second loan that is due on sale or refinance. Mortgage loans originated through the TBA Program are pooled into mortgage-backed securities that are sold to third-party investors. ***Neither the mortgage loans***

nor the mortgage-backed securities originated through the TBA Program are pledged to the Indenture. Below is a description of current loan options available through the TBA Program.

Bond Eligible Loans. Provided through the Department's My First Texas Home program, these loans typically offer the lowest mortgage rates available through the TBA Program. Borrowers must be Eligible Borrowers (including meeting the first-time homebuyer requirement). Income qualification is performed in accordance with IRS requirements for tax exempt mortgage revenue bonds, and loan documents include standard tax exempt loan documentation (such as tax-exempt riders and recapture disclosure). Typically, mortgage loans may be originated as Bond Eligible Loans when the Department has no bond proceeds available. When bond proceeds are available, mortgage loans are typically reserved and originated through the Single Family Mortgage Revenue Bond Program.

Combo Loans. Offered through the Department's My First Texas Home program, these loans include a Mortgage Credit Certificate (MCC) issued by the Department to the borrower. Borrowers must be Eligible Borrowers and must meet the first-time homebuyer requirement; income qualification is performed in accordance with IRS requirements for tax-exempt mortgage revenue bonds. Combo Loans are not eligible for inclusion in a tax-exempt bond program.

Taxable Loans. Offered through the Department's My Choice Texas Home program, these loans provide the most qualification flexibility. Borrowers must meet the requirements for an Eligible Borrower except that there is no first-time homebuyer requirement and income qualification is performed using standard 1003 credit qualifying income. Taxable Loans are not eligible for inclusion in a tax-exempt bond program.

Single Family Mortgage Revenue Bond Program

The Department administers a single family mortgage revenue bond program that finances mortgage loans to certain qualified first-time homebuyers, which is similar to the Program. For information regarding this program see "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS."

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APPENDIX H

USE OF PROCEEDS REPORT*

RMRB Series 2026D Bond Proceeds Summary		
Total Proceeds Deposited In Mortgage Loan Account	Proceeds Spent to Acquire 2026D Mortgage Loans	Proceeds Remaining
$_____	$_____	$_____

	RMRB Series 2026D First Mortgage Loans Originated By Borrower Income as a % of Area Median Income ("AMI")†			
% of AMI:	**$ of Loans**	**# of Loans**	**% of Proceeds**	**% in Targeted Area**
<50%				
50% - 59%				
60% - 69%				
70% - 79%				
80% - 89%				
90% - 99%				
100%+				

Down Payment Assistance ("DPA") Provided In Conjunction with 2026D First Mortgage Loans	
	$ / # / %
Total DPA Provided ($)	
Total DPA Provided (#)	
% of Borrowers Receiving DPA (%)	
Average DPA Provided per Borrower ($)	
Average DPA Provided (% of Purchase Price)	

* As of the date hereof, the Department has not yet pooled any Mortgage Loans which are expected to be a portion of the RMRB Series 2026D Mortgage Loans.

† Reported income is based on borrower income at time of loan origination.

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Anderson		
Andrews		
Angelina		
Aransas		
Archer		
Armstrong		
Atascosa		
Austin		
Bailey		
Bandera		
Bastrop		
Baylor		
Bee		
Bell		
Bexar		
Blanco		
Borden		
Bosque		
Bowie		
Brazoria		
Brazos		
Brewster		
Briscoe		
Brooks		
Brown		
Burleson		
Burnet		
Caldwell		
Calhoun		
Callahan		
Cameron		
Camp		
Carson		
Cass		
Castro		
Chambers		
Cherokee		
Childress		
Clay		
Cochran		
Coke		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Coleman		
Collin		
Collingsworth		
Colorado		
Comal		
Comanche		
Concho		
Cooke		
Coryell		
Cottle		
Crane		
Crockett		
Crosby		
Culberson		
Dallam		
Dallas		
Dawson		
Deaf Smith		
Delta		
Denton		
DeWitt		
Dickens		
Dimmit		
Donley		
Duval		
Eastland		
Ector		
Edwards		
Ellis		
El Paso		
Erath		
Falls		
Fannin		
Fayette		
Fisher		
Floyd		
Foard		
Fort Bend		
Franklin		
Freestone		
Frio		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Gaines		
Galveston		
Garza		
Gillespie		
Glasscock		
Goliad		
Gonzales		
Gray		
Grayson		
Gregg		
Grimes		
Guadalupe		
Hale		
Hall		
Hamilton		
Hansford		
Hardeman		
Hardin		
Harris		
Harrison		
Hartley		
Haskell		
Hays		
Hemphill		
Henderson		
Hidalgo		
Hill		
Hockley		
Hood		
Hopkins		
Houston		
Howard		
Hudspeth		
Hunt		
Hutchinson		
Irion		
Jack		
Jackson		
Jasper		
Jeff Davis		
Jefferson		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Jim Hogg		
Jim Wells		
Johnson		
Jones		
Karnes		
Kaufman		
Kendall		
Kenedy		
Kent		
Kerr		
Kimble		
King		
Kinney		
Kleberg		
Knox		
Lamar		
Lamb		
Lampasas		
La Salle		
Lavaca		
Lee		
Leon		
Liberty		
Limestone		
Lipscomb		
Live Oak		
Llano		
Loving		
Lubbock		
Lynn		
McCulloch		
McLennan		
McMullen		
Madison		
Marion		
Martin		
Mason		
Matagorda		
Maverick		
Medina		
Menard		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Midland		
Milam		
Mills		
Mitchell		
Montague		
Montgomery		
Moore		
Morris		
Motley		
Nacogdoches		
Navarro		
Newton		
Nolan		
Nueces		
Ochiltree		
Oldham		
Orange		
Palo Pinto		
Panola		
Parker		
Parmer		
Pecos		
Polk		
Potter		
Presidio		
Rains		
Randall		
Reagan		
Real		
Red River		
Reeves		
Refugio		
Roberts		
Robertson		
Rockwall		
Runnels		
Rusk		
Sabine		
San Augustine		
San Jacinto		
San Patricio		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
San Saba		
Schleicher		
Scurry		
Shackelford		
Shelby		
Sherman		
Smith		
Somervell		
Starr		
Stephens		
Sterling		
Stonewall		
Sutton		
Swisher		
Tarrant		
Taylor		
Terrell		
Terry		
Throckmorton		
Titus		
Tom Green		
Travis		
Trinity		
Tyler		
Upshur		
Upton		
Uvalde		
Val Verde		
Van Zandt		
Victoria		
Walker		
Waller		
Ward		
Washington		
Webb		
Wharton		
Wheeler		
Wichita		
Wilbarger		
Willacy		
Williamson		

USE OF PROCEEDS REPORT

RMRB SERIES 2026D GEOGRAPHIC DATA

Texas County	$ of Loans	% of Total Loans
Wilson		
Winkler		
Wise		
Wood		
Yoakum		
Young		
Zapata		
Zavala		
TOTALS		

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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