
TENNESSEE HOUSING DEVELOPMENT AGENCY

A Supplemental Resolution

Authorizing the Sale of

Residential Finance Program Bonds

\$ _____ Issue 2021-3A (Non-AMT)

\$ _____ Issue 2021-3B (Non-AMT)

Adopted September 28, 2021
as approved in its amended and supplemented form
by the its Designated Authorized Officer
on _____, 2021

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**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF
RESIDENTIAL FINANCE PROGRAM BONDS
\$ _____ ISSUE 2021-3A (Non-AMT)
\$ _____ ISSUE 2021-3B (Non-AMT)**

BE IT RESOLVED by the Board of Directors of the **TENNESSEE HOUSING DEVELOPMENT AGENCY** (“THDA”) as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Short Title. This resolution may hereafter be cited by THDA as the Issue 2021-3 Supplemental Residential Finance Program Bond Resolution.

Section 1.02. Definitions.

(a) All terms which are defined in Section 1.2 of the resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (the “General Resolution”) have the same meanings in this Resolution as such terms are given in Section 1.2 of the General Resolution.

(b) In addition, as used in this Resolution, unless the context otherwise requires, the following terms have the following respective meanings:

[“*400% PSA Prepayment Amount*” means the cumulative amount of principal prepayments on the Program Loans allocable to the Issue 2021-3A Bonds or a particular Subseries of Long Term Rate Bonds (including Program Securities [and the Transferred Program Loans]) at a rate equal to 400% PSA, as set forth in Exhibit B hereto.]

“*Bond Amortization Schedule*” shall mean the schedule of principal maturities and sinking fund installments with respect to the 2021-3B Bonds upon conversion of the interest rate thereon to Long Term Rates which schedule shall provide for substantially level debt service determined by the (i) scheduled repayments (net of servicing fees) of Program Loans to be made from bond proceeds, (ii) interest income and scheduled reductions of the Bond Reserve Fund, (iii) interest income from the Revenue Fund and (iv) payment of Trustee fees.

“*Bond Purchase Agreement*” means, collectively, the Issue 2021-3A Bond Purchase Agreement and the Issue 2021-3B Bond Purchase Agreement.

“*Business Day*” shall mean any day except for a Saturday, Sunday or any day on which banks in Tennessee or New York are required or authorized to be closed.

“*Co-Managers*” means [J.P. Morgan Securities LLC, Wells Fargo Bank, National Association and [_____]].

“*Code*” shall mean the Internal Revenue Code of 1986, as amended.

“*Convertible Bonds*” shall mean all Issue 2021-3B Bonds, with respect to which THDA has not yet exercised its Long Term Option.

“*Designated Authorized Officer*” means the Secretary of the Bond Finance Committee or, in the absence of the Secretary of the Bond Finance Committee, an officer designated by the Secretary of the Bond Finance Committee.

“*DTC*” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Election Certificate*” shall mean a Certificate of an Authorized Officer delivered on an Election Date pursuant to Section 3.02 hereof.

“*Election Date*” shall mean any date on which THDA is required to elect in accordance with Section 3.02 hereof the Short Term Option, the Long Term Option or the Redemption Option with respect to any outstanding Convertible Bonds. Such election must occur on or prior to the 10th day next preceding any Tender Date.

“*Excess 2021-3 Principal Payments*” means, as of any date of computation, 100% of all regularly scheduled principal payments and prepayments on Program Loans, or portions thereof, allocable to the Issue 2021-3 Bonds or a Subseries of Long Term Rate Bonds (including Program Securities [and the Transferred Program Loans][allocable to such Long Term Rate Bonds]) to the extent such regularly scheduled principal payments and prepayments are not required to make regularly scheduled principal payments, including Sinking Fund Payments, on the [Issue 2021-3 Bonds][such Long Term Rate Bonds].

“*Issue 2021-3 Bonds*” means, together, the Issue 2021-3A Bonds and the Issue 2021-3B Bonds.

“*Issue 2021-3A Bond Purchase Agreement*” means the contract for the purchase of the Issue 2021-3A Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.

“*Issue 2021-3A Bonds*” means the Issue 2021-3A Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2021-3A PAC Bonds*” means the Issue 2021-3A Bonds in the aggregate principal amount of \$_____ maturity on _____.]

[“*Issue 2021-3A PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2021-3A PAC Bonds expected to be redeemed upon the receipt of Excess 2021-3 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2021-3A Serial Bonds*” means the Issue 2021-3A Bonds which are not Issue 2021-3A Term Bonds.

“*Issue 2021-3A Term Bonds*” means, collectively, the Issue 2021-3A Bonds maturing _____, _____, and _____.

[“*Issue 2021-3B Bond Purchase Agreement*” means the contract for the purchase of the Issue 2021-3B Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.]

“*Issue 2021-3B Bonds*” means the Issue 2021-3B Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing, which Issue 2021-3B Bonds shall include the Convertible Bonds and the Long Term Rate Bonds of such Series.

[“*Issue 2021-3B PAC Bonds*” means, if so designated in an Election Certificate on any Election Date, the last Term Bond of any Subseries of Long Term Rate.]

[“*Issue 2021-3B PAC Bonds Planned Amortization Amount*” means the cumulative amount relating to a Subseries of Long Term Rate Bonds expected to be redeemed upon the receipt of Excess 2021-3 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2021-3B Serial Bonds*” means the Issue 2021-3B Bonds which are not Term Bonds.

“*Issue 2021-3B Tender Date*” shall mean (i) the initial Tender Date for 100% of the Issue 2021-3B Convertible Bonds of [_____], unless THDA designates a Business Day occurring on or after [_____], as the initial Tender Date for all or a portion of the Issue 2021-3B Convertible Bonds in accordance with Section 3.01 and, if applicable, (ii) the Tender Dates thereafter for any Issue 2021-3B Bonds shall be any Business Day occurring on or before [_____], as designated by THDA in accordance with Section 3.01; provided, that Long Term Rate Bonds shall not be subject to mandatory tender on any Tender Date and provided further that the last Issue 2021-3B Tender Date shall be [_____], if there are any Issue 2021-3B Convertible Bonds outstanding on such date.

“*Issue 2021-3B Term Bonds*” means, subsequent to the conversion of the interest rate thereon to Long Term Rates, collectively, the Issue 2021-3B Bonds maturing _____, _____, and _____.

“*Issue Date*” means the date on which the Issue 2021-3 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on _____, 2021.

“*Long Term Option*” shall have the meaning set forth in Section 3.02(a) hereof.

“*Long Term Rate*” shall have the meaning set forth in Section 3.02(a) hereof.

“*Long Term Rate Bonds*” shall mean all Issue 2021-3B Bonds for which the Long Term Option has been exercised, which Bonds bear interest at fixed interest rates to their maturity or prior redemption.

“*MSRB*” means the Municipal Securities Rulemaking Board by operation of its Electronic Municipal Market Access System.

“*Official Statement*” means the Official Statement dated _____, 2021 used in connection with the sale of the Issue 2021-3 Bonds.

“*Notification Date*” shall mean any date on which the Trustee is required to send a Tender Notice to owners of Convertible Bonds in accordance with Section 3.03 hereof. Such Tender Notice must be sent on or prior to the 15th day next preceding a Tender Date.

[“*PAC Bonds*” means, collectively, the Issue 2021-3A PAC Bonds and the Issue 2021-3B PAC Bonds .]

[“*PAC Bonds Planned Amortization Amount*” means, collectively, the Issue 2021-3A Planned Amortization Amount and the 2021-3B Planned Amortization Amount.]

“*Preliminary Official Statement*” means the Preliminary Official Statement dated _____, 2021 used in connection with the offering of the Issue 2021-3 Bonds.

“*Rating Agency*” shall mean Moody’s Investors Service, Inc. (or any successor thereto), and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLP business (or any successor thereto).

“*Redemption Option*” shall have the meaning set forth in Section 3.02(c) hereof.

[“*Refunded Bonds*” means, the THDA bonds [listed in Exhibit D hereto][set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2021-3 Bonds.]

“*Remarketing Agent*” means the Remarketing Agent appointed in accordance with Section 3.04 of this Resolution.

“*Remarketing Agreement*” means the Remarketing Agreement for the remarketing of the Convertible Bonds by and between THDA and the Remarketing Agent referred to in Section 3.04 of this Resolution which shall constitute the Remarketing Agreement for purposes of the Resolution.

“*Remarketing Costs*” means any costs associated with the remarketing of any Short Term Rate Bonds or the conversion of any Issue 2021-3B Bonds to Long

Term Rate Bonds, including fees of the Remarketing Agent, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, accrued interest in connection with the financing of Program Loans and any other cost, charge or fee in connection with the remarketing of the Issue 2021-3B Bonds.

“*Resolution*” means this Supplemental Resolution adopted by THDA on September 28, 2021, as approved in its amended and supplemented form by the Designated Authorized Officer on _____, 2021.

“*Serial Bonds*” means, collectively, the Issue 2021-3A Serial Bonds and the Issue 2021-3B Serial Bonds.

“*Short Term Option*” shall have the meaning set forth in Section 3.02(b) hereof.

“*Short Term Rate*” shall mean the short-term adjustable interest rate (i) initially borne by the Convertible Bonds upon issuance and (ii) pursuant to the Short Term Option set forth in Section 3.02(b) hereof.

“*Subseries*” shall mean any subseries of Issue 2021-3 Bonds established pursuant to this Resolution and references to the Bonds of any Subseries shall include all Bonds at any particular point in time designated as the Bonds of such Subseries in accordance with the provisions of this Resolution.

“*Tender Date*” shall mean any date on which all or a portion of Convertible Bonds become subject to mandatory tender for purchase by the Trustee, including any Issue 2021-3B Tender Date.

“*Term Bonds*” means, collectively, the Issue 2021-3A Term Bonds and the Issue 2021-3B Term Bonds.

[“*Transferred Investments*” means amounts on deposit in certain funds and accounts of THDA allocated to any Refunded Bonds relating to the Issue 2021-3A Bonds or a Subseries of Long Term Rate Bonds which are allocated to such Long Term Bonds upon the refunding of such Refunded Bonds.]

[“*Transferred Proceeds*” means the sum of \$ _____ on deposit in the Issue 2021-3 Bond Subaccount of the Loan Fund subsequent to the refunding of any Refunded Bonds.]

[“*Transferred Program Loans*” means the Program Loans allocable to any Refunded Bonds which are allocated to the Issue 2021-3A Bonds or a Subseries of Long Term Rate Bonds upon the refunding of such Refunded Bonds.]

“*Underwriters*” means, collectively, [Citigroup Global Markets Inc., Raymond James & Associates, Inc., and RBC Capital Markets, LLC], their

respective successors and assigns, and the Co-Managers as purchasers of the Issue 2021-3 Bonds.

(c) Unless the context otherwise indicates, words of the masculine gender will be deemed and construed to include correlative words of feminine and neuter genders, words importing the singular number include the plural number and vice versa, and words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms as used in this Resolution refer to this Resolution and such terms used in the form of registered bond herein refer to such bonds.

(e) [Unless the context otherwise indicates, the term “Program Loan” as used herein shall include any Transferred Program Loans, as well as new Program Loans, and, without duplication, Program Securities, and the phrase “Program Loans allocable to the Issue 2021-3 Bonds” shall include any Transferred Program Loans as well as any new Program Loans and Program Securities acquired with proceeds of the Issue 2021-3 Bonds.]

Section 1.03. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and the General Resolution.

ARTICLE II

TERMS AND ISSUANCE

Section 2.01. Issue Amount and Designation. In order to provide funds necessary for the Residential Finance Program in accordance with and subject to the terms, conditions and limitations established herein and in the General Resolution, Residential Finance Program Bonds, Issue 2021-3A are hereby authorized to be issued in the aggregate principal amount of \$ _____, and Residential Finance Program Bonds, Issue 2021-3B are hereby authorized to be issued in the aggregate principal amount of \$ _____. In addition to the title “Residential Finance Program Bond,” the Issue 2021-3 Bonds will bear the additional designation “Issue 2021-3A (Non-AMT)” and “Issue 2021-3B (Non-AMT),” as appropriate. The Issue 2021-3 Bonds shall be issued only in fully registered form. The Issue 2021-3A Bonds will consist of \$ _____ principal amount of Serial Bonds and \$ _____ principal amount of Term Bonds. The Issue 2021-3B Bonds will initially consist of \$ _____ principal amount of Convertible Option Bonds.

Section 2.02. Purposes. [A portion of] the Issue 2021-3A Bonds are being issued to refund the Refunded Bonds. [As a result of such refunding, the Transferred Program Loans, [Transferred Proceeds] and the Transferred Investments will become allocated to the Issue 2021-3 Bonds.] [A portion of] the Issue 2021-3A Bonds, and the Issue 2021-3B Bonds are being issued, subsequent to the conversion of the interest rate on any Convertible Bonds to Long Term Rates, (a) to finance Program Loans (including Program Securities), or participations therein, on single family residences located within the State, (b) if required, to pay capitalized interest on the Issue 2021-3 Bonds, (c) if required, to make a deposit in the Bond Reserve Fund, and (d) if required, to pay certain costs of issuance relating to the Issue 2021-3 Bonds. Upon the conversion of the

interest rate on all or a portion of the Convertible Bonds to Long Term Rate Bonds, amounts on deposit in the Issue 2021-3B Subaccount of the Loan Fund also may be used, if required, to pay certain costs of issuance or remarketing with respect to the Issue 2021-3B Bonds. [As a result of the refunding of the Refunded Bonds, the Transferred Proceeds will become allocated to the Issue 2021-3 Bonds.]

The proceeds of the Issue 2021-3A Bonds [and the [Transferred Proceeds and the] Transferred Investments] shall be applied in accordance with Article IV hereof.

Prior to the initial Issue 2021-3B Tender Date, all moneys made available from the issuance of the Issue 2021-3B Bonds shall be deposited in the Issue 2021-3B Subaccount of the Loan Fund, and shall be applied in accordance with Article IV hereof.

Section 2.03. Amounts, Maturities and Interest Rates.

(a) The Issue 2021-3A Bonds will mature on the dates, in the principal amounts and bear interest from their Issue Date, calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each January 1 and July 1, commencing [January 1, 2022], at the rate set opposite such date in the following tables:

Issue 2021-3A Bonds

Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
	\$	%		\$	%

Term Bonds

Maturity Date	Principal Amount	Interest Rate
	\$	%

(b) Prior to the conversion of the interest rate on any Issue 2021-3B Bonds to Long Term Rates, such Convertible Bonds shall have a nominal maturity of [_____]. The Convertible Bonds shall bear interest at the initial Short Term Rate of [_____] % per annum to, but excluding, the Issue 2021-3B Tender Date, calculated on the basis of a 360-day year of twelve 30-day months.

(c) At such time as THDA elects the Long Term Option with respect to all or a portion of the Convertible Bonds, the Issue 2021-3B Bonds with respect to which such an election shall have been made shall bear interest at the Long Term Rate (calculated on the basis of a 360-day year of twelve 30-day months) and shall mature on each January 1 and July 1 commencing on the first January 1 or July 1 which is at least twelve months subsequent to the date of conversion of the interest rate on the 2021-3B Bonds to Long

Term Rates through and including July 1, [____], and on January 1, [____], July 1, [____], January 1, [____] and July 1, [____], each in the principal amounts determined by application of the related Bond Amortization Schedule.

Notwithstanding the foregoing, in the event that the application of the Bond Amortization Schedule results in a principal amount of Issue 2021-3B Bonds that is to mature or to be redeemed on any date which is not an integral multiple of \$5,000, then the amount of such principal shall be rounded up to the next integral multiple of \$5,000 and the principal amount of the final maturity of the Issue 2021-3B Bonds which are being converted to the Long Term Rate shall be reduced by a corresponding amount.

[The maturity dates for the Issue 2021-3B Bonds set forth above may be modified and the Issue 2021-3B Bonds which are to be converted to Long Term Rates shall be modified to incorporate [PAC Bonds], capital appreciation bonds and tender option bonds; provided, that (i) the Remarketing Agent delivers a certificate to the Trustee, THDA and Bond Counsel to the effect that the proposed changes in the maturity dates and structure of the Issue 2021-3B Bonds result in the lowest net interest cost to THDA that permits THDA to originate 30 year mortgages; (ii) the Trustee receives an opinion from Bond Counsel to the effect that such proposed changes do not adversely affect the exclusion of interest on the Issue 2021-3B Bonds from gross income for federal income tax purposes and that such proposed changes are permitted under the General Resolution and this Resolution; and (iii) written confirmation from the Rating Agencies that the proposed changes will not, in and of themselves, cause the ratings on the Issue 2021-3B Bonds to be adversely affected.]

(d) The Issue 2021-3B Bonds shall be dated their date of issuance and shall bear interest from that date to, but excluding, their respective Tender Date, and, if THDA selects the Short Term Option (as described below) in connection with such Tender Date or any subsequent Tender Date with respect to all or a portion of the Issue 2021-3B Bonds, then such Issue 2021-3B Bonds shall bear interest at the Short Term Rate (as defined in Section 3.02(b) hereof) from and including such Tender Date to, but excluding, the next succeeding Tender Date.

Prior to the first Issue 2021-3B Tender Date, interest on the Issue 2021-3B Bonds bearing interest at a Short Term Rate shall be payable on [July 1, ____], and the first Tender Date with respect thereto.

Subsequent to the first Tender Date, Issue 2021-3B Bonds bearing interest at a Short Term Rate shall be payable on each January 1 and July 1 commencing on the first January 1 or July 1 which is more than sixty days after the related Tender Date and on the next subsequent Tender Date. If THDA selects the Long Term Option in accordance with Section 3.02(a) hereof with respect to all or a portion of the Issue 2021-3B Bonds, then the Issue 2021-3B Bonds which are so converted shall bear interest at the Long Term Rate (as defined in Section 3.02(a) hereof) from the Tender Date on which the Long Term Rate goes into effect with respect to such Issue 2021-3B Bonds until maturity or prior redemption, payable on each January 1 and July 1 thereafter, commencing on the first such January 1 or July 1 which occurs more than sixty days following the Tender Date with respect to which THDA exercised its Long Term Option.

(e) Whenever the due date for payment of interest on or principal of the Issue 2021-3 Bonds or the date fixed for redemption of any Issue 2021-3 Bond shall be a day which is not a Business Day, then payment of such interest, principal or Redemption Price need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date for payment of principal, interest or Redemption Price and no additional interest shall be payable on such Business Day which, merely by operation of this paragraph, may have accrued after the original due date.

Section 2.04. Denominations, Numbers and Letters.

(a) The Issue 2021-3 Bonds of each Series or Subseries maturing in each year are to be issued in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of Issue 2021-3 Bonds of each Series or Subseries maturing in such year. The Issue 2021-3 Bonds are to be lettered “R-3A,” or “R-3B,” as applicable, and numbered separately from 1 consecutively upwards.

(b) The Issue 2021-3 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2021-3 Bond of each Series or Subseries will be outstanding for each maturity and interest rate of each Series or Subseries of the Issue 2021-3 Bonds in the aggregate principal amount of such maturity, interest rate and Series or Subseries. Subject to the provisions of the General Resolution, purchases of ownership interests in the Issue 2021-3 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2021-3 Bonds will not receive certificates representing their interest in the Issue 2021-3 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2021-3 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2021-3 Bonds and THDA will have no responsibility to any DTC participant or beneficial owner thereof.

Section 2.05. Paying Agent. The Trustee is hereby appointed as paying agent for the Issue 2021-3 Bonds pursuant to Section 11.2 of the General Resolution. The Trustee may appoint an agent for presentation of transfers in New York, New York and DTC may act as such agent.

Section 2.06. Execution of Bonds. The Issue 2021-3 Bonds shall be executed by the manual or facsimile signature of the Chair or Vice Chair and the seal of THDA or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Issue 2021-3 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2021-3 Bonds shall be delivered to the Trustee for proper authentication and delivered to DTC pursuant to the DTC FAST delivery program, as the registered owner of the Issue 2021-3 Bonds upon instructions from THDA to that effect.

Section 2.07. Place of Payment; Record Date. While the Issue 2021-3 Bonds are registered in book-entry only form in the name of Cede & Co. as nominee of DTC, payments of principal, Redemption Price and interest on the Issue 2021-3 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2021-3 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2021-3 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2021-3 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2021-3 Bonds in a principal amount equal to or exceeding \$1,000,000 may receive payments of interest by wire transfer if written notice is given to the Trustee at least ten Business Days before

an applicable Interest Payment Date. The Record Date for payment of interest on the Issue 2021-3 Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

Section 2.08. Sinking Fund Redemption Provisions.

(a) The Issue 2021-3A Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2021-3 Bonds at a Redemption Price equal to 100% of the principal amount thereof from mandatory Sinking Fund Payments in the principal amounts for each of the dates set forth below:

Issue 2021-3A Term Bonds due _____

Date	Amount Due	Date	Amount Due
	\$		\$

*Maturity

Issue 2021-3A Term Bonds due _____

Date	Amount Due	Date	Amount Due
	\$		\$

*Maturity

(a) The Issue 2021-3B Bonds that are Term Bonds are subject to redemption in part by lot on each January 1 and July 1 as set forth in the Bond Amortization Schedule at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the date of redemption from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem the Term Bonds specified for each of the dates in Section 2.03(e).

(b) Upon the purchase or redemption of Issue 2021-3 Bonds of any series and maturity for which Sinking Fund Payments have been established other than by application of Sinking Fund Payments, each future Sinking Fund Payment for such Issue 2021-3 Bonds of such series and maturity will be credited by an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Issue 2021-3 Bonds of such

series and maturity to be purchased or redeemed bears to the total amount of all Sinking Fund Payments for such series and maturity of Issue 2021-3 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

Section 2.09. Optional Redemption. The Issue 2021-3A Bonds maturing on and after [January 1, 2031] [other than the Issue 2021-3A PAC Bonds], are subject to redemption at the option of THDA prior to their respective maturities, either as a whole or in part at any time, on or after [July 1, 2030] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when so determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General Resolution, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

[[The Issue 2021-3A PAC Bonds are subject to redemption at the option of THDA, either as a whole or in part at any time or on or after [July 1, 2029] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General Resolution, at the respective Redemption Prices set forth below (expressed as a percentage of the principal amount of such PAC Bonds to be redeemed), plus accrued interest to the redemption date:

<u>Period</u>	<u>PAC Bond Redemption Price</u>
[January 1, 2030] to [_____]	[_____]%
[_____] and thereafter	[_____]

The 2021-3B Bonds bearing interest at a Short Term Rate shall be subject to redemption prior to maturity at the option of THDA in whole or in part on a Tender Date for such Bonds at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the date of redemption.

The 2021-3B Bonds bearing interest at Long Term Rates shall be subject to redemption prior to maturity at the option of THDA, in whole or in part at any time on or after the first January 1 or July 1 subsequent to the [ninth] anniversary of the conversion of interest on such Bonds to Long Term Rates, at Redemption Prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) together with interest accrued to the date of redemption, during the applicable period listed below:

Redemption Period	Redemption Prices
January 1 or July 1 of [ninth] year following Long Term Rate conversion through the succeeding December 31 or June 30, as applicable	101%
January 1 or July 1 of [tenth] Year following Long Term Rate Conversion and thereafter	100

Section 2.10. Special Optional Redemption. The Issue 2021-3A Bonds, and, subsequent to their conversion to Long Term Rate Bonds, the Issue 2021-3B Bonds, are subject to redemption,

at the option of THDA, as a whole or in part at any time prior to maturity, in accordance with the provisions of the General Resolution in an amount equal to amounts available for such purpose from (i) proceeds of such Issue 2021-3 Bonds not expected to be applied to the financing of Program Loans, (ii) repayments and prepayments of Program Loans (including Program Securities [and the Transferred Program Loans]) allocated to the Issue 2021-3 Bonds not otherwise required to be applied to the special mandatory redemption of the Issue 2021-3 Bonds as described in Sections 2.11(b) or 2.11(c) hereof or to make regularly scheduled principal payments, including Sinking Fund Payments, on the Issue 2021-3 Bonds, (iii) repayments and prepayments of Program Loans made with the proceeds of any other Bonds issued under the General Resolution, subject to limitations contained in the Code, (iv) other amounts on deposit in the Revenue Fund in excess of the amounts required for the payment of Debt Service and Program Expenses, and (v) amounts on deposit in the Bond Reserve Fund in excess of the Bond Reserve Requirement; provided however, that any PAC Bonds (A) are only subject to redemption as described in clause (ii) above as described in Section 2.11(b) hereof [, and] (B) shall not be subject to redemption as described in clauses (iii), (iv) and (v) above if such redemption would cause amortization of a PAC Bond to exceed the Planned Amortization Amount.

The date of redemption pursuant to this Section 2.10 shall be determined by the Trustee upon the direction of THDA subject to the provisions of and in accordance with the General Resolution (and when so determined such date will be deemed and is hereby set forth as the redemption date). The Issue 2021-3 Bonds to be so redeemed shall be redeemed at a Redemption Price of 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable; provided, however, that the Redemption Price for the PAC Bonds in the event of a redemption described in clause (i) of the paragraph above shall be the issue price thereof (par plus premium), plus accrued interest to the redemption date.

The Issue 2021-3 Bonds to be redeemed pursuant to this Section 2.10 shall be selected by THDA in its sole discretion; provided, however, that any PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2021-3 Bonds then Outstanding in the event of any redemption pursuant to clause (i) of the first paragraph of this Section 2.10.

Section 2.11. Special Mandatory Redemptions.

(a) ***Unexpended Proceeds.*** The Issue 2021-3A Bonds are subject to mandatory redemption on _____ in the event and to the extent that there are unexpended proceeds of the Issue 2021-3A Bonds on deposit in the Issue 2021-3A Subaccount of the Loan Fund on _____; provided that such redemption date may be extended, at the option of THDA, and subject to the satisfaction of the conditions set forth in Section 5.02 hereof.

Notwithstanding any extension of the redemption date described above, in order to satisfy requirements of the Code, the Issue 2021-3A Bonds are subject to mandatory redemption on _____, _____, to the extent any amounts remain on deposit in the Issue 2021-3A Subaccount of the Loan Fund on _____, _____.

The Issue 2021-3B Bonds are subject to mandatory redemption in whole or in part at 100% of the principal amount thereof, plus accrued interest, on _____, from the unexpended proceeds of the Issue 2021-3B Bonds in excess of \$249,999 on deposit in the Issue 2021-3B Subaccounts of the Loan Fund which have not been utilized to finance Program Loans prior to _____. Such redemption shall be paid out of all of the

unexpended proceeds in the Issue 2021-3B Subaccounts of the Loan Fund made available from the issuance of the Issue 2021-3B Bonds and the investment income therefrom

The redemption price of the Issue 2021-3 Bonds to be so redeemed shall be 100% of the principal amount thereof plus interest accrued to the date of redemption, if applicable; provided, however, that the redemption price for any PAC Bonds shall be the issue price thereof (par plus premium) plus accrued interest to the redemption date. The Issue 2021-3 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided, however, that any PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2021-3 Bonds then Outstanding.

(b) **[Excess 2021-3 Principal Payments (PAC Bonds)]**. The PAC Bonds are subject to redemption prior to their maturity, in whole or in part at a Redemption Price of 100% of the principal amount of such PAC Bonds to be redeemed, plus interest accrued to the date of redemption, from amounts transferred to the Redemption Account representing Excess 2021-3 Principal Payments. Any Excess 2021-3 Principal Payments so deposited in the Redemption Account shall be applied to the redemption of PAC Bonds on any Interest Payment Date commencing [January 1, 2022]; provided that PAC Bonds may be redeemed between Interest Payment Dates on the first Business Day of any month for which adequate notice of redemption may be given.

While any Issue 2021-3 PAC Bonds remain Outstanding, Excess 2021-3 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Program Loans allocable to a Series or Subseries of Issue 2021-3 Bonds (including Program Securities [and the Transferred Program Loans]) are equal to or less than the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2021-3 Principal Payments shall first be applied to redeem such PAC Bonds up to an amount correlating to the related PAC Bonds Planned Amortization Amount, and, subject to Section 2.11(c) below, the remainder may be applied by THDA for any purpose permissible under the Resolution, including the redemption of any Bonds under the Resolution, other than such PAC Bonds.

SECOND, if principal prepayments on the Program Loans allocable to a Series or Subseries of the Issue 2021-3 Bonds (including Program Securities [and the Transferred Program Loans]) are in excess of the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2021-3 Principal Payments shall first be applied to redeem such PAC Bonds up to an amount correlating to the related PAC Bonds Planned Amortization Amount (as set forth in "FIRST" above) and, subject to Section 2.11(c) below, the remainder may be applied by THDA for any purpose permissible under the Resolution, including the redemption of any Bonds issued under the Resolution, including such PAC Bonds (any such remainder used to redeem such PAC Bonds being an "Excess Principal PAC Bond Redemption"); provided, however, that (i) the source of an Excess Principal PAC Bond Redemption is restricted to that portion of available Excess 2021-3 Principal Payments which is in excess of the related 400% PSA Prepayment Amount, and (ii) the principal amount of an Excess Principal PAC Bond Redemption may not be an amount in excess of such PAC Bonds' proportionate amount of all Issue 2021-3 Bonds then Outstanding.

The Issue 2021-3A PAC Bonds Planned Amortization Amount and the Issue 2021-3A 400% PSA Prepayment Amount set forth in Exhibit B hereto, and any Issue 2021-3B PAC Bonds Planned Amortization Amount and Issue 2021-3B 400% PSA Prepayment amount determined for the Issue 2021-3B PAC Bonds, are each subject to proportionate reduction to the extent the related PAC Bonds are redeemed from amounts on deposit in the Issue 2021-3 Subaccount of the Loan Fund which are not applied to finance Program Loans in accordance with Section 2.11(a) hereof.]

(c) **Ten Year Rule.**

(i) To the extent not required to make regularly scheduled principal payments on the Issue 2021-3 Bonds (including Sinking Fund Payments) or otherwise required to be used to redeem the PAC Bonds as described in Section 2.11 (b) above, repayments and prepayments of principal on the Program Loans, or portions thereof, allocable to the Issue 2021-3 Bonds (including Program Securities [and the Transferred Program Loans]) received more than ten years after the Issue Date of the Issue 2021-3 Bonds (or the date of original issuance of the bonds refunded by the Issue 2021-3 Bonds, directly or through a series of refundings) shall be applied to redeem the Issue 2021-3 Bonds on or before the next Interest Payment Date with respect to the Issue 2021-3 Bonds, which Interest Payment Date is at least six months from the date of receipt of such Program Loan principal payments, in such principal amounts as required to satisfy requirements of the Code. The Redemption Price of Issue 2021-3 Bonds so redeemed shall be 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable.

(ii) THDA shall advise the Trustee of the appropriate Redemption Date for any redemption pursuant to this Section 2.11(c). The Issue 2021-3 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided however, that any PAC Bonds may be redeemed in an amount that exceeds the related PAC Bonds Planned Amortization Amount only if there are no other Issue 2021-3 Bonds Outstanding.

(d) *Mandatory Redemption of Issue 2021-3B Bonds Bearing Interest at Short Term Rate.* The Issue 2021-3B Bonds bearing interest at a Short Term Rate shall be subject to mandatory redemption on any related Tender Date, in whole or in part by lot, from proceeds of such Issue 2021-3B Bonds on deposit in the Issue 2021-3B Subaccount of the Loan Fund, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the event such Issue 2021-3AB Bonds have been tendered, or deemed tendered, for purchase on such Tender Date and the conversion to Long Term Rate Bonds does not occur or such Issue 2021-3B Bonds are not remarketed. No notice of redemption shall be given with respect to a redemption under this Section 2.11(d).

(e) *Selection of Bonds Subject to Mandatory Redemption.* THDA shall direct redemptions pursuant to subsections 2.11(a) and (b) hereof pro rata among all maturities of the related Subseries of Issue 2021-3B Bonds bearing interest at Long Term Rates, as applicable, then outstanding unless THDA shall deliver a Projected Cash Flow Statement

indicating a different selection of such Subseries of Issue 2021-3B Bonds bearing interest at Long Term Rates, to be redeemed.

Section 2.12. Selection by Lot. If less than all of the Issue 2021-3 Bonds of like Series or Subseries and maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in accordance with Section 6.4 of the General Resolution.

Section 2.13. Purchase of Bonds by THDA or Trustee. Whenever moneys are available for redemption of Bonds under Sections 2.08, 2.09, 2.10 or 2.11 above, THDA or the Trustee is authorized to purchase Bonds at a price not to exceed the applicable Redemption Price.

ARTICLE III

TENDER, REMARKETING AND PURCHASE OF CONVERTIBLE BONDS AND LONG TERM RATE LOANS

Section 3.01. Designation of Tender Dates [and Rate Estimation]. The Convertible Bonds are subject to mandatory tender in whole or in part on each related Tender Date; provided, however, that 100% of the Issue 2021-3B Convertible Bonds are subject to mandatory tender on [_____]. THDA may designate a Tender Date other than the stated Tender Date (any Business Day on or after [_____]) in relation to the Issue 2021-3B Bonds, with respect to the first Tender Date for such Issue 2021-3B Bonds) for all or a portion of the Convertible Bonds for which funds are on deposit in the Issue 2021-3B Subaccount of the Loan Fund and shall pay the purchase price thereof in accordance herewith in the event of a failed remarketing by giving written notice of such designation to the Trustee, the Remarketing Agent and each Rating Agency no later than the 25th day prior to such Tender Date. (Such written notice to the Trustee shall also contain the direction for the Trustee to give Tender Notices as set forth in Section 3.03). THDA may specify in such written designation a period of time prior to the designated Tender Date during which THDA may not designate an earlier Tender Date. If only a portion of the Convertible Bonds are to be subject to tender on such Tender Date, then the Trustee shall select by lot which Convertible Bonds will be subject to tender on such Tender Date and such Convertible Bonds shall be given a special Subseries designation to distinguish them from other Convertible Bonds which are not subject to tender on such Tender Date. THDA will evaluate its ability to originate Program Loans and will be required to elect one of the Options described in Section 3.02 hereof on or before the 10th day next preceding each respective Tender Date (each, an "Election Date").

Section 3.02. Options. On each Election Date one of three Options must be selected by THDA and the Option selected will be effective as to all or a specified portion of the Convertible Bonds, as the case may be, on the next succeeding Tender Date. The Options are that the Convertible Bonds, or a specified portion thereof, will be:

- (a) remarketed as serial and term bonds (including a PAC Bond, if so elected pursuant to the terms of this Section 3.02) having the maturity and redemption provisions described in Article II hereof and bearing long term interest rates determined by negotiated

(including, without limitation, a private placement) or competitive sale, at THDA's option, as necessary to market such Convertible Bonds at a purchase price for each maturity equal to 100% of the principal amount thereof (the "Long Term Rate") from and including the applicable Tender Date next following THDA's exercise of its Long Term Option to the respective maturity dates of such Convertible Bonds, with such maturity dates determined in accordance with Section [] hereof (the "Long Term Option");

(b) remarketed as term bonds having the maturity and redemption provisions described herein, but subject to mandatory tender on the next succeeding applicable Tender Date and bearing a short term rate determined by negotiated (including, without limitation, a private placement) or competitive sale, at THDA's option, as necessary to market such Convertible Bonds at a purchase price equal to 100% of the principal amount thereof (the "Short Term Rate") from and including the Tender Date immediately following THDA's exercise of its Short Term Option to, but excluding, the next succeeding Tender Date which must be designated by THDA in accordance with Section 3.01 at the time THDA exercises its Short Term Option (the "Short Term Option"); or

(c) redeemed at par pursuant to Section 2.09(b) hereof (the "Redemption Option") (the Long Term Option, the Short Term Option and the Redemption Option are hereinafter collectively called the "Options").

THDA shall elect the Long Term Option with respect to all or a portion of the Convertible Bonds with respect to which an election is being made if prevailing market conditions are such that such Bonds can be remarketed at a Long Term Rate which will enable THDA to implement THDA's program of financing Program Loans. THDA's determination shall be based on, among other things, whether, under prevailing financial market conditions, the Long Term Rate which the Issue 2021-3B Bonds would bear would be low enough to enable mortgagors to afford Program Loans and the mortgage lenders to commit to originate Program Loans and whether such remarketing is economically advantageous to THDA and otherwise satisfies the financial objectives of THDA. THDA may elect the Long Term Option for all or part of such Convertible Bonds. The Short Term Option or the Redemption Option is available to THDA only in the event that the prevailing financial conditions do not warrant THDA electing the Long Term Option prior to any Tender Date. On the last applicable Tender Date, THDA may only elect between the Long Term Option and the Redemption Option.

THDA may elect to include a PAC Bond as part of its Long Term Option only so long as [PAC test/requirement language to be provided]. Any election to include a PAC Bond in such Long Term Option must be designated in the Election Certificate delivered in connection with the related Tender Date.

In order to elect either the Short Term Option or the Long Term Option, THDA must notify the Rating Agencies of its election and deliver to them such information as they may require. In addition, in order to elect either the Long Term Option or the Short Term Option, THDA shall deliver to the Trustee (a) a Projected Cash Flow Statement, (b) a Bond Counsel Option to the effect that THDA's choice of such Option will not affect the validity of such Bonds or adversely affect the exclusion of interest on such Bonds from the gross income of the recipient thereof for federal income tax purposes, (c) written confirmation from each Rating Agency to the effect that such election will not adversely affect the then existing rating on any Bonds Outstanding, and (d) an Election Certificate.

Each Election Certificate shall set forth (a) the related Series, (b) the Outstanding principal amount of such Series on such Election Date, (c) the Option selected for such principal amount, or, if more than one Option is selected, the principal amount of such Series or Subseries relating to each Option, including the Subseries designation for each such Option, (d) the next Tender Date (including any lockout period) relating to any Series or Subseries, if any, with a Short Term Rate, (e) whether or not a PAC Bond is included in any Subseries of Bonds with a Long Term Rate, (f) the Bond Amortization Schedule for each Subseries with a Long Term Rate, and (g) the Planned Amortization Amounts relating to the PAC Bond, if any.

Section 3.03. Notification of Each Tender Date. On or prior to the 15th day next preceding each Tender Date, THDA will direct the Trustee to deliver to the registered owner or owners of Convertible Bonds subject to mandatory tender, by registered or first class mail, a notice of tender (the “Tender Notice”) no later than the Notification Date. Notwithstanding the foregoing, so long as Cede & Co., as nominee of DTC, is the registered owner of all Convertible Bonds, such Tender Notice shall be delivered solely to Cede & Co. by registered or first class mail, or such other method of notification as shall be acceptable to DTC.

The Tender Notices with respect to the Issue 2021-3B Bonds shall state in substance that (a) the Convertible Bonds which are subject to mandatory tender on the next Tender Date are required to be tendered for mandatory purchase on the next Tender Date (which date shall be specified in the Tender Notice) at a purchase price equal to 100% of the principal amount thereof plus accrued interest thereon to the purchase date; (b) the registered Bondowner will be entitled only to the payment of the purchase price equal to 100% of the principal amount of his Convertible Bonds plus accrued interest to the applicable Tender Date but will not be entitled to the payment of interest which accrues on his Convertible Bonds from and after such Tender Date; (c) such registered Bondowner must deliver his Convertible Bonds to the Trustee not later than 10:30 A.M., New York City time, on the next Tender Date duly endorsed in blank for transfer.

Section 3.04. Remarketing of Tendered Bonds. THDA shall select an investment banking firm, financial advisory firm or other entity experienced in the sale or placement of qualified mortgage revenue bonds to serve as Remarketing Agent with respect to the Convertible Bonds either through negotiation (including, without limitation, the placement thereof with an institutional investor) or competitive sale. THDA shall direct the Remarketing Agent to offer, the Convertible Bonds (or portions thereof) in the amount required to be tendered for purchase. The Remarketing Agent shall offer for sale and use its best efforts to sell, or negotiate the sale or private placement of, the Convertible Bonds (or portions thereof) of each maturity at a price equal to 100% of the principal amount thereof. The Remarketing Agent shall notify the Trustee no later than one Business Day (or two Business Days if THDA elects the Long Term Option) preceding the applicable Tender Date, of the amount remarketed, their maturities and interest rates. Any portion of the Convertible Bonds not remarketed shall be redeemed by the Trustee with moneys made available from proceeds of such Bonds on deposit in the Issue 2021-3B Subaccount of the Loan Fund, as applicable.

Section 3.05. Payment of Tendered Convertible Bonds.

(a) *Application of Remarketing Account.* The Trustee shall establish hereunder a Remarketing Account and shall deposit therein proceeds received from the remarketing of the Convertible Bonds.

(b) *Payment of Tendered Bonds.* On each Tender Date, the Trustee shall purchase the amount of the Convertible Bonds which have been tendered to the extent proceeds for such purchase are available in the Remarketing Account. Any portion of a Convertible Bond which has been tendered but not remarketed shall be redeemed by the Trustee with moneys available in the Issue 2021-3B Subaccount of the Loan Fund, as applicable, which are attributable to the proceeds of such unremarketed Convertible Bonds.

ARTICLE IV

SALE AND DELIVERY

Section 4.01. Sale.

(a) The Issue 2021-3 Bonds are hereby authorized to be sold to the Underwriters at the prices and on the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations, warranties and agreements therein set forth. The Board of Directors of THDA hereby authorizes the Designated Authorized Officer to approve the purchase price of the Issue 2021-3 Bonds and to execute the Bond Purchase Agreement.

(b) The Designated Authorized Officer of THDA is hereby authorized to make public and to authorize distribution of the Official Statement relating to the Issue 2021-3 Bonds in substantially the form presented to THDA with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Chair, Vice Chair, Executive Director and Designated Authorized Officer are hereby authorized to sign and deliver such Official Statement to the Underwriters. The distribution of the Preliminary Official Statement relating to the Issue 2021-3 Bonds to the public is hereby authorized and approved.

(c) The Issue 2021-3 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 2021-3 Supplemental Resolution.

ARTICLE V

DISPOSITION OF PROCEEDS AND OTHER MONEYS

Section 5.01. Loan Fund; Bond Reserve Fund Requirement. Upon receipt of the proceeds of the sale of the Issue 2021-3 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the Issue 2021-3 Bond Subaccount of the Loan Fund and in the Bond Reserve Fund, if applicable, as shall be set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2021-3 Bonds. Amounts on deposit in the Issue 2021-3B Subaccount of the Loan fund shall not be applied to finance Program Loans until the interest rates on all or a portion of the Issue 2021-3B Bonds are converted to Long Term Rate Bonds. Amounts on deposit in the Issue 2021-3A Bond Subaccount of the Loan Fund in excess of \$_____, [together with the Transferred Proceeds,] shall be applied to (i) the financing of Program Loans (including Program Securities), or participations therein, in accordance with the provisions of the General Resolution and Section 5.04 hereof, (ii) deposits to

the Bond Reserve Fund and the Debt Service and Expense Account of the Revenue Fund, (iii) payment of Costs of Issuance and (iv) payment of capitalized interest to the extent, if any, specified by written instructions of an Authorized Officer.

Upon the conversion of any Issue 2021-3B Bonds to a Long Term Rate Bonds, THDA shall deposit the proceeds of such Long Term Rate Bonds, together with any contribution from THDA of available THDA funds, in a Subseries subaccount of the related Issue 2021-3B Subaccount of the Loan Fund and in the Bond Reserve Fund, if applicable; such deposits shall be as set forth in a certificate of THDA delivered on or prior to the date of conversion of any Issue 2021-3B Bonds to Long Term Rate Bonds. Such proceeds may be (a) applied to the refunding of Refunded Bonds, if any, (b) deposited to the Issue 2021-3B Subaccount of the Bond Fund in any amount required to meet the Bond Reserve Requirement for such Series, and (c) applied to the payment of Remarketing Costs; all remaining proceeds may be applied to finance Program Loans, or participations therein, in accordance with the provisions of the General Resolution and Section 5.04 hereof.

Amounts on deposit in a Subseries subaccount of any the Issue 2021-3 Subaccount of the Loan Fund shall be withdrawn therefrom and applied to the mandatory redemption of the related Issue 2021-3 Bonds as described in Section 2.11(a) hereof. The date of such redemption provided in Section 2.11(a) may be extended upon the delivery by THDA to the Trustee and the Rating Agency of a Projected Cash Flow Statement which satisfies the requirements of Section 7.11 of the General Resolution; provided further that the date of such redemption shall not be extended beyond the date set forth in the second paragraph of Section 2.11(a) unless THDA is in receipt of an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Issue 2021-3 Bonds from the income of the owners thereof for federal income tax purposes. The amount of funds on deposit in the Issue 2021-3 Bond Subaccount of the Loan Fund to be used to pay Costs of Issuance with respect to the Issue 2021-3 Bonds shall not exceed 2% of the proceeds of the Issue 2021-3 Bonds.

All of the funds deposited in the Issue 2021-3 Subaccounts of the Loan Fund allocable to the new money proceeds of the Issue 2021-3 Bonds which are to be used to finance Program Loans shall be made available for owner financing of “targeted area residences” (as defined in Section 143(j) of the Code) for a period of one year subsequent to the date on which such funds are first made available to finance Program Loans, unless THDA shall receive an opinion of Bond Counsel to the effect that the failure to make such moneys available will not adversely affect the exclusion of interest on the Issue 2021-3 Bonds from the gross income of the owners thereof for federal income tax purposes.

The Bond Reserve Fund Requirement with respect to the Issue 2021-3 Bonds and any Subseries of Long Term Rate Bonds shall be [an amount equal to 3% of the then current balance of Program Loans (other than Program Loans underlying Program Securities) allocable to such Series or Subseries of the Issue 2021-3 Bonds plus the amount on deposit in the related Issue 2021-3 Subaccount of the Loan Fund which has not been designated to provide for the payment of Costs of Issuance or capitalized interest. On the Issue Date, THDA shall deposit an amount in the Bond Reserve Fund to satisfy the Bond Reserve Requirement.]

Section 5.02. Proceeds of Issue 2021-3A Bonds and Issue 2021-3B Bonds. Proceeds of the Issue 2021-3A Bonds and Issue 2021-3B Bonds, together with any contribution from THDA of available THDA funds, initially shall be deposited (a) in the principal amount of \$ _____, in the Issue 2021-3A Bond Subaccount of the Loan Fund, and (b) in the principal amount of \$ _____, in the Issue 2021-3B Bond Subaccount of the Loan Fund. On the Issuance Date, \$ _____ of the amount on deposit in the Issue 2021-3A Bond Subaccount of the Loan Fund (representing [the principal] [a portion of] the proceeds of the Issue 2021-3A Bonds) shall be applied to the refunding of the Refunded Bonds.] [On such date, the Transferred Program Loans [and the Transferred Proceeds] shall be credited to the Issue 2021-3 Bond Subaccount of the Loan Fund and the Transferred Investments shall be deposited in such Funds or Accounts as shall be set forth in a certificate of THDA delivered on or prior to the Issuance Date.]]

Section 5.03. Investment of Proceeds of Issue 2021-3B Bonds. The proceeds of the Issue 2021-3B Bonds bearing interest at a Short Term Rate shall be invested in Investment Securities which mature and bear interest in an amount at least equal to the principal of and interest due on such Issue 2021-3B Bonds on their Tender Date. Such Investment Securities will secure all Bonds Outstanding under the General Resolution on a parity basis. Notwithstanding the foregoing, THDA hereby covenants and agrees for the benefit of the owners of the Issue 2021-3B Bonds bearing interest at a Short Term Rate, that amounts on deposit in the Issue 2021-3B Subaccount of the Loan Fund shall be used to pay debt service on Bonds other than the Issue 2021-3B Bonds only to the extent that there are no other funds available for such payment under the Resolution.

Section 5.04. Program Loan Determinations. No Program Loan shall be financed with proceeds of the Issue 2021-3 Bonds [(including the Transferred Proceeds)] unless (i) such Program Loan is made for the acquisition of residential housing for occupancy by not more than four families and (ii) the deed of trust securing such Program Loan shall constitute and create a first lien subject only to Permitted Encumbrances, on the fee simple or leasehold estate, of real property located in the State or on the interest in the real property constituting a part of the residential housing with respect to which the Program Loan secured thereby is made and on the fixtures acquired with the proceeds of the Program Loan attached to or used in connection with such residential housing.

In addition, the Program Loan must either:

- (a) have been pooled into a Program Security; or
- (b) have been insured or guaranteed or have a commitment for insurance or guaranty by (i) the United States or any instrumentality thereof (inclusive of the Federal Housing Administration, the Farmers Home Administration, the Veteran's Administration, or another agency or instrumentality of the United States or the State to which the powers of any of them have been transferred, or which is exercising similar powers with reference to the insurance or guaranty of Program Loans; or (ii) any agency or instrumentality of the State authorized by law to issue such insurance; or
- (c) be made to borrowers who have an equity interest of at least 22% in the property based on the lesser of appraised value (as determined in an appraisal by or acceptable to THDA), or the sale price of the property securing the Program Loan; or

(d) be made in an amount not exceeding the value, as determined in an appraisal by or acceptable to THDA, or sale price of the property securing the Program Loan, whichever is less, but only if (i) THDA is issued a mortgage insurance policy by a private mortgage insurance company, qualified to issue such insurance or guarantee in the State and approved by THDA, and the claims paying ability of which private mortgage insurer is rated by each Rating Agency in a rating category at least as high as the then current rating assigned to the Bonds, under which the insurer, upon foreclosure of the property securing the Program Loan, must pay the holder of the Program Loan the unrecovered balance of a claim including unpaid principal, accrued interest, taxes, insurance premiums, and expenses of foreclosure, if any, or in lieu thereof may permit the holder of the Program Loan to retain title and may pay an agreed insured percentage of such claim; and (ii) the insured percentage of the Program Loan equals the amount by which the original principal amount of the Program Loan exceeds 78% of the value, as determined by an appraisal by or acceptable to THDA or sale price of the property securing the Program Loan, whichever is less.

ARTICLE VI

FORM OF BONDS, AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Section 6.01. Form of Bonds. Subject to the provisions of the General Resolution, the Issue 2021-3 Bonds in fully registered form shall be in substantially the form attached hereto as Exhibit C, with such variations as shall be appropriate in order to conform to the terms and provisions of the General Resolution and this Resolution.

Section 6.02. Form of Trustee's and Authenticating Agent's Certificate of Authentication. The Issue 2021-3 Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication in substantially the following form:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, [Issue 2021-3A] [Issue 2021-3B] (Non-AMT) of the Tennessee Housing Development Agency.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

ARTICLE VII

MISCELLANEOUS

Section 7.01. No Recourse Against Members or Other Persons. No recourse may be had for the payment of principal of or premium or interest on the Issue 2021-3 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2021-3 Bonds and neither the members of THDA nor any person executing the Issue 2021-3 Bonds may be liable personally on the Issue 2021-3 Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

Section 7.02. Bonds not Debt, Liability or Obligation of the State or the United States of America. The Issue 2021-3 Bonds are not a debt, liability or the obligation of the State or any other political subdivision thereof. Neither the full faith and credit nor the taxing power of the State, or of any other political subdivision thereof, is pledged for the payment of the principal of or interest on the Issue 2021-3 Bonds. The Issue 2021-3 Bonds are not a debt, liability or obligation of the United States of America or any agency thereof. Neither the full faith and credit nor the taxing power of the United States of America is pledged for payment of the principal of or interest on the Issue 2021-3 Bonds.

Section 7.03. Delivery of Projected Cash Flow Statements. THDA shall deliver such Projected Cash Flow Statements at the times and on the occasions set forth in the General Resolution or this Resolution.

Section 7.04. Authorized Officers. The Chair, Vice Chair, Executive Director, General Counsel, Deputy Executive Director and Secretary of THDA and the Secretary and any Assistant Secretary of the Bond Finance Committee and any other proper officer of THDA, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the General Resolution and the Official Statement.

Section 7.05. Authorized Trustee. THDA authorizes and directs the Trustee to perform any and all acts contemplated to be performed by the Trustee pursuant to the terms and provisions of this Resolution.

Section 7.06. Covenant to Comply with Federal Tax Law Requirements. THDA hereby covenants to comply with all applicable requirements of the Code so that interest on the Issue 2021-3 Bonds will be excluded from gross income of the holders thereof for federal income tax purposes, including the rebate requirement of Section 148(f) of the Code. THDA also covenants to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements. In accordance with the rebate requirement, THDA agrees that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Issue 2021-3 Bonds from time to time.

Section 7.07. Continuing Disclosure Undertaking.

(a) THDA shall deliver to the MSRB, within 210 days after the end of each Fiscal Year:

(i) a copy of the annual financial statements of THDA prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board; and

(ii) an annual update of the type of information in the Official Statement (A) contained in Appendix E, (B) regarding annual required contributions for employee pension plan and other post-employment benefits to the extent not included in annual financial statements and (C) of the nature disclosed under the following headings (including, without limitation, information with respect to the outstanding balances of Program Loans, by mortgage type, delinquency information, acquisition costs and income limits):

(A) Residential Finance Program Bonds; and

(B) Residential Finance Program Loans.

The information described in this subsection (a) may be provided by specific reference to documents (including official statements, to the extent the official statements include the information described in this subsection (a)) previously provided to the MSRB or filed with the Securities and Exchange Commission.

If unaudited financial statements are provided as part of the information required to be delivered under this subsection (a) within the time period specified above, THDA shall provide, when and if available, a copy of THDA's audited financial statements to the MSRB.

(b) THDA shall deliver to the MSRB and the Trustee, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events (if applicable) with respect to the Issue 2021-3 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on the Bond Reserve Fund (or other debt service reserves) reflecting financial difficulties;

(iv) unscheduled draws on any credit enhancements reflecting financial difficulties;

(v) substitution of any credit or liquidity provider, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issue 2021-3 Bonds, or other material events affecting the tax status of the Issue 2021-3 Bonds;

(vii) modifications to rights of the holders of the Issue 2021-3 Bonds, if material;

- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Issue 2021-3 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of THDA (which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for THDA in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of THDA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of THDA);
- (xiii) The consummation of a merger, consolidation or acquisition involving THDA or the sale of all or substantially all of the assets of THDA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of THDA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of THDA, any of which affect Bondholders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of THDA, any of which reflect financial difficulties.

For the purposes of the events identified in clauses (xv) and (xvi) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Issue 2021-3 Bonds or defeasance of any Issue 2021-3 Bonds need not be given

pursuant to this Section 7.07 any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Issue 2021-3 Bonds pursuant to the Resolution.

(c) THDA shall give notice to the Trustee and the MSRB in a timely manner of any failure by THDA to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) THDA agrees that the provisions of this Section 7.07 shall be for the benefit of the beneficial owners of the Issue 2021-3 Bonds whether or not the Rule applies to such Issue 2021-3 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2021-3 Bonds (except to the extent required under clause (iv)(B) below), if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of THDA or the type of business conducted thereby; (ii) these agreements as so amended would have complied with the requirements of the Rule as of the date of this Resolution, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (iii) THDA shall have delivered to the Trustee an opinion of counsel, addressed to THDA and the Trustee, to the same effect as set forth in clause (ii) above; (iv) either (A) THDA shall deliver to the Trustee an opinion of or determination by a person unaffiliated with THDA (which may include the Trustee or bond counsel), acceptable to THDA and the Trustee, addressed to THDA and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Issue 2021-3 Bonds or (B) the holders of the Issue 2021-3 Bonds consent to the amendment pursuant to the same procedures as are required for amendments to the General Resolution with consent of the holders of Bonds pursuant to the General Resolution as in effect on the date of this Resolution; and (v) THDA shall have delivered copies of such opinion(s) and the amendment to the MSRB.

(g) THDA's obligations with respect to the beneficial owners of the Issue 2021-3 Bonds under these agreements as set forth above terminate upon a legal defeasance pursuant to the General Resolution, prior redemption or payment in full of all of the Issue 2021-3 Bonds. THDA shall give notice of any such termination to the MSRB.

(h) Failure by THDA to comply with this Section 7.07 shall not constitute an Event of Default under the General Resolution but the undertaking in this Section 7.07 may be enforced by any beneficial owner of the Issue 2021-3 Bonds exclusively by an action for specific performance. The obligations of THDA in this Section 7.07 shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of the obligations under this Section 7.07 shall be instituted in a court of competent jurisdiction in the State.

Section 7.08. Confirmation and Adjustment of Terms by Designated Authorized Officer. The terms of the Issue 2021-3 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the approval of the sale of the Issue 2021-3 Bonds by the Designated Authorized Officer. The Designated Authorized Officer is hereby authorized to make such changes or modifications in the principal amounts, maturities and interest rates for the Issue 2021-3 Bonds and in the application of the proceeds thereof, paying agents, terms of redemption and the schedule of prepayment amounts to be used for accrued principal installments in such manner as the Designated Authorized Officer determines to be necessary or convenient to better achieve the purposes of the Act and in the best interests of THDA.

Section 7.09. Covenant as to Investment Securities. THDA will not change the terms of any Investment Securities in which the Issue 2021-3B Bond proceeds are invested nor liquidate such Investment Securities at less than par prior to the maturity thereof during the period prior to its selection of the Long Term Option for all Issue 2021-3B Bonds without first obtaining the prior written consent of each Rating Agency.

Section 7.10. Effective Date. This Resolution will take effect immediately.

EXHIBIT A

BOND PURCHASE AGREEMENT

EXHIBIT B

[PLANNED AMORTIZATION AMOUNTS FOR ISSUE 2021-3A PAC BONDS]

Date

Issue 2021-3A PAC Bonds
Planned Amortization Amount

**[[400]% PSA PREPAYMENT AMOUNTS
FOR ISSUE 2021-3A BONDS]**

Date	Cumulative Amount	Date	Cumulative Amount
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EXHIBIT C

FORM OF BOND

REGISTERED

R- [3A][3B]-__

\$_[_____]

**TENNESSEE HOUSING DEVELOPMENT AGENCY
RESIDENTIAL FINANCE PROGRAM BOND
ISSUE 2021-3[A][B] (Non-AMT)**

Interest Rate	Dated Date	Maturity Date	Cusip
[_]%	[____], 2021	[_____]	880461[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: [_____]

TENNESSEE HOUSING DEVELOPMENT AGENCY (hereinafter sometimes called “THDA”), a body politic and corporate and a political subdivision of the State of Tennessee (herein called the “State”), created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner (shown above), or registered assigns, the principal sum (shown above), on the maturity date specified above, and to pay interest on said principal sum to the Registered Owner of this Bond from the dated date hereof until THDA’s obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above payable on each January 1 and July 1 commencing [July 1, 2022]. The principal of and interest on this Bond are payable at the designated corporate trust office of U.S. Bank National Association, Nashville, Tennessee in any coin or currency of the United States of America, which, on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

This Bond is one of the bonds of THDA designated “Residential Finance Program Bonds” (herein called the “Bonds”) authorized to be issued in various series under and pursuant to the Tennessee Housing Development Agency Act, Sections 13-23-101 et seq., of the Tennessee Code Annotated, as amended (herein called the “Act”), a resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (herein called the “General Resolution”) and a supplemental resolution authorizing each issue. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series of various principal amounts, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds

issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This bond is one of a series of bonds additionally designated “Issue 2021-3[A][B]” (herein called the “Bonds”) issued in the aggregate principal amount of \$ _____ under the General Resolution, a resolution of THDA adopted on September 28, 2021, as approved in its amended and supplemented form by the Designated Authorized Officer on _____, 2021 (collectively with the General Resolution, the “Resolutions”). Copies of the Resolutions are on file at the office of THDA in Nashville, Tennessee and at the principal corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as trustee under the General Resolution (said trustee under the General Resolution being called herein the “Trustee”) and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder.

To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by THDA with the written consent of the holders of at least two-thirds in principal amount of the Bonds then outstanding, and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding. If such modification or amendment will by its terms not take effect so long as any Bonds of any specified like series and maturity remain outstanding, however, the consent of the holders of such Bonds shall not be required. In addition, certain other modifications or amendments to the Resolutions can be made which are not contrary to or inconsistent with the Resolutions without the consent of the Bondholders.

The holder of this Bond shall have no right to enforce the provisions of the Resolutions, to institute actions to enforce the provisions of the Resolutions or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the General Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the General Resolution, the principal of all the Bonds issued thereunder and then outstanding, together with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

This Bond is transferable, as provided in the Resolutions, only upon the books of THDA kept for that purpose at the office of the Trustee by the registered owner hereof in person or by such owner’s attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner’s attorney duly authorized in writing, and thereupon a new registered Bond or Bonds in the same aggregate principal amount and of the same subseries and maturity shall be issued to the transferee in exchange therefor as provided in the General Resolution and upon the payment of the charges, if any, therein prescribed. THDA and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving

payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a special limited obligation of THDA payable solely from the revenues and assets pledged therefor pursuant to the General Resolution.

The Bonds are issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.

The Bonds are subject to optional, mandatory and sinking fund redemption as described in the Resolutions.

This Bond does not constitute a debt, liability or other obligation of the State or any political subdivision thereof other than THDA and neither the State nor any political subdivision thereof shall be obligated to pay the principal of the Bonds or the interest thereon. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

This Bond shall not be valid or become obligatory for any other purpose or be entitled to any security or benefit under the Resolutions until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Act provides that neither the members of THDA nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State and the Resolutions to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Bonds, together with all other indebtedness, of THDA, is within every debt and other limit prescribed by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, TENNESSEE HOUSING DEVELOPMENT AGENCY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Executive Director, all as of the dated date shown above.

TENNESSEE HOUSING DEVELOPMENT
AGENCY

By _____
Michael L. Hedges
Chair
[SEAL]

Attest:

By _____
Ralph M. Perrey
Executive Director

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, Issue 2021-3[A][B] (Non-AMT) of the Tennessee Housing Development Agency.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

Dated: _____, 2021

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
 (Cust) (Minor)
 under Uniform Gifts to Minors
 Act _____
 (State)

Additional Abbreviations may also be used though not in the above list

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the bond register, with full power of substitution in the premises.

Dated: _____

Social Security Number or
Employer Identification
Number of Transferred: _____

Signature guaranteed: _____

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

EXHIBIT D
REFUNDED BONDS

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY
AUTHORIZING THE ISSUANCE AND SALE OF
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2021-3
September 28, 2021

WHEREAS, pursuant to Tennessee Code Annotated Sections 13-23-101 et seq., as amended (the “Act”), the Bond Finance Committee of the THDA Board of Directors (the “Committee”), on September 28, 2021, approved a plan of financing for Residential Finance Program Bonds, Issue 2021-3 (the “Bonds”) in an aggregate par amount not to exceed \$175,000,000 (the “Plan of Financing”); and

WHEREAS, the Plan of Financing provides for the Bonds to be issued and sold as convertible option bonds or as additional series of long term and/or short term tax-exempt and/or taxable bonds, with fixed or variable interest rates, under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”), and to be sold by competitive or negotiated sale, all at the election of the below-defined Authorized Officer; and

WHEREAS, THDA on January 26, 2021, adopted a Housing Cost Index, as defined in Section 13-23-103(7) of the Act, which shows that, as of January 5, 2021, primary housing costs exceed 25% of an average Tennessee household’s gross monthly income; and

WHEREAS, pursuant to Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), THDA must conduct a public hearing regarding the issuance of the Bonds and submit the results of the public hearing to the Governor of the State of Tennessee for approval; and

WHEREAS, THDA proposes to distribute a preliminary official statement (the “Preliminary Official Statement”) to prospective purchasers and to make available to the respective purchasers a final official statement (the “Official Statement”) with respect to the Bonds; and

WHEREAS, the Board wishes to authorize the Authorized Officer to proceed with the issuance and sale of the Bonds to provide funds for THDA’s programs in accordance with the Plan of Financing and this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY AS FOLLOWS:

1. The Secretary of the Committee, or in the absence of the Secretary of the Committee an officer designated by the Secretary of the Committee, is appointed as the authorized officer (the “Authorized Officer”) and is authorized to sell the Bonds and to fix the details of the Bonds in accordance with the Plan of Financing and this Resolution.

2. The issuance and sale of the Bonds, in an aggregate par amount not to exceed \$175,000,000, with the final terms, all as determined by the Authorized Officer pursuant to the Plan of Financing and upon the recommendation of THDA’s Financial Advisor, and the Executive Director, with the approval of THDA’s Bond Counsel, is hereby authorized.

3. The resolution titled “A Supplemental Resolution Authorizing the Sale of Residential Finance Program Bonds, \$_____ Issue 2021-3A (Non-AMT), and \$_____ Issue 2021-3B (Non-AMT), (the “Supplemental Resolution”), in the form attached hereto, is adopted, subject to the provisions contained herein.

4. THDA is authorized and directed to conduct a public hearing prior to the issuance of the Bonds, to the extent required by the Code, with reasonable public notice and to submit the results of the public hearing to the Governor to obtain the Governor’s written approval.

5. The Authorized Officer is authorized to (a) select the manner of sale; (b) designate multiple series or sub-series, as needed; (c) designate AMT, non-AMT or taxable components; (d) designate fixed

interest rates or, in the case of any convertible option bonds, fixed or variable interest rates; (e) approve a final structure for the Bonds; (f) approve a final principal amount or amounts, not to exceed a par amount of \$175,000,000; (g) authorize bond insurance, if determined necessary; (h) determine all other final terms of the Bonds, in accordance with this Resolution, the Plan of Financing and the Supplemental Resolution; (i) approve the final version of the Supplemental Resolution, with such additional changes, substitutions, deletions, additions, completions or amendments therein as determined by the Authorized Officer, upon the recommendation of the Executive Director with the approval of Chief Legal Counsel of THDA and Bond Counsel, as the Authorized Officer shall determine to be necessary or appropriate to establish the final terms of the Bonds and their manner of sale; (j) select the senior bookrunning manager and the rotating co-manager upon the recommendation of the Financial Advisor and THDA staff; and (k) award the Bonds in accordance therewith. At the discretion of the Authorized Officer, the Bonds may include new volume cap and any combination of amounts needed to refund all or any part of bonds or notes outstanding under the General Resolution, under the General Homeownership Program Bond Resolution or under the General Housing Finance Resolution, including, without limitation, to produce proceeds for new mortgage loans or to produce economic savings or opportunities for interest rate subsidies. In addition, the Authorized Officer, at the Authorized Officer's discretion, may elect to transfer resources from the General Homeownership Program Bond Resolution and/or the General Housing Finance Resolution to the General Resolution in connection with the issuance of the Bonds upon recommendation of the Executive Director or Secretary of the Committee with the approval of Bond Counsel, Financial Advisor and Chief Legal Counsel.

6. The Assistant Secretary of the Committee, with the assistance of Bond Counsel, the Financial Advisor, and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare a Preliminary Official Statement and a final Official Statement for printing and distribution in connection with the issuance and sale of the Bonds.

7. The Assistant Secretary of the Committee, with the assistance of Bond Counsel and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare all documents determined to be necessary or appropriate for the competitive sale of all or any portion of the Bonds or all documents, including, without limitation, a purchase agreement or purchase agreements in a form appropriate for a negotiated sale, including a private placement, of all or any portion of the Bonds, as determined to be necessary or appropriate, for a negotiated sale of all or any portion of the Bonds.

8. The Authorized Officer is hereby authorized to execute (i) the proposal submitted by the lowest bidder or bidders in the event of a competitive sale of all or any portion of the Bonds or (ii) purchase agreements in the event of a negotiated sale, including a private placement, of all or any portion of the Bonds, the form of which has been approved by the Authorized Officer, upon the recommendation of the Financial Advisor and Bond Counsel, and (iii) to deliver the Bonds as appropriate.

9. The Authorized Officer, and the Chair, the Vice-Chair, the Executive Director, the Director of Finance and the Chief Legal Counsel of THDA and other appropriate officers and employees of THDA, are hereby authorized to do and perform or cause to be done and performed, for or on behalf of THDA, all acts and things (including, without limitation, execution and delivery of documents) that constitute conditions precedent to the issuance and sale of the Bonds or that are otherwise required to be done and performed by or on behalf of THDA prior to or simultaneously with the issuance and sale of the Bonds.

10. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Supplemental Resolution, as the context indicates.

11. This resolution shall take effect immediately.

This Resolution was adopted by the affirmative vote of no fewer than eight (8) members of the THDA Board of Directors at its meeting on September 28, 2021.

MEMORANDUM

TO: THDA Bond Finance Committee, Division of State Government Finance, and THDA

FROM: David Jones, Tim Rittenhouse, and Eric Olson

SUBJECT: Underwriter Recommendation
Residential Finance Program Bonds, Issue 2021-3

DATE: September 7, 2021

Background

In January 2018, THDA’s Bond Finance Committee selected a new underwriting team consisting of co-senior managers Citigroup, Raymond James, and RBC; co-managers JP Morgan and Wells Fargo, with a third position to be filled by a selling group member based on performance on THDA’s prior bond issue. In October 2020, the Bond Finance Committee extended the term of the current underwriting team for an additional year through calendar year 2021.

The purpose of this memo is to recommend firms to serve on THDA’s Issue 2021-3 as:

1. book-running senior manager; and
2. elevated selling group member.

1. Book-Running Senior Manager

Table 1 shows the firms that served as book-running senior managers on THDA’s recent bond issues.

TABLE 1: BOOK-RUNNING SENIOR MANAGERS, RECENT THDA BOND ISSUES

Bond Issue	Par Amount of Bonds Issued	Book-Running Senior Manager
2019-1	175,000,000	RBC Capital Markets
2019-2	200,000,000	Citigroup Global Markets
2019-3	150,000,000	Raymond James
2019-4	200,000,000	RBC Capital Markets
2020-1	200,000,000	Citigroup Global Markets
2020-2	108,500,000	Raymond James
2020-3	145,000,000	RBC Capital Markets
2020-4	145,000,000	Citigroup Global Markets
2021-1	149,990,000	Raymond James
2021-2	99,990,000	RBC Capital Markets

Rather than select the book-running senior manager based on a fixed rotation, according to the latest underwriter selection by the Bond Finance Committee, the book-running senior manager will be selected from among the two firms who did not serve as the senior book-running manager on the last bond issue, based on criteria as determined by the Bond Finance Committee in consultation with the Comptroller’s Office and CSG. As always, THDA reserves the right to adjust the rotation or the factors to be considered at any time and for any reason. Measures of a senior manager’s performance include, but are not limited to, the following:

- Bond distribution performance,
- Pricing aggressiveness,
- Ultimate execution of the sale,
- Flexibility,
- Ability to attract new investors,
- Secondary market support,
- Idea generation,
- Syndicate management,
- Willingness to underwrite unsold bonds,
- Offering of additional credit resources (lines of credit, etc.)

Citigroup continues to perform very well when selected as the book-running senior manager, evidenced by aggressive pricing of Issue 2020-4, the last issue Citi senior-managed for THDA. When senior managing prior issues, the firm has shown a willingness to work the order book diligently, price bonds aggressively, and underwrite unsold bonds when necessary. In recent months, Citi continues to successfully manage and achieve good pricing results for other housing finance agencies, the latest being a South Carolina Housing issue, priced in August.

Given their continued performance as an underwriter of municipal housing bonds, we recommend that Citigroup serve as book-running senior manager for Issue 2021-3.

2. Elevated Selling Group Member

The following table shows the retail performance of each selling group member for Issue 2021-2, including Wiley Brothers - Aintree that acted as the third co-manager based on the firm’s performance on Issue 2021-1.

TABLE 2: RETAIL ORDERS AND ALLOTMENTS BY MEMBER: ISSUE 2021-2 (thousands)

Selling Group Member	Retail Orders	Final Allotments
Duncan Williams	\$ 740	\$ 740
Robert W. Baird	520	495
Wiley Brothers - Aintree	175	175
FHN Financial	50	50
TOTAL	\$ 1,485	\$ 1,460

- Excluding member orders.

Based on final retail allotments on Issue 2021-2, Duncan Williams qualified to be the selling group member elevated to co-manager for THDA’s Issue 2021-3.

A summary of the orders and final allotments for each of the last three bond issues is provided as Exhibit 1.

**EXHIBIT 1: SUMMARY OF FINAL ORDERS AND ALLOTMENTS,
LAST THREE BOND ISSUES**

THDA UNDERWRITER PERFORMANCE SUMMARY – 2020-4, 2021-1, and 2021-2 (\$ thousands)

	2020-4 (Citi lead, Baird co) 145,000		2021-1 (RJ lead, Baird co) 149,990		2021-2 (RBC lead, Wiley co) 99,900		Combined 2020-4 to 2021-2 394,890	
	Orders	Allot- ments	Orders	Allot- ments	Orders	Allot- ments	Orders	Allotments
Citigroup								
Tennessee Retail	2,480	2,480	895	820	60	60	3,435	3,360
National Retail	72,980	25,480	885	310	730	600	74,595	26,390
Net Designated	288,770	100,970	0	0	0	0	288,770	100,970
Member	0	0	25,000	0	16,000	0	41,000	0
Total	364,230	128,930	26,780	1,130	16,790	660	407,800	130,720
Raymond James								
Tennessee Retail	3,500	3,500	30,395	16,645	4,675	4,395	38,570	24,540
National Retail	1,025	295	20,605	6,075	2,875	1,300	24,505	7,670
Net Designated	33,230	8,765	681,185	120,965	750	500	715,165	130,230
Member	40,000	0	1,000	1,000	25,000	0	66,000	1,000
Total	77,755	12,560	733,185	144,685	33,300	6,195	844,240	163,440
RBC Capital Markets								
Tennessee Retail	0	0	0	0	4,830	4,135	4,830	4,135
National Retail	350	150	1,000	250	7,330	2,520	8,680	2,920
Net Designated	0	0	0	0	169,785	79,970	169,785	79,970
Member	22,000	0	17,500	0	0	0	39,500	0
Total	22,350	150	18,500	250	181,945	86,625	222,795	87,025
J.P. Morgan								
Tennessee Retail	150	150	995	600	0	0	1,145	750
National Retail	715	615	7,570	535	610	610	8,895	1,760
Member	10,000	0	2,000	0	6,000	0	18,000	0
Total	10,865	765	10,565	1,135	6,610	610	28,040	2,510
Wells Fargo								
National Retail	2,145	375	2,150	50	1,940	300	6,235	725
Member	20,000	0	15,000	0	0	0	35,000	0
Total	22,145	375	17,150	50	1,940	300	41,235	725
Duncan-Williams								
Tennessee Retail	500	500	595	275	640	640	1,735	1,415
National Retail	0	0	0	0	100	100	100	100
Total	500	500	595	275	740	740	1,835	1,515
FHN Financial								
Tennessee Retail	0	0	250	250	50	50	300	300
Member	0	0	6,500	0	6,000	0	12,500	0
Total	0	0	6,750	250	6,050	50	12,800	300
Robert W. Baird & Co.								
Tennessee Retail	1,200	1,200	1,200	750	520	495	2,920	2,445
National Retail	50	50	290	0	0	0	340	50
Member	0	0	1,000	0	0	0	1,000	0
Total	1,250	1,250	2,490	750	520	495	4,260	2,495
Wiley Bros-Aintree								
Tennessee Retail	0	0	1,900	1,465	175	175	2,075	1,640
Total	0	0	1,900	1,465	175	175	2,075	1,640
TOTAL								
Tennessee Retail	7,830	7,830	36,230	20,805	10,950	9,950	55,010	38,585
National Retail	77,265	26,965	32,500	7,220	13,585	5,430	123,350	39,615
Net Designated	322,000	109,735	681,185	120,965	170,535	80,470	1,173,720	311,170
Member	92,000	0	68,000	1,000	53,000	0	213,000	1,000
Total	499,095	144,530	817,915	149,990	248,070	95,850	1,565,080	390,370