

## MEMORANDUM

**TO:** THDA Bond Finance Committee, Division of State Government Finance (SGF), and THDA

**FROM:** David Jones, Tim Rittenhouse, and Eric Olson

**SUBJECT:** Recommendation for 1-Year Underwriter Term Extension

**DATE:** September 8, 2020

In January 2018, THDA's Bond Finance Committee selected a new underwriting team consisting of senior managers Citigroup, Raymond James, and RBC; and co-managers JP Morgan and Wells Fargo, plus a third co-manager position held by the selling group member that performed best on the prior bond issue. This selection was for a period of three years.

Since this underwriter selection, the book-running senior manager has been chosen from among the two firms that did not serve as the book-running manager on the last issue, based on criteria determined by the Bond Finance Committee in consultation with SGF and CSG. While THDA reserves the right to change these criteria at any time for any reason, established measures of manager performance include, but are not limited to, the following features:

- 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.)

The managers have continued to perform very well by these standards. Moreover, the underwriting team has produced consistently favorable results for THDA, even in unusually uncertain bond markets. Accordingly, we see no disadvantage to THDA in extending the service of its underwriters for an additional year.

Most importantly, with the impact of the coronavirus on the economy and the capital markets ongoing, extending the term of the current underwriting team limits additional disruption to THDA's access to the capital markets and allows THDA to continue to work with a team that has proven itself very familiar with the market for THDA's bonds. Though the bond market may continue to be unstable, THDA will be able to draw on the experience of its seasoned team.

*CSG's recommendation is that THDA extend the service of this underwriting team for one year.*

**ESTIMATED**State Form No. CT-0253  
Revised Effective 2/6/2020**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b>	
Name:	Tennessee Housing Development Agency
Address	Andrew Jackson Building, Third Floor, 502 Deaderick Street
	Nashville, TN 37243-0200
Debt Issue Name:	Issue 2020-2
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

  

<b>2. Face Amount:</b>	\$ 108,500,000.00
Premium/Discount:	\$ See Attachment 1

  

<b>3. Interest Cost:</b>	2.95417 % *Excluding Underwriter's Discount	<input type="checkbox"/> Tax-exempt	<input checked="" type="checkbox"/> Taxable
<input checked="" type="checkbox"/> TIC*	<input type="checkbox"/> NIC		
<input type="checkbox"/> Variable:	Index _____ plus _____ basis points; or		
<input type="checkbox"/> Variable: Remarketing Agent	_____		
<input type="checkbox"/> Other:	_____		

  

<b>4. Debt Obligation:</b>		
<input type="checkbox"/> TRAN	<input type="checkbox"/> RAN	<input type="checkbox"/> CON
<input type="checkbox"/> BAN	<input type="checkbox"/> CRAN	<input type="checkbox"/> GAN
<input checked="" type="checkbox"/> Bond	<input type="checkbox"/> Loan Agreement	<input type="checkbox"/> Capital Lease
If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").		

  

<b>5. Ratings:</b>	
<input type="checkbox"/> Unrated	
Moody's	Aa1
Standard & Poor's	AA+
Fitch	

  

<b>6. Purpose:</b>	
	BRIEF DESCRIPTION
<input type="checkbox"/> General Government _____ %	_____
<input type="checkbox"/> Education _____ %	_____
<input type="checkbox"/> Utilities _____ %	_____
<input type="checkbox"/> Other _____ %	_____
<input checked="" type="checkbox"/> Refunding/Renewal 100.00 %	Refunding of Single Family Bonds

  

<b>7. Security:</b>	
<input type="checkbox"/> General Obligation	<input type="checkbox"/> General Obligation + Revenue/Tax
<input type="checkbox"/> Revenue	<input type="checkbox"/> Tax Increment Financing (TIF)
<input type="checkbox"/> Annual Appropriation (Capital Lease Only)	<input checked="" type="checkbox"/> Other (Describe): Special Limited Obligation

  

<b>8. Type of Sale:</b>	
<input type="checkbox"/> Competitive Public Sale	<input type="checkbox"/> Interfund Loan _____
<input checked="" type="checkbox"/> Negotiated Sale	<input type="checkbox"/> Loan Program _____
<input type="checkbox"/> Informal Bid	

  

<b>9. Date:</b>	
Dated Date: 05/28/2020	Issue/Closing Date: 05/28/2020

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
	\$ See Attachment 2	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**☐ No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 60,000	CSG Advisors Incorporated
Legal Fees	\$ 0	
Bond Counsel	\$ 35,000	Kutak Rock
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 5,425	US Bank, NA
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 131,000	Moody's and S & P
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____%		
Take Down	\$ 551,488	Raymond James & Associates, Inc. ("Raymond James")
Management Fee	\$ 30,000	Raymond James
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 25,000	Hawkins Delafield & Wood
Other expenses	\$ 13,254	Raymond James
Printing and Advertising Fees	\$ 1,500	i-Deal and TN General Services Printing Services
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 0	
<b>TOTAL COSTS</b>	<b>\$ 852,667</b>	

## REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**
☒ No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other _____		

**13. Disclosure Document / Official Statement:**
☐ None Prepared

☐ EMMA link

☒ Copy attached

See Attachment 3: Issue 2020-2 Supplemental Resolution; and  
See Attachment 4: Issue 2020-2 Official Statement \_\_\_\_\_ or

**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?

☒ Yes ☐ No

Is there a continuing disclosure obligation agreement related to this debt?

☒ Yes ☐ No

If yes to either question, date that disclosure is due 210 days after end of each Fish Year

Name and title of person responsible for compliance Trent Ridley, Chief Financial Officer/Lynn Miller, Chief Legal Counsel

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 11/28/2011, as amended

Is the debt obligation in compliance with and clearly authorized under the policy?

☒ Yes ☐ No
**16. Written Derivative Management Policy:**
☒ No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?

☐ Yes ☐ No
**17. Submission of Report:**

To the Governing Body: \_\_\_\_\_ on \_\_\_\_\_ and presented at public meeting held on \_\_\_\_\_

Copy to Director, Division of Local Govt Finance: Estimate: \_\_\_\_\_ on \_\_\_\_\_ either by: \_\_\_\_\_

☐ Mail to:

Cordell Hull Building  
425 Fifth Avenue North, 4th Floor  
Nashville, TN 37243-3400

OR

☒ Email to:

[LGF@cot.tn.gov](mailto:LGF@cot.tn.gov)

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name		Lynn E. Miller
Title	Executive Director	Chief Legal Counsel
Firm	Tennessee Housing Development Agency	Tennessee Housing Development Agency
Email	RPerrey@thda.org	LMiller@thda.org
Date		

**2. PREMIUM/DISCOUNT:**

Includes the original issue premium of \$1,647,956 on the Issue 2020-2 PAC Bonds maturing July 1, 2040

**10. MATURITY DATES, AMOUNTS AND INTEREST RATES**

**\$108,500,000 Issue 2020-2 (Federally Taxable)**

<b>\$63,595,000 Serial Bonds</b>						
<b><u>Year</u></b>	<b><u>Principal, Amount Due January 1</u></b>	<b><u>Interest Rate</u></b>	<b><u>CUSIP Number<sup>(1)</sup></u></b>	<b><u>Principal Amount Due July 1</u></b>	<b><u>Interest Rate</u></b>	<b><u>CUSIP Number<sup>(1)</sup></u></b>
2021	\$ 1,935,000	1.080%	880461Q43	\$ 2,185,000	1.130 %	880461Q50
2022	2,200,000	1.180	880461Q68	2,220,000	1.280	880461Q76
2023	2,235,000	1.495	880461Q84	2,255,000	1.545	880461Q92
2024	2,275,000	1.723	880461R26	2,300,000	1.773	880461R34
2025	2,320,000	1.823	880461R42	2,345,000	1.923	880461R59
2026	2,365,000	2.011	880461R67	2,390,000	2.041	880461R75
2027	2,415,000	2.121	880461R83	2,445,000	2.141	880461R91
2028	2,470,000	2.208	880461S25	2,495,000	2.258	880461S33
2029	2,525,000	2.308	880461S41	2,555,000	2.358	880461S58
2030	2,585,000	2.408	880461S66	2,620,000	2.458	880461S74
2031	2,650,000	2.508	880461S82	2,685,000	2.558	880461S90
2032	2,720,000	2.608	880461T24	2,760,000	2.658	880461T32
2033	2,800,000	2.708	880461T40	2,845,000	2.758	880461T57

<b>\$44,905,000 Term Bonds</b>			
<b><u>Maturity Date</u></b>	<b><u>Principal Amount Due</u></b>	<b><u>Interest Rate</u></b>	<b><u>CUSIP Number<sup>(1)</sup></u></b>
July 1, 2036	\$ 16,575,000	2.958 %	880461T65
July 1, 2040 (PAC)	28,330,000	4.000	880461T73

**PRICE OF ISSUE 2020-2 BONDS DUE JULY 1, 2040 (PAC): 105.817%**

**PRICE OF ALL REMAINING ISSUE 2020-2 BONDS: 100.000%**

<sup>(1)</sup> The CUSIP Numbers have been assigned to this issue by an organization not affiliated with THDA and are included solely for the convenience of the bondholders. Neither THDA nor the Underwriters shall be responsible for the selection or use of these CUSIP Numbers nor is any representation made as to their correctness on the bonds or as indicated herein.

**13. DISCLOSURE DOCUMENT:**

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**TENNESSEE HOUSING DEVELOPMENT AGENCY**

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**A Supplemental Resolution  
Authorizing the Sale of  
Residential Finance Program Bonds  
\$108,500,000 Issue 2020-2 (Federally Taxable)**

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Adopted March 24, 2020  
as approved in its amended and supplemented form  
by the Designated Authorized Officer  
on May 6, 2020

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**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF  
RESIDENTIAL FINANCE PROGRAM BONDS  
\$108,500,000 ISSUE 2020-2 (FEDERALLY TAXABLE)**

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 2020-2 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 Transferred Program Loans at a rate equal to 400% PSA, as set forth in Exhibit B hereto.

“*Bond Purchase Agreement*” means the contract for the purchase of the Issue 2020-2 Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.

“*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 Robert W. Baird & Co. Incorporated.

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

“*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.

“*Excess 2020-2 Principal Payments*” means, as of any date of computation, 100% of all regularly scheduled principal payments and prepayments on the Transferred Program Loans 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 2020-2 Bonds.

“*Excess Program Loans*” means the Program Loans previously allocable to a portion of the Refunded Bonds in an expected aggregate outstanding amount of \$43,733,383; upon the refunding of the Refunded Bonds, such Program Loans will be deposited to the General Resolution but not allocated to the Issue 2020-2 Bonds.

“*Issue 2020-2 Bonds*” means the Issue 2020-2 Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

“*Issue Date*” means the date on which the Issue 2020-2 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on May 28, 2020.

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

“*Official Statement*” means the Official Statement dated May 6, 2020 used in connection with the sale of the Issue 2020-2 Bonds.

“*PAC Bonds*” means the Issue 2020-2 Bonds in the aggregate principal amount of \$28,330,000 maturing on July 1, 2040.

“*PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2020-2 PAC Bonds expected to be redeemed upon the receipt of Excess 2020-2 Principal Payments at a rate equal to 100% PSA, as set forth in Exhibit B hereto.

“*Preliminary Official Statement*” means the Preliminary Official Statement dated April 28, 2020 used in connection with the offering of the Issue 2020-2 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).

“*Refunded Bonds*” means, the bonds of THDA listed in Exhibit D hereto.

“*Resolution*” means this Supplemental Resolution adopted by THDA on March 24, 2020, as approved in its amended and supplemented form by the Designated Authorized Officer on May 6, 2020.

“*Serial Bonds*” means the Issue 2020-2 Bonds which are not Term Bonds.

“*Term Bonds*” means, collectively, the Issue 2020-2 Bonds maturing July 1, 2036 and July 1, 2040.

“*Transferred Investments*” means amounts on deposit in certain funds and accounts of THDA allocated to the Refunded Bonds which are allocated to the Issue 2020-2 Bonds upon the refunding of the Refunded Bonds.

“*Transferred Program Loans*” means the Program Loans allocable to a portion of the Refunded Bonds in an expected aggregate outstanding amount of \$108,819,605 which will be allocated to the Issue 2020-2 Bonds upon the refunding of the Refunded Bonds.

“*Underwriters*” means, collectively, Raymond James & Associates, Inc., RBC Capital Markets, LLC, and Citigroup Global Markets Inc., their respective successors and assigns, and the Co-Managers as purchasers of the Issue 2020-2 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 Transferred Program Loans as well as new Program Loans, if any, and, without duplication, Program Securities, and the phrase “Program Loans allocable to the Issue 2020-2 Bonds” shall include the Transferred Program Loans as well as any new Program Loans and Program Securities acquired with proceeds of the Issue 2020-2 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 2020-2 are hereby authorized to be issued as taxable bonds in the aggregate

principal amount of \$108,500,000. In addition to the title “Residential Finance Program Bond,” the Issue 2020-2 Bonds will bear the additional designation “Issue 2020-2 (Federally Taxable).” The Issue 2020-2 Bonds shall be issued only in fully registered form. The Issue 2020-2 Bonds will consist of \$63,595,000 principal amount of Serial Bonds and \$44,905,000 principal amount of Term Bonds.

**Section 2.02. Purposes.** The Issue 2020-2 Bonds are being issued (a) to refund the Refunded Bonds, (b) if required, to pay capitalized interest on the Issue 2020-2 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 2020-2 Bonds. As a result of the refunding of the Refunded Bonds, the Transferred Program Loans and the Transferred Investments will become allocated to the Issue 2020-2 Bonds and the Excess Program Loans will become allocable to the General Resolution. The proceeds of the Issue 2020-2 Bonds and the Transferred Investments shall be applied in accordance with Article IV hereof.

**Section 2.03. Amounts, Maturities and Interest Rates.**

(a) The Issue 2020-2 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, 2021, at the rate set opposite such date in the following tables:

[Remainder of page intentionally left blank]

## Issue 2020-2 Bonds

### Serial Bonds

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
January 1, 2021	\$ 1,935,000	1.080%	July 1, 2027	\$ 2,445,000	2.141%
July 1, 2021	2,185,000	1.130	January 1, 2028	2,470,000	2.208
January 1, 2022	2,200,000	1.180	July 1, 2028	2,495,000	2.258
July 1, 2022	2,220,000	1.280	January 1, 2029	2,525,000	2.308
January 1, 2023	2,235,000	1.495	July 1, 2029	2,555,000	2.358
July 1, 2023	2,255,000	1.545	January 1, 2030	2,585,000	2.408
January 1, 2024	2,275,000	1.723	July 1, 2030	2,620,000	2.458
July 1, 2024	2,300,000	1.773	January 1, 2031	2,650,000	2.508
January 1, 2025	2,320,000	1.823	July 1, 2031	2,685,000	2.558
July 1, 2025	2,345,000	1.923	January 1, 2032	2,720,000	2.608
January 1, 2026	2,365,000	2.011	July 1, 2032	2,760,000	2.658
July 1, 2026	2,390,000	2.041	January 1, 2033	2,800,000	2.708
January 1, 2027	2,415,000	2.121	July 1, 2033	2,845,000	2.758

### Term Bonds

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
July 1, 2036	\$ 16,575,000	2.958%
July 1, 2040	28,330,000	4.000

(b) Whenever the due date for payment of interest on or principal of the Issue 2020-2 Bonds or the date fixed for redemption of any Issue 2020-2 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 2020-2 Bonds 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 2020-2 Bonds maturing in such year. The Issue 2020-2 Bonds are to be lettered “R-2,” and numbered separately from 1 consecutively upwards.

(b) The Issue 2020-2 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2020-2 Bond will be outstanding for each maturity and interest rate of the Issue 2020-2 Bonds in the aggregate principal

amount of such maturity and interest rate. Subject to the provisions of the General Resolution, purchases of ownership interests in the Issue 2020-2 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2020-2 Bonds will not receive certificates representing their interest in the Issue 2020-2 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2020-2 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2020-2 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 2020-2 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 2020-2 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 2020-2 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2020-2 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 2020-2 Bonds upon instructions from THDA to that effect.

**Section 2.07. Place of Payment; Record Date.** While the Issue 2020-2 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 2020-2 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2020-2 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2020-2 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2020-2 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2020-2 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 2020-2 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 2020-2 Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2020-2 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 2020-2 Term Bonds due July 1, 2036

Date	Amount Due	Date	Amount Due
January 1, 2034	\$ 2,885,000	July 1, 2035	\$ 3,020,000
July 1, 2034	2,930,000	January 1, 2036	3,065,000
January 1, 2035	2,975,000	July 1, 2036*	1,700,000

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\*Maturity

### Issue 2020-2 Term Bonds due July 1, 2040 (PAC)

Date	Amount Due	Date	Amount Due
July 1, 2036	\$ 1,410,000	January 1, 2039	\$ 3,390,000
January 1, 2037	3,165,000	July 1, 2039	3,450,000
July 1, 2037	3,220,000	January 1, 2040	3,510,000
January 1, 2038	3,275,000	July 1, 2040*	3,575,000
July 1, 2038	3,335,000		

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\*Maturity

(b) Upon the purchase or redemption of Issue 2020-2 Bonds of any 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 2020-2 Bonds of such maturity will be credited by an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Issue 2020-2 Bonds of such maturity to be purchased or redeemed bears to the total amount of all Sinking Fund Payments for such maturity of Issue 2020-2 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

**Section 2.09. Optional Redemption.** The Issue 2020-2 Bonds maturing on and after January 1, 2030, 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, 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 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.

**Section 2.10. Special Optional Redemption.** The Issue 2020-2 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) repayments and prepayments of the Transferred Program Loans not otherwise required to be applied to the special mandatory redemption of the Issue 2020-2 Bonds as described in Section 2.11 hereof or to make regularly scheduled principal payments, including Sinking Fund Payments, on the Issue 2020-2 Bonds, (ii) 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, (iii) other amounts on deposit in the Revenue Fund in excess of the amounts required for the payment of Debt Service and Program Expenses, and (iv) amounts on deposit in the Bond Reserve Fund in excess of the Bond Reserve Requirement; provided however, that the PAC Bonds (A) are only subject to redemption as described in clause (i) above as described in Section 2.11 hereof, and (B) shall not be subject to redemption as described in clauses (ii), (iii) and (iv) above if such redemption would cause amortization of a PAC Bond to exceed the PAC Bonds 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 2020-2 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.

The Issue 2020-2 Bonds to be redeemed pursuant to this Section 2.10 shall be selected by THDA in its sole discretion; provided, however, that the PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2020-2 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 of 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 2020-2 Principal Payments. Any Excess 2020-2 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, 2021; provided, however, that PAC Bonds may be redeemed on or after July 1, 2020, and between Interest Payment Dates on the first Business Day of any month for which adequate notice of redemption may be given.

While any PAC Bonds remain Outstanding, Excess 2020-2 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Transferred Program Loans are equal to or less than the 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2020-2 Principal Payments shall first be applied to redeem the PAC Bonds up to an amount correlating to the PAC Bonds Planned Amortization Amount, and 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 the PAC Bonds.

SECOND, if principal prepayments on the Transferred Program Loans are in excess of the 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2020-2 Principal Payments shall first be applied to redeem PAC Bonds up to an amount correlating to the PAC Bonds Planned Amortization Amount (as set forth in "FIRST" above) and 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 the PAC Bonds (any such remainder used to redeem 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 2020-2 Principal Payments which is in excess of 400% PSA, and (ii) the principal amount of an Excess Principal PAC Bond Redemption may not be an amount in excess of the PAC Bonds' proportionate amount of all Issue 2020-2 Bonds then Outstanding.

**Section 2.12. Selection by Lot.** If less than all of the Issue 2020-2 Bonds of like 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**

#### **SALE AND DELIVERY**

**Section 3.01. Sale.**

(a) The Issue 2020-2 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 2020-2 Bonds and to execute the Bond Purchase Agreement.

(b) The Secretary of the Bond Finance Committee of THDA is hereby authorized to make public and to authorize distribution of the Official Statement relating to the Issue 2020-2 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 Secretary of the Bond Finance Committee are hereby authorized to sign and deliver such Official Statement to the Underwriters. The distribution of the Preliminary Official Statement relating to the Issue 2020-2 Bonds to the public is hereby authorized and approved.

(c) The Issue 2020-2 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 2020-2 Supplemental Resolution.

### **ARTICLE IV**

#### **DISPOSITION OF PROCEEDS AND OTHER MONEYS**

**Section 4.01. Proceeds of Issue 2020-2 Bonds.** Upon receipt of the proceeds of the sale of the Issue 2020-2 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the Issue 2020-2 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 2020-2 Bonds. On the Issue Date,

amounts on deposit in the Issue 2020-2 Bond Subaccount of the Loan Fund equal to (i) the principal amount of the Refunded Bonds (\$108,545,000) and (ii) a portion of the interest due on the Refunded Bonds (approximately \$747,789.66) shall be allocated to the refunding of the Refunded Bonds on their respective redemption dates (as set forth in Exhibit D hereto); the remaining interest due on the related respective redemption dates of the Refunded Bonds will be paid from funds on deposit in the respective redemption accounts relating to the Refunded Bonds. On such date, (i) the Transferred Program Loans shall be credited to the Issue 2020-2 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 and (ii) the Excess Program Loans shall be transferred and credited to the Debt Service and Expense Account of the Revenue Fund of the General Resolution.

**Section 4.02. Loan Fund; Bond Reserve Fund Requirement.** Subsequent to the refunding of the Refunded Bonds, amounts on deposit in the Issue 2020-2 Bond Subaccount of the Loan Fund (including Transferred Investments), shall be applied to (i) 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.

The Bond Reserve Fund Requirement with respect to the Issue 2020-2 Bonds shall be an amount equal to 3% of the then current balance of Transferred Program Loans allocable to the Issue 2020-2 Bonds plus the amount on deposit in the Issue 2020-2 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 and upon the refunding of the Refunded Bonds, THDA shall deposit an amount in the Bond Reserve Fund which, together with any excess amounts on deposit in the Bond Reserve Fund, shall satisfy the Bond Reserve Requirement.

**Section 4.03. [Reserved].**

## **ARTICLE V**

### **FORM OF BONDS, AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

**Section 5.01. Form of Bonds.** Subject to the provisions of the General Resolution, the Issue 2020-2 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 5.02. Form of Trustee's and Authenticating Agent's Certificate of Authentication.** The Issue 2020-2 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 2020-2 (Federally Taxable) of the Tennessee Housing Development Agency.

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

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

## ARTICLE VI

### MISCELLANEOUS

**Section 6.01. 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 2020-2 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2020-2 Bonds and neither the members of THDA nor any person executing the Issue 2020-2 Bonds may be liable personally on the Issue 2020-2 Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

**Section 6.02. Bonds not Debt, Liability or Obligation of the State or the United States of America.** The Issue 2020-2 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 2020-2 Bonds. The Issue 2020-2 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 2020-2 Bonds.

**Section 6.03. 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 6.04. 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 6.05. 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 6.06. [Reserved].**

## **Section 6.07. 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 2020-2 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 2020-2 Bonds, or other material events affecting the tax status of the Issue 2020-2 Bonds;

(vii) modifications to rights of the holders of the Issue 2020-2 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 2020-2 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 2020-2 Bonds or defeasance of any Issue 2020-2 Bonds need not be given pursuant to this Section 6.07 any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Issue 2020-2 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 6.07 shall be for the benefit of the beneficial owners of the Issue 2020-2 Bonds whether or not the Rule applies to such Issue 2020-2 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2020-2 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 2020-2 Bonds or (B) the holders of the Issue 2020-2 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 2020-2 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 2020-2 Bonds. THDA shall give notice of any such termination to the MSRB.

(h) Failure by THDA to comply with this Section 6.07 shall not constitute an Event of Default under the General Resolution but the undertaking in this Section 6.07 may be enforced by any beneficial owner of the Issue 2020-2 Bonds exclusively by an action for specific performance. The obligations of THDA in this Section 6.07 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 6.07 shall be instituted in a court of competent jurisdiction in the State.

**Section 6.08. Confirmation and Adjustment of Terms by Designated Authorized Officer.** The terms of the Issue 2020-2 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the approval of the sale of the Issue 2020-2 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 2020-2 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 6.09. Effective Date.** This Resolution will take effect immediately.



**EXHIBIT A**  
**BOND PURCHASE AGREEMENT**

## EXHIBIT B

### PLANNED AMORTIZATION AMOUNTS FOR PAC BONDS

<u>Date</u>	<u>PAC Bonds</u> <u>Planned Amortization Amount</u>
January 1, 2021	\$ 3,215,000
July 1, 2021	6,010,000
January 1, 2022	8,630,000
July 1, 2022	11,070,000
January 1, 2023	13,340,000
July 1, 2023	15,445,000
January 1, 2024	17,385,000
July 1, 2024	19,160,000
January 1, 2025	20,780,000
July 1, 2025	22,245,000
January 1, 2026	23,565,000
July 1, 2026	24,735,000
January 1, 2027	25,760,000
July 1, 2027	26,640,000
January 1, 2028	27,385,000
July 1, 2028	27,995,000
January 1, 2029	28,330,000

**400% PSA PREPAYMENT AMOUNTS  
FOR ISSUE 2020-2 BONDS**

<b>Date</b>	<b>Cumulative Amount</b>	<b>Date</b>	<b>Cumulative Amount</b>
July 1, 2020	\$ 2,453,084	January 1, 2031	\$ 90,340,448
January 1, 2021	15,912,931	July 1, 2031	90,723,612
July 1, 2021	27,434,829	January 1, 2032	91,037,654
January 1, 2022	37,289,845	July 1, 2032	91,294,053
July 1, 2022	45,711,634	January 1, 2033	91,506,121
January 1, 2023	52,901,938	July 1, 2033	91,681,597
July 1, 2023	59,034,808	January 1, 2034	91,827,049
January 1, 2024	64,260,258	July 1, 2034	91,947,724
July 1, 2024	68,707,528	January 1, 2035	92,047,460
January 1, 2025	72,487,916	July 1, 2035	92,129,539
July 1, 2025	75,697,221	January 1, 2036	92,196,787
January 1, 2026	78,417,862	July 1, 2036	92,251,574
July 1, 2026	80,720,712	January 1, 2037	92,295,910
January 1, 2027	82,666,681	July 1, 2037	92,331,507
July 1, 2027	84,308,087	January 1, 2038	92,359,813
January 1, 2028	85,689,841	July 1, 2038	92,382,058
July 1, 2028	86,850,473	January 1, 2039	92,399,280
January 1, 2029	87,823,013	July 1, 2039	92,412,359
July 1, 2029	88,635,759	January 1, 2040	92,422,033
January 1, 2030	89,312,936	July 1, 2040	92,428,926
July 1, 2030	89,875,262		

**EXHIBIT C**

**FORM OF BONDS**

**REGISTERED**

**R-2-[1]**

**\$[\_\_\_\_\_]**

**TENNESSEE HOUSING DEVELOPMENT AGENCY  
RESIDENTIAL FINANCE PROGRAM BOND  
ISSUE 2020-2 ( FEDERALLY TAXABLE)**

<b>Interest Rate</b>	<b>Dated Date</b>	<b>Maturity Date</b>	<b>CUSIP</b>
<b>[_____]%</b>	<b>May 28, 2020</b>	<b>[_____]</b>	<b>880461[_____]</b>

**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 January 1, 2021. 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 2020-2” (herein called the “Bonds”) issued in the aggregate principal amount of \$108,500,000 under the General Resolution, a resolution of THDA adopted on March 24, 2020, as approved in its amended and supplemented form by the Designated Authorized Officer on May 6, 2020 (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 2020-2 (Federally Taxable) of the Tennessee Housing Development Agency.

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

Dated: May 28, 2020



## 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 - \_\_\_\_\_  
(Cust)

Custodian \_\_\_\_\_  
(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**

**Homeownership Program Bonds**

<u>Issue</u>	<u>Amount</u>	<u>Redemption Date<sup>1, 2</sup></u>
2010-1	\$ 8,165,000	June 1, 2020 and June 10, 2020
2011-1	28,270,000	June 1, 2020, July 1, 2020 and January 1, 2021

**Housing Finance Program Bonds**

<u>Issue</u>	<u>Amount</u>	<u>Redemption Date<sup>1, 2</sup></u>
2011-A	\$ 6,775,000	June 1, 2020 and July 1, 2020
2011-B	8,060,000	June 1, 2020, July 1, 2020 and January 1, 2021
2009B-4	27,180,000	June 1, 2020
2011-C	16,835,000	June 1, 2020, July 1, 2020 and January 1, 2021
2009B-5	13,260,000	June 1, 2020

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<sup>1</sup> Refunded Bonds with a redemption date of January 1, 2021 are being defeased pursuant to the terms of the related bond resolution.

<sup>2</sup> For Refunded Bonds with multiple redemption dates, principal and interest amounts for each redemption date, together with source of funds (bond proceeds and amounts on deposit in the related redemption accounts), shall be as set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2020-2 Bonds.

**13. OFFICIAL STATEMENT:**

**REFERENCED  
OFFICIAL STATEMENT**

See Tab 8