



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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September 11, 2026

Writer's direct phone # (512) 876-9671  
Email: [Kendall.kauten@tdhca.texas.gov](mailto:Kendall.kauten@tdhca.texas.gov)

Ryan Voorhees  
Gold Creek  
Weatherford, TX  
[ryan@crvonline.com](mailto:ryan@crvonline.com)

RE: Lake Villas

Dear Lake Villas Owner:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matt Vara on July 29, 2026. This review was performed as required by Section 394.9027 (b) of Chapter 394, the Texas Administrative Code (TAC) Chapter 10, Subchapter J, for Pecos Housing Finance Corporation. Enclosed is a copy of the Audit Report summary.

Events of noncompliance have been identified and detailed in the attached Findings Report with required corrective action. In accordance with TAC Section 394.9027(d) a copy of this notice will be sent to the Chief Appraiser of the appraisal district in which the development is located.

This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **March 10, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email [hfc@tdhca.texas.gov](mailto:hfc@tdhca.texas.gov). Submissions must include a cover letter explaining, in detail, how each event of noncompliance was corrected.

**Remaining uncorrected noncompliance after the corrective action period deadline will result in a referral to the Texas Comptroller and Chief Appraiser, with a recommendation for loss of ad valorem tax exemption under Section 394.905 of the Texas Local Government Code for the Tax Year being Audited.**

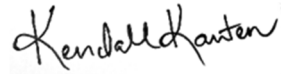


221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



If you have any questions about this monitoring report, please contact Kendall Kauten toll free in Texas at (800) 643-8204, directly at (512) 475-4047, or email: [Kendall.kauten@tdhca.texas.gov](mailto:Kendall.kauten@tdhca.texas.gov).

Sincerely,

A handwritten signature in black ink that reads "Kendall Kauten". The signature is written in a cursive, flowing style.

Kendall Kauten  
Compliance Monitor

CC: [matt@mesassurance.com](mailto:matt@mesassurance.com); [ptad.cpa@cpa.texas.gov](mailto:ptad.cpa@cpa.texas.gov); [aoronacc@pecostx.gov](mailto:aoronacc@pecostx.gov); [hcarrascocc@pecostx.gov](mailto:hcarrascocc@pecostx.gov); [rgrahamcc@pecostx.gov](mailto:rgrahamcc@pecostx.gov); [vtrujillocc@pecostx.gov](mailto:vtrujillocc@pecostx.gov); [phfced@gmail.com](mailto:phfced@gmail.com); [econ.dev@cpa.texas.gov](mailto:econ.dev@cpa.texas.gov); [ryan@crvonline.com](mailto:ryan@crvonline.com); [lakevillas@valiantresidential.com](mailto:lakevillas@valiantresidential.com)

CC:

**Audit Report**  
Lake Villas

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- TAC §10.1203(3)(B) requires that all Audit Reports include contact information for all Responsible Parties. The Audit Report did not contain the contact information for the board members of the HFC Sponsor. Ensure current contact information for all Responsible Parties is provided in the Audit Report.

CC:

| Texas Department of Housing and Community Affairs                                                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|--|---------------------------------------|--|
| Housing Finance Corporation (HFC)                                                                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Preliminary Summary of Audit                                                                                                                                                                                       |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| This is a preliminary summary of the Audit Report. TDHCA's review is ongoing and not final. Findings and any required Corrective Action will be addressed in the official Monitoring Report Letter, if applicable. |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Reporting Details                                                                                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Report Due Date: 6/1/2026                                                                                                                                                                                          |            | Current Reporting Year: 2026                                                                                 |           | Occupancy Period Begin Date: 1/1/2025                                                                                                                                                       |           |       |  | Occupancy Period End Date: 12/31/2025 |  |
| Development & Regulatory                                                                                                                                                                                           |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| HFC Property Name: Lake Villas Apartments                                                                                                                                                                          |            | Is the Regulatory Agreement (RA) is properly recorded? Yes                                                   |           | PRE or POST May 28, 2025 Development? PRE                                                                                                                                                   |           |       |  |                                       |  |
| HFC Property Street Address: 1000 Quiet Cove Road                                                                                                                                                                  |            | Regulatory Agreement Effective Date: 5/19/2025                                                               |           | Development Type: Acquisition                                                                                                                                                               |           |       |  |                                       |  |
| HFC City, State Zip: Granbury, TX 76048                                                                                                                                                                            |            | Does the development participate in other affordable programs? No                                            |           | Occupancy Type: General/Family                                                                                                                                                              |           |       |  |                                       |  |
| Property County: Hood                                                                                                                                                                                              |            | Jurisdictional Boundaries: Outside Sponsor Boundaries                                                        |           | Total Number of Units in the Development (All Restricted & Unrestricted): 252                                                                                                               |           |       |  |                                       |  |
| HFC User Name: Gold Creek                                                                                                                                                                                          |            | If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025? Yes                            |           |                                                                                                                                                                                             |           |       |  |                                       |  |
|                                                                                                                                                                                                                    |            | If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period? NA |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)                                                                                                                               |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
|                                                                                                                                                                                                                    | Efficiency | 1 Bedroom                                                                                                    | 2 Bedroom | 3 Bedroom                                                                                                                                                                                   | 4 Bedroom | Total |  |                                       |  |
| 20% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 30% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 40% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 50% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 60% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 65% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 70% AMI Units                                                                                                                                                                                                      | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 80% AMI Units                                                                                                                                                                                                      | 0          | 90                                                                                                           | 36        | 0                                                                                                                                                                                           | 0         | 126   |  |                                       |  |
| 100% AMI Units                                                                                                                                                                                                     | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 120% AMI Units                                                                                                                                                                                                     | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| 140% AMI Units                                                                                                                                                                                                     | 0          | 12                                                                                                           | 28        | 0                                                                                                                                                                                           | 0         | 101   |  |                                       |  |
| Other AMI Units (Add % here)                                                                                                                                                                                       | 0          | 0                                                                                                            | 0         | 0                                                                                                                                                                                           | 0         | 0     |  |                                       |  |
| Market Units                                                                                                                                                                                                       | 0          | 162                                                                                                          | 65        | 0                                                                                                                                                                                           | 0         | 227   |  |                                       |  |
| Total Restricted Units                                                                                                                                                                                             | 0          | 180                                                                                                          | 72        | 0                                                                                                                                                                                           | 0         | 252   |  |                                       |  |
| Total Units (Restricted + Market)                                                                                                                                                                                  | 0          |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Development Contacts                                                                                                                                                                                               |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Organization Name: City, State Zip                                                                                                                                                                                 |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Property Name: Lake Villas Apartments                                                                                                                                                                              |            | Granbury, TX 76048                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Texas Comptroller: Not provided                                                                                                                                                                                    |            | Austin, TX 78753                                                                                             |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Appraisal District: Not provided                                                                                                                                                                                   |            | Dallas, TX 75201                                                                                             |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Individual Auditor: Matt Vara                                                                                                                                                                                      |            | Weatherford, TX 76086                                                                                        |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| HFC User: Gold Creek                                                                                                                                                                                               |            | Not provided                                                                                                 |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| HFC Management Company: Valiant Residential                                                                                                                                                                        |            | City of Pecos, Texas                                                                                         |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| HFC Sponsor: City of Pecos, Texas                                                                                                                                                                                  |            | Pecos Housing Finance Corporation - Board of Directors                                                       |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| HFC Governing Body of Sponsor: Pecos Housing Finance Corporation - Board of Directors                                                                                                                              |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Auditor Qualifications & Affiliations                                                                                                                                                                              |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification?                                                                                                                  |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Has the Auditor provided a resume demonstrating housing compliance audit experience?                                                                                                                               |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party?                                                                                             |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development?                                                                                              |            |                                                                                                              |           | No                                                                                                                                                                                          |           |       |  |                                       |  |
| Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement?                                                                                                   |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Income & Rents Limits                                                                                                                                                                                              |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Does the Regulatory Agreement specify income limits?                                                                                                                                                               |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Are the income limits adjusted for household size?                                                                                                                                                                 |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Are the income limits based on HUD income limits?                                                                                                                                                                  |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Did the Development comply with the Available Unit Rule when a household became over-income?                                                                                                                       |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Does the Regulatory Agreement specify rent limits for Restricted Units?                                                                                                                                            |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Are the rent limits based on HUD rental limits?                                                                                                                                                                    |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Are restricted unit rents ≤30% of the applicable income limit (adjusted for household size)?                                                                                                                       |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Are rent limit adjusted for family size, as determined by HUD?                                                                                                                                                     |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| What is the family-size adjustment specified by the Development's Regulatory Agreement?                                                                                                                            |            |                                                                                                              |           | 1.5 Persons per Bedroom                                                                                                                                                                     |           |       |  |                                       |  |
| Units & Occupancy                                                                                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Restricted Units Occupied by Voucher Holders: 0                                                                                                                                                                    |            | Restricted Occupied Units: 199                                                                               |           | Non-Restricted Occupied Units: 23                                                                                                                                                           |           |       |  |                                       |  |
| Total Units (All): 252                                                                                                                                                                                             |            | Restricted Vacant Units: 28                                                                                  |           | Non-Restricted Vacant Units: 2                                                                                                                                                              |           |       |  |                                       |  |
|                                                                                                                                                                                                                    |            | Total Restricted Units: 227                                                                                  |           | Total Non-Restricted Units: 25                                                                                                                                                              |           |       |  |                                       |  |
| Triggering Events: Acquisition and Ownership Transfer                                                                                                                                                              |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Did a triggering event occur during the reporting period or any prior Tax Year?                                                                                                                                    |            |                                                                                                              |           | No                                                                                                                                                                                          |           |       |  |                                       |  |
| Set Asides                                                                                                                                                                                                         |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Date first occupied by one or more tenants? Not provided                                                                                                                                                           |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Is the Development currently in lease up? No                                                                                                                                                                       |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units? Yes                                                                                                                    |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Are Restricted Units equal in finishes and equipment to Non-Restricted units? Yes                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Do Restricted Units have equal amenity and program access as Non-Restricted Units? Yes                                                                                                                             |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Are Restricted Units proportionally distributed by unit type and income category? Yes                                                                                                                              |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Did the Auditor receive photographic evidence and written certification confirming unit comparability? NA                                                                                                          |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Set-Aside - Select Only One Option                                                                                                                                                                                 |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Option 1:                                                                                                                                                                                                          |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| At least 10% of units reserved for HH not earning more than 60% AMI                                                                                                                                                |            | NA                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| At least 40% of units reserved for HH not earning more than 80% AMI                                                                                                                                                |            | NA                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Option 2:                                                                                                                                                                                                          |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| At least 10% of units reserved for HH not earning more than 50% AMI                                                                                                                                                |            | NA                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| At least 40% of units reserved for HH not earning more than 100% AMI                                                                                                                                               |            | NA                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Audit Sample Summary                                                                                                                                                                                               |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Audit Sample                                                                                                                                                                                                       |            | Item                                                                                                         |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Overall Sample meets minimum requirements?                                                                                                                                                                         |            | YES                                                                                                          |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Move-In Sample meets minimum requirements?                                                                                                                                                                         |            | NO                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Recertification Sample meets minimum requirements?                                                                                                                                                                 |            | YES                                                                                                          |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Is the Development currently in lease-up?                                                                                                                                                                          |            | No                                                                                                           |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY                                                                                                                       |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Preliminary summary. TDHCA review is ongoing and not final.                                                                                                                                                        |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Report Due Date: 6/1/2026                                                                                                                                                                                          |            | Current Reporting Year: 2026                                                                                 |           | Audit Received Date: 7/29/2026                                                                                                                                                              |           |       |  |                                       |  |
| PRELIMINARY COMPLIANCE INDICATORS                                                                                                                                                                                  |            |                                                                                                              |           |                                                                                                                                                                                             |           |       |  |                                       |  |
| Reporting                                                                                                                                                                                                          |            |                                                                                                              |           | Is the Development required to submit an Audit Report? Yes                                                                                                                                  |           |       |  |                                       |  |
| Did the Development submit an Audit Report by the deadline, with approved extensions?                                                                                                                              |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Does the Audit Report cover the full prior reporting year ending December 31 and include a rent roll for the same period?                                                                                          |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Does the Audit Report include contact information for all Responsible Parties?                                                                                                                                     |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Was the Audit Report submitted in the Department-prescribed manner through the Department's file transfer system (Serv-U/File Serve)?                                                                              |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Was the annual service fee (\$35 per Restricted Unit in the sample or \$500 minimum) submitted with the Audit Report?                                                                                              |            |                                                                                                              |           | No                                                                                                                                                                                          |           |       |  |                                       |  |
| Did the Audit Report include a one-time exemption application submitted to the Texas Comptroller's Office?                                                                                                         |            |                                                                                                              |           | No                                                                                                                                                                                          |           |       |  |                                       |  |
| Did the first Audit Report include all required supporting documentation?                                                                                                                                          |            |                                                                                                              |           | Yes                                                                                                                                                                                         |           |       |  |                                       |  |
| Auditor                                                                                                                                                                                                            |            |                                                                                                              |           | Does the Auditor meet independence and qualification standards and comply with applicable rotation and cooling-off requirements? Yes                                                        |           |       |  |                                       |  |
| Geographic Boundaries                                                                                                                                                                                              |            |                                                                                                              |           | Is the Development within sponsor boundaries, or—if it falls outside those boundaries—has required approval been obtained or is the Development within the applicable transition period? NA |           |       |  |                                       |  |
| Overall Chapter 394 Status:                                                                                                                                                                                        |            |                                                                                                              |           | Noncompliant: Pending Corrective Action                                                                                                                                                     |           |       |  |                                       |  |
| TDHCA Notes/Notations:                                                                                                                                                                                             |            |                                                                                                              |           | See Detailed Findings Report                                                                                                                                                                |           |       |  |                                       |  |

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION

HFC ID: AA26-111-0001  
HFC User: Gold Creek  
Property Name: Lake Villas Apartments  
Address: 1000 Quiet Cove Road, Granbury TX 76048

Regulatory Agreement Date: 5/19/2025  
Audit Report Received Date: 7/29/2026  
Corrective Action Due Date: 3/10/2027

Audit Report Review Date: 9/10/2026

PROGRAM: HFC

PROPERTY FINDINGS

| Finding: Failure to comply with §10.1204(2) |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                 |
|---------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Unit #                                      | Non-Compliance Date | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Corrective Action                                                                                                                                                                                                                                                                                | Correction Date |
| Property Wide                               | 7/29/2026           | <p>TAC §10.1204(2) requires the Auditor to use the Department's HFC monitoring forms available on the website. The file sample must contain at least 20% of the total number of Restricted Units, not to exceed 50 household files, with at least 75% of files from newly moved-in households and at least 10% from households that have recertified.</p> <p>The audit file sample in the Audit Report did not meet the minimum threshold of at least 75% of files from newly moved-in households. A total of 227 Restricted Units exist at the property, requiring a sample of 46 household files, including 35 move-in files. The audit sample submitted contained 30 move-in files.</p> | <p>Submit for Department review copies of the application(s), income and asset verifications, executed Income Certification, lease contract, and applicable lease addendums for five (5) households that moved into income-restricted units during 2025, in accordance with TAC §10.1204(2).</p> |                 |

| Finding: Failure to comply with §10.1203(1)(C) |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                 |
|------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Unit #                                         | Non-Compliance Date | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Corrective Action                                                                                                                                                                                                                                             | Correction Date |
| Property Wide                                  | 7/29/2026           | <p>TAC §10.1203(1)(C) requires the HFC User to provide the Auditor with all required documents prior to submission of the first Audit Report, including the underwriting assessment, applicable resolutions, board meeting minutes, the Regulatory Agreement, and the one-time exemption application submitted to the Texas Comptroller's office. These documents must be submitted to the Department with the first Audit Report.</p> <p>The Audit Report submitted to the Department did not contain the one-time exemption application submitted to the Texas Comptroller's office.</p> | <p>Ensure all required documents are provided to the Auditor prior to submission of the first Audit Report for the Development.</p> <p>Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.</p> |                 |

| Finding: Failure to comply with §10.1203(4) |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
|---------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Unit #                                      | Non-Compliance Date | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Corrective Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Correction Date |
| Property Wide                               | 7/29/2026           | <p>TAC §10.1203(4) requires the HFC User to submit an annual service fee to the Department by June 1 of each year, in the amount of the greater of \$35 per Restricted Unit included in the audit sample or \$500, tendered by check, money order, payable to the Texas Department of Housing and Community Affairs.</p> <p>The annual service fee for the required number of files in the Audit Sample (46) is \$1610.00. The service fee recieved for the department was \$1575.00.</p> | <p>Submit the difference owed (\$35.00) for the required annual service fee to the Department in accordance with TAC §10.1203(4). The fee must be paid by check or money order payable to the Texas Department of Housing and Community Affairs and either delivered to 221 E. 11th St., Austin, TX 78701, or mailed to PO Box 13941, Austin, TX 78711-3941.</p> <p>The Annual Service Fee Form must be submitted with the payment. The form can be found on the Department's website.</p> |                 |