



**Tennessee Housing Development Agency -
Board of Directors**

**Committee and Board Meeting Materials
March 19, 2024**



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

THDA Board of Directors and Committee Meetings Agendas

Committee Agendas

Tuesday, March 19, 2024 at 10am CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

AUDIT & BUDGET COMMITTEE

-No Business for this meeting

BOND FINANCE COMMITTEE

A. Approval of Bond Finance Committee Meeting Minutes-January 23, 2024

B. Committee Item (* items require committee vote)

1. Authorization to Distribute Bond Counsel RFQ*
2. Bond Issue 2024-2*



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

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THDA Board of Directors Board Meeting Agenda
(directly following Bond Finance Committee Meeting)

Tuesday, March 19, 2024 at 10am CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

- A. Board Chair Convening of the Board and Introductory Comments**
- B. Public Comment Period**
- C. Executive Director’s Report**
- D. Single Family Business**
Business Update
Qualified Census Tracts for THDA Mortgages
- E. Multifamily Business**
Business Update
2025 QAP Discussion
- F. Board Action items (* items require board vote)**
 - 1. Approval of Minutes from January 23, 2024 meeting*
 - 2. Approval of Minutes from February 13, 2024 special meeting*
 - 3. Volume Cap Update
 - 4. Bond Issue 2024-2*
 - 5. Housing Choice Voucher (HCV) Single Waitlist Model Implementation Request*
 - 6. 2020-23 HOME CHDO Amendment Request*
 - 7. Grant Extension Request-2020 Mini-Round HOME CHDO Homeownership Development Program – Hard Bargain Association*
 - 8. Grant Extension Request – 2020 Creating Homes Initiative (CHI) – 2 Program – Park Center Powers Avenue Recovery Residence*
 - 9. Grant Extension Request – 2021 National Housing Trust Fund (NHTF) – Southeastern Housing Foundation – Austin Homes Phase 3*
- G. Annex**
 - 1. THDA Mortgage 2023 Calendar Year Report
 - 2. 2023 Round 2 HOME Rental Development Program Awards
 - 3. Emergency Rental Assistance (ERA) Eviction Prevention Program Supplemental Awards



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**Tennessee Housing Development Agency -
Board of Directors**

Audit & Budget Committee

NO BUSINESS FOR THIS MEETING



Bond Finance Committee



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Executive Director

Bond Finance Committee Meeting Agenda

Tuesday, March 19, 2024 at 10am CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

A. Approval of Bond Finance Committee Meeting Minutes – January 23, 2024

B. Committee Item (* items require committee vote)

1. Authorization to Distribute Bond Counsel RFQ*
2. Bond Issue 2024-2*

Committee Members:

Matt McGauley (Chair)
Commissioner Jim Bryson
Secretary Tre Hargett
Treasurer David Lillard
Comptroller Jason Mumpower



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TENNESSEE HOUSING DEVELOPMENT AGENCY
BOND FINANCE COMMITTEE
January 23, 2024

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency (“THDA”) Board of Directors (the “Committee”) met on Tuesday, January 23, 2024, at 10:00 AM CT at the William R. Snodgrass Tennessee Tower, Tennessee Room II, 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present in person: Mathew McGauley (Board Chair); Sara Queirolo (for Treasurer David Lillard); Katie Armstrong (for Comptroller Jason Mumpower); Alex Schuhmann (for Commissioner Jim Bryson); and Chris Mustain (for Secretary of State Tre Hargett). Other Board Members present were: Austin McMullen; Rick Neal; Stephen Dixon; Rob Mitchell; Dan Springer; and Micheal Miller. Board Members absent were: Chrissi Rhea; Jacky Akbari; and Tennion Reed.

Recognizing a quorum present, Chair McGauley called the meeting to order at 10:00 AM CT. For the first order of business, Chair McGauley called for consideration and approval of the November 14, 2023, Bond Finance Committee Meeting Minutes. Upon motion by Ms. Armstrong, second by Ms. Queirolo, and following a vote with all members identified as present voting “yes”, the motion carried to approve the November 14, 2023, minutes.

Chair McGauley indicated the next item for consideration was a request to begin the process to seek proposals from qualified firms to serve as Bond Counsel for THDA. Chair McGauley recognized Bruce Balcom, Chief Legal Counsel-THDA, who informed the committee that the current Bond Counsel contract expires on June 30, 2024, which is the end of the second one-year extension following the original three-year contract term. Mr. Balcom stated that THDA staff recommended that the Bond Finance Committee approve that they proceed with drafting documents to issue the RFP for Bond Counsel services for consideration by the Committee at the March meeting.

Chair McGauley called for a motion if there were no further questions from committee members. There being no questions, Chair McGauley called for a motion to approve that staff proceed with the RFP process for Bond Counsel services. Upon motion by Chair McGauley, second by Ms. Armstrong and a vote with all members identified as present voting “yes”, the motion carried to recommend approval to begin the RFP process for Bond Counsel.

There being no further business, Chair McGauley adjourned the meeting at 10:02 AM CT.

Respectfully submitted,

Sandi Thompson,
Assistant Secretary
Approved this 19th day of March, 2024



Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor
502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Bond Finance Committee, THDA Board of Directors

FROM: Bruce Balcom, Chief Legal Counsel
Sandi Thompson, Director, State Government Finance

SUBJECT: Authorization to Distribute Bond Counsel RFQ

DATE: March 19, 2024

Recommendation

To approve the Bond Counsel RFQ process that includes the attached RFQ and Distribution List, for the purpose of making a final recommendation for new bond counsel selection for consideration at the May Bond Finance Committee meeting.

Key Points

The current engagement agreement between THDA and current THDA bond counsel, Kutak Rock, expires June 30, 2024. The Bond Finance Committee of the THDA needs to select bond counsel for a new term to provide bond counsel services for bond issues conducted by THDA.

Background

Under Tennessee Code Annotated Section 13-23-120(e)(3)(B), the Bond Finance Committee is responsible for selecting bond counsel, without additional action by the THDA Board of Directors.

The following items are attached to this memorandum:

1. a proposed distribution list for the Request for Qualifications (RFQ),
2. the draft RFQ

The proposed distribution list has been updated from a list previously used and includes the top ten nationally ranked bond counsel firms, as reported by the Bond Buyer, and firms that are NCSHA associate members in the category “Legal Services” with websites that also indicate bond counsel work. Although the preference is for a nationally recognized housing bond counsel firm, the list also includes Tennessee firms that appear in the Bond Buyer’s Municipal Marketplace Directory and list housing issues as a legal specialty. The RFQ will be posted on THDA’s website and distributed to firms at their specific request.

Questions about the process or about the RFQ requirements will be directed to Sandi Thompson, as RFQ Coordinator. Responses to questions will be circulated to all firms on the distribution list that indicated they anticipate submitting a response as well as posted to THDA's website.

THDA staff, Bond Finance Committee member's staff and the Division of State Government Finance staff will be involved in the evaluation of responses, the selection of firms for telephone interviews, if needed, the determination of the short list firms, the evaluation of the pricing proposal and the final recommendation to the Bond Finance Committee.

The RFQ responses are required to include a submission of qualifications, responses to specific questions and a pricing proposal. Pricing proposals will only be reviewed from firms that the evaluation team has selected based on their qualifications and submission of responses to the specific questions. Pricing will not be the sole determining factor and experience with state level single-family housing bond issuers and specific experience with THDA will be given a preference in the process.

Attachments;

- THDA 2024 RFQ
- Bond Counsel RFQ Distribution List



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March 19, 2024

TO INTERESTED PARTIES:

I. INTRODUCTION

The Tennessee Housing Development Agency ("THDA"), through the Bond Finance Committee of the THDA Board of Directors (the "Bond Finance Committee"), is beginning a process to select a law firm to serve as bond counsel to THDA in connection with its debt-financed housing programs for an anticipated five (5) years beginning July 1, 2024.

Information about THDA and its programs, including recent THDA Annual Reports, is available at the THDA website: thda.org.

II. OVERVIEW OF THDA

THDA was created in 1973 to assist in providing housing for Tennesseans with low or moderate incomes. THDA is authorized to issue bonds and notes to provide funds for mortgage loans at below market interest rates. THDA is governed by a board of directors, currently consisting of fifteen (15) members, as provided in the THDA enabling legislation at T.C.A. Sections 13-23-101 et seq. The Bond Finance Committee, a statutorily established committee of the THDA Board of Directors, consisting of the Chairman of the THDA Board of Directors, the Comptroller of the Treasury, the Secretary of State, the State Treasurer, and the Commissioner of Finance and Administration, must approve a plan of financing for the sale of THDA bonds or notes prior to any sale. The Bond Finance Committee is authorized to sell bonds or notes on behalf of THDA and is empowered to select bond counsel for THDA.

THDA employs a full-time professional staff, including an executive director, a chief financial officer, an in-house chief legal counsel, and other professionals who are involved in all aspects of bond issuance, use and investment of THDA funds, and administration of THDA mortgage loan programs. The Division of State Government Finance ("SGF") in the Office of the Comptroller of the Treasury for the State of Tennessee, also is involved in all aspects of bond issuance. Technology is in place to allow electronic communication on a regular basis, including electronic dissemination and review of documents and to allow electronic bidding in the context of competitive sales. Attached as **Exhibit A** is the THDA Debt Management Policy which guides THDA's debt issuance.



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THDA currently has the following four active general bond resolutions:

The Housing Bond Resolution (Mortgage Finance Program) adopted in 1974, as amended (the "1974 General Resolution") - No bond issues are outstanding under the 1974 General Resolution; however, assets remain;

The General Homeownership Program Bond Resolution adopted in 1985, as amended (the "1985 General Resolution") - From 1995 through 2012, the majority of THDA's debt was issued under the 1985 General Resolution, which only permits bond issuance for single-family purposes. No bond issues are outstanding under the 1985 General Resolution; however, assets remain;

The General Housing Finance Program Bond Resolution adopted in 2009, as amended (the "2009 General Resolution") - The 2009 General Resolution was established in late 2009 to facilitate debt issuance in connection with the U.S. Treasury New Issue Bond Program ("NIBP"). Two (2) bond issues are outstanding under the 2009 General Resolution and THDA has released all available proceeds from escrow under NIBP. THDA does not anticipate issuance of additional bonds under the 2009 General Resolution; and

The General Residential Finance Program Bond Resolution adopted in 2013, as amended (the "2013 General Resolution") - Since its creation in January 2013, all THDA debt issuance has been under the 2013 General Resolution. Thirty-four (34) bond issues are currently outstanding. The 2013 General Resolution does not carry the moral obligation pledge of the state.

Since January 1, 2013, THDA has issued \$5,347,275,000 in long-term debt under the 2013 General Resolution in thirty-four (34) bond issues, some of which included more than one series of bonds. THDA regularly evaluates economic refunding opportunities and will take advantage of economic refunding opportunities when it is in THDA's best interest to do so. In any event, there is no assurance that past levels of bond issuance activities accurately reflect bond issuance levels in the future.

Although it is difficult to predict precise future needs, it is reasonable to assume that THDA will issue bonds three to five (3-5) times per year, in any number of series, aggregating over \$200,000,000 annually, primarily for the purpose of producing funds for single-family mortgage loans.

THDA is allocated fifty percent (50%) of the State's volume cap annually to be used for tax-exempt bond issues for housing, whether single- or multi-family, and whether retained for THDA use or reallocated by THDA to local issuers. THDA also receives a mid-year allocation of, the lesser of twenty-five percent of the State's volume cap, or the remaining volume cap for that year. In addition, THDA typically receives a year-end allocation of the State's volume cap, the amount of which depends on other usage of the State's volume cap throughout the year. THDA retains volume cap for issuance of THDA single-family mortgage revenue bonds but reallocates a portion of current year volume cap to local issuers for bonds to finance multi-family housing. Since at least 2012, THDA has received allocations of virtually all the volume cap available in Tennessee and has carried forward unused amounts. In the last few years, volume cap management has become an issue as the demand for tax-exempt bond authority has increased.

Additional program information about THDA and its programs can be found at: thda.org.

THDA utilizes the services of CSG Advisors Incorporated as financial advisor. The financial advisor prepares all transaction related and consolidated cash flows and arbitrage yield analyses required by THDA.

III. THDA BOND ISSUANCE PROCESS

THDA controls and directs all aspects of its bond issuances including, without limitation, timing and structuring. The bond issuance process is triggered by THDA based on a programmatic need for funds to continue THDA's mortgage loan programs or to refund outstanding bonds when economically advantageous, taking into account the regular, bi-monthly schedule of THDA Board meetings. Initial structuring discussions are held, typically on a joint basis via telephone, with bond counsel, financial advisor, SGF staff, THDA staff and underwriters, if any, to determine the timing, structure and documentation for THDA debt issues. In the context of a bond issue,

THDA's chief legal counsel is the primary point of contact with bond counsel. In addition, bond counsel, together with SGF staff and THDA staff, is expected to communicate with underwriters, selling group members, investors, financial advisor and others on an as needed basis.

The Bond Finance Committee evaluates a variety of factors including, without limitation, bond structure and market conditions at the time of each bond issue to determine the method of sale that is in the best interest of THDA. All bond transactions closed since January 1, 2002, have been sold by negotiated sale or private placement. The last THDA competitively priced bond issue was Issue 2001-3 which closed in December 2001.

THDA has established a pool of underwriters, that will be involved in a THDA debt issuance if a negotiated sale is deemed appropriate. Currently, Raymond James & Associates, Inc., and RBC Capital Markets, LLC, serve as senior managers and, on a rotating basis, serve as the bookrunning senior manager. JP Morgan, and Wells Fargo serve as co-managers, with one selling group member elevated from the selling group as co-manager based upon performance in the prior Issue. All THDA negotiated bond sales are supported by a selling group. Despite this use of negotiated sales, there can be no assumption that use of negotiated sales will remain at this level on a going-forward basis.

THDA's interest in connection with each bond issue is to balance all of the following:

1. avoid unnecessarily complex transactions unless the economic benefits are substantial;
2. maintain stable interest rates for mortgage loan programs to simplify program administration;
3. maximize allowable spread on each bond issue while maintaining a mortgage interest rate that is affordable to THDA borrowers and that is competitive in the market place;
4. avoid refunding bonds due to non-origination of mortgage loans; and
5. incur the lowest overall cost of debt given all of these factors.

THDA financing structures tend to be conservative while retaining maximum flexibility to manage assets and income under each general bond resolution. THDA is always interested in new, creative financing structures, however, its transactions tend to be patterned after those generally accepted in the marketplace that do not stretch generally accepted interpretations under current tax law. Most recently, THDA has been using planned amortization class bonds and premium planned amortization class bonds in its financing structures. THDA does not currently use swaps or other hedging devices.

THDA bond closings are held at THDA offices in Nashville, Tennessee, with minimal activities outside normal business hours. THDA expects to continue this practice in the future. Pre-closing and closing of deals are handled primarily via electronic communications. THDA does not expect bond counsel to attend pre-closing, closing, THDA Board or Bond Finance Committee meetings, unless specifically requested to do so. THDA may also, on occasion, request that bond counsel participate in THDA Board or Bond Finance Committee meetings through the Teams meeting platform.

IV. THDA EXPECTATIONS OF BOND COUNSEL

THDA takes a collegial, team approach to its bond transactions. Bond counsel, financial advisor, SGF staff and THDA staff are proactive participants in each bond transaction, from discussions regarding initial timing and structuring through document preparation and closing. The precise role of each group or individual may vary depending on particular issues that arise in individual bond transactions. Attached as **Exhibit B** is the form of bond issue timetable that describes activities and responsibilities.

In coordination with THDA, the financial advisor is primarily responsible for dealing with the rating agencies and for preparing all financial analysis needed for a particular transaction. THDA coordinates activities involving THDA's trustee and THDA Board members. THDA maintains control of preliminary official statements ("POS") and official statements ("OS"). The POS and OS are distributed electronically. SGF and THDA's chief legal counsel coordinate preparation and printing, if necessary, of the POS, OS, notices of sale and forms of proposal. THDA's finance division, with the assistance of financial advisor, chief legal counsel and bond counsel, as needed, coordinates documentation regarding investments.

Since Bond Counsel for THDA must analyze and render opinions regarding the Tennessee State Constitution and Tennessee State law, THDA has taken the position that an attorney licensed to practice in the State of Tennessee is required.

THDA typically divides functions for single-family bond transactions as follows:

Bond Counsel

- I. Assist in determining the tax and economic analysis needed and reviewing the analysis provided;
2. Evaluate proposed structures based on tax, state law and programmatic considerations;
3. Prepare Supplemental or Series Resolution and amendments to general resolutions, as needed;
4. Review and comment on drafts of the POS and OS;
5. For competitive transactions, review and comment on the official notice of sale and official form of proposal prepared by THDA;
6. For negotiated transactions, prepare bond purchase agreements and, with THDA chief legal counsel, review and comment on master agreements among underwriters and master agreements among the selling group prepared by underwriter's counsel;
7. Prepare all bonds and coordinate execution and delivery of bonds with THDA chief legal counsel;
8. Prepare closing memorandum and closing index or checklist;
9. Prepare certificates such as those related to projected cash flow, arbitrage and use of proceeds, purchase price of bonds, investments, and trustee's status;
10. Review and approve 32-year rule and 10-year rule analysis;
11. Prepare and file required IRS and State forms;
12. Prepare cross-receipts;
13. Prepare necessary tax and approving opinions;
14. Prepare other certificates and documents as needed for bond closings;
15. Review and comment on all documents prepared by THDA and others;
16. Perform other due diligence, as determined necessary; and
17. Prepare final transcripts.

THDA

1. Prepare plan of financing and authorizing resolutions for and obtain approvals from THDA Board and Bond Finance Committee;
2. Prepare requisite number of copies of closing documents, such as the THDA Act, the relevant general and supplemental or series resolutions, by-laws, minutes and authorizing resolutions;
3. Prepare POS, OS, official notice of sale, and bid form with SGF staff for electronic distribution and printing (printing the requisite number of documents is handled in house);
4. Prepare THDA general certificate and coordinate preparation and assembly of all needed exhibits;
5. Prepare instruction letters to trustee;
6. Publish notice of and conduct TEFRA hearing, if required, and obtain Governor's approval;
7. Prepare volume cap certification, if needed;
8. Prepare chief legal counsel opinion;
9. Review and comment on all documents prepared by bond counsel, including a bond purchase agreement for negotiated sales;
10. Prepare and obtain approval of statutorily required items such as housing cost index, plan of financing, and schedule of financing; and
11. Coordinate with the financial advisor about discussions, materials and presentations involving the rating agencies.

Other Services

In addition to work specifically on bond transactions, THDA uses the services of bond counsel in connection with a number of related issues. THDA, on an annual basis, has used 50 to 75 hours of legal services. THDA expects to use a similar amount of such legal services annually in the future. THDA expects these legal services to include some or all of the following, on an as needed basis:

1. Provide THDA staff and Board orientation and training regarding mortgage revenue bonds, board member responsibilities, and related issues;
2. Provide information regarding IRS letter rulings, interpretive releases, regulatory changes or other actions affecting mortgage revenue bonds and mortgage loan programs and assist in preparing or analyzing state or federal legislation affecting THDA;
3. Assist in structuring new mortgage loan programs and modifying existing programs, including without limitation, reviewing and approving changes to mortgage loan program income and acquisition cost limits;
4. Assist in obtaining ratings or general resolution rating upgrades and participate in other specified activities involving rating agencies, if requested;

5. Address issues related to continuing disclosure, arbitrage and arbitrage rebate calculations, federal recapture tax, financial and tax assumptions, mortgage loan program documents and procedures, cross calling, universal cap requirements, and other servicing or originating issues related to mortgage loan programs; and
6. Address other issues as requested.

V. RESPONSE TO REQUEST FOR QUALIFICATIONS

We invite you to submit your firm's qualifications in a format substantially in conformance with the attached "Outline for Qualifications". The firm's written response to the Outline for Qualifications is due in electronic form by Noon CT on Friday, April 5, 2024, and must be clearly marked "Bond Counsel Qualifications". In addition, by Noon CT on Friday, April 5, 2024, a pricing proposal that meets all of the requirements of Section IV of the attached Outline for Qualifications must be submitted electronically, in a separate email and clearly marked "Pricing Proposal". Both the written response and the pricing proposal must be delivered via email, by the deadline specified, to SGF@cot.tn.gov.

No joint proposals will be accepted. Proposals submitted via regular mail, delivery service or fax will not be accepted.

Please limit the firm's proposal to ten (10) pages or less. Please use the format identified in this Request for Qualifications. Additional pages or extra material will be viewed negatively.

If you have questions regarding this Request for Qualifications, please email them to Sandi Thompson, the RFQ Coordinator and Director of SGF, at SGF@cot.tn.gov by 4:00 P.M. CT on Friday, March 22, 2024. Responses to questions received by the deadline will be emailed to all proposers and posted to the THDA website at thda.org no later than 4:00 P.M. CT on Monday, March 25, 2024. Questions will not be addressed at any other time.

VI. REVIEW PROCESS AND TIMETABLE

Selection of bond counsel is expected by late May 2024 by the Bond Finance Committee. A more detailed timetable is attached hereto as **Exhibit C**; however, THDA retains the right to modify this proposed timetable at any time. If determined necessary, additional information may be requested and oral interviews, by phone, may be scheduled, lasting no more than one hour each. In addition, the Bond Finance Committee reserves the right to request in person interviews. Staff review will culminate in a recommendation to the Bond Finance Committee regarding selection of bond counsel. Once the process is complete, a written retainer agreement between bond counsel and THDA will be executed. The firm selected is expected to serve for a term of up to five (5) years, subject to termination without cause.

THDA and the Bond Finance Committee retain the right to reject all proposals, to elect to continue discussions with one or more firms, or act in any manner which, in the sole discretion of THDA and the Bond Finance Committee, is deemed to be in the best interest of THDA. THDA expects to select as bond counsel the firm who submits the best and most responsive response to this Request for Qualifications with the lowest pricing; however, price will not be the sole determining factor.

Beginning on Tuesday, March 19, 2024, and extending until the bond counsel selection process is complete, **the only** contact concerning this process, this Request for Qualifications, or information about THDA that could be used in responding to this Request for Qualifications is to be made with **Ms. Thompson**. **No contact should be made with** CSG Advisors Incorporated, Raymond James & Associates, Inc., RBC Capital

March 19, 2024

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Markets, LLC, JP Morgan, Wells Fargo, any selling group member, any THDA staff member, any THDA Board member, any Bond Finance Committee member, any staff member of a THDA Board or Bond Finance Committee member. Contact, other than as specified herein, will be viewed negatively and could result in disqualification in the selection process. Notwithstanding the foregoing, THDA will continue to work with its current bond counsel in connection with any THDA financings authorized on or prior to June 30, 2024, and will continue to work with current bond counsel until such authorized financings are completed. In particular, THDA has authorized Issue 2024-2 and will work with current bond counsel on this financing until it is closed.

We appreciate your interest in THDA and look forward to receiving the firm's response sent as specified.

Very truly yours,

Jason E. Mumpower, Comptroller of the Treasury
Secretary of the Bond Finance Committee of
the Tennessee Housing Development Agency

Attachments: Outline for Qualifications
Pricing Proposal
Exhibit A Exhibit B
Exhibit C

cc: Members of the Bond Finance Committee Staff
of the Bond Finance Committee

**OUTLINE FOR QUALIFICATIONS FOR BOND
COUNSEL FOR THE
TENNESSEE HOUSING DEVELOPMENT AGENCY**

Please be as succinct as possible with all summary information and responses to specific questions. Lengthy responses and documents are strongly discouraged. No more than twelve (12) pages will be considered for the responses to Sections I, II, and III. Responses to Section IV, Pricing Proposal, must be limited to the three (3) pages provided and must be submitted in a separate email clearly marked "Pricing Proposal".

Firm Name:
Principal Address:
Contact Person:
Telephone:
Fax:
E-mail:

SECTION I - QUALIFICATIONS

1. List the attorneys to be assigned to THDA's account, indicating (a) position within the firm, (b) years of experience with the firm, in public finance, and in housing, and (c) state in which licensed. Please note particular experience with state housing finance agencies who issue single-family mortgage revenue bonds and who have whole loan portfolios. If attorneys listed have experience beyond the firm's experience, please so indicate. Specifically identify the attorney(s) currently licensed to practice law in Tennessee who will be involved in the analysis and opinions regarding the Tennessee State Constitution and Tennessee State law arising in the course of engagement as bond counsel for THDA.
2. Describe how the attorneys will be organized to service THDA's account, identifying the day-to-day contact for THDA. Of the hours required to perform services on THDA's account, indicate the percentage to be performed by each attorney and other staff member, if any. Indicate the office out of which THDA's account would be serviced.
3. If a senior attorney assigned to THDA's account leaves the firm for any reason, how will the firm determine who will replace that senior attorney?
4. Identify all state housing finance agencies for which the firm acted as bond and/or tax counsel for single-family mortgage revenue bonds since January 1, 2020. Please specify when the firm was appointed, the form of sale (competitive or negotiated), whether the resolutions were closed or open and the types of loan programs financed. In tabular form, indicate the dollar volume and numbers of bond issues handled for these issuers, broken down between short-term and long-term bond issues and identify taxable bond issues separately, if any.
5. For the issuers and bond issues identified in #3 above, identify whether the firm served as bond counsel or tax counsel only, and whether the firm was sole counsel, co-counsel or local counsel and explain the scope of the firm's responsibilities. If the firm did not serve as co-counsel or local counsel, describe the firm's experience in working with co-counsel or local counsel.
6. For the agencies and bond issues identified in #3 above, indicate whether the firm rendered the requisite opinions regarding the validity and binding effect of the bonds, the sources of payment and security for the bonds and the excludability of interest on the bonds from gross income for federal income tax purposes.
7. Provide information on the outcome of any litigation or administrative proceeding that occurred since January 2019 that was adverse to your firm in the course of its professional duties and activities.

8. In the last five years, have any attorneys, partners, or other key personnel been convicted of any crimes committed in the course of their duties or activities with your firm or been subject to any orders issued by regulatory or governmental agency? Please provide details of any convictions or orders issued.
9. Is your firm or any of its attorneys, partners, or other key personnel now under indictment or court order, under investigation, or under order issued by a regulatory or governmental agency, or engaged in litigation which relates to the professional competence of your firm, or which could impair the performance of the services required of Bond Counsel? Do you have any reason to anticipate that any of these actions will occur during the term of the contract to be executed pursuant to this RFQ? Please provide details of any current or anticipated actions.
10. In relation to the firm, to current or prior members and employees of the firm, or to any transactions in which the firm had a direct or indirect involvement, are there any facts that may create a conflict of interest that could affect or limit the firm's ability to serve as THDA bond counsel?
11. In relation to the firm, and as of March 1, 2024, use the chart below to describe the total number of attorneys involved in the firm's tax, public finance and housing practices, respectively, identifying the number of partners, associates, contract lawyers, of counsel or other designations by gender and race. Describe the firm's hiring practices, including affirmative hiring policy and efforts. Have there been any formal complaints against the firm or members (partners, associates or other staff) of the firm alleging discrimination based on race or gender? If so, how have the complaints been resolved?

	Management		Professional		Clerical		Total
	Male (number)	Female (number)	Male (number)	Female (number)	Male (number)	Female (number)	
Caucasian (number)							
African American (number)							
Hispanic (number)							
Other (number)							

SECTION II REFERENCES

1. Provide a contact name, title, address, email address, and phone number for three of the issuers listed in Section I, question 4, to be used as references.
2. List the three financial advisory firms with whom the firm most frequently works and provide a contact name, title, address, email address, and phone number for each.

SECTION III - DISCUSSION QUESTIONS

1. Describe the firm's vision for the ideal relationship between bond counsel and client, and the responsibilities of each.
2. Describe the firm's experience with (a) open indentures or resolutions for single-family mortgage revenue bonds; (b) complex tax issues relating to housing and single-family mortgage revenue bonds, including blended tax-exempt and taxable issuances; and (c) tax-exempt refundings and, in particular, guidance with regard to assumed prepayment speeds on transferred loans.

3. What changes, if any, have you made in the services you provide to state-level single-family housing issuers in the last five years.
4. Discuss issues, if any, associated with blending bond proceeds that must be loaned at 0% with bond proceeds from a different general resolution.
5. Provide comments regarding the impact on housing bonds of current federal tax overhaul proposals.
6. Describe any unique programs for single-family housing developed in connection with financings for which the firm served as bond counsel.
7. Explain any challenges that you foresee could impact THDA in its upcoming debt financings.
8. Describe recommendations, if any, developed in connection with housing finance agencies for which the firm serves as bond counsel for streamlining secondary market disclosure, continuing disclosure or any other required or voluntary disclosure.
9. When assuming a new client issuer for which you will act as bond counsel, describe the transition process.

SECTION IV - PRICING PROPOSAL (to be submitted in separate email)

Use the attached three (3) page form (pages 4-6) titled "PRICING PROPOSAL" for indicating the fixed fee for bond transactions and the method of billing and price for the other specified services. The evaluation model is only an estimate of the number of times certain services will be required, it is neither a guarantee nor a limit on the number of times a service will be required. Submit the pricing proposal using only this three-page form and include as an attachment in a separate email clearly labeled "Pricing Proposal" by the specified deadline. Qualifications or limits placed on the fees bid will be deemed non-responsive and the proposal may be disqualified.

1. Pricing For Bond Transactions

Indicate a fixed, all-inclusive fee per bond transaction. Each fee must include all professional fees, all travel expenses, and all out-of-pocket expenses required to complete a bond transaction. For purposes of this bid, assume three bond transactions each year. Please indicate whether the pricing is different if the retainer agreement is for three years rather than five years.

2. Pricing For Other Services

From time to time, THDA may request additional services as described herein. These services will be performed only at the request of and with the prior approval of THDA. For each item listed under the heading "Other Services" in the letter accompanying this RFQ, please provide the name of the person or persons at the firm and their position within the firm (partner, associate, other) who would be expected to provide the services, describe how the services would be billed (hourly rate, flat fee, other), and indicate the hourly rate, flat fee or amount of other billing associated with the indicated services. Please indicate whether the pricing is different if the retainer agreement is for three years rather than five years.

PRICING PROPOSAL

BOND TRANSACTIONS

Pricing Per Bond Transaction						
	Contract Year (partial) 07/01/24-12/31/24	Contract Year (full) 01/01/25-12/31/25	Contract Year (full) 01/01/26-12/31/26	Contract Year (full) 01/01/27-12/31/27	Contract Year (full) 01/01/28-12/31/28	Contract Year (partial) 01/01/29-6/30/29
Bond Transaction Fee (all professional fees, all travel expenses and all out-of-pocket expenses to complete a bond transactions)						

PRICING PROPOSAL

OTHER SERVICES

(Page 1 of 2)

Pricing for Other Services		
Services	Description of How Services to be Billed	Persons Expected to Provide Service (indicate name and whether partner, associate, other)
1. Board orientation & training		
2. Statutory/regulatory interpretation		
3. Loan Program Development or Modification		
4. Ratings issues		
5. Disclosure, arbitrage, tax issues specific to THDA programs		
6. Other matters		

PRICING PROPOSAL

OTHER SERVICES

(Page 2 of 2)

Pricing						
Services	Contract Year (partial) 07/01/24-12/31/24	Contract Year (full) 01/01/25-12/31/25	Contract Year (full) 01/01/26-12/31/26	Contract Year (full) 01/01/27-12/31/27	Contract Year (full) 01/01/28-12/31/28	Contract Year (partial) 01/01/29-06/30/29
1. Board orientation & training						
2. Statutory/regulatory interpretation						
3. Loan Program Development or Modification						
4. Ratings issues						
5. Disclosure, arbitrage, tax issues specific to TI-IDA programs						
6. Other matters						

EXHIBIT A

TENNESSEE HOUSING DEVELOPMENT AGENCY DEBT MANAGEMENT POLICY

I. Background

The Tennessee Housing Development Agency ("THDA") is a body, politic and corporate, and a political subdivision and instrumentality of the State of Tennessee ("State"). THDA was established under TCA Section 13-23-101 et seq. for the purpose, among other things, of raising capital through the issuance of its bonds and notes to assure a steady flow of production of new housing units for lower and moderate income persons and families. THDA's mission is to create safe, sound, and affordable housing opportunities across the State by providing competitive interest rates on a variety of mortgage loan products approved by THDA's Board of Directors ("Board"). THDA's mortgage loans, resulting revenues, and any other assets under THDA's bond resolutions are pledged assets for the payment of principal and interest on THDA bonds.

The Bond Finance Committee of the Board ("BFC") is responsible for, among other things, overseeing THDA debt issuance. In this capacity, the BFC approves a Plan of Financing for each THDA bond issue and recommends the proposed debt issuance transaction to the Board for consideration. Upon the Board's authorization, the sale of the debt proceeds under BFC oversight. The BFC is also authorized to approve the pricing of a debt issuance on behalf of THDA. The Secretary of the BFC, subject to this Debt Management Policy ("Policy") and other policies of the Board and the BFC, is responsible for the execution of all matters relating to the issuance and servicing of the debt of THDA.

THDA debt is payable solely from the revenues or assets of THDA available therefore and pledged to the bondholders under the terms of THDA's general bond resolutions. THDA debt is not a debt, liability, or obligation of the State or of any other political subdivision of the State. THDA debt is not secured by a pledge of the full faith and credit of the State or of any other political subdivision of the State.

II. Purpose

In December 2010, the Tennessee State Funding Board adopted a statement on debt management directing governmental entities in Tennessee to draft and adopt their own debt management policies. All public entities incurring or issuing debt, including THDA, are required to adopt a debt management policy by January 1, 2012. This Policy provides clear objectives for THDA's debt transactions and transparency as to what is being considered, including the associated cost and risks. It also establishes requirements to assist in avoiding conflicts of interest.

III. Policy

THDA's goal is to raise capital to maintain a steadily available supply of funds to finance its mortgage loan programs at cost levels that provide competitive, fixed interest rate mortgage loans that benefit low and moderate income families, while maintaining or improving THDA's overall financial strength and flexibility, managing associated risks and complying with all applicable federal and state laws.

To achieve this goal, THDA will:

1. Maintain a conservative approach relative to debt financing and financial decisions.
2. Maintain at least a five year Strategic Financial Plan, with at least annual updates, inclusive of the general financial objectives as set forth in this Policy, which may change in response to economic and other factors.

3. Maintain a debt management policy that provides for optimally-structured financing options, giving consideration to associated risks of debt structure components and current market conditions, while enabling broad distribution capabilities, both to institutional and retail investors.
4. Maintain compliance with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as applicable to THDA's bonds and mortgage loans financed with the proceeds of such bonds.

IV. Long-Term Financial Objectives

1. Maintain financial self-sufficiency.
2. Effectively balance the use of financial resources to fund mortgage loans and other initiatives that fulfill THDA's statutory purpose and mission without compromising THDA's financial strength.
3. Maintain or improve the current credit ratings for each THDA bond resolution.
4. Maintain financial flexibility.
5. Whenever possible, maximize yield spread between mortgage loan interest rates and the cost of debt to provide program and operational sustainability and resources for other investments in affordable housing.
6. Effectively balance financial creativity and risks.
7. Whenever possible, seek to reduce the extent of the State's moral obligation pledge with respect to THDA debt.

V. Long-Range Financial Planning

THDA will maintain a five year Strategic Financial Plan (Plan) to be used as a liquidity analysis tool for decision-making purposes. At a minimum, this Plan will incorporate projections and assumptions for mortgage loan production, resources (including, but not limited to volume cap, tax-exempt debt, and taxable debt), costs and expenses of anticipated debt issuance, other housing program and operational liquidity needs, and liquidity and balance sheet analyses to assess the long-term financial position of THDA. The Plan will be developed and maintained by THDA in cooperation with the Financial Advisor and the Office of State & Local Finance and will incorporate the financial objectives listed in this Policy. THDA anticipates at least annual updates to the Plan.

VI. Finance Team

THDA will maintain a team of finance professionals consisting of internal and external experts for the purpose of executing and maintaining debt financings and other financings as may be approved by the Board. The team will include THDA staff (including at least the THDA Executive Director, Chief Legal Counsel and Chief Financial Officer), underwriters (when appropriate), Bond Counsel, underwriter's counsel (when appropriate), Financial Advisor, and Office of State & Local Finance staff.

All non-employee professionals engaged in the THDA debt issuance process shall clearly disclose all compensation and consideration received related to services provided in the THDA debt issuance process. This includes "soft" costs or compensations in lieu of direct payments.

The time period over which Bond Counsel, Financial Advisor, and potential underwriters serve shall end in staggered fiscal years in order to avoid disruption by either transition or selection processes. Contracts or agreements, if any, shall reflect such terms.

Bond Counsel: THDA shall enter into an engagement letter agreement with each lawyer or law firm representing THDA as bond counsel or tax counsel in a debt transaction. Bond Counsel shall be selected by the BFC pursuant to a Request for Proposal Process primarily weighted towards qualifications and price. Bond Counsel shall serve for a stated period of time. The Bond Counsel team shall include at least one lawyer who is licensed to practice in Tennessee and who is involved in all analysis and opinions regarding the Tennessee Constitution and Tennessee law arising in the course of Bond Counsel's engagement.

Financial Advisor: THDA shall utilize the services of an independent financial advisor, who is registered with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") as a registered municipal advisor. The Financial Advisor shall enter into a written agreement with the Office of the Comptroller of the Treasury for debt management and transaction services for a stated period of time, however, the Financial Advisor shall have a fiduciary responsibility to THDA. The Financial Advisor shall be selected by the Board pursuant to a Request for Proposal Process primarily weighted towards qualifications and price. The Financial Advisor shall have demonstrated expertise in providing financial advice on housing related debt and financial planning on projects of state housing finance agencies, completely independent of the underwriting of municipal securities by banks and securities dealers.

Whether in a competitive or negotiated sale, a financial advisor shall not bid on, privately place or underwrite a THDA debt issue if it is or has been providing advisory services for the same THDA debt issue.

Underwriter: THDA shall utilize the services of a pool of potential underwriters for a stated period of time for negotiated sales. BFC shall select underwriters pursuant to a Request for Proposal/Request for Qualifications Process primarily weighted toward qualifications. Each underwriter in a negotiated sale shall clearly identify itself in writing e.g., in a response to a request for proposals or in promotional materials provided to THDA as an underwriter and not as a financial advisor from the earliest stages of its relationship with THDA with respect to that issue. Each underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of THDA. In the context of negotiated sales, THDA will evaluate structuring or other proposals only from members of its pool of underwriters. Underwriters may include senior managers (including a bookrunning senior manager), co-managers and selling group members, all as determined by the BFC.

Underwriter's Counsel: While underwriter's counsel is part of the financing team in connection with a negotiated bond issuance, such counsel is selected by the bookrunning senior manager with input from the BFC.

Trustee: The BFC shall periodically review and evaluate the performance of the Trustee and report its findings to the Board.

VII. Conflicts

Professionals involved in a debt transaction hired or compensated by THDA shall disclose to THDA existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow THDA to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

VIII. Statutory Debt Limit

THDA shall not issue bonds and notes in an aggregate principal amount that at any one time exceeds the statutory debt limit established in TCA Section 13-23-121. No less than annually, THDA staff shall assess THDA's potential of reaching this limit within a 24-month period following the assessment. THDA staff shall communicate this assessment to the BFC and Board.

IX. Schedule of Financing

Pursuant to TCA Section 13-23-120(e), THDA shall submit a Schedule of Financing to the State Funding Board, prior to the beginning of each fiscal year of the State. The Schedule of Financing will be THDA's best estimate of the financings required for the upcoming fiscal year and will contain the required information as set forth in the statute. The Schedule of Financing will contain assumptions as necessary to understand the proposed financings and resources.

X. Bond Issue Planning, Method of Sale, Structuring, and Execution

THDA's general strategy is to determine the par amount of bonds to be issued based on financing three to four months of mortgage loan production and the availability of refunding opportunities. However, the size and timing of a particular bond issue may vary depending on mortgage loan production levels, other programmatic requirements or current market conditions.

Before a bond issue is authorized, THDA staff will monitor mortgage loan production, available resources, and market conditions and provide such information to Financial Advisor and the Office of State & local Finance. When it is determined that authorization of a new bond issue is appropriate, whether for a new bond issue or an economic refunding, THDA staff in coordination with the Assistant Secretary of the BFC will prepare all authorizing documentation and circulate such documentation, along with necessary documentation from Bond Counsel and Financial Advisor, to the BFC and the Board. The Financial Advisor will prepare memoranda containing information about market conditions and various recommendations, including method of sale and possible bond issue size. All authorizing documentation and memoranda, including, without limitation, a Plan of Financing which shall specify the expected costs of issuance, capitalized interest, interest rates, redemption terms, and all other items required by TCA Section 13-23-120(e)(4), will be submitted to the Board and BFC. Following approval of a Plan of Financing by the BFC and authorization of a debt issuance by the Board, the BFC will be authorized to proceed with the sale of debt obligations on behalf of THDA.

Since 2002, THDA debt issuance has occurred via negotiated sale. THDA, however, intends to consider the method of sale for each debt issuance on a case-by-case basis with consideration of a number of factors, including without limitation, the following factors:

- Complexity of the transaction, including whether the debt issuance incorporates structured bond components (such as planned amortization class bonds) and, generally, more complex redemption features.
- Including AMT or taxable components.
- Complexity of credit features, including multiple collateral pools and detailed loan portfolio histories, performance, and mortgage insurance characteristics.
- Importance of retail sales and institutional pre-marketing as part of the marketing plan.

- Volatility of bond market and other market conditions.
- Degree of investor concern about housing-backed transactions - especially secured by "whole loans."
- Confidence in the rating agencies' ability to evaluate structured credits.

While the above factors may favor negotiated sales, THDA reserves the right to consider the use of competitive sales at any time on a case-by-case basis. The determination of method of sale shall rest with the BFC with advice and recommendations from THDA staff, the Office of State & local Finance and the Financial Advisor.

Before pricing, THDA staff and the Office of State & Local Finance staff will consider bond structure options prepared by the Financial Advisor and recommend the bond structure determined to be most beneficial to THDA based on bond yield, programmatic considerations and other financial considerations. The Office of State & Local Finance staff will informally circulate the recommended bond structure to BFC members individually and, with THDA staff and Financial Advisor, address issues or concerns raised. Thereafter, THDA staff, Office of State & Local Finance staff, Bond Counsel and Financial Advisor will carry out the pricing process, either competitive or negotiated, as determined by the BFC.

The Financial Advisor will clearly communicate the benefits and risks of each bond type used in the bond structure options. The THDA staff and the Office of State & Local Finance staff will consult with Financial Advisor, and the bookrunning senior manager for negotiated sales, to determine a pricing strategy designed to yield the best results given the then current market conditions.

For negotiated sales, the pricing will generally be handled by conference calls involving THDA staff, Office of State & Local Finance staff, Financial Advisor, as well as Bond Counsel and underwriters, as appropriate. THDA staff and the Office of State & Local Finance staff, with the advice of Financial Advisor, will have primary responsibility for making pricing determinations to be presented to the BFC for approval. The Financial Advisor will provide THDA staff and the Office of State & Local Finance staff with summary information regarding all pertinent aspects of a financing and will make specific recommendations regarding the acceptance of a pricing. This information, along with all other pertinent pricing documents, will be submitted to the BFC, which shall meet to consider approval of the debt sale. If the pricing is approved by the BFC, the results will be communicated to the Board. A formal post-sale analysis will be prepared by the Financial Advisor and reviewed with the BFC. The post-sale analysis shall include sufficient information to permit the BFC to judge the performance of the underwriters.

XI. Investment of Proceeds

The proceeds of each THDA bond issue shall be invested as provided in each series resolution applicable to a particular debt issuance, the relevant general resolution under which the debt issuance occurred, applicable state law, and the Tennessee Housing Development Agency Investment Policy dated September 14, 1993, as amended.

XII. Debt Issuance Review

The Financial Advisor will prepare a report in cooperation with THDA staff and Office of State & Local Finance staff that shows the results of THDA's debt issuance and the performance of underwriters to be reviewed by the BFC on no less than an annual basis.

XIII. Initial and On-going Federal Compliance

THDA staff will work with Bond Counsel and Financial Advisor to ensure initial bond offerings comply with all applicable federal laws and program requirements. The THDA Executive Director,

working with this group will be responsible for continued compliance with such federal laws and program requirements including, among other things, post issuance compliance, arbitrage rules, 10 Year and 32 Year rules, maintenance of records, and continuing disclosure requirements.

Secondary Market Disclosure: THDA is currently disseminating and presently intends to continue to disseminate information relating to its various single-family mortgage revenue bonds in accordance with the quarterly secondary market disclosure project sponsored by the National Council of State Housing Agencies. THDA has filed quarterly reports, beginning with the quarter ending June 30, 1994, with each then nationally recognized municipal securities information repository and currently with the MSRB through its Electronic Municipal Market Access ("EMMA") system. THDA also expects that its official statements, which contain audited financial information about THDA, with respect to debt issued under the General Residential Finance Program Bond Resolution ("2013 General Resolution"), the General Homeownership Program Bond Resolution ("1985 General Resolution"), and the General Housing Finance Resolution ("2009 General Resolution") will be filed with the MSRB through its EMMA system if and when debt is so issued. It is the present intent of THDA to continue making voluntary secondary market disclosure as described above.

Continuing Disclosure Undertaking: THDA shall include in each series resolution applicable to a particular debt issuance a continuing disclosure undertaking designed to meet the requirements of SEC Rule 15c2-12 ("Rule"), if and to the extent required by the Rule. Thereafter, THDA shall meet its continuing disclosure undertaking and comply with the Rule. Bond Counsel shall provide necessary guidance regarding requirements to be met and compliance with the Rule.

XIV. Short-Term Financings

Depending on market conditions, the availability of liquidity, or Board-approved housing programs, THDA may borrow funds on a short-term basis from a bank or other financial institution or entity. Before any such undertaking, THDA staff and Office of State & Local Finance staff, together with Financial Advisor and Bond Counsel, as needed, will consult to determine the feasibility of such short-term borrowings and present to the BFC and Board the benefits, risks, and impact of such short-term borrowings. In connection with short term financings, the Board may establish guidelines pursuant to which the Executive Director may cause THDA to enter into any such short-term borrowing.

Any such borrowing may be secured by collateral consisting of mortgage loans or other assets of THDA to be specifically pledged thereto, but may not be secured by the general obligation of THDA or be evidenced by a bond or note, unless approved by resolution of the Board. The BFC and Board shall approve the principal amount of such borrowings that may be outstanding at any one time. Tennessee law as set forth in TCA Section 13-23-121 will determine if any short-term borrowings will count against THDA's statutory debt limit.

XV. Types of Bonds

Pursuant to TCA Section 13-23-115(15), THDA is authorized to borrow money and to enter into debt for its authorized purposes. THDA debt may include bonds or notes which may be tax-exempt or taxable and secured by the general obligation of THDA, by specific revenues of THDA, by any combination thereof, or as may otherwise be provided in TCA Section 13-23-120(b). Under TCA Section 13-23-120(b), THDA may issue such types of bonds or notes as it may determine, including without limitation, the following:

1. **Serial Bonds** mature in such manner that principal amounts become due and payable on specified dates, usually every 6 or 12 months. Serial Bonds are Bonds of an issue in which some Bonds mature in successive years without interruption. Generally, Serial Bonds comprise the first 8 to 12 years of a bond issue and are sold to private individuals (retail).

2. **Term Bonds** come due in a single maturity at intervals of greater than one year after the last Serial Bond's maturity and usually comprise a large part of each particular issue. The Issuer usually agrees to make periodic payments into a sinking fund for mandatory annual or semiannual redemption of a portion of the Term Bonds before maturity or for payment at maturity. A housing Bond issue is generally structured with an intermediate Term Bond maturity around year 20 and a final Term Bond maturity in year 32 of the issue; other Term Bond maturities are often added which are designed at the request of major purchasers.
3. **Floating (Variable) Rate Demand ("Lower Floater") Bonds** are Bonds which bear interest at a floating rate, usually set every week by an investment banker (as remarketing agent) at the fair market rate for seven-day-maturity debt. Such Bonds can normally be tendered by the owner (strictly at its option) to a tender agent (usually the trustee) at par after giving seven days' notice; the Bonds are then remarketed to new investors by the investment banker, as remarketing agent. A bank typically agrees to buy tendered Bonds if they cannot be otherwise sold to new investors. These Floating Rate Demand Bonds are usually sold to money market funds.
4. **Current Interest Bonds ("CIBs")** are the most common type of housing Bonds. Interest is paid every six months until the Bond matures or is retired early from optional or mandatory redemption.
5. **Zero Coupon Bonds**
 - a. **Capital Appreciation Bonds ("CABs").** Payment of the semiannual interest is deferred until maturity or redemption with Capital Appreciation Bonds. The payment made at maturity or on the redemption date consists of principal and compounded semiannual interest. CABs are sold to investors at a large discount and accrete to par value at maturity.
 - b. **CAB Converters.** Interest on CAB Converters is deferred and semiannually until the Conversion Date—the date when the Bond converts to a current interest paying Bond and thereafter interest is earned and paid semiannually on the accreted value.
 - c. CABs and CAB Converters both reduce interest cost by enabling the issue to be structured with lower interest rate Serial Bonds in the early years. Zero Coupon Bonds are sometimes priced at higher yields than Current Interest Bonds of the same maturity and generally require higher fees to bond salesmen to be effectively marketed.
6. **Original Issue Premium Bonds** are fixed rate Bonds (sometimes PAC Bonds) sold at a price greater than 100% of their par value (the "premium"). The interest rates on Premium Bonds are somewhat higher than the rates on comparable Bonds sold at 100% of their par value, but when the premium is taken into account, the effective interest cost to the Issuer is less than the interest cost on a traditional Bond.
7. **Original Issue Discount ("OID") Bonds** are Term Bonds sold at a price less than 100% of their initial par value. They are sold at a slightly lower yield and are used as a marketing device to institutional investors. OIDs sometimes require an Issuer contribution to the cash flows. They are rarely used for single-family Bonds due to the risk of early redemption at par from unexpended proceeds and prepayments.
8. **Super Sinker Bonds** are term Bonds which are redeemed before any other maturity from mortgage prepayments and, occasionally, excess revenues. While a super sinker will have a stated maturity of 10 to 20 years, the average life of a super sinker at 100% of the FHA mortgage prepayment experience will be approximately three to five years. A super sinker provides other Bonds in the issue with limited call protection because the super sinker is redeemed first. Super sinkers are priced at a lower yield than a regular Bond of the same stated maturity and are priced off their average life as opposed to their stated maturity. Super sinkers also require special rating agency cash flow stress tests. If the Bond issue receives prepayments at a rate less than 100% of the FHA experience, the

actual average life of the Super Sinker Bonds will be extended. This average life risk is borne by the buyers of the Super Sinkers.

9. ***Planned-Amortization Class Bonds ("PACs")***, typically used only in a single-family issue, are a type of Super Sinker Bonds in that they are the first Bonds within the Bond issue to be called from mortgage prepayments, but unlike Super Sinkers there is a limit on how quickly they can be redeemed. PACs may also have a stated maturity of 10 to 30 years, but based on a specified Securities Industry and Financial Markets Association ("SIFMA") mortgage prepayment speed, their average life is approximately three to five years. PACs are priced at a lower yield than a regular Bond of the same stated maturity and are priced off their average life as opposed to their stated maturity. If the average life is determined at a percentage of the SIFMA prepayment rates, prepayments above that amount are allocated to redeem Bonds other than the PAC Bonds. If the bond issue receives prepayments at a rate less than the predetermined SIFMA rate, the actual average life of the PAC Bonds will be extended. However, if the prepayments are higher than the predetermined of the SIFMA rate, the average life is not reduced. Thus, the average life of the PAC is less volatile than for Super Sinker Bonds, and, as a result, investors are willing to accept a slightly lower yield.
10. ***Convertible Option Bonds ("COBs")*** are marketed for an initial short-term period (usually six to 12 months) and may, at the Issuer's option, be reoffered or converted into additional short-term remarketings or converted and remarketed or refunded as long-term, fixed rate Serial and Term Bonds. The interest on COBs converts from a short-term interest rate to a long-term interest rate on the conversion date. The single-family mortgage rates are also determined upon a conversion date. Conversion dates occur upon predetermined dates or upon the occurrence of certain events. Until the conversion date, Bond proceeds are invested in securities or a guaranteed investment contract and are not available for the purchase of loans until the COB is remarketed or refunded. COBs are used by the Issuer to preserve single-family bonding authority from loss due to various legal reasons. However, federal tax law changes in 1997 eliminated many of the tax advantages of COBs and have resulted in the increased use of short-term (one-to two-year) notes which are then simply refunded by long-term bonds instead of being "converted" to long-term Bonds.
11. ***Call Protected Bonds (Lockout Bonds)***, typically used only in a single-family issue, are protected from early redemption for a specified period, usually five or 10 years. The Issuer agrees to not call these Bonds from prepayments or excess revenues for a specified number of years. The investor will generally accept a lower yield for these Call Protected Bonds. This structure reduces the prepayment call risk borne by the investor (Bonds may otherwise be called earlier than their stated maturity because of mortgage prepayments), and thus results in lower Bond rates.
12. ***Other Bonds***, other bonds may be included in the structure of any bond issue at the discretion of BFC and the Board.

XVI. Refundings

THDA staff, together with Office of State & Local Finance staff, Financial Advisor and Bond Counsel, shall regularly analyze outstanding bond issues for refunding opportunities and shall evaluate refunding proposals submitted by underwriters. The Financial Advisor shall analyze outstanding bond issues at least semiannually and report to THDA staff and Office of State & Local Finance staff if a potential refunding issue appears viable. The applicable provisions of this Policy shall apply to a refunding bond issue in a similar manner as set forth herein for a bond issue designed to produce proceeds for THDA mortgage loan programs.

The following issues shall be considered in connection with evaluating refunding opportunities:

Whether a refunding results in an aggregate present value savings deemed sufficient by the BFC; or

Whether a refunding is necessary due to a change in tax status of the bonds; or Whether a refunding is necessary to further THDA program objectives; or Whether a refunding is necessary to preserve volume cap; or

Whether a refunding results in a reduction of the State's moral obligation pledge with respect to THDA debt obligations.

Refunding bonds will be structured to meet then applicable Code requirements and to provide maximum benefit within the general resolution under which the refunding bonds are to be issued.

XVII. Redemptions

To the extent THDA has discretion to redeem bonds and select the maturities and issues to be redeemed, THDA will first redeem those bonds bearing the highest interest rate; however, due to universal cap considerations, THDA will call term bonds on a pro-rata basis within bond issues or redeem the highest coupon serial bonds when the result will be to reduce debt service requirements. When making a redemption decision, THDA will consider, among other applicable things,

(i) restrictions or limitations imposed by the Code including, but not limited to, 10-year rule requirements and universal cap considerations; (ii) limitations or restrictions imposed by THDA resolutions including, but not limited to, redemption provisions; (iii) economic considerations; (iv) cash flow requirements; and (v) the amount of prepayments and other monies available to THDA for optional redemption of Bonds.

XVIII. Transparency

THDA shall comply with state and federal legal requirements for notice and for public meetings related to debt issuance. In the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the BFC and Board in a timely manner. In connection with each THDA bond issue, THDA staff shall complete and file with the Office of State & Local Finance the most current version of the required Report on Debt Obligation (State Form CT-0253) ("Report") and shall present such Report to the BFC and the Board at public meetings within the required time periods to meet this disclosure obligation.

XIX. Interest Rate and Forward Purchase Agreements

Pursuant to TCA Section 13-23-120(a)(2) and (3), THDA is authorized to enter into interest rate and forward purchase agreements. At such time as the BFC and Board determine it is in the best interest of THDA to enter into such agreements, appropriate amendments to this Policy will be considered and submitted to the BFC and Board for consideration and approval.

XX. Conduit Debt

For purposes of this section, a "conduit bond issue" is a bond issue in which the obligation of THDA as the issuer to pay principal of and interest on the bonds is limited to the payments it receives from a private third-party under a loan relating to revenues derived from the facilities financed or other assets of the third-party borrower. At such time as the BFC and Board determine it is in the best interest of THDA to enter into such financing agreements, appropriate amendments to this Policy will be considered and submitted to the BFC and Board for consideration and approval.

XXI. Variable Rate Debt

At such time as the BFC and Board determine it is in the best interest of THDA to enter into variable rate debt, appropriate amendments to this Policy will be considered and submitted to the BFC and Board for consideration and approval.

XXII. Taxable Debt

At such time as the BFC and Board determine it is in the best interest of THDA to enter into taxable debt, appropriate amendments to this Policy will be considered and submitted to the BFC and Board for consideration and approval.

XXIII. State Moral Obligation Pledge

All THDA debt currently outstanding under the 1985 General Resolution is secured by, among other things, the moral obligation pledge of the State of Tennessee. It is THDA's present intent to issue future debt obligations under the 2009 General Resolution or the 2013 General Resolution, neither of which carry the State's moral obligation pledge. In the event THDA creates additional resolutions under which debt obligations are sold, such resolutions are expected to not carry the State's moral obligation pledge. It is also THDA's present intent to evaluate, in connection with each debt issuance, whether debt obligations outstanding under the 1985 General Resolution are eligible for refunding to, among other things, remove additional debt obligations from the State's moral obligation pledge.

XXIV. Adoption and Amendment

This Policy was considered by the BFC at its meeting on November 28, 2011, and approved by the Board at its meeting on November 29, 2011. Amendments to the Policy were considered by the BFC at its meetings on July 28, 2014, and on May 23, 2016, and approved by the Board at its meetings on July 29, 2014, and on May 24, 2016. The Policy shall be reviewed at least annually by the BFC at the time of consideration of the Schedule of Financing. Any amendments shall be considered and approved in the same process as the initial adoption of this Policy.

EXHIBIT B

TENNESSEE HOUSING DEVELOPMENT AGENCY

TIMETABLE FOR ISSUE ___

(“DATE”) - Subject to Change

[month] [dates listed in this column]	Bond Finance Committee meeting-approve plan of financing for Issue THDA Board meeting-authorize Issue
At least 3 days prior to publication date	THDA sends TEFRA Notice for publication
At least 14 days prior to hearing date	Publication of TEFRA Notice
	THDA holds TEFRA Hearing-9:00 AM CT
Same day or within day or two of TEFRA hearing	THDA circulates timetable to "larger group" THDA sends TEFRA Approval request to the Governor
3-4 weeks prior to desired release date	THDA circulates first draft of POS (with portfolio data)
2 - 3 days from circulation of first draft	Comments to first draft of POS due by 10:00 AM CT
3-5 days from first draft of POS	Structuring Alternatives and Recommendation memo and economic benefit analysis from financial advisor to THDA, The Division of State Government Finance (“SGF”), senior book-running manager-10:00 AM CT Conference call with THDA, SGF, financial advisor and senior book-running manager to discuss Structuring Alternatives and Recommendation memo and economic benefit analysis-1:30 PM CT THDA circulates second draft of POS
Usually a week following circulation of 2 nd draft of POS	SGF communicates with Bond Finance Committee regarding proposed structure Conference call (if needed) with THDA, SGF, bond counsel, financial advisor to discuss issues (if any) raised by Bond Finance Committee members regarding proposed structure, size or economic benefit
	Comments to second draft of POS due by 10:00 AM CT
	Conference call with Underwriters/Co-Managers/Selling Group, THDA, SGF, financial advisor, bond counsel regarding due diligence, deal structure/timing (if needed)-9:00 AM CT
At least 1 day prior to date final POS comments due	10-year rule/32-year rule analysis, cash flows and other analysis from financial advisor to THDA, SGF -10:00 AM CT Confirmation of structure-SGF notifies THDA-Noon CT THDA circulates final draft of POS (including confirmed structure)
Usually day prior to release date for POS	Final comments or sign off on final draft of POS due by 10:00 AM CT Updated economic benefit analysis and Bond Sale Delay memo from financial advisor to THDA, SGF-10:00 AM CT Conference call with THDA, SGF, financial advisor to discuss Updated economic benefit analysis and Bond Sale Delay memo (if needed) -Noon CT

[month]	
At least week prior to pricing date	Senior book-running manager provides POS distribution info to i-Deal THDA delivers POS to i-Deal and the Print Shop THDA triggers release of POS on i-Deal website following review by financial advisor, SGF, bond counsel, underwriters counsel
5-7 days prior to pricing	Senior book-running manager circulates proposed take downs and fees to THDA, SGF and financial advisor-2:30 PM CT
3 days prior to pricing	<p>Analysis of Proposed Underwriter Fee memo from financial advisor to THDA, SGF-10:00 AM CT</p> <p>Conference call with financial advisor, THDA and SGF regarding Analysis of Proposed Underwriter Fee memo from financial advisor- 1:00 PM CT</p> <p>Conference call with senior book-running manager, THDA, SGF, financial advisor regarding take downs and fees-2:00 PM CT</p> <p>Conference call with Underwriters/Co-Managers/Selling Group (include desks), THDA, SGF, financial advisor regarding upcoming pricing- 3:30 PM CT</p>
2 days prior to pricing	<p>Preliminary Bond Pricing memo from financial advisor to THDA, SGF-10:00 AM CT</p> <p>Conference call with financial advisor, THDA, SGF regarding Preliminary Bond Pricing memo-2:30 PM CT</p> <p>Rating from Moody's and Standard & Poor's</p>
Day prior to pricing	<p>Senior book-running manager circulates price views from co-managers, consensus scale, proposed retail wire, description of pricing strategies-10:00 AM CT</p> <p>Analysis of Proposed Retail Pricing memo from financial advisor to THDA, SGF- Noon CT</p> <p>Conference call with financial advisor, THDA, SGF regarding Analysis of Proposed Retail Pricing memo---1 :00 PM CT</p> <p>Pre-pricing conference call for Issue _____ with THDA, SGF, financial advisor, bond counsel, senior book-running manager- 2:30 PM CT</p> <p>Summary of Pre-Pricing Conference Call memo from financial advisor to THDA, SGF - 3:30 PM CT</p> <p>Conference call with financial advisor, THDA, SGF regarding Summary of Pre-Pricing Conference Call memo---4:30 PM CT (if needed)</p> <p>TEFRA Approval from Governor</p>
	<p>Retail pricing for Issue ___ _</p> <p>Conference call with senior book-running manager, THDA, SGF, financial advisor, bond counsel regarding retail pricing status/adjustments, institutional pricing strategy-3:30 PM CT (subject to change)</p> <p>Bond Finance Committee meeting (if needed): approve pricing for Issue _____ _ execution of Bond Purchase Agreement--4:00 PM CT</p>

[month]

	<p>Retail/Institutional Pricing Conference call with senior book-running manager, THDA, SGF, financial advisor, bond counsel regarding pricing results-Noon CT Negotiated Pricing Recommendation memo from financial advisor to THDA, SGF-1:00 PM CT Final maturity schedule, preliminary pricing book from financial advisor to THDA, SGF, bond counsel-1:00 PM CT THDA prepares documents for pricing approval by Bond Finance Committee-1:00 PM CT to 2:00 PM CT Bond Finance Committee meeting (if needed): approve pricing for Issue _____, execution of Bond Purchase Agreement-2:30 PM CT THDA circulates first draft of OS (including structure finalized in connection with approval of pricing) Remove POS from i-Deal website</p>
<p>Day following execution of BPA</p>	<p>Senior book-running manager reports orders, proposed allocations to THDA, SGF, financial advisor-9:00 AM CT Analysis of Proposed Orders and Allotments memo from financial advisor to THDA, SGF-10:00 AM CT Conference call with financial advisor, THDA, SGF to review Analysis of Proposed Orders and Allotments memo-10:30 AM CT Conference call with senior book-running manager, financial advisor, THDA, SGF to discuss orders and proposed allotments-11:00 AM CT Comments to first draft of OS due by 2:00 PM CT THDA circulates second draft of OS Senior book-running manager provides THDA with CUSIP #s for Issue _____ Senior book-running manager provides THDA with number of hard copies of OS requested by underwriters and selling group by 4:00 PM CT</p>
<p>Second day following pricing</p>	<p>Finalize OS-Final comments/sign off-10:00 AM CT THDA e-mails electronic OS to senior book-running manager to post to EMMA and OTC Senior book-running manager provides THDA with names, mailing addresses and telephone numbers for underwriters and selling group contacts receiving hard copies of OS--4:00 PM CT Analysis of Final Orders and Allotments memo from financial advisor to THDA, SGF--4:00 PM CT</p>
<p>No later than 6 business days following execution of BPA</p>	<p>THDA mails OS for delivery on _____ (if Bond Finance Committee meets on _____)</p>
<p>No later than 6 business days following execution of BPA</p>	<p>THDA mails OS for delivery on _____ (if Bond Finance Committee meets on _____)</p>

[month]	
At least week prior to pre-closing	THDA, bond counsel, underwriters counsel circulate draft closing documents Financial advisor finalizes 10-year rule/32-year rule, cash flows, debt service reserve fund analysis, yield calculation THDA Chair signs Bonds, THDA General Certificate, Official Statement
	Pre-Closing for Issue
	Closing for Issue

PLEASE NOTE: ALL CONFERENCE CALLS LISTED IN THIS SCHEDULE WILL BE HELD VIA TEAMS MEETINGS PLATFORM.

PARTIES:

ROLE:

THDA ^{1,2,3}	Issuer
U.S. Bank National Association ("US Bank") ³	THDA Trustee
_____ ^{2,3}	THDA Bond Counsel
CSG Advisors ^{2,3}	THDA Financial Advisor
_____ (" _ ") ^{2,3}	THDA's senior book-running manager for Issue
_____ ²	Underwriter's counsel
Moody's ³ Standard & Poor's ³	Rating Agencies
Depository Trust Corporation ("OTC")	Holds bonds
Division of State Government Finance ("SGF") ^{1,2,3}	Coordinates communication with THDA Bond Finance Committee

¹Internal Group

²Working Group

³Larger Group

EXHIBIT C

**TENNESSEE HOUSING DEVELOPMENT
AGENCY BOND COUNSEL RFQ TIMETABLE*
(03.19.2024)**

Tuesday, March 19	Bond Finance Committee/THDA Board meeting - review and approve RFQ process
Tuesday, March 19	Distribute RFQ (e-mail, THDA website)
Wednesday, March 20	Confirm receipt/re-send if needed
Friday, March 22	All questions submitted to RFQ Coordinator by 4:00 pm CT
Monday, March 25	Responses to questions posted on THDA website by 4:00 pm CT
Friday, April 5	Responses to RFQ due Noon CT
Friday, April 12	Evaluation of responses by staff (THDA, Bond Finance Committee, SGF) Selection of short-list of firms for telephone interview, if needed Distribution of additional materials, if needed
Wednesday, April 24- Thursday, April 25	Telephone interviews with selected firms, if needed
Monday, April 29	Open pricing proposal from short list firms
Monday, May 6	Finalize recommendation to Bond Finance Committee/THDA Circulate recommendation memo for comment and sign off by THDA and Bond Finance Committee staff
Tuesday, May 21	Bond Finance Committee--select Bond Counsel; THDA Board meeting – report selection
Monday, June 3	Execute Bond Counsel Retainer Agreement (July 1, 2024, effective date)

***ALL DATES, TIMES AND ACTIVITIES ARE TENTATIVE AND SUBJECT TO CHANGE AT THE SOLE DISCRETION OF THDA**

Source:	Firm:	Address:	Contact:	Title:	Email:	Phone:	URL:	Single Family? Experience:
NCSHA	Applegate & Thorne-Thomsen, P.C.	425 S Financial Place Suite 1900 Chicago, IL 60605-1000	Warren Wenzloff	Attorney	wwenzloff@att-law.com	312.491.4400	https://www.att-law.com/	https://www.att-law.com/what-we-do/government-finance/
NCSHA	Arnall Golden Gregory LLP	171 17th Street NW Suite 2100 Atlanta, GA 30363-1031	Lisa M. Vicine	Chief Marketing Officer	lisa.vicine@agg.com	404.873.8500	https://www.agg.com/	Yes https://www.agg.com/services/affordable-housing-practice/
NCSHA	Ballard Spahr LLP	1735 Market St 51ST FLOOR Philadelphia, PA 19103-7501	Jere G. Thompson	Partner	thompsonj@ballardspahr.com thompson@ballardspahr.com	215.665.8500	https://www.ballardspahr.com/	https://www.ballardspahr.com/Services/Practices/Housing/Affordable-Housing-and-Community-Development
NCSHA	BC Davenport, LLC	105 5th Avenue S Suite 375 Minneapolis, MN 55401-2549	David A. Davenport	Managing Partner	David@bcdavenport.com	612.445.8010	https://www.bcdavenport.com/	https://bcdavenport.com/practice-groups/
NCSHA	Blanco Tackabery	PO Box 25008 Winston Salem, NC 27114-5008	Michael G. Beck	Associate	mgr@blancolaw.com mgb@blacolaw.com	336.293.9000	https://www.blancolaw.com/	https://www.blancolaw.com/practice-areas/affordable-housing/
NCSHA	Butler Snow LLP	1020 Highland Colony Pkwy Suite 1400 Ridgeland, MS 39157-2139	Thad W. Varner	Practice Group Leader	thad.varner@butlersnow.com	601.985.4518	https://www.butlersnow.com/	Yes https://www.butlersnow.com/services/practice-areas/housing-finance
NCSHA / Bond Buyer	Chapman and Cutler LLP	320 S Canal Street 27th Floor Chicago, IL 60606-5707	Ryan J. Bowen	Partner	rbowen@chapman.com	312.845.3000	https://www.chapman.com/	https://www.chapman.com/practices-Public-Finance
NCSHA	Coats Rose	9 Greenway Plaza Suite 1000 Houston, TX 77046-0905	Barry J. Palmer	Director	bpalmer@coatsrose.com	713.651.0111	https://www.coatsrose.com/	https://www.coatsrose.com/practice_area/affordable-housing/ https://www.coatsrose.com/practice_area/public-finance/
NCSHA	Dentons	233 S Wacker Drive Suite 5900 Chicago, IL 60606-6459	Amberlee Cook	Partner	Amberlee.Cook@dentons.com	312.876.8000	https://www.dentons.com/	
NCSHA	Dinsmore & Shohl LLP	255 E 5th Street Suite 1900 Cincinnati, OH 45202-4720	Sujyot S. Patel	Partner	sujyot.patel@dinsmore.com	513.977.8200	https://www.dinsmore.com/	Yes https://www.dinsmore.com/housing/
NCSHA	Dorsey & Whitney LLP	50 S 6th Street Suite 1500 Minneapolis, MN 55402-1498	James J. Smith	Partner	smith.james@dorsey.com	612.340.2600	https://www.dorsey.com/	Yes https://www.dorsey.com/services/public_finance
NCSHA / Bond Buyer	Gilmore & Bell, P.C.	2405 Grand Blvd Suite 1100 Kansas City, MO 64108-2521	William D. Burns	Shareholder & Attorney	info@gilmorebell.com bburns@gilmorebell.com	816.221.1000	https://www.gilmorebell.com/	Yes https://www.gilmorebell.com/about/
NCSHA / Bond Buyer	Hawkins Delafield & Wood LLP	7 World Trade Center 250 Greenwich Street New York, NY 10007	Howard Zucker, Steve Turner	Partner, Partner	hzucker@hawkins.com sturner@hawkins.com	212.820.9300	https://www.hawkins.com/	Yes https://www.hawkins.com/practices/bond-counsel#item2
NCSHA	Holland & Knight LLP	800 17th Street Suite 1100 Washington, DC 20006-3906	Anthony S. Freedman	Partner	anthony.freedman@hklaw.com	202.955.3000	https://www.hklaw.com/	https://www.hklaw.com/en/services/practices/real-estate-hospitality-and-leisure/affordable-housing-transactions
NCSHA	Ice Miller LLP	1 American Square Suite 2900 Indianapolis, IN 46282-0200	Philip C. Genetos	Senior Counsel	philip.genetos@icemiller.com	317.236.2100	https://www.icemiller.com/	Yes https://www.icemiller.com/housing-financings
NCSHA	Klein Hornig LLP	1325 G Street NW Suite 770 Washington, DC 20005-3100	M. Chrysa Long		clong@kleinhornig.com	202.926.3400	https://www.kleinhornig.com/	https://www.kleinhornig.com/practice-area/housing-development/
NCSHA / Bond Buyer	Kutak Rock LLP	1650 Farnam St THE OMAHA BUILDING Omaha, NE 68102-2104	John J. Wagner, Michelle G. Adams	Partner, Partner	john.wagner@kutakrock.com michelle.adams@kutakrock.com	402.346.6000	https://www.kutakrock.com/	Yes https://www.kutakrock.com/services/practices/housing/single-family-housing
NCSHA / Bond Buyer	Locke Lord LLP	111 Huntingdon Avenue 9th Floor Boston, MA 02199-7661	Stephanie H. Massey	Partner	Stephanie.Massey@lockelord.com	617.239.0100	https://www.lockelord.com/	https://www.lockelord.com/services/practices/affordable-housing https://www.lockelord.com/services/practices/public-finance
NCSHA	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC	1 Financial Ctr Boston, MA 02111-2621	Charles E. Carey	Member	cecary@mintz.com	617.542.6000	https://www.mintz.com/	https://www.mintz.com/industries-practices/public-finance
NCSHA / Bond Buyer	Nixon Peabody LLP	799 9th Street NW Suite 500 Washington, DC 20001-4501	Matthew W. Mullen	Partner & Group Leader	mmullen@nixonpeabody.com	202.585.8000	https://www.nixonpeabody.com/	https://www.nixonpeabody.com/capabilities/practices/affordable-housing

NCSHA	Nolan Sheehan Patten LLP	84 State Street Suite 940 Boston, MA 02109-2219	Stephen M. Nolan	Partner	nolan@nspllp.com	617.451.1725	https://www.nspllp.com/		https://www.nspllp.com/public-financing
NCSHA / Bond Buyer	Orrick, Herrington & Sutcliffe LLP	405 Howard St San Francisco, CA 94105-2625	Jeffrey Philp	Partner	jphilp@orrick.com	415.773.5700	https://www.orrick.com/	Yes	https://www.orrick.com/en/Practices/Housing-Finance
NCSHA	Reno & Cavanaugh, PLLC	455 Massachusetts Avenue NW Suite 400 Washington, DC 20001-2765	Megan Glasheen	Firm Member	sleighton@renocavanaugh.com mglasheen@renocavanaugh.com	202.783.2800	https://www.renocavanaugh.com/		https://www.renocavanaugh.com/services/affordable-housing-and-community-development
NCSHA	Sherman & Howard L.L.C.	675 15th Street Suite 2300 Denver, CO 80202-4206	Cory G. Kalanick	Member	ckalanick@shermanhoward.com	303.297.2900	https://www.shermanhoward.com/		https://shermanhoward.com/services/public-finance/#next
NCSHA	Squire Patton Boggs (US) LLP	41 S High St 2000 HUNTINGTON CENTER Columbus, OH 43215-6101	Michael D. Saad	Senior Partner	michael.saad@squirepb.com	614.365.2700	https://www.squirepattonboggs.com/		https://www.squirepattonboggs.com/en/services/practice-areas/public-and-infrastructure-finance/affordable-housing
NCSHA	Tiber Hudson LLC	1900 M Street NW 3rd Floor Washington, DC 20036-3508	Kent S. Neumann	Founding Member	kent@tiberhudson.com	202.973.0101	https://www.tiberhudson.com/	Yes	https://tiberhudson.com/practice-areas/affordable-housing/
NCSHA	Winthrop & Weinstine, P.A.	Suite 3500 Minneapolis, MN 55402-4629	John D. Nolde	Shareholder	jnolde@winthrop.com	612.604.6400	https://www.winthrop.com/		https://winthrop.com/our-services/real-estate/real-estate-finance/
Bond Buyer	Norton Rose Fulbright	1301 McKinney Suite 5100 Houston, TX 77010-3095	Paul A. Braden	Head of Public Finance	paul.braden@nortonrosefulbright.com	214.855.8189	https://www.nortonrosefulbright.com/en-us		https://www.nortonrosefulbright.com/en-us/services/590a4a14/public-and-government-finance
Bond Buyer	McCall Parkhurst & Horton	717 North Harwood Suite 900 Dallas, TX 75201	Chris Settle	Partner	csettle@mphlegal.com	214.754.9237	https://mphlegal.com/		https://mphlegal.com/industries/general-government/
Bond Buyer	Bracewell LLP	111 Congress Avenue Suite 2300 Austin, TX 78701-4061	Elizabeth Rippy Bowes	Partner	elizabeth.bowes@bracewell.com	512.542.2104	https://bracewell.com/		https://bracewell.com/practices/public-finance
Bond Buyer	Stradling Yocca Carlson & Rauth	660 Newport Center Drive Suite 1600 Newport Beach, CA 92660	Brian P. Forbath	Partner	bforbath@stradlinglaw.com	949.725.4000	https://www.stradlinglaw.com/		https://www.stradlinglaw.com/services/practices/public-finance/index.html
Bond Buyer	Bryant Rabbino LLP	Suite 301 New York, NY 10017	Seth Bryant	Managing Partner	seth@bryantrabbino.com	212.967.1800	https://www.bryantrabbino.com/		https://www.bryantrabbino.com/practice-areas/capital-markets-finance/
Bond Buyer	McKennon Shelton & Henn LLP	Suite 2600 Baltimore, MD 21202	Elizabeth A. McKennon		elizabeth.mckennon@mshllp.com	410.843.3519	https://www.mshllp.com/site/		https://www.mshllp.com/site/areas-of-practice/public-finance/
Bond Buyer	Quarles & Brady LLP	411 East Wisconsin Avenue Suite 2400 Milwaukee, WI 53202	Jeff Peelen	Partner	jeff.peelen@quarles.com	414.277.5773	https://www.quarles.com/		https://www.quarles.com/capabilities/public-finance
Bond Buyer	Foster Garvey PC	1111 Third Avenue Suite 3000 Seattle, WA 98101	Lee Marchisio	Principal	lee.marchisio@foster.com	206.447.6264	https://www.foster.com/	Yes	https://www.foster.com/services-practices-public-finance-municipal-government
2017 List	Adams and Reese LLP	1600 West End Avenue Suite 1400 Nashville, TN 37203	Richard Aguilar	Partner	richard.aguilar@arlaw.com	504.585.0329	https://www.adamsandree.com/		https://www.adamsandree.com/experience/practices/public-finance
2017 List	Baker Donelson	Suite 2000 Nashville, TN 37203	Howard Lee Hill II	Shareholder	lhill@bakerdonelson.com	601.969.4675	https://www.bakerdonelson.com/	Yes	https://www.bakerdonelson.com/public-finance
2017 List	Bass, Berry & Sims PLC	150 Third Avenue South Suite 2800 Nashville, TN 37201	G. Mark Mamantov	Member	mmamantov@bassberry.com	865.521.0365	https://www.bassberry.com/		https://www.bassberry.com/services/public-finance-transactions/affordable-housing/ https://www.bradley.com/practices-and-industries/practices/affordable-housing-and-community-development
2017 List	Bradley Arant Boult Cummings LLP	1221 Broadway Suite 2400 Nashville, TN 37203	T. Atkins Roberts Jr.	Partner	aroberts@bradley.com	205.521.8501	https://www.bradley.com/		https://www.bradley.com/practices/affordable-housing-and-community-development
2017 List	Hunton Andrews Kurth	Bank of America Plaza Suite 4100 Atlanta, GA 30308	Douglass P. Selby	Partner	dselby@huntonak.com	404.888.4207	https://www.huntonak.com/en/		https://www.huntonak.com/en/practices/public-finance.html

2017 List	Frost Brown Todd	111 Monument Circle Suite 4500 Indianapolis, IN 46204	Denise (Barkdull) Lund	Practice Group Leader	dlund@fbtlaw.com	317.237.3940	https://frostbrowntodd.com/	Yes	https://frostbrowntodd.com/practices/public-finance/
2017 List	Glankler Brown	6000 Poplar Avenue Suite 400 Memphis, TN 38119	B. Douglas Earthman	Member	dearthman@glankler.com	901.525.1322	https://www.glankler.com/		https://www.glankler.com/practice-areas/public-finance/
2017 List	Golden Holley James	60 East 42nd Street Suite 4700 New York, NY 10017	Robert E. James, II	Attorney	rjames@goldenholleyjames.com	212.796.5702	https://www.goldenholleyjames.com/		https://www.goldenholleyjames.com/tax-exempt-and-taxable-financing/
2017 List	Greenberg Traurig	3333 Piedmont Road NE Suite 2500 Atlanta, GA 30305	Theresa S Clark	Shareholder	Theresa.Clark@gtlaw.com	678.553.2100	https://www.gtlaw.com/en	Yes	https://www.gtlaw.com/en/general/real-estate/affordable-housing
2017 List	Lewis & Munday	220 West Congress Street Suite 500 Detroit, MI 48226	Sarathi Ray	Counsel	sray@lewismunday.com	313.961.2550	https://www.lewismunday.com/	Yes	https://www.lewismunday.com/practice-areas/corporate-and-public-municipal-law
2017 List	Miller Canfield	120 N. Washington Square Suite 900 Lansing, MI 48933	Kristin E. Nied	Principal	nied@millercafield.com	734.668.7705	https://www.millercafield.com/	Yes	https://www.millercafield.com/services-Housing.html
2017 List	Polsinelli	201 E. Las Olas Boulevard Suite 2250B Fort Lauderdale, FL 33301	S. Shawn Whitney	Tax Credit Finance Practice Chair	swhitney@polsinelli.com	305.921.1824	https://www.polsinelli.com/		https://www.polsinelli.com/affordable-housing
2017 List	Robinson & Cole	280 Trumbull Street Hartford, CT 06103	David M. Panico	Chair	dpanico@rc.com	860.275.8390	https://www.rc.com/		https://www.rc.com/practices/FinancePublicFinance/PublicFinance/AffordableHousingandCommunityDevelopment/index.cfm
2017 List	Dickinson Wright	123 W. Allegan Street Suite 900 Lansing, MI 48933-1816	Kester So	Member	kso@dickinsonwright.com	517-487-4722	https://www.dickinson-wright.com/		https://www.dickinson-wright.com/practice-areas/public-finance?tab=0



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Bond Finance Committee, THDA Board of Directors

FROM: Bruce Balcom, Chief Legal Counsel

SUBJECT: Approval of Issue 2024-2

DATE: March 4, 2024

Recommendation

Approval of the Plan of Financing by the Bond Finance Committee, with recommendation to the Board to approve, and subsequent Board approval, of the Authorizing Resolution, including the form of the Supplemental Resolution, and the Reimbursement Resolution.

Key Points

It is anticipated that THDA will begin committing against Issue 2024-2 in May. Pricing will occur in late May, depending upon production, with the expectation of closing approximately a month after pricing.

Background

Attached please find the following documents in connection with the requested authorization of the THDA bond issue, Issue 2024-2:

1. Memo from CSG Advisors Incorporated (“CSG”) recommending authorization in the maximum principal amount of \$350,000,000 for a bond issue under the General Residential Finance Program Bond Resolution adopted in 2013. Staff expects this bond issue to be priced at the earliest in May 2024 and closed not later than June 2024. The final size and structure will be determined by the Authorized Officer.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

THDA.org - (615) 815-2200 - Toll Free: 800-228-THDA

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2. THDA Plan of Financing for Issue 2024-2 Residential Finance Program Bonds, which the Bond Finance Committee will be asked to approve.
3. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing the Issuance and Sale of Residential Finance Program Bonds, Issue 2024-2, that includes the form of Supplemental Resolution for Issue 2024-2 and that authorizes the referenced bond issue and delegates authority to the Authorized Officer to determine all final terms and conditions. The Bond Finance Committee will be asked to recommend this resolution and the transaction to the THDA Board of Directors.
4. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing Reimbursement of THDA from Proceeds of Issue 2024-2 in an amount not to exceed \$100,000,000. The Bond Finance Committee will be asked to recommend this resolution to the Board of Directors.

COMPLIANCE WITH THDA DEBT MANAGEMENT POLICY

Issue 2024-2 complies with the Tennessee Housing Development Agency Debt Management Policy adopted on November 28, 2011, as amended (the “Debt Management Policy”). In particular, Issue 2024-1 complies with the Debt Management Policy as follows:

Part III - by allowing THDA “...to maintain a steadily available supply of funds to finance its mortgage loan programs at cost levels that provide competitive, fixed interest rate mortgage loans that benefit low and moderate income families, while maintaining or improving THDA’s overall financial strength and flexibility...”

Part VIII - the issuance of this debt will not cause THDA to exceed the statutory debt limit contained in TCA Section 13-23-121.

Part X - the factors and items listed to be considered in planning, structuring and executing a bond issue have been and will be considered as planning, structuring and executing this bond issue moves forward.

Part XIV - serial bonds, terms bonds, convertible option bonds and PAC bonds are being considered for the structure of the bond issue.

Parts XV – authorization of a potential refunding component is expected to result in present value savings and/or preserve volume cap and will further THDA program objectives of providing competitive, fixed interest rate mortgage loans that benefit low and moderate income families.

Parts XVIII, XIX, XX and XXI are not applicable as authorization requested for Issue 2024-2 does not include interest rate and forward purchase agreements, conduit debt, or variable rate debt.



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MEMORANDUM

TO: THDA Board of Directors and THDA Bond Finance Committee

FROM: Tim Rittenhouse, David Jones, and Eric Olson

SUBJECT: Bond Issue Authorization Recommendation

RE: Residential Finance Program Bonds, Issue 2024-2

DATE: March 6, 2024

Executive Summary

- CSG recommends that the THDA Board of Directors and THDA Bond Finance Committee authorize up to \$350 million of Issue 2024-2 bonds under the Residential Housing Finance Program Bond Resolution to fund THDA’s qualified Great Choice mortgage loan pipeline as well as potentially its non-qualified mortgage loan pipeline. The exact issue size will be evaluated closer to the bond sale date based on THDA’s mortgage pipeline and interest rates at the time.
- THDA is currently committing loans against Issue 2024-1, with approximately \$21 million already committed and the balance projected to be fully committed in May.
- Issue 2024-2, if authorized, is expected to be sold in the summer of 2024 and could include both non-AMT bonds and taxable bonds to a) preserve volume cap and b) potentially fund THDA’s non-qualified conventional loan production. Issue 2024-2 could also potentially be used to fund second mortgage down payment assistance loans, as further described herein.

Background

On February 13th, THDA priced its \$270 million Residential Finance Program Bonds, Issue 2024-1 (Non-AMT/Federally Taxable). Approximately \$21 million of the proceeds have already been committed to borrowers, with the remaining proceeds projected to be fully committed sometime in May.

Once the Issue 2024-1 proceeds are fully originated, THDA would purchase mortgage loans using available THDA funds, expecting that such advances will be reimbursed with proceeds of Issue 2024-2. Based on current projections, staff expects THDA has sufficient available funds on hand to continue purchasing mortgage loans through the anticipated closing of Issue 2024-2, assuming a closing sometime in the summer of 2024.

Proposed Sizing

Authorizing a bond issue of not to exceed \$350 million is expected to allow THDA to continue purchasing mortgage loans into the fall of 2024 and potentially beyond. The ultimate size of the issue will depend on mortgage loan demand until pricing, on interest rates, and on an assessment of any negative reinvestment costs (the cost of investing bond proceeds at lower interest rates than the bond interest rate before the proceeds can be used to purchase mortgage loans). Current reinvestment costs are quite minimal given the favorable rates at which THDA can currently invest its bond proceeds prior to purchasing mortgage loans.

Tax Status

Issue 2024-2 is proposed to include a) new money non-AMT bonds and b) taxable bonds. The taxable bonds are recommended in order to preserve future volume cap and/or potentially fund THDA's non-qualified conventional loans, as done in Issues 2023-1 through 2024-1.

Potential Funding of Down Payment Assistance Loans

THDA should consider using a small portion of Issue 2024-2 to fund second mortgage down payment assistance loans, as was done on Issue 2024-1. There has been significant demand on THDA's balance sheet and specifically its liquidity over the past year, driven by the combination of a rapid slowdown in loan prepayments due to spiking loan rates and sharply increased THDA loan originations. Balance sheet liquidity within the 2013 General Resolution has become increasingly important. Funding DPA loans out of the bond proceeds of Issue 2024-2 would help preserve liquidity at a modest cost to the yield spread of the bond issue. We recommend including this possibility in the structuring of Issue 2024-2 and will provide more analysis and recommendations as we get closer to the pricing of the bonds.

Potential Refundings of Prior Bonds

THDA's outstanding Homeownership Program Bonds Issue 2013-1, 2013-2, and 2014-1 are optionally redeemable at par on any date. These bonds may be refunded by Issue 2024-2 under a common plan of finance with the "new money" portion of the Issue 2024-2 transaction. However, based on current bond rates, none of these prior bond issues are economically beneficial to refund. We will continue to monitor the market in the event that it becomes beneficial to refund these issues with Issue 2024-2 or future financings.

Planned Amortization Class Bonds

Based on current market conditions and investor appetite, structuring Issue 2024-2 to include planned amortization class bonds ("PACs") to be sold at a premium would significantly lower the issue's bond yield. PACs are often priced at a premium and most frequently designed with an expected five-year or six-year average life, assuming future prepayment speeds over a broad range. Prepayments up to 75% or 100% PSA would be directed first to redeeming the PACs until they are completely retired. Due to the projected short and stable average life and the high coupon on the PACs, institutional investors accept much lower yields than for conventional term bonds with the same maturity.

A possible concern with the use of PACs is that actual prepayments could occur at a sustained speed slower than originally expected, causing the PACs to remain outstanding longer than projected and potentially extending the period during which THDA would pay the high coupon on these bonds. However, THDA's average historical prepayment speeds have exceeded 150% PSA, though recent prepayment speeds have dipped closer to and in some cases, below 100% PSA. If actual sustained prepayment speeds are less than the minimum used in originally structuring the PACs, THDA could choose (as it has recently) to redeem

the PACs up to the originally anticipated amounts with other available funds to maintain the short average life of the PACs.

Preliminary Structuring Analysis

Two alternative bond structures are shown in Exhibit A and summarized below. Both scenarios reflect the same total bond par amount of \$350 million in long-term bonds with the same bond components: \$175 million of tax-exempt non-AMT bonds for qualified loan production and \$175 million of taxable bonds for qualified loan production to preserve volume cap. Our analysis assumed current market bond rates, as well as THDA's current Great Choice mortgage loan rate of 6.75%.

In each case after calculating an estimated bond yield, the spread between the mortgage loan yield and the bond yield was determined. Then, the amount of zero participation loans needed to achieve an aggregate (tax-exempt and taxable) yield spread of 1.20% was computed, based on current bond market interest rates and THDA's mortgage rates.

- **Scenario 1** shows a level-debt issue with no PAC bonds and an aggregate (tax-exempt and taxable) yield spread of 1.60%. \$22.47 million of zero participation loans could be created to bring the issue down to 1.20% aggregate (tax-exempt and taxable) yield spread. Alternatively, THDA could elect to target a higher yield spread, so long as the tax-exempt portion remained at or below 1.125% (which it would at aggregate yield spreads of up to 1.60%).
- **Scenario 2** includes both tax-exempt and taxable PAC bonds, with the PAC bond repayments spread throughout the overall maturity structure of the issue. The lower yield on the PAC reduces the overall bond yield by approximately .06%. This results in an aggregate yield spread of 1.66%. \$25.865 million of zero participation loans could be created to bring the issue down to 1.20% aggregate (tax-exempt and taxable) yield spread, or higher spreads are also an option.

THDA has approximately \$85.52 million in zeros that can be used to subsidize new bond issues, such as Issue 2024-2. The amount of zero participation loans that THDA accumulated helps mitigate for THDA the risk of higher bond rates on future transactions, particularly with fewer economic refunding opportunities over the next few years than in the recent past as well as higher current interest rates that could reduce the attractiveness of refunding opportunities.

As the financing is developed, production needs will be refined, and as the proposed pricing date approaches, CSG will continue to evaluate the benefits of including PACs and other premium or discount bonds, or super-sinker bonds, to assess if further refinement of the structure could offer improvement in the pricing of Issue 2024-2.

Issuing the Issue 2024-2 Bonds under the 2013 General Resolution avoids a state moral obligation pledge on the bonds.

Method of Sale

In the current market for housing bonds THDA will continue to benefit from offering its bonds via negotiated sale, rather than by competitive bid. Factors favoring a negotiated sale include:

Retail Sales / In-State Selling Group – THDA has enjoyed strong demand for its bonds among Tennessee retail investors with retail buyers often helping to set prices for institutions. Underwriting syndicate members with strong in-state marketing and distribution networks for bonds to retail investors have been an important component of support for THDA's issues. Bonds not subject to the AMT have been and are

expected to continue to appeal to retail investors. The presence of selling group members, who only earn a fee on bonds they sell, helps assure that competitive forces work in THDA's interest during a negotiated sale. When housing bonds are sold via competitive bid, the winning bidder has little time or incentive to market bonds to retail investors or to involve smaller Tennessee-based broker-dealers. THDA's practice of elevating a top-performing member of the selling group to co-manager status on the next offering has reinforced retail support.

Market Volatility – A competitively bid bond issue requires that the timing and, to a significant extent, the final bond structure be established well in advance of the bid date. Continued market volatility makes it unlikely THDA could structure its bonds to obtain the lowest possible cost of debt in advance of pricing. A negotiated sale provides flexibility to price on shorter notice, to adjust the bond structure through the pricing period in response to market factors and investor indications, or to delay or accelerate the pricing as conditions warrant.

Complexity and Credit – While investors are familiar with bonds issued by housing finance agencies, a negotiated sale provides greater opportunity to communicate with investors about the more complex structure, program experience, and the credit features of THDA's bonds.

Bond Structure – Though Issue 2024-2 is expected to be relatively straightforward for a traditional housing bond, it may be desirable to make changes to the structure close to the time of the bond sale in order to cater to the interests of certain investors, such as those interested in the PACs, to add additional maturities or features, or to use bonds priced at a premium or discount (such as lockout premium serial bonds as recently utilized). A negotiated sale facilitates greater flexibility to make structural changes, as reflected in a number of THDA's offerings in which negotiated long-dated serial bonds allowed THDA to realize savings versus the higher cost of an intermediate term bond.

Pricing Oversight – THDA's policies and practices for negotiated bond sales – including the review of co-manager price views, consensus scales, comparable pricings, historic and current spreads, other current market data, and concurrent monitoring by the Division of State Government Finance and CSG – provide THDA with the basis for confirming that its bonds are priced fairly at time of sale. In advance of the offering CSG also provides a pre-pricing memo with information related to general bond market conditions, the housing bond market, and projected interest rate levels based on recent housing bond issues, previous THDA offerings, and pending statistical releases. To manage incentives for the syndicate members and investors, CSG also advises on syndicate rules and procedures, proposed holdbacks of specific maturities, and allotments of bonds.

Current Market Conditions

Although geopolitical events have added uncertainty and instability, the Federal Reserve's campaign of monetary tightening to combat high inflation remained the dominant focus for much of the last year.

Key themes concerning investors include the following:

- While regional banking weakness and improved inflation statistical releases permitted the Federal Reserve to slow its campaign to raise rates, uncertainty about future Fed actions has added a note of caution for some investors considering buying municipal bonds.
- Reports signaling US economic resilience have raised hopes that the Fed's monetary tightening may not lead to a recession or stagnation.
- With redemptions of prior bonds rising from early-2024 repayments, principal payoffs of prior bonds are helping support demand for new issues.
- Fed Chairman Powell's 'higher-for-longer' posture – reinforced after the FOMC's January 31

meeting when he indicated rate cuts would have to wait for improved inflation statistics – has spurred instability in treasury rates and has led to an expectation of slower rate declines in 2024.

Recommendations

CSG Advisors recommends that the THDA Board of Directors and THDA Bond Finance Committee:

- Authorize the sale and issuance of Residential Finance Program Bonds, Issue 2024-2, with a par amount not to exceed \$350 million;
- Delegate to the Authorizing Officer authority to:
 - Establish the principal amount of Issue 2024-2;
 - Establish the structure, sub-series and pricing schedule of Issue 2024-2, including
 - a. the possible use of a portion of the proceeds to fund down-payment assistance loans, and
 - b. the potential issuance of taxable bonds to fund THDA’s non-qualified loan production;
 - Approve fixed-rate serial and term bonds in any combination with maturities no longer than 32 years; and
 - Refund any combination of bonds that are optionally callable, based upon projected benefits under market conditions at the time of sale.
- Based on current market conditions and for the reasons described above, authorize Issue 2024-2 via a negotiated sale; and
- Select RBC Capital Markets to serve as book-running senior manager for Issue 2024-2, in view of the continuing value they have provided as a member of THDA’s underwriting syndicate. (See our Underwriter Recommendation Memo for additional information.)

**EXHIBIT A:
PRELIMINARY STRUCTURING ANALYSIS**

EXHIBIT A: STRUCTURING SCENARIOS

Tennessee Housing Development Agency Issue 2024-2

As of 3/5/24, for Bond Authorization Recommendation Memo

	1	2
<u>Key Structuring Variables</u>	<u>No PAC</u>	<u>PAC Throughout Maturity Schedule</u>
Including PAC Bonds	No	Yes
PAC Bond Maturity Years	N/A	2025 - 2055
PAC Structure	N/A	75% PSA, 6yr A/L

Bond Series and Amounts

New Money	Non-AMT	175,000,000	50%	175,000,000	50%
New Money	Taxable	175,000,000	50%	175,000,000	50%
Total		350,000,000	100%	350,000,000	100%

Bond Structure

Non-AMT	Coupon / Yield				
2A: Serials	3.200% - 3.900%	45,935,000	26%	31,455,000	18%
2A: 7/1/39 Term	4.050%	15,030,000	9%	10,285,000	6%
2A: 7/1/44 Term	4.500%	29,740,000	17%	20,365,000	12%
2A: 7/1/49 Term	4.650%	37,275,000	21%	25,525,000	15%
2A: 7/1/54 Term	4.750%	47,020,000	27%	32,200,000	18%
2A: 1/1/55 PAC Term	6.00% / 3.97%	-	0%	55,170,000	32%
Total		175,000,000	100%	175,000,000	100%
Taxable	Coupon / Yield				
2B: Serials	4.780% - 5.460%	30,800,000	18%	21,095,000	12%
2B: 7/1/39 Term	5.510%	22,610,000	13%	15,485,000	9%
2B: 7/1/44 Term	5.650%	29,765,000	17%	20,385,000	12%
2B: 7/1/49 Term	5.750%	39,425,000	23%	26,985,000	15%
2B: 7/1/54 Term	5.800%	52,400,000	30%	35,880,000	21%
2B: 1/1/55 PAC Term	6.25% / 5.50%	-	0%	55,170,000	32%
Total		175,000,000	100%	175,000,000	100%

Yields If No Loan Participations In or Out

<u>Overall Tax-Exempt Plus Taxable</u>			
Mortgage Yield		6.666%	6.666%
Bond Yield		5.063%	5.002%
Overall Yield Spread		1.603%	1.664%

GC Rate to Achieve Overall 1.20% Yield Spread

6.34% 6.28%

Loan Particip. to Achieve 1.20% Yield Spread

0% Loans (Consumed) from Past Issues	-	-
0% Loans Created from 2024-2	22,470,000	25,865,000
Net Zero Percent Loans (Consumed) / Created	22,470,000	25,865,000

New Volume Cap Needed

2024-2A (Non-AMT)	175,000,000	175,000,000
Plus PAC Premium	-	5,806,091
Total	175,000,000	180,806,091

Other Key Assumptions Common to All Scenarios

6.75% Great Choice Loan Rate, 1% loan yield point on all loans, 1% of proceeds for 0% DPA seconds
First mortgage originations at \$60MM/month, 88% Great Choice / 12% Homeownership for Heroes

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 2024-2

DATE: March 4, 2024

Background

In January 2018, THDA’s Bond Finance Committee selected an underwriting team consisting of co-senior managers Citigroup, Raymond James, and RBC; co-managers JP Morgan and Wells Fargo, with a third co-manager 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 existing team. In December 2023, Citigroup announced its exit from the municipal bond underwriting business, effectively ending its position as a senior manager to THDA. To accommodate the current underwriter selections, the recent underwriting team is expected to be used for Issue 2024-2.

The purpose of this memo is to recommend firms to serve on THDA’s Issue 2024-2 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
2022-1	175,000,000	Raymond James
2022-2	149,990,000	RBC Capital Markets
2022-3	160,000,000	Citigroup Global Markets
2023-1	140,000,000	Raymond James
2023-2	235,000,000	RBC Capital Markets
2023-3	360,000,000	Citigroup Global Markets
2024-1	270,000,000	Raymond James

Rather than select the book-running senior manager based on a fixed rotation, following the 2018 underwriter selection by the Bond Finance Committee, the book-running senior manager is 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, the Bond Finance Committee 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.)

RBC Capital Markets continues to perform very well when selected as the book-running senior manager, evidenced by aggressive pricing and a solid book of both retail and institutional orders for Issue 2023-2, the last issue RBC 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, RBC continues to successfully manage and achieve good pricing results on single family bond transactions for other housing finance agencies, the latest being Pennsylvania, Rhode Island, North Dakota, Iowa, Illinois, and Wisconsin in February.

In view of their continued performance, we recommend that RBC Capital Markets serve as book-running senior manager for Issue 2024-2.

2. Elevated Selling Group Member

The following table shows the retail performance of each selling group member for Issue 2024-1, including Wiley Brothers – Aintree Capital which acted as the third co-manager.

TABLE 2: RETAIL ORDERS AND ALLOTMENTS BY MEMBER: ISSUE 2024-1

Selling Group Member	Retail Orders	Final Allotments
Wiley Brothers - Aintree	\$1,300,000	\$900,000
Bancroft	2,300,000	875,000
RW Baird	930,000	790,000
FHN Financial	20	20
Duncan-Williams	-	-
Fifth Third	-	-
Total	\$4,530,020	\$2,565,020

Excluding member orders.

Based on final retail allotments on Issue 2024-1, we recommend that Wiley Brothers - Aintree be named the selling group member elevated to co-manager for THDA's Issue 2024-2.

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

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

THDA UNDERWRITER PERFORMANCE SUMMARY – 2023-2, 2023-3, and 2024-1 (\$ thousands)

	2023-2 (RBC lead, UBS co) 235,000		2023-3 (Citi lead, UBS co) 360,000		2024-1 (RJ lead, Wiley co) 270,000		Combined 2023-2 to 2024-1 865,000	
	Orders	Allotments	Orders	Allotments	Orders	Allotments	Orders	Allotments
Citigroup								
Tennessee Retail	185	185	11,175	10,415	0	0	11,360	10,600
National Retail	11,000	4,870	62,625	31,700	0	0	73,625	36,570
Net Designated Member	720	425	804,140	241,730	0	0	804,860	242,155
Total	10,000	0	11,670	1,670	0	0	21,670	1,670
Total	21,905	5,480	889,610	285,515	0	0	911,515	290,995
Raymond James								
Tennessee Retail	4,670	4,535	6,560	6,560	24,715	14,180	35,945	25,275
National Retail	970	250	17,380	8,770	28,115	14,090	46,465	23,110
Net Designated Member	17,235	2,325	6,000	1,000	1,347,025	194,970	1,370,260	198,295
Total	39,125	125	28,000	0	15,035	1,885	82,160	2,010
Total	62,000	7,235	57,940	16,330	1,414,890	225,125	1,534,830	248,690
RBC Capital Markets								
Tennessee Retail	9,455	8,055	200	200	4,000	4,000	13,655	12,255
National Retail	32,005	10,770	5,620	5,320	3,030	815	40,655	16,905
Net Designated Member	902,715	180,480	10,900	4,370	63,810	32,060	977,425	216,910
Total	1,515	425	80,145	150	89,150	0	170,810	575
Total	945,690	199,730	96,865	10,040	159,990	36,875	1,202,545	246,645
J.P. Morgan								
Tennessee Retail	550	550	40	40	400	400	990	990
National Retail	3,820	1,225	9,205	7,740	5,470	1,330	18,495	10,295
Net Designated Member	5	5	0	0	0	0	5	5
Total	15,000	0	16,000	0	15,000	0	46,000	0
Total	19,375	1,780	25,245	7,780	20,870	1,730	65,490	11,290
Wells Fargo								
Tennessee Retail	0	0	0	0	450	425	450	425
National Retail	5,300	1,950	3,445	3,385	6,500	2,660	15,245	7,995
Net Designated Member	3,200	945	3,250	1,850	2,525	600	8,975	3,395
Total	35,085	0	18,035	0	60,255	0	113,375	0
Total	43,585	2,895	24,730	5,235	69,730	3,685	138,045	11,815
Duncan-Williams								
National Retail	0	0	500	500	0	0	500	500
Total	0	0	500	500	0	0	500	500
Bancroft								
Tennessee Retail	0	0	250	250	300	300	550	550
National Retail	13,750	4,350	0	0	2,000	575	15,750	4,925
Total	13,750	4,350	250	250	2,300	875	16,300	5,475
FHN Financial								
Tennessee Retail	0	0	0	0	20	20	20	20
Member	2,000	0	0	0	0	0	2,000	0
Total	2,000	0	0	0	20	20	2,020	20
Fifth Third								
Total	0	0	0	0	0	0	0	0
Robert W. Baird & Co.								
Tennessee Retail	830	830	0	0	930	790	1,760	1,620
Total	830	830	0	0	930	790	1,760	1,620
UBS								
Tennessee Retail	5,000	5,000	9,140	8,355	0	0	14,140	13,355
National Retail	5,250	350	16,900	14,220	0	0	22,150	14,570
Net Designated Member	500	100	0	0	0	0	500	100
Total	8,400	0	19,025	0	0	0	27,425	0
Total	19,150	5,450	45,065	22,575	0	0	64,215	28,025
Wiley Bros-Aintree								
Tennessee Retail	5,450	5,450	13,045	11,775	1,300	900	19,795	18,125
Total	5,450	5,450	13,045	11,775	1,300	900	19,795	18,125
TOTAL								
Tennessee Retail	26,140	24,605	40,410	37,595	32,115	21,015	98,665	83,215
National Retail	72,095	23,765	115,675	71,635	45,115	19,470	232,885	114,870
Net Designated Member	924,375	184,280	824,290	248,950	1,413,360	227,630	3,162,025	660,860
Total	111,125	550	172,875	1,820	179,440	1,885	463,440	4,255
Total	1,133,735	233,200	1,153,250	360,000	1,670,030	270,000	3,957,015	863,200

TENNESSEE HOUSING DEVELOPMENT AGENCY
PLAN OF FINANCING
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2024-2
March 19, 2024

Pursuant to TCA Section 13-23-120(e)(4):

AMOUNT:

The bonds may be sold in one or more series to be known as Residential Finance Program Bonds, Issue 2024-2 (the “Bonds”), to be issued under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”).

The aggregate principal amount of the Bonds shall not exceed \$350,000,000. The actual aggregate principal amount shall be determined by the Authorized Officer appointed by the THDA Board of Directors (the “Authorized Officer”) upon the recommendation of the Financial Advisor, Executive Director, Assistant Secretary of the Bond Finance Committee and approved by THDA’s Bond Counsel and may take into account the following limitations and other factors:

- (1) the amount of Bonds which may be issued pursuant to the Act and the total amount of bonds outstanding under the General Resolution; and
- (2) the amount of Bonds which may be issued to refund bonds or notes outstanding under the General Resolution and/or the General Housing Finance Resolution (the “2009 Resolution”) to provide economic savings, additional opportunities for interest rate subsidies with respect to THDA Program Loans or as a result of prepayments, proceeds on hand, excess revenues, or maturing principal; and
- (3) the amount of Bonds that may be issued, the proceeds of which are necessary to reimburse THDA for Program Loans and program securities financed from available THDA funds or other financing sources prior to the availability of proceeds from the Bonds; and
- (4) the amount of Bonds which may be issued, the proceeds of which are necessary to meet demand for Program Loans; and
- (5) the availability of THDA’s funds, subject to the review of the Authorized Officer, for the purpose of providing for the payment of the costs of issuance of the Bonds, paying capitalized interest with respect to the Bonds, funding the Bond Reserve Fund, providing additional security for the Bonds, and achieving a lower rate of interest on the Program Loans; and
- (6) the amount of resources (loans and cash) available under the 1985 General Resolution to over collateralize the Bonds, if needed, to improve yield, reduce the amount of other subsidies and to increase the program asset debt ratio under the General Resolution.

APPLICATION
OF PROCEEDS:

Proceeds of the Bonds will be applied to (i) redemption and payment at maturity of certain of THDA's bonds or notes outstanding under the General Resolution, and/or the 2009 Resolution; (ii) finance Program Loans by the direct purchase thereof (iii) to finance Program Loans upon the refunding or conversion thereof; and (iv) other uses as specified below in approximately the following amounts:

- 90% for single-family first lien mortgage loans, single-family second lien DPA loans, refinancing outstanding bonds;
- 8% for bond reserve;
- 1% for capitalized interest; and
- 1% for cost of issuance and underwriter's discount/fee.

DATE, METHOD AND
TERMS OF SALE:

The sale of the Bonds will take place by competitive or negotiated sale, including private placement, and will occur no later than August 30, 2024. THDA will prepare for the sale with the aid of its financial advisor CSG Advisors, and its bond counsel, Kutak Rock.

MATURITIES:

The Bonds may be any combination of tax-exempt and/or taxable long and/or short term serial, term, convertible option, and/or discounted or premium bonds as may be determined by the Authorized Officer. The Bonds shall have a maturity not to exceed 34 years from the date of original issuance.

BOND INTEREST RATES:

The interest rates on the Bonds shall be fixed long term rates and shall not result in a net interest cost in excess of 9% per annum.

REDEMPTION TERMS:

The Bonds may be subject to redemption prior to maturity on such terms as are to be determined by the Authorized Officer.

LOAN INTEREST RATES AND
COST OF ADMINISTRATION:

Unless otherwise permitted under the Internal Revenue Code, the blended effective interest rate on Program Loans financed with proceeds of tax-exempt Bonds (including any transferred loans upon the refunding of any outstanding bonds) will not exceed 112.5 basis points over the yield on such tax-exempt bonds, as calculated in accordance with the Internal Revenue Code, from which all of THDA's costs of administration for the Bonds may be paid. The minimum spread necessary to finance the Issue 2024-2 Program Loans may be as low as 60 basis points.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY
AUTHORIZING THE ISSUANCE AND SALE OF
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2024-1
March 19, 2024

WHEREAS, pursuant to the Tennessee Housing Development Agency Act (the “Act”), the Bond Finance Committee of the THDA Board of Directors (the “Committee”), on March 19, 2024, approved a plan of financing for Residential Finance Program Bonds, Issue 2024-1 (the “Bonds”) in an aggregate par amount not to exceed \$350,000,000 (the “Plan of Financing”); and

WHEREAS, the Plan of Financing provides for the Bonds to be issued as additional series of long term and/or short term tax-exempt and/or taxable bonds, including convertible option bonds, with fixed 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 Authorized Officer; and

WHEREAS, THDA on January 23, 2024, adopted a Housing Cost Index, as defined in Section 13-23-103(7) of the Act, which shows that, as of December 11, 2023, 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 has proposed 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 \$350,000,000, 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 2024-2A” (Non-AMT), \$_____ Issue 2024-2B (Non-AMT) and \$_____ Issue 2024-2C (Federally Taxable) (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 tax-exempt 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; (e) approve a final structure for the Bonds (including whether or not any of the Bonds are convertible option bonds); (f) approve a final principal amount or amounts, not to exceed a par amount of

\$350,000,000; (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 their 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 March 19, 2024.

TENNESSEE HOUSING DEVELOPMENT AGENCY

A Supplemental Resolution

Authorizing the Sale of

Residential Finance Program Bonds

\$ _____ Issue 2024-2A (Non-AMT)

\$ _____ Issue 2024-2B (Non-AMT)

\$ _____ Issue 2024-2C (Federally Taxable)

Adopted March 26, 2024
as approved in its amended and supplemented form
by its Designated Authorized Officer
on _____, 2024

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A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF
RESIDENTIAL FINANCE PROGRAM BONDS
\$ _____ ISSUE 2024-2A (Non-AMT)
\$ _____ ISSUE 2024-2B (Non-AMT)
\$ _____ ISSUE 2024-2C (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 2024-2 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 Program Loans allocable to the Issue 2024-2A Bonds or a particular Subseries of Long Term Rate Bonds (including Program Securities and DPA Loans [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 2024-2B 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 2024-2AC Bond Purchase Agreement and the Issue 2024-2B 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 2024-2B 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.

“*DPA Loan*” means a subordinate lien loan made in connection with a first lien loan made by THDA, for purposes of downpayment and closing cost assistance; such DPA Loans may be either (i) non-interest bearing loans with 30 year terms, due on sale or refinance, or (ii) fully amortizing 30 year term loans with an interest rate equal to the related first lien loan.

“*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 2024-2 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 2024-2 Bonds or a Subseries of Long Term Rate Bonds (including Program Securities and DPA Loans [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 2024-2 Bonds][such Long Term Rate Bonds].

“*Issue 2024-2 Bonds*” means, together, the Issue 2024-2A Bonds and the Issue 2024-2B Bonds.

“*Issue 2024-2A Bonds*” means the Issue 2024-2A Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2024-2A PAC Bonds*” means the Issue 2024-2A Bonds in the aggregate principal amount of \$_____ maturity on _____.]

[“*Issue 2024-2A PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2024-2A PAC Bonds expected to be redeemed upon

the receipt of Excess 2024-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2024-2A Serial Bonds*” means the Issue 2024-2A Bonds which are not Issue 2024-2A Term Bonds.

“*Issue 2024-2A Term Bonds*” means, collectively, the Issue 2024-2A Bonds maturing [_____, _____, and _____].

“*Issue 2024-2AC Bond Purchase Agreement*” means the contract for the purchase of the Issue 2024-2A Bonds and the Issue 2024-2C Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.

[“*Issue 2024-2B Bond Purchase Agreement*” means the contract for the purchase of the Issue 2024-2B Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.]

“*Issue 2024-2B Bonds*” means the Issue 2024-2B Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing, which Issue 2024-2B Bonds shall include the Convertible Bonds and the Long Term Rate Bonds of such Series.

[“*Issue 2024-2B 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 2024-2B 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 2024-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2024-2B Serial Bonds*” means the Issue 2024-2B Bonds which are not Term Bonds.

“*Issue 2024-2B Tender Date*” shall mean (i) the initial Tender Date for 100% of the Issue 2024-2B 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 2024-2B Convertible Bonds in accordance with Section 3.01 and, if applicable, (ii) the Tender Dates thereafter for any Issue 2024-2B 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 2024-2B Tender Date shall be [_____] , if there are any Issue 2024-2B Convertible Bonds outstanding on such date.

“*Issue 2024-2B Term Bonds*” means, subsequent to the conversion of the interest rate thereon to Long Term Rates, collectively, the Issue 2024-2B Bonds maturing [_____, _____, and _____].

“*Issue 2024-2C Bonds*” means the Issue 2024-2C Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2024-2C PAC Bonds*” means the Issue 2024-2C Bonds in the aggregate principal amount of \$_____ maturity on _____.]

[“*Issue 2024-2C PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2024-2C PAC Bonds expected to be redeemed upon the receipt of Excess 2024-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2024-2C Serial Bonds*” means the Issue 2024-2C Bonds which are not Term Bonds.

“*Issue 2024-2C Term Bonds*” means, collectively, the Issue 2024-2C Bonds maturing [_____, _____, and _____].

“*Issue Date*” means the date on which the Issue 2024-2 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on [_____] , 2024.

“*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 2024-2B 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 [_____] , 2024 used in connection with the sale of the Issue 2024-2 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 2024-2A PAC Bonds, the Issue 2024-2B PAC Bonds and the Issuer 2024-2C PAC Bonds.]

[“*PAC Bonds Planned Amortization Amount*” means, collectively, the Issue 2024-2A Planned Amortization Amount, the Issue 2024-2B Planned Amortization Amount, and the Issue 2024-2C Planned Amortization Amount.]

“*Preliminary Official Statement*” means the Preliminary Official Statement dated [_____], 2024 used in connection with the offering of the Issue 2024-2 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).

“*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 2024-2 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 2024-2B 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 2024-2B Bonds.

“*Resolution*” means this Supplemental Resolution adopted by THDA on March 26, 2024, as approved in its amended and supplemented form by the Designated Authorized Officer on [_____], 2024.

“*Serial Bonds*” means, collectively, the Issue 2024-2A Serial Bonds, the Issue 2024-2B Serial Bonds, and the Issue 2024-2C 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 2024-2 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 2024-2B Tender Date.

“*Term Bonds*” means, collectively, the Issue 2024-2A Term Bonds, the Issue 2024-2B Term Bonds, and the Issue 2024-2C Term Bonds.

[“*Transferred Investments*” means amounts on deposit in certain funds and accounts of THDA allocated to any Refunded Bonds relating to the Issue 2024-2A 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 2024-2 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 2024-2A Bonds or a Subseries of Long Term Rate Bonds upon the refunding of such Refunded Bonds.]

“*Underwriters*” means, collectively, [Raymond James & Associates, Inc., and RBC Capital Markets, LLC], their respective successors and assigns, and the Co-Managers as purchasers of the Issue 2024-2 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 any Transferred Program Loans, as well as new Program Loans and DPA Loans, and, without duplication, Program Securities, and the phrase “Program Loans allocable to the Issue 2024-2 Bonds” shall include any Transferred Program Loans as well as any new Program Loans, DPA Loans, and Program Securities acquired with proceeds of the Issue 2024-2 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 2024-2A are hereby authorized to be issued in the aggregate principal amount of \$ _____, Residential Finance Program Bonds, Issue 2024-2B are hereby authorized to be issued in the aggregate principal amount of \$ _____, and Residential Finance Program Bonds, Issue 2024-2C are hereby authorized to be issued in the aggregate principal amount of \$ _____. In addition to the title “Residential Finance Program Bond,” the Issue 2024-2 Bonds will bear the additional designation “Issue 2024-2A (Non-AMT),” “Issue 2024-2B (Non-AMT),” and “Issue 2024-2C (Federally Taxable),” as appropriate. The Issue 2024-2 Bonds shall be issued only in fully registered form. The Issue 2024-2A Bonds will consist of \$ _____ principal amount of Serial Bonds and \$ _____ principal amount of Term Bonds. The Issue 2024-2B Bonds will initially consist of \$ _____ principal amount of Convertible Bonds. The Issue 2024-2C Bonds will consist of \$ _____ principal amount of Serial Bonds and \$ _____ principal amount of Term Bonds.

Section 2.02. Purposes. [A portion of] the Issue 2024-2A 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 2024-2 Bonds.] [A portion of] the Issue 2024-2A Bonds, and the Issue 2024-2B Bonds and the Issue 2024-2C Bonds are being issued, subsequent to the conversion of the interest rate on any Convertible Bonds to Long Term Rates, (a) to finance DPA Loans and 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 2024-2 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 2024-2 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 2024-2B Subaccount of the Loan Fund also may be used, if required, to pay certain costs of issuance or remarketing with respect to the Issue 2024-2B Bonds. [As a result of the refunding of the Refunded Bonds, the Transferred Proceeds will become allocated to the Issue 2024-2 Bonds.]

The proceeds of the Issue 2024-2A Bonds [and the [Transferred Proceeds and the] Transferred Investments] shall be applied in accordance with Article IV hereof.

Prior to the initial Issue 2024-2B Tender Date, all moneys made available from the issuance of the Issue 2024-2B Bonds shall be deposited in the Issue 2024-2B 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 2024-2A 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 [_____], at the rate set opposite such date in the following tables:

Issue 2024-2A Bonds

Serial Bonds

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

Term Bonds

Maturity Date	Principal Amount	Interest Rate
	\$	%

Issue 2024-2C 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B Bonds which are being converted to the Long Term Rate shall be reduced by a corresponding amount.

[The maturity dates for the Issue 2024-2B Bonds set forth above may be modified and the Issue 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B Bonds to be adversely affected.]

(d) The Issue 2024-2B 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 2024-2B Bonds, then such Issue 2024-2B 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 2024-2B Tender Date, interest on the Issue 2024-2B 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 2024-2B 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 2024-2B Bonds, then the Issue 2024-2B 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 2024-2B 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 2024-2 Bonds or the date fixed for redemption of any Issue 2024-2 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 2024-2 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 2024-2 Bonds of each Series or Subseries maturing in such year. The Issue 2024-2 Bonds are to be lettered “R-3A,” “R-3B,” or “R-3C,” as applicable, and numbered separately from 1 consecutively upwards.

(b) The Issue 2024-2 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2024-2 Bond of each Series or Subseries will be outstanding for each maturity and interest rate of each Series or Subseries of the Issue 2024-2 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 2024-2 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2024-2 Bonds will not receive certificates representing their interest in the Issue 2024-2 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2024-2 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2024-2 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 2024-2 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 2024-2 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 2024-2 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2024-2 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 2024-2 Bonds upon instructions from THDA to that effect.

Section 2.07. Place of Payment; Record Date. While the Issue 2024-2 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 2024-2 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2024-2 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2024-2 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2024-2 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2024-2 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 2024-2 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 2024-2A Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2024-2 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 2024-2A Term Bonds due _____

Date	Amount Due	Date	Amount Due
	\$		\$

*Maturity

Issue 2024-2A Term Bonds due _____

Date	Amount Due	Date	Amount Due
	\$		\$

*Maturity

Issue 2024-2C Term Bonds due _____

Date	Amount Due	Date	Amount Due
	\$		\$

*Maturity

(a) The Issue 2024-2B 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 2024-2 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 2024-2 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 2024-2 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 2024-2 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

Section 2.09. Optional Redemption. The Issue 2024-2A Bonds maturing on and after [] [other than the Issue 2024-2A 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 [] (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 2024-2A 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 [] (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>
[] to []	[]%
[] and thereafter	[]

The 2024-2B 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 2024-2B 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 2024-2A Bonds, the Issue 2024-2C Bonds, and, subsequent to their conversion to Long Term Rate Bonds, the Issue 2024-2B 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 2024-2 Bonds not expected to be applied to the financing of Program Loans, (ii) repayments and prepayments of Program Loans (including DPA Loans, and Program Securities [and the Transferred Program Loans]) allocated to the Issue 2024-2 Bonds not otherwise required to be applied to the special mandatory redemption of the Issue 2024-2 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 2024-2 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 2024-2 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; 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 2024-2 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 2024-2 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.

(a) ***Unexpended Proceeds.*** The Issue 2024-2A Bonds are subject to mandatory redemption on [] in the event and to the extent that there are unexpended proceeds of the Issue 2024-2A Bonds [in excess of \$[] on deposit in the Issue 2024-2AC 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 2024-2A Bonds are subject to mandatory redemption on [_____, _____], to the extent any proceeds of the Issue 2024-2A Bonds remain on deposit in the Issue 2024-2AC Subaccount of the Loan Fund on [_____, _____].

The Issue 2024-2B 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 2024-2B Bonds in excess of \$249,999 on deposit in the Issue 2024-2B Subaccounts of the Loan Fund which have not been utilized to finance Program Loans and/or DPA Loans prior to [_____]. Such redemption shall be paid out of all of the unexpended proceeds in the Issue 2024-2B Subaccounts of the Loan Fund made available from the issuance of the Issue 2024-2B Bonds and the investment income therefrom

The redemption price of the Issue 2024-2 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 2024-2 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 2024-2 Bonds then Outstanding.

(b) **[Excess 2024-2 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 2024-2 Principal Payments. Any Excess 2024-2 Principal Payments so deposited in the Redemption Account shall be applied to the redemption of PAC Bonds on any Interest Payment Date commencing [_____]; 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 2024-2 PAC Bonds remain Outstanding, Excess 2024-2 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Program Loans allocable to a Series or Subseries of Issue 2024-2 Bonds (including Program Securities and DPA Loans [and the Transferred Program Loans]) are equal to or less than the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2024-2 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 2024-2 Bonds (including Program Securities and DPA Loans [and the Transferred Program Loans]) are in excess of the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2024-2 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 2024-2 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 2024-2 Bonds then Outstanding.

The Issue 2024-2A PAC Bonds Planned Amortization Amount and the Issue 2024-2A 400% PSA Prepayment Amount set forth in Exhibit B hereto, any Issue 2024-2B PAC Bonds Planned Amortization Amount and Issue 2024-2B 400% PSA Prepayment Amount determined for the Issue 2024-2B PAC Bonds, and the Issue 2024-2C PAC Bonds Planned Amortization Amount and Issue 2024-2C 400% PSA Prepayment Amount set forth in Exhibit B hereto, are each subject to proportionate reduction to the extent the related PAC Bonds are redeemed from amounts on deposit in the Issue 2024-2 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 2024-2 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 2024-2A Bonds (including Program Securities and DPA Loans [and the Transferred Program Loans]) received more than ten years after the Issue Date of the Issue 2024-2A Bonds (or the date of original issuance of the bonds refunded by the Issue 2024-2A Bonds, directly or through a series of refundings) shall be applied to redeem the Issue 2024-2A Bonds on or before the next Interest Payment Date with respect to the Issue 2024-2A 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 2024-2A 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 2024-2 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 2024-2 Bonds Outstanding.

(d) *Mandatory Redemption of Issue 2024-2B Bonds Bearing Interest at Short Term Rate.* The Issue 2024-2B 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 2024-2B Bonds on deposit in the Issue 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B Bonds bearing interest at Long Term Rates, to be redeemed.

Section 2.12. Selection by Lot. If less than all of the Issue 2024-2 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 2024-2B 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 2024-2B Bonds, with respect to the first Tender Date for such Issue 2024-2B Bonds) for all or a portion of the Convertible Bonds for which funds are on deposit in the Issue 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2 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 2024-2 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 2024-2 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 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 2024-2 Bonds to the public is hereby authorized and approved.

(c) The Issue 2024-2 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 2024-2 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 2024-2 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the Issue 2024-2 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 2024-2 Bonds. Amounts on deposit in the Issue 2024-2B 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 2024-2B Bonds are converted to Long Term Rate Bonds. Amounts on deposit in the Issue 2024-2AC 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 and DPA Loans), 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2B 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 2024-2 Subaccount of the Loan Fund shall be withdrawn therefrom and applied to the mandatory redemption of the related Issue 2024-2 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 2024-2 Bonds from the income of the owners thereof for federal income tax purposes. The amount of funds on deposit in the Issue 2024-2 Bond Subaccount of the Loan Fund to be used to pay Costs of Issuance with respect to the Issue 2024-2 Bonds shall not exceed 2% of the proceeds of the Issue 2024-2 Bonds.

THDA hereby covenants that an amount equal to twenty percent (20%) of the funds deposited in the Issue 2024-2 Bond Subaccount of the Loan Fund allocable to the new money proceeds of the Issue 2024-2A 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 2024-2 Bonds from the gross income of the owners thereof for federal income tax purposes.

The Bond Reserve Fund Requirement with respect to the Issue 2024-2 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 2024-2 Bonds plus the amount on deposit in the related Issue 2024-2 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, THDA shall deposit an amount in the Bond Reserve Fund to satisfy the Bond Reserve Requirement.]

Section 5.02. Proceeds of Issue 2024 Bonds. Proceeds of the Issue 2024-2A Bonds, Issue 2024-2B Bonds and Issue 2024-2C Bonds, together with any contribution from THDA of available THDA funds, initially shall be deposited (a) in the principal amount of \$[_____], in the Issue 2024-2AC Bond Subaccount of the Loan Fund, and (b) in the principal amount of \$[_____], in the Issue 2024-2B Bond Subaccount of the Loan Fund. [On the Issuance Date, \$[_____] of the amount on deposit in the Issue 2024-2AC Bond Subaccount of the Loan Fund [(representing [the principal] [a portion of] the proceeds of the Issue 2024-2A 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 2024-2 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.]]

Section 5.03. Investment of Proceeds of Issue 2024-2B Bonds. The proceeds of the Issue 2024-2B 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 2024-2B 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 2024-2B Bonds bearing interest at a Short Term Rate, that amounts on deposit in the Issue 2024-2B Subaccount of the Loan Fund shall be used to pay debt service on Bonds other than the Issue 2024-2B 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 2024-2 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; provided, however, that DPA Loans may be made on a subordinate lien basis. DPA Loans may be financed with no more than 6% of the total principal amount of the Issue 2024-2 Bonds.

In addition, the Program Loan (other than a DPA 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 2024-2 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 6.02. Form of Trustee's and Authenticating Agent's Certificate of Authentication. The Issue 2024-2 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 2024-2A (Non-AMT)] [Issue 2024-2B (Non-AMT)] [Issue 2024-2C (Federally Taxable)] of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY 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 2024-2 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2024-2 Bonds and neither the members of THDA nor any person executing the Issue 2024-2 Bonds may be liable personally on the Issue 2024-2 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 2024-2 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 2024-2 Bonds. The Issue 2024-2 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 2024-2 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 2024-2 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 2024-2 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 2024-2 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 2024-2 Bonds, or other material events affecting the tax status of the Issue 2024-2 Bonds;

(vii) modifications to rights of the holders of the Issue 2024-2 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 2024-2 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 2024-2 Bonds or defeasance of any Issue 2024-2 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 2024-2 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 7.07 shall be for the benefit of the beneficial owners of the Issue 2024-2 Bonds whether or not the Rule applies to such Issue 2024-2 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2024-2 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 2024-2 Bonds or (B) the holders of the Issue 2024-2 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 2024-2 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 2024-2 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 2024-2 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 2024-2 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the approval of the sale of the Issue 2024-2 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 2024-2 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 7.09. Covenant as to Investment Securities. THDA will not change the terms of any Investment Securities in which the Issue 2024-2B 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 2024-2B 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 AGREEMENTS

EXHIBIT B

[PLANNED AMORTIZATION AMOUNTS FOR ISSUE 2024-2A PAC BONDS]

Date

Issue 2024-2A PAC Bonds
Planned Amortization Amount

**[[400]% PSA PREPAYMENT AMOUNTS
FOR ISSUE 2024-2A BONDS]**

Date	Cumulative Amount	Date	Cumulative Amount
-------------	------------------------------	-------------	------------------------------

[Add tables as needed for Issue 2024-2B PAC Bonds and Issue 2024-2C PAC Bonds, if any.]

EXHIBIT C

FORM OF BOND

REGISTERED

R-[2A][2B][2C]-__

\$[_____]

**TENNESSEE HOUSING DEVELOPMENT AGENCY
RESIDENTIAL FINANCE PROGRAM BOND
ISSUE 2024-2[A][B][C] [(Non-AMT)][Federally Taxable]**

Interest Rate	Dated Date	Maturity Date	Cusip
[]%	[], 2024	[]	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 [_____]. The principal of and interest on this Bond are payable at the designated corporate trust office of U.S. Bank Trust Company, 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 2024-2[A][B][C]” (herein called the “Bonds”) issued in the aggregate principal amount of \$[_____] under the General Resolution, a resolution of THDA adopted on March 26, 2024, as approved in its amended and supplemented form by the Designated Authorized Officer on [_____] , 2024 (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 Trust Company, 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 _____
Matt McGauley
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 2024-2[A][B][C] [(Non-AMT)][(Federally Taxalbe)] of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

Dated: _____, 2024

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

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY
AUTHORIZING REIMBURSEMENT OF THDA
FROM PROCEEDS OF ISSUE 2024-2

March 19, 2024

WHEREAS, the Tennessee Housing Development Agency (“THDA”) is financing mortgage loans for eligible borrowers to purchase single family residences in compliance with the Internal Revenue Code of 1986, as amended (the “Code”), and the General Residential Finance Program Bond Resolution, (the “2013 General Resolution”); and

WHEREAS, THDA expects to use its own funds to continue its mortgage loan programs prior to the availability of proceeds from the issuance of the General Residential Finance Program Bonds, Issue 2024-1, if and when issued and sold (the “Bonds”), through the direct purchase of eligible mortgage loans; and

WHEREAS, THDA will continue to commit and purchase mortgage loans prior to the closing date for the Bonds (the “Closing”); and

WHEREAS, THDA expects that up to \$100,000,000 in mortgage loans may be purchased prior to Closing; and

WHEREAS, it is in the best interest of THDA to reimburse itself from the proceeds of the Bonds for THDA funds expended to purchase mortgage loans prior to the Closing.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THDA THAT:

1. Use of proceeds from the Bonds in an amount not to exceed \$100,000,000 shall be used to reimburse THDA for the actual amounts expended to purchase mortgage loans made to eligible borrowers who purchased single family residences in accordance with the requirements of the Code and the 2013 General Resolution.
2. This resolution shall take effect immediately.



Board of Directors Meeting



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

THDA Board of Directors Board Meeting Agenda (directly following Bond Finance Committee Meeting)

Tuesday, March 19, 2024 at 10am CT
Nashville Room, Tennessee Towers
312 Rosa L. Parks Avenue, 3rd Floor
Nashville, TN 37243

- A. **Board Chair Convening of the Board and Introductory Comments**
- B. **Public Comment Period**
- C. **Executive Director's Report**
- D. **Single Family Business**
Business Update
Qualified Census Tracts for THDA Mortgages
- E. **Multifamily Business**
Business Update
2025 QAP Discussion
- F. **Board Action items (* items require board vote)**
 - 1. Approval of Minutes from January 23, 2024 meeting*
 - 2. Approval of Minutes from February 13, 2024 special meeting*
 - 3. Volume Cap Update
 - 4. Bond Issue 2024-2*
 - 5. Housing Choice Voucher (HCV) Single Waitlist Model Implementation Request*
 - 6. 2020-23 HOME CHDO Amendment Request*
 - 7. Grant Extension Request-2020 Mini-Round HOME CHDO Homeownership Development Program – Hard Bargain Association*



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8. Grant Extension Request – 2020 Creating Homes Initiative (CHI) – 2 Program – Park Center Powers Avenue Recovery Residence*
9. Grant Extension Request – 2021 National Housing Trust Fund (NHTF) – Southeastern Housing Foundation – Austin Homes Phase 3*

G. Annex

1. THDA Mortgage 2023 Calendar Year Report
2. 2023 Round 2 HOME Rental Development Program Awards
3. Emergency Rental Assistance (ERA) Eviction Prevention Program Supplemental Awards



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TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
January 23, 2024

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, January 23, 2024, at 10:02 AM CT in the Tennessee Room #2 of the Tennessee Towers, Nashville, Tennessee.

The following board members were present in person: Chair Matt McGauley, Rick Neal, Dan Springer, Austin McMullen, Stephen Dixon, Micheal Miller, Rob Mitchell, Chris Mustain (for Secretary of State Tre Hargett), Sara Queirolo (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Jim Bryson), and Katie Armstrong (for Comptroller Jason Mumpower). Those absent were: Jacky Akbari, Chrissi Rhea and Tennion Reed.

Chair McGauley called the Board meeting to order and then opened the floor to anyone present from the public who wished to address the board. Seeing no one, he closed the floor to public comment.

Chair McGauley then recognized Executive Director Ralph M. Perrey for his report.

Mr. Perrey shared the following:

- Governor Bill Lee will join the opening session of the Tennessee Housing Conference as we mark the 50th Anniversary of THDA’s founding.
- THDA received a year-end bond cap allocation of \$131 million from the Tennessee Department of Economic & Community Development (ECD). Added to the volume cap THDA has carried forward from 2021 and 2022, THDA has \$456 million available for future single family bond issuances and have several ways to stretch those resources.
- ECD also provided a start-of-year allocation of \$445 million, of which THDA will make about \$409 million available for multifamily programs.

At the conclusion of Mr. Perrey’s remarks, Chair McGauley recognized Ms. Lindsay Hall, the Chief Operating Officer for Single Family Programs for a Single-Family Programs Business Update and a review of the Loss Mitigation Efforts in Volunteer Mortgage Loan Servicing over the last year.

Next, Chair McGauley recognized Mr. Eric Alexander, the Director of Multifamily Programs, for a Multifamily Programs Business Update and an overview of specific elements of the Qualified Allocation Plan to include the strategic focus, set asides and post set aside allocations.

Then, Chair McGauley recognized Ms. Nicole Lucas, the Senior Director for the Information Technology Division to present on the state of cybersecurity in the Agency and the purple team assessment for 2023.

At the conclusion of the presentation, Chair McGauley asked for consideration of the November 14, 2023, board meeting minutes. Upon motion by Mr. Neal and a second by Mr. Miller, the motion carried, and the minutes were approved.

Chair McGauley then recognized Chief Legal Counsel Bruce Balcom to brief the Board on their fiduciary responsibilities as board members. As a separate agenda item, Mr. Balcom also briefed the Board on THDA's Official Statement that covers information regarding bond sales.

Next, Chair McGauley recognized Ms. Lindsay Hall, Chief Operating Officer of Single-Family Programs, to present the Housing Cost Index and corresponding resolution as outlined in the memo dated December 11, 2023, from herself and Dr. Hulya Arik, as found in the board packet. Ms. Hall briefed that in the last four years the Housing Cost Index has increased from 28.03% for 2021 to 44.44% for 2024. Upon motion by Mr. Dixon and a second by Mr. Neal, the motion to approve the 2024 Housing Cost Index and Resolution was passed.

Chair McGauley recognized Mr. Eric Alexander, Director of Multifamily Programs, to present the 2024 National Housing Trust Fund Program Description, as outlined in the memo dated January 8, 2024, from himself, and Chief Programs Officer Don Watt, as found in the board packet. Eric highlighted that this program was moving from the Community Housing Division to the Multifamily Programs Division to enable developers to better layer funding opportunities for multifamily rental housing development, specifically in rural areas and for permanent supportive housing. Upon motion by Mr. Neal and a second by Mr. Miller, the motion to approve the 2024 National Housing Trust Fund Program Description was carried.

Noting that all action items for the board had been completed, Chair McGauley pointed out that the annex of the board packet provided a listing of recent grant awards and an investment report.

With no further business, the meeting was adjourned at 11:31 AM CT.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 19th day of March, 2024

TENNESSEE HOUSING DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING MINUTES
February 13, 2024

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in special session on Tuesday, February 13, 2024, at 2:02 PM CT via WEBEX video teleconference.

The following board members were present in person: Chair Matt McGauley, Secretary of State Tre Hargett, Sara Queirolo (for Treasurer David Lillard), Stephen Dixon, Rick Neal, Tennion Reed, Rob Mitchell, Alex Schuhmann (for Commissioner of F&A Jim Bryson) and Katie Armstrong (for Comptroller Jason Mumpower). Those absent were: Jacky Akbari, Micheal Miller, Chrissi Rhea, and Dan Springer.

Chair McGauley called the Board meeting to order and then asked Chief Legal Counsel, Bruce Balcom, to read the electronic meeting statement. Mr. Balcom read:

“Certain Board members will be participating in this meeting by telephone as authorized by Tennessee Code Annotated Section 8-44-108.

Notice was posted stating that this meeting would be conducted in this fashion.

This meeting is being conducted in this manner because the matters to be considered by the Board today require timely action and the physical presences for a sufficient number of members to constitute a quorum is not possible within the time frame in which action is required.

Therefore, it is necessary for some members to participate via video/telephone.

Board members participating by telephone were sent documents relevant to today's meeting.”

Chair McGauley, then ask for a roll call vote to proceed with the meeting in this fashion. Upon roll call vote, the board members agreed to conduct the meeting in this fashion.

Chair McGauley shared his intent for this special meeting saying that he sees this as a way for the staff to get a sense of the board and for board members to provide strategic direction for the 2025 Qualified Allocation Plan. He then asked Mr Eric Alexander, Director of Multifamily Programs, to give an overview of an information paper on the QAP compiled from open source websites provided to the Board. Chair McGauley then opened the floor to the Board for discussion.

Upon conclusion of discussion, the sense of the Board regarding Set Asides for the 2025 QAP is that they would like to see THDA:

- Maintain the CHOICE neighborhood set aside.
- Revise the Economic Development/Impact Set Aside to look more like the CHOICE Neighborhood set aside – where it is a set aside that will occur occasionally, have an economic investment \$ amount as a trigger, and be contingent on other funding and support like a CHOICE Neighborhood set aside.
- Maintain the supportive services set aside and separately create a goal/metric to track progress/impact of this set aside in a Multifamily Operational Vision.
- Remove the Twinning set aside and look to have twinning as a tool that is an option if someone receives credits for a CHOICE Neighborhood or a revised Economic Development/impact project.

Chair McGauley then asked that Mr. Alexander provide a backbrief of what Set Asides could look like for 2025 with this guidance for review at the March Regular Board Meeting.

With no further business, the meeting was adjourned at 2:58 PM CT.

Respectfully submitted,

Ralph M. Perrey
Executive Director

Approved this 19th day of March 2024

Draft



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bruce Balcom, Chief Legal Counsel

SUBJECT: Volume Cap Update

DATE: March 4, 2024

Background

Each year THDA receives an allocation of volume cap from the Department of Economic and Community Development ("ECD"). At the beginning of the year THDA receives 50% of the state's total volume cap available for that year. On or about July 1 of each year THDA receives an additional allocation of the lesser of all remaining volume cap for that year or 25% of the total volume cap for that year. At the end of the year any unused volume cap is allocated to THDA to be carried forward for single family mortgage revenue bonds in a future year.

Volume cap that is not used in the calendar year in which it is received by the state can be carried forward for future use for issuing mortgage revenue bonds to purchase qualifying single-family loans. Such volume cap must be used within 3 years of carryforward. At the beginning of 2024 THDA had the following carryforward amounts available:

2021 - \$217,739,876

2022 - \$108,165,384

2023 - \$255,209,795

With the expectation that THDA would enter the mortgage-backed securities market via Ginnie Mae, THDA began providing substantially more volume cap for multifamily use in 2021. Before that, THDA carried forward the majority of volume cap each year for single family use. This was necessitated by THDA's effort to avoid dramatically increasing the amount of debt THDA carries, an amount which is capped under state law. The attached chart shows THDA's volume cap allocation and the breakdown of



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use between single-family and multifamily production for the past 10 years. THDA's 2024 initial allocation was \$445,405,500. Historically THDA could have expected to receive a like amount over the course of the year, however, ECD saw demand for volume cap come into their offices last year, and such could continue, so THDA cannot expect to receive the state's full allocation of volume cap going forward.

Presently THDA is in good shape in terms of volume cap available, however, if the MBS market remains challenging, allocations of volume cap for multifamily use may need to be scaled back in order to cover single-family production.



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Year	Total Allocation From ECD	Multifamily Use	Carry Forward
2014	\$ 649,598,000.00	\$ 25,070,000.00	\$ 624,523,000.00
2015	\$ 654,935,000.00	\$ 118,093,000.00	\$ 536,842,000.00
2016	\$ 660,030,000.00	\$ 165,873,000.00	\$ 494,157,000.00
2017	\$ 665,119,000.00	\$ 198,100,000.00	\$ 467,019,000.00
2018	\$ 705,178,000.00	\$ 335,725,000.00	\$ 369,453,000.00
2019	\$ 706,351,000.00	\$ 286,114,000.00	\$ 420,237,000.00
2020	\$ 717,063,000.00	\$ 241,845,000.00	\$ 475,218,000.00
2021	\$ 757,552,000.00	\$ 539,812,124.00	\$ 217,739,876.00
2022	\$ 720,174,000.00	\$ 612,008,616.00	\$ 108,165,384.00
2023	\$ 766,161,000.00	\$ 510,951,205.00	\$ 255,209,795.00
TOTAL	\$ 7,002,161,000.00	\$ 3,033,591,945.00	\$ 3,968,564,055.00



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Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Jeboria Scott, Director of Rental Assistance
Don Watt, Chief Programs Officer

SUBJECT: Housing Choice Voucher Waiting List Update

DATE: March 4, 2024

Recommendation:

Staff recommends that the Board approve THDA's transition from a regional waitlist management model to a single (combined) waitlist management model for applicants to the Housing Choice Voucher (HCV) program.

Background:

THDA's HCV Program assists low income families, the elderly, and individuals with disabilities to access decent, safe, and affordable housing opportunities. THDA regularly reviews program policy to ensure equal access to HCVs for all eligible applicants. In view of this practice, THDA proposes to modify its current waitlist management model in keeping with new Fair Housing regulations. THDA requests approval to update its current three (3) regional HCV waitlist models to a centralized, single waitlist model.

HUD requires HCV administrators to admit applicants for program participation in accordance with federal requirements and with Administrative Plan policy. The admission policy must include date/time stamp, the system of admission used, notification procedures, and all preferences.

Effective June 1, 2024, THDA proposes to transition all active pending and new applicants to the single combined waitlist model. All eligible applicants will retain their current place on the waitlist categorized by date/time stamp. An office notice of this change will be issued to all active applicants. Additionally, THDA will post an official notice its website. These changes will also be updated in the THDA's Administrative Plan.



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NOTICE OF IMMEDIATE AMENDMENT TO THE TENNESSEE HOUSING DEVELOPMENT AGENCY'S
ADMINISTRATIVE PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM

0770-01-05-.06 APPLICATION PROCESS.

Section 0770-01-05-.06 APPLICATION PROCESS is revised to update its current 3 regional HCV waitlist model to a centralized, single waitlist model.

- (1) Pre-Application Stage.
 - (a) Each person who expresses a desire to participate in the program is given an equal opportunity to apply for assistance, unless the taking of pre-applications has been suspended.
 - (b) Due to the high volume of applicants for the HCV Program, the THDA is often unable to offer immediate assistance and may at times maintain an applicant waiting list through pre-application procedures or suspend the taking of pre-applications altogether. See 0770-01-05-.06(7)(d).
 - (c) However, an applicant does not have any right or entitlement to be listed on the waiting list, to any particular position on the waiting list, or to admission to the HCV Program. 24 C.F.R. 982.202.
 - (d) Pre-application. The purpose of the pre-application is to have available waiting lists of applicants for the HCV wait list.
 1. The pre-application has less information than a full application, but enough information to determine placement on the waiting list and preliminary eligibility. The information on the pre-application is not verified on a routine basis. 24 C.F.R. 982.201-206.
 - (e) The THDA maintains its information regarding the opening and closing of the waiting list on its website, www.THDA.org.
 - (f) A household wishing to apply for the HCV Program must complete a pre-application form at www.THDA.org for ~~a county with an~~ the open waiting list.
 - (g) Any household member may complete the online pre-application or the household may elect to have another person complete the application on the household's behalf.
 - (h) Once an applicant household has applied, the applicant may only have one active application at any time. ~~but may apply to multiple county waiting lists.~~
 1. If an applicant applies to a ~~county~~ [region] where they already have an active application, the most recent application will not be processed or added to the waiting list.
 2. An applicant is considered to have an active application until housed or denied assistance.
 - ~~(+)3. A participant currently housed with a voucher through the THDA may not reapply and receive assistance under a concurrent voucher. The subsequent application will be denied. The proper procedure would be to request to move the existing voucher through the THDA. See Moving/Portability 0770-01-05-.25.]~~

- (2) Disability Accommodation. A person with a disability may request a special accommodation when applying by contacting the local THDA field office that manages the selected waiting list and scheduling an appointment. Also, see 0770-01-05-.30 on Disability.
 - (a) The THDA may choose to accept a written pre-application, assist the applicant with completing the online pre-application process at a THDA computer, or other alternative method determined by the THDA to be an accommodation for an individual's disabling condition.
- (3) ~~Natural Disaster Preference. A written pre-application will be accepted from applicants that qualify for the natural disaster preference and may be obtained through the local THDA field office. See 0770-01-05-06(7)(h)4.~~ [Natural Disaster Preference. The THDA may assist applicants that qualify for the natural disaster preference by completing an online application at the local THDA field office. Although the regular waitlist may be closed, the THDA may issue vouchers during a natural disaster, if funding is available. See 0770-01-05-06(7)(h)4.]
- (4) Confirmation Page. After the applicant submits the online pre-application, the system directs the applicant to print a confirmation page of the pre-application.
 - (a) The confirmation page includes the date and time the pre-application was submitted.
 - (b) It also informs the applicant that the applicant must report any address changes upon occurrence in order to remain on the waiting list.
 - (c) If the applicant completes a written pre-application as a reasonable accommodation or a natural disaster preference, a confirmation letter will be mailed to the applicant at the address listed on the pre-application.
- (5) The pre-application is only maintained electronically in the tenant file record within the HCV Program software system.
- (6) Selection of Applicants (24 C.F.R. 982.202).
 - (a) The THDA may select applicants for participation in the program by a waiting list admission or by a special admission.
- (7) Waiting List Admission Process (24 C.F.R. 982.204).
 - (a) General.
 1. During an open enrollment period for the HCV waiting list ~~county~~ [], when there are more applicants than there are available vouchers ~~county~~, a waiting list will be established. .
 2. Under 24 C.F.R. 982.202, there is no right or entitlement afforded to an applicant to be listed on the waiting list, to any particular position on the waiting list, or to be admitted to the HCV Program.
 3. Applicants under Other Housing Programs. An occupant of public housing, or any other housing program, may apply to participate in the HCV Program, but will not receive a preference based on their participation in the other housing program, and will go through the regular waiting list process like any other applicant.
 - (b) Public Notice.

1. When the THDA opens a waiting list to accept new pre-applications online, public notice will be given to alert families that they may apply for the HCV Program.
 2. The public notice will be given per publication in a local newspaper of general circulation, on the THDA's website ~~and phone system~~, or other suitable means.
 3. The public notice will notify potential applicants where, when, and how to apply, give the THDA's website address, include a brief description of the HCV Program, provide information for requesting a reasonable accommodation for a disability in submitting the pre-application, comply with Fair Housing requirements, and state any limitations on who may apply for available slots.
- (c) Maintenance. The waiting list is maintained in the HCV Program software system and includes:
1. The date and time the pre-application was submitted.
 3. Name, Social Security number, race, and gender of the head of household.
 4. Family unit size (voucher size) (24 C.F.R. 982.204(b)).
 5. Annual Income and Assets at the time of pre-application submission.
 6. Current residential/physical address, including zip code, of the head of household.
 7. Mailing address of the head of household, if different from the residential / physical address.
 8. In-state Residency Preference.
 9. Position on the waiting list.
 10. Program Status (eligible, ineligible, housed).
- (d) Closing the Waiting List - Suspension of Pre-application Acceptance.
1. Once the ~~county~~ waiting list contains more applicants than the THDA determines may be served within the next twelve-month (12) time period, the waiting list will be closed, will remain closed, and the acceptance of pre-application will be suspended until the number of applicants on the list is reduced and/or vouchers are available for issuance.
 2. See the exception to the suspension of pre-applications acceptance during a closed enrollment period under Preferences below.
- (e) Updating/Purging the Waiting List.
1. The THDA will update the waiting list by issuing purge notices to applicants as needed in order to ensure that the waiting list is current and accurate.
 2. The THDA will ~~mail-[issue]~~ a purge notice to all applicants' last given address requesting information regarding an applicant's continued interest in maintaining a place on the ~~county's~~ waiting list.

3. The purge notice will include a deadline date by which applicants must inform the THDA of their continued interest by returning the purge notice within fourteen (14) calendar days of the date of the notice.
4. An applicant will be removed from the waiting list(s) if:
 - (i) The applicant requests in writing to be removed from the waiting list;
 - (ii) The applicant is deceased; or
 - (iii) The applicant fails to respond to a purge notice by the 14[-calendar] day[’s] deadline date.
 - (I) ~~Failure to Update Address. If the failure to respond is due to an applicant not receiving the purge notice because the household relocated and does not currently live at the address provided to the THDA or the purge notice is returned to the THDA by the post office for insufficient address or expiration of a forwarding address, the applicant will be removed from all waiting lists for failure to comply with the requirement of always providing the THDA with a current address, unless the applicant can prove that a change of address was submitted to the THDA prior to or simultaneously to the postmark date of the Purge Notice.~~ [Failure to Update Address. The applicant is required to notify the THDA in writing of any address changes. If the post office returns the purge notice, the applicant will be removed, without further notice, from the waiting list. If a discrepancy exists, the applicant must prove that a change of address was submitted to the THDA prior to the postmark date of the purge notice.]
 - (II) Failure to Return the ~~Purge Notice~~[purge notice] to the THDA by the Deadline.
 - I. ~~If the purge notice is returned to the THDA by mail, it must be postmarked no later than 14 calendar days from the date of the Purge Notice and the~~ [The purge notice must be returned to the THDA within 14 calendar days of the date of the purge notice. If the purge notice is returned by mail, it must be postmarked no later than 14 calendar days from the date of the purge notice. The] THDA will not accept any responsibility for mail delays.
 - II. ~~If the purge notice is returned to the THDA by email, fax, or hand delivery, the THDA must receive it within 14 calendar days of the date of the Purge notice.~~
 - (III) The applicant shall bear the burden of proof where the applicant ~~argues~~ [claims] that the notice was not received due to circumstances beyond the applicant’s control. Sufficient proof includes, but is not limited to, an affidavit, sworn and notarized, from the postmaster for the local post office responsible for delivering the mail to the applicant’s address that there have been problems with delivery that might have caused the notice not to be properly delivered. ~~Other sufficient proof must be at least as independently reliable as a letter from the postmaster, in order to satisfy the applicant’s burden of proof.~~

5. Applicants with Disabilities. An applicant with a disability that is removed from the waiting list for failure to respond may inform the THDA that the non-response was due to the disability and request to be re-instated to the former position on the waiting list as a reasonable accommodation. See 0770-01-05-.30.
 - ~~(i) The applicant must provide the appropriate requested verifications to the THDA within fourteen calendar (14) days of a THDA request of verification.~~
- (f) Selection of Applicants from the Waiting List.
1. As vouchers become available ~~for a particular county~~, the THDA will determine whether there are enough applicants to meet the funding.
 - (i) If there are not enough applicants on the waiting list, then the waiting list ~~for that county~~ will be opened to take pre-applications.
 - (ii) When there are enough applicants on the waiting list, the waiting list is closed[,] and sorted[,] and applicants are selected ~~from the waiting list typically~~ by the date and time the pre-application was submitted and any local preference.
 2. Lottery Selection. Per HUD guidelines, the THDA may choose to select applicants from the waiting list by ~~a lottery, a random computer selection~~[lottery, a randomized selection]. If lottery selection is utilized, all waiting list applicants will be notified ~~that the lottery selection will be utilized for the selection of applicants from the particular waiting list.~~
- (g) Local Preferences. Under 24 C.F.R. 982.207, the THDA may establish local preferences for the selection of applicants from the waiting list based on local housing needs and priorities, as determined by the THDA. [The THDA reserves the right to request any verification necessary to determine preference eligibility.]
1. The THDA has adopted the following local preferences and have weighted them as follows:
 - (i) Involuntary Displacement Due to Natural Disaster Preference.
 - (ii) In-state Residency ~~Residency~~ Preference.
 - (iii) Elderly or Disabled Families Preference.
 - ~~[(iv) Non-Elderly Disabled (NED) Preference.]~~
 2. To ensure that pre-applications are weighted properly ~~by local preference and date and time of the pre-application~~, applicants will not be selected during an open-enrollment period. The waiting list must be closed and sorted before any applicant is selected.
 3. ~~The THDA verifies preferences for applicants selected by sending the applicant a preference claim and verification form, which must be received by the THDA no later than fourteen (14) calendar days from the date of the request for verification, subject to the THDA's Mail Policy. See 0770-01-05-.20.~~

- ~~(i) If the preference does not verify, then the applicant is placed in the proper order on the waiting list without the preference. An applicant may request an informal review for the denial of the preference.~~
 - ~~(ii) If the THDA does not receive the verification before the deadline, the THDA will send a notice of denial of preference and a notice of opportunity for informal review.~~
 - ~~(iii) If the preference verifies, then the THDA proceeds to final eligibility verification. (HCV GB, pp. 4-17—4-18).~~
- 4- [Involuntary Displacement Due to Natural Disaster Preference.]

(i) Eligibility. Applicant households that have been involuntarily displaced from their primary residence[,] due to a natural disaster (fire, flood, tornado, etc.), may claim a ~~local~~ preference as long as all of the following conditions have been met:

- (I) The household must not have secured permanent replacement housing at the time of the pre-application;
- (II) The displacement event must have occurred within the state of Tennessee;
- (III) The displacement event must have occurred within the past six (6) months; and
- (IV) There must be major damage to the primary residence caused by the natural disaster that occurred within Tennessee that renders the unit uninhabitable. The preference is not available for minor storm damage, including but not limited to, reparable siding and shingles blown off in a storm.

(ii) Verification.

- (I) The applicant must provide a valid Tennessee Driver License or Tennessee Identification Card;
- (II) The applicant must demonstrate by proof of ownership, lease, or other documentation, that the damaged unit is the applicant's primary residence; and
- (III) At the time the pre-application is submitted, the applicant must provide documentation from a third-party source that verifies that the damage to the unit from the natural disaster made the unit uninhabitable within fourteen [(14)] calendar days.
 - I. The documentation should include the type of damage that made the unit uninhabitable and the date the damage occurred; and
 - II. If the displacement was due to a fire, the applicant must present a fire or damage report from a reputable source (local fire department, The American Red Cross, etc.) that verifies the fire caused the unit to be uninhabitable, the date the damage occurred, and that no member of the household on the pre-application [intentionally] caused the fire to occur.

- (IV) If the THDA does not receive the third-party verification within fourteen (14) calendar days of the date the pre-application is submitted, the pre-application and preference will be denied and the applicant will be placed in the proper order on the waiting list without the preference and may request an informal review for the denial of the preference.
- (iii) Availability of Funding. If funding does not become available within six (6) months from the date of the displacement event, the preference will be denied and the applicant will be placed in the proper order on the waiting list without the preference and may request an informal review for the denial of the preference.
- (iv) Closed Enrollment. Even during periods of closed enrollment, when the acceptance of pre-applications has been suspended, the THDA will accept a handwritten pre-application form from an applicant that claims a natural disaster local preference according to the above procedures and the following:
 - (I) If the THDA receives the third-party verification within fourteen (14) calendar days of the date the pre-application is submitted and a subsidy voucher is available, the applicant must complete a Personal Declaration and eligibility will be determined.
 - (II) If the THDA receives the third-party verification within 14 calendar days of the date the pre-application is submitted and a subsidy voucher is not available, the applicant will be placed on the waiting list by preference and date of the pre-application until a voucher is available for a maximum of six (6) months from the date of the displacement event.
 - (III) ~~When the THDA is going to call in applicants from any particular county's waiting list, any applicant with this preference will be called in before other applicants on the waiting list, even if the applicant with the natural disaster preference was not listed on the waiting list for that county, and such applicant may be issued a voucher for any county they wish.~~ [When the THDA is going to call in applicants from the waiting list, any applicant with this preference will be called in before other applicants on the waiting list, even if the applicant with the natural disaster preference was not listed on the waiting list and such applicant may be issued a voucher
 - (IV) If funding does not become available within [six (6)] months from the date of the displacement event, the pre-application will be denied and the applicant will be placed in the proper order on the waiting list without the preference.
 - (V) If the THDA does not receive the third-party verification within 14 calendar days of the date the pre-application is submitted, the pre-application and preference will be denied and the applicant will be placed in the proper order on the waiting list without the preference and may request an informal review for the denial of the preference.

[4.] ~~5. Local [In-state]~~ Residency Preference. A[n In-state] ~~Local~~ Residency Preference may be claimed by an applicant on a pre-application for assistance

when, at the time the pre-application is submitted, the applicant actually lives in the ~~county-[state]~~ the pre-application was submitted ~~for~~.

- (i) The residential/physical address entered on the pre-application will be used to determine residency.
- (ii) If an applicant selects the ~~local [in-state]~~ residency preference and enters a residential/physical and/or mailing address that is not actually local, the THDA will not contact the applicant to verify the preference, but will remove the preference selection and return the applicant to the appropriate position on the waiting list ~~[and the applicant may request an informal review for the denial of the preference.]~~
 - (l) A post office box address within the county of application is not sufficient proof to verify residency and qualify the family for the local residency preference.

~~[5.] 6.—Elderly or Disabled Families Preference. An applicant may claim the Elderly or Disabled Families Preference when the applicant’s household contains an elderly (sixty-two (62) years of age or older) or disabled head of household or spouse that receives social security, social security disability, or supplemental security income (SSI) from the Social Security Administration (SSA), determined at the time of the eligibility determination.~~

- (i) ~~Verification. Applicant must bring a current benefit letter from the SSA to their eligibility appointment. Persons who have applied for SSI, but are not receiving SSI income, do not qualify for the preference. [A current SSA benefit letter must be provided. Persons who have applied for SSI, but are not receiving SSI income, do not qualify for the preference.]~~

~~[6. Non-Elderly Disabled (NED) Families Special Preference. Pending availability of funds for this special preference, an applicant may claim the Non-Elderly Disabled Families Preference when the applicant’s household contains a non-elderly person with disabilities (persons who are 18 years or older and less than 62 years of age) who is transitioning out of institutional or other segregated settings, or who is at serious risk of institutionalization. Persons who have applied for the NED preference, must be verified by a Continuum of Care partner and eligible for the HCV program.]~~

(h) Split Household Waiting List Determination. Applicant households may have a change in a family/household composition due to a legal separation, divorce, etc., which results in a split of the household into two otherwise eligible households, where each household wants to retain the current position on the waiting list(s), but only one household unit may retain the position.

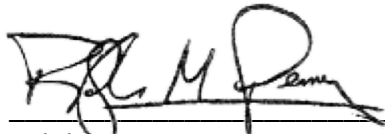
1. If the households cannot agree which one should retain the position on the waiting list, unless there is a court determination, the THDA will make the determination considering the following:

- (i) Which household member applied as head of household?
- (ii) Which household retains children or disabled or elderly members?
- (iii) Was domestic violence involved? See § 0770-01-05-.30 for a discussion on the Violence Against Women Act (VAWA).

- (iv) Were any restrictions or conditions in place at the time the original household applied?
- 2. The documentation of the above considerations will be the responsibility of the household requesting to retain the waiting list position.
- 3. The documentation must be provided to the THDA within fourteen-calendar (14) days from the date the household notifies the THDA of the change in family/household composition, and if not provided within such timeframe, the THDA will make the decision based on the head of household listed on the pre-application.
- (i) Staff Responsibility for Waiting List. Any manipulation of the waiting list by a THDA employee, other than defined by this Administrative Plan, may result in the termination of the employee.

Effective: The Tennessee Housing Development Agency (THDA) is implementing the above changes effective immediately to the rules for the Housing Choice Voucher (HCV) Program promulgated at <https://publications.tnsosfiles.com/rules/0770/0770-01-05.20190103.pdf>. Changes to rules regarding vouchers only applies to current, active vouchers. These changes will also be revised through the normal rule change process, but may be adopted immediately as the changes are less restrictive than the rules currently in place and are a necessity to assist families facing financial hardships, expanding housing choice within THDA's jurisdiction. These changes are applicable throughout the rules anywhere these topics are discussed.

Approval: February 26, 2024



Ralph M. Perrey, THDA Executive Director



Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor
502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bill Lord, Director of Community Housing
Don Watt, Chief Program Officer

SUBJECT: Amendment to the 2020 – 2023 HOME Community Housing Development Organization (CHDO) Homeownership Development Program Descriptions

DATE: March 4, 2024

Recommendation

Staff recommends adjusting the qualifying Debt to Income Ratios permitted under the 2020 - 2023 HOME (CHDO) Homeownership Development Program Descriptions, from 29% / 41% to 33% / 43% and applying this change for all units in which the sale of the home to a qualified low income home buyer has not yet closed.

Background

- THDA awarded contracts annually for the HOME CHDO Homeownership Development Program to qualified non-profit organizations between 2020 and 2023 with Reservation of Fund terms beginning between July 1, 2020 and July 1, 2023 and ending between June 30, 2024 and June 30, 2026. Each program description requires Underwriting Debt to Income ratios of 29% / 41%.
- At its November 2023 meeting, the THDA Board approved an adjustment to these underwriting ratios to 33% / 43% under the 2024 HOME CHDO Homeownership Development Program Description.
- Due to the rapidly increasing costs for home construction and higher interest rates, CHDOs are having increasing difficulty to qualify low income households for mortgages for projects developed using funds from their 2020-2023 HOME CHDO awards.
- THDA proposes to make this adjustment of the Debt to Income Ratios retroactive to all funding awards authorized under the 2020 – 2023 HOME CHDO Homeownership Development Program Descriptions for all projects where the sale of the home to a qualified low income home buyer has not yet closed.



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Tennessee Housing Development Agency

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502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bill Lord, Director of Community Housing
Don Watt, Chief Program Officer

SUBJECT: Extension Request - Hard Bargain Association

DATE: March 4, 2024

Recommendation

Staff recommends approval of an extension request for a 2020 HOME CHDO Homeownership Development Mini-Round Grant awarded to the Hard Bargain Association (HBA) for a period of twelve (12) months, extending their contract end date from March 31, 2024, to March 31, 2025, as further described below.

Background

This grant was awarded to assist HBA with the development of four residential units in Franklin. The CHDO experienced delays in project implementation due to its difficulty in securing site control of the four lots and in obtaining final permitting for all required project components.

THDA's grant is in the amount of \$599,044 in program funds and \$41,933 in operating expenses. The time needed in this extension is to complete construction of the four single family houses for sale to qualified homebuyers in compliance with all program requirements.

The original grant contract term was from April 1, 2021 to March 31, 2024. This is the first extension request for this grant and will change the end term date of the written agreement to March 31, 2025.

If approved for the extension, HBA expects to be able to complete construction of the four single family houses well within the revised time frame.



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Derrick L. Solomon
Executive Director
Hard Bargain Association
PO BOX 545
Franklin, TN 37065

February 07, 2024

Tennessee Housing Development Agency

Mr. Bill Lord

Andrew Jackson Building, 502 Deadrick Street

Nashville, TN 37243

Re: HOME CHOO Program Extension Request

Dear Mr. Bill Lord

As per our communication Hard Bargain Association (HBA) is submitting a request for an extension for our 2020 HOME CHDO Mini Round grant. HBA has substantially increased the activity on all four properties by the submittals of the Environmental, securing the building plans, updating the estimates on the construction costs and submittals on approvals from the City of Franklin and securing the qualified applicants. HBA believes that they will have all the activities for the commitment of the funds to the individual properties by August 31, 2024, however there are still variables that may prevent us meeting this date.

HBA began to work on these projects once the grant was secured in 2021. While HBA had the properties secured at 958 Glass Street, THDA wished that all four properties were to be secured instead of site-specific submittals enabling a start on less than the four projects all at once. Therefore, HBA begin to shop for the additional two project addresses. At this time, we are waiting for permits for all four site specifics to begin construction from City of Franklin. Our final BOMA reading from the City of Franklin was in December 2024. 609 & 611 Mount Hope Street permits should be issued by



the end of February 2024. 958A/958B Glass Street single family homes are on timeline for approval of building permits by June 2024 due to a fail exemption. CEC and Hard Bargain staff have been in communication with City staff about the next steps on the Hard Bargain II PUD. From those conversations/emails, our understanding is that the 2 single Family Homes do not qualify for exemption from submitting a full Site Plan Submittal under Section 20.12.4 “Exemptions.” This exemption is being strictly applied to duplexes and **one** single family home, not the **two** single family homes in this development. What could be done to gain this exemption. We are working with the City of Franklin Planning Department to come up with a solution that the net effect of constructing 2 small, single-family homes on small lots, in close proximity is very nearly the same as a duplex.

An additional item raised was the need for a surety for the potential extension of the sanitary sewer from Glass Street to serve the new homes. It was not clear if the utility permit application requirements could be met without the site plan submission. We are working to revise the sanitary sewer to be a long sanitary service to eliminate this requirement

The final item identified was the need for a grading permit. This project will disturb more than 5000SF. It was not clear if the grading permit application requirements could be met without the site plan submission. We can address the 2 remaining conditions of approval from the Site development plan in the same manner that we addressed them for the Duplex. (providing single family stormwater calculations with the permit submissions and answering any remaining questions)

We would like to reiterate that we wish to provide the city of Franklin with everything that it needs to ensure the work we are doing will enhance the city and provide opportunities for its citizens. This made it extremely hard to begin building all four properties on our original timeline. Additionally, we have secured the qualified applicants for all four-site specific. However, we have been waiting an issue for GMS to be updated by the IT department to allow us to upload the customer information to the system. HBA has worked hard to meet the requirements of THDA on the four projects on this grant but has been stifled by the City of Franklin Planning Department expectations.



We are now ready to begin and expect the successful completion of all four units in a timely manner.

Certified to,

Derrick L. Solomon

Executive Director

A handwritten signature in black ink that reads "Derrick L. Solomon".



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bill Lord, Director of Community Housing
Don Watt, Chief Programs Officer

SUBJECT: Extension Request – CHI-2 – Park Center, Inc. – Powers Avenue Recovery Residence

DATE: March 4, 2024

Recommendation

Staff recommends the approval of an extension request for a 2020 Creating Homes Initiative-2 (“CHI-2”) grant awarded to Park Center, Inc. for an additional period of sixteen (16) months, extending the current contract End Date from May 31, 2024, to September 30, 2025, as further described below.

Background

Tennessee Housing Development Agency (“THDA”) awarded a grant in the original amount of \$500,000.00 to assist Park Center, Inc. with the development of seven (7) single room occupancy (“SRO”) residential units located in Davidson County to serve low-income adults experiencing Opioid Use Disorder. THDA subsequently awarded additional gap funds in the amount of \$245,000, bringing the total THDA funding to \$745,000.

The original contract term was from June 1, 2020 to May 31, 2023. Park Center, Inc. previously requested and received an initial 12-month extension, bringing the current contract End Date to May, 31, 2024. The initial extension was necessary due to unavoidable project delays related to COVID and the initial reluctance of the Historic Commission to support the project.

Park Center, Inc. has now experienced further delays in project implementation due to an issue with a historic overlay in Metro Nashville that temporarily delayed the demolition of an existing structure on the site. As of January 16, 2024, the Historic Commission has indicated its support of the application, allowing the project to go forward. Park Center, Inc. currently estimates project completion by August of 2025 and requests an extension to September 30, 2025, to allow for construction completion, final billing reconciliation, and grant closeout in compliance with all contract requirements. Therefore, Staff recommends the approval of the request to extend the contract through September 30, 2025.



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Agency Phone 615.242.3576

Park Center
1935 21st Ave. S.
Nashville, TN 37212
Administration
Addiction Recovery Services
Residential Services
Supported Employment

Park Center East
948 Woodland Street
Nashville, TN 37206
Emerging Adults Services
Homeless Outreach
Psychiatric Rehabilitation
Operations

ATTACHMENT A

February 1, 2024

Toni Shaw
Housing Programs Manager
Tennessee Housing Development Agency
502 Deaderick Street, Third Floor
Nashville, TN 37243

RE: Project Number CHI2-20-05

Dear Toni:

Park Center is requesting an extension to our working agreement for the Winter 2020 CHI-2 award for our "Powers Ave Recovery Residence" project. Based on our current understanding of the timeline, the expected completion date is August 2025. Below we have summarized the numerous significant issues outside of Park Center's control that resulted in the need for an extension.

The Historical Overlay designation for the area that includes the Park Center property at 808 Powers Ave has caused significant delays in both the design and construction processes for this development. Initially, the Overlay prevented the demolition of the existing structure, which is what had been planned for the project prior to the Overlay being adopted. However, after overcoming many barriers, on 4/19/2023, Metro Nashville Historical Commission approved full demolition of the house as a non-contributing structure (see Attachment B). Following the submission of plans for approval, on 9/20/2023, the Commission voted not to approve the plans and recommended working with their staff to ensure conformance to the historic preservation guidelines (see Attachment C). Following a series of meetings and email exchanges, on 1/16/2024, the Commission staff stated they would support the revised plans and recommend approval during the February 2024 Commission meeting (see Attachment D). Upon approval, the architect will coordinate with engineers to finalize the plans for permitting. Construction is projected to run from July 2024 to May 2025, though we are requesting to extend the contract through August 2025 to allow for unexpected delays.

Please let us know if you have any questions. Thank you for your continued support of this project and Park Center's mission.

Sincerely,

David Langgle-Martin
Chief Housing Officer

ATTACHMENT B

David Langgle-Martin

From: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>
Sent: Wednesday, April 19, 2023 3:05 PM
To: Kristofer Nonn
Cc: Chris Strickland; David Langgle-Martin
Subject: RE: 808 Powers - Design Guidelines to use
Attachments: HCP 2023020939.pdf

Good afternoon,

At the April 19, 2023 public hearing, the Metro Historic Zoning Commission approved full demolition of the house at 808 Powers Avenue. I have attached your Preservation Permit for the project. The attached photos include notes and are a part of the permit. Both departments need to be called for inspections, listed on the respective permit. It is not unusual for plans to change. If this happens, please call before work continues.

Let me know if you have any questions.

Thank you,
Joseph

[Joseph Rose](#)
Historic Preservationist
615-862-7970 x79777
historicalcommission@nashville.gov

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From: Rose, Joseph (Historical Commission)
Sent: Thursday, April 13, 2023 2:24 PM
To: Kristofer Nonn <kristofermnonn@gmail.com>
Cc: Chris Strickland <chris@stricklandarchitecture.com>; David Langgle-Martin <david.langgle-martin@parkcenternashville.org>
Subject: RE: 808 Powers - Design Guidelines to use

Good afternoon,

Your project at 808 Powers Avenue is scheduled for the next MHZC public hearing. The meeting will take place on Wednesday, April 19th at 2:00 pm at the Howard Office Building, 700 President Ronald Reagan Way, Sonny West Conference Room, Nashville, TN. Information about how the meeting works as well as links to maps and information

about parking may be found here: <https://www.nashville.gov/departments/historic-preservation/historic-zoning-information/how-meeting-works>

I have attached a link to our website below where you can find the agenda for the meeting and the staff report for the project in our monthly meeting packets:

<https://www.nashville.gov/departments/historic-preservation/boards/historic-zoning-commission/meetings/historic-zoning-commission-meeting-april-19-2023>

Your project is scheduled for the consent agenda. That means it will likely not be presented, discussed, or voted on individually. Rather, it will be voted on, for approval with applicable conditions, along with the other items on the consent agenda at the beginning of the meeting. Please note that any member of the public or a Commissioner can request that an item be removed from the consent agenda so it can be discussed and voted on individually. This can happen before or at the beginning of the hearing; therefore we recommend that you or a representative be on hand in case there are questions.

Please let me know if you have any questions.

Thank you,
Joseph

Joseph Rose
Historic Preservationist
615-862-7970 x79777
historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>

Sent: Friday, April 7, 2023 1:53 PM

To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>

Cc: Chris Strickland <chris@stricklandarchitecture.com>; David Langgle-Martin <david.langgle-martin@parkcenternashville.org>

Subject: Re: 808 Powers - Design Guidelines to use

Attention: This email originated from a source external to Metro Government. Please exercise caution when opening any attachments or links from external sources.

Wonderful, thank you so much.

Kris

On Fri, Apr 7, 2023, 1:46 PM Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov> wrote:

Hi Kris,

Since this property is located in the Eastwood Neighborhood Conservation Zoning Overlay, we would use the NCZO for Turn-of-the-20th Century Districts design guidelines to review any work on the property. You can find a copy of those guidelines on our website at the link below:

<https://www.nashville.gov/departments/historic-preservation/programs/districts-and-design-guidelines>

We'd be happy to review and provide feedback on your proposal sometime after the April 19th commission meeting, if demolition of the current house is approved by the Commission at the meeting.

Thank you,

Joseph

Joseph Rose

Historic Preservationist

615-862-7970 x79777

historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>
Sent: Friday, April 7, 2023 1:23 PM
To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>
Cc: Chris Strickland <chris@stricklandarchitecture.com>; David Langgle-Martin <david.langgle-martin@parkcenternashville.org>
Subject: 808 Powers - Design Guidelines to use

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Joseph,

As we look forward to the design of a new structure at 808 Powers, can you please confirm which set of Design Guidelines we would use for this property, and share the PDF/link for our reference?

Once we have this information and have integrated this with the client's design goals and current building standards, we would love to run a few preliminary massing ideas past you to make sure we're on the right track.

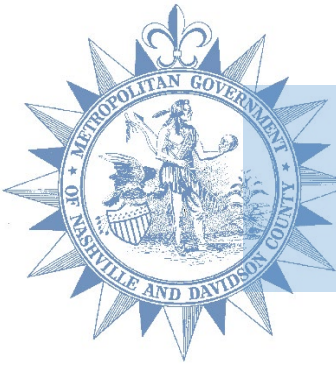
Thank you so much!

Kris

Kristofer Nonn, AIA, LEED AP

(608) 630-1915 (cell)

ATTACHMENT C



METROPOLITAN HISTORIC ZONING COMMISSION
Sunnyside in Sevier Park, 1113 Kirkwood Avenue Nashville, TN 37204
615-862-7970, historicalcommission@nashville.gov

September 21, 2023

Kristofer Nonn, AIA, LEED AP
kristofermnonn@gmail.com
608-630-1915

Dear Kristofer:

At the September 2023 meeting of the Metro Historic Zoning Commission, the Commission voted to disapprove your project at 808 Powers Avenue, finding that the project does not meet sections IV. (Materials) and V. (New Construction-Infill) of Part I and the Eastwood chapter of Part II of the design guidelines for Turn-of-the-20th-Century Districts.

You may revise your application original plan and submit a new application or you may choose to appeal the MHZC's decision. Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, you may appeal the MHZC's decision to the Chancery Court of Davidson County or the Circuit Court of Davidson County via a statutory writ of certiorari. If you choose to appeal, you are advised to seek your own independent legal counsel to ensure that your appeal is filed in a timely manner and that all procedural requirements are met. You should also seek independent legal advice regarding the applicability of the writ of certiorari to the specific decision of the Historic Zoning Commission.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Joseph Rose".

Joseph Rose

ATTACHMENT D

David Langgle-Martin

From: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>
Sent: Tuesday, January 16, 2024 10:34 AM
To: Kristofer Nonn
Cc: David Langgle-Martin
Subject: RE: 808 Powers - revised drawings for HP review/comment
Attachments: Notice_Requirements-Sonny_West.pdf

Thanks Kris! I'll begin writing the staff report in the coming days. If anything else comes up, I'll let you know but I don't anticipate that we'll have any other comments. As soon as the staff report and meeting agenda are finalized for February, I will send them to you, along with additional meeting information.

Just a reminder that the notice deadline for the February meeting will be Friday, February 9th. The attached notice requirements will need to be met by the notice deadline in order to remain on the agenda.

Thank you,
Joseph

Joseph Rose
Historic Preservationist
615-862-7970 x79777
historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>
Sent: Tuesday, January 16, 2024 10:27 AM
To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>
Cc: David Langgle-Martin <david.langgle-martin@parkcenternashville.org>
Subject: Re: 808 Powers - revised drawings for HP review/comment

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Wonderful, thank you Joseph. Please see attached for those updated drawings, which we would like to consider our application materials for the February public hearing.

Please let us know if you have any questions or comments, or if there are any other edits or things you'd like to see in this package for the Board's consideration.

Thank you,

Kris

Kristofer Nonn, AIA, LEED AP
(608) 630-1915 (cell)

On Tue, Jan 16, 2024 at 9:12 AM Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov> wrote:

Good morning Kris,

Thanks for making those changes. The trim board and additional siding on the projecting gable helps a lot and we find the trim board under the porch works as well. As for the porch beam, the most important thing is just that you show a porch beam. If it is less than 18", we would be ok with it. I'll leave it up to you. If you want to reduce that porch beam some, that would be acceptable.

Thanks,

Joseph

Joseph Rose

Historic Preservationist

615-862-7970 x79777

historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofernonn@gmail.com>
Sent: Friday, January 12, 2024 4:31 PM
To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>
Cc: David Langgle-Martin <david.langgle-martin@parkcenternashville.org>
Subject: Re: 808 Powers - revised drawings for HP review/comment

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Thank you Joseph - please see attached for updated drawings, including the wider skirt board lowered down so that the top of the skirt board is at the transition from block foundation to siding. I've updated the columns to have craftsman bases/caps, and I've added a porch beam at 18" deep.

With regards to the porch beam, I've seen that in the guidelines, and the 18"-36" has always astonished me... I was thinking maybe it was a typo and you just don't enforce it. Looking at historical houses, they typically have very shallow beams (sometimes structurally too shallow...), and I would assume the intent of the guidelines would be to be consistent with this. Even an 18" deep beam will put the bottom of the beam at 7'-8" above the porch floor. Personally, I think about a 9"-12" deep porch beam would look best, but if this is a non-starter, we can certainly do the 18" deep beam as shown.

Regarding the skirt board, the lowering of that onto the block is not an issue at the gable, where there is siding, but on the porch side of the stairs, this results in a 24" tall skirt board, which looks quite odd. We could build up a few layers to try to mask this overall height (which is what I've done in the attached drawings), but wanted to ask if you had thoughts about how to address this.

Thank you,

Kris

Kristofer Nonn, AIA, LEED AP

(608) 630-1915 (cell)

On Fri, Jan 12, 2024 at 3:03 PM Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov> wrote:

Hi Kris,

Thanks again for making that change to the grade. I shared it with the team. Staff finds that adjustment definitely helped mask the foundation height, but also finds that bringing the lap siding down a little lower on the projecting front gable and maybe thickening up the trim board a little would also be helpful. If you could play around with that too, that would be great.

Also, one other small thing I forgot to mention with my previous comments – the guidelines require that porch posts include bases and capitals and that a visible porch beam of 18”-36” in height is included. If you could show that on the drawings as well, that would be great.

Thanks,

Joseph

Joseph Rose

Historic Preservationist

615-862-7970 x79777

historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>

Sent: Friday, January 12, 2024 11:02 AM

To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>

Cc: David Langgle-Martin <david.langgle-martin@parkcenternashville.org>

Subject: Re: 808 Powers - revised drawings for HP review/comment

Attention: This email originated from a source external to Metro Government. Please exercise caution when opening any attachments or links from external sources.

Joseph,

Please see attached for revised drawings for 808 Powers - as you'll see, I raised the grade at the front as much as I thought we could and still maintain the ADA walkway adjacent, and not make the egress area wells too deep.

Let us know if you have any questions or comments. Thank you,

Kris

Kristofer Nonn, AIA, LEED AP

(608) 630-1915 (cell)

On Tue, Jan 9, 2024 at 3:50 PM Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov> wrote:

Thanks Kris. That sounds great. I'll be on the lookout for that and we'll make sure and put you down for February.

Thanks,

Joseph

Joseph Rose

Historic Preservationist

615-862-7970 x79777

historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>

Sent: Tuesday, January 9, 2024 3:43 PM

To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>

Cc: David Langgle-Martin <david.langgle-martin@parkcenternashville.org>

Subject: Re: 808 Powers - revised drawings for HP review/comment

Attention: This email originated from a source external to Metro Government. Please exercise caution when opening any attachments or links from external sources.

Thank you so much Joseph. Yes, I agree, a bit higher grade on the front would help - I'll work on that a bit, to see how we can push it up and still keep the ADA ramp next to the house.

And yes, we'd like to be on the February agenda. I will revise the drawings with raised grade and thicker skirt board, and send next week.

Thank you again for all of you and your colleagues' time and effort getting the project to this point.

Kris

On Tue, Jan 9, 2024, 3:38 PM Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov> wrote:

Good afternoon Kris,

I have reviewed your revised drawings with the rest of the team. Overall staff finds this revised version to be a big improvement and something we can support. Just one small initial comment:

- Would there be a way to hide the tall foundation height at the front by increasing the grade a little more in the front at the foundation and tapering? We just noticed that both 810 powers and 806 powers appear to have a slightly higher grade at the foundation and thought that increasing it a little may help that tall foundation not feel so tall. If that's not possible, we wondered if a slightly thicker trim board at the foundation line and/or extending the siding a little lower on the projecting front gable may help mask the tall foundation a little. It might be a combination of all three things. Just something to play around with. Hiding some of that foundation height would be good though.

We can go ahead and pencil you in for the February agenda if you would like? The February meeting will be on Wednesday, February 21st at 2:00 pm. The application deadline for the February meeting is Monday, February 5th at Noon, and the notice deadline is Friday, February 9th. It looks like we have a complete application from you, so the only thing we would need from you at the February deadline is any revised drawings you'd like to submit in response to the feedback above.

Let me know if you have any questions and if you'd like me to go ahead and put you down for February. Thank you for working with us over the past few months on these revisions. It seems to have arrived in a good spot.

Thank you,

Joseph

Joseph Rose

Historic Preservationist

615-862-7970 x79777

historicalcommission@nashville.gov

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From: Kristofer Nonn <kristofermnonn@gmail.com>

Sent: Monday, January 8, 2024 8:00 AM

To: Rose, Joseph (Historical Commission) <Joseph.Rose@nashville.gov>

Cc: David Langgle-Martin <david.langgle-martin@parkcenternashville.org>

Subject: 808 Powers - revised drawings for HP review/comment

Attention: This email originated from a source external to Metro Government. Please exercise caution when opening any attachments or links from external sources.

Joseph,

Please see attached for updated drawings of the proposed design for the new construction project at 808 Powers, per your most recent email of comments and input.

Let us know if you'd like to meet to go over any of this, and also if you have any questions or thoughts.

Thank you for your time and thoughts as we work on this solution.

Kris

Kristofer Nonn, AIA, LEED AP

(608) 630-1915 (cell)



Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor
502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Bill Lord, Director of Community Housing
Don Watt, Chief Programs Officer

SUBJECT: 2021 NHTF Extension Request – Southeastern Housing Foundation

DATE: March 4, 2024

Recommendation

Staff recommends that the Board of Directors for the Tennessee Housing Development Agency (“THDA”) approve the request by the Southeastern Housing Foundation to extend the current End Date under the National Housing Trust Fund (“NHTF”) Grant Contract commonly known as NHTF-21-06 for twenty-two (22) months, extending the End Date from June 30, 2024 to April 30, 2026.

Background:

The Southeastern Housing Foundation was awarded a NHTF grant as part of the 2021 regular round, with a term of July 1, 2021 through June 30, 2024, for its Austin Homes Phase 3 project. The project consists of 161 affordable rental units, including 43 NHTF units for families with incomes at or below 30% of the area median income (“AMI”). In addition to the NHTF award, this project also has approximately \$15M in 4% Tax Credits, tax-exempt bonds, RAD/PBRA, a CITC-approved mortgage loan of \$8.3M, and funds and local resources from the City of Knoxville.

This project has experienced delays in construction start-up, including difficulty finalizing all required development funding, particularly a final HUD commitment of \$7.5M in 202 capital advance funding for the project. Southeastern Housing Foundation expects to close all remaining funding for this project in early March 2024 and expects to start construction by March 15, 2024. Construction is expected to be completed by the end of 2025 with full reconciliation of all sources before the new contract end date of April 30, 2026.

This is the first extension request for this project.

Therefore, Staff recommends the extension of this Grant Contract through April 30, 2026.



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Bill Lord
Director, Community Housing
Tennessee Housing Development Agency
502 Deaderick Street
Nashville, TN 37243

January 17, 2024

RE: NHTF Grant Agreement Amendment Request (NHTF-21-06)

Dear Bill –

We are respectfully requesting a modification to our existing National Housing Trust Fund grant contract (NHTF-21-06) for the Austin Homes Phase 3 project. The grant agreement for this project was signed in 2021 with an effective date of July 1, 2021 and an end date of June 30, 2024. This particular project, as you may know, has a variety of funding sources, including 4% tax credits, tax-exempt bonds, City of Knoxville funds, RAD/PBRA, housing authority funds, RAD for 202 PRAC and \$7.5M of HUD 202 capital advance funds. The HUD 202 firm commitment process for the \$7.5M of capital advance funds has taken much longer than initially anticipated. We submitted our firm commitment application to HUD in the spring of 2023 and only received a draft firm commitment back from HUD in late December 2023. At this point, based on discussions with HUD, we are anticipating a financial closing in early March 2024 with construction starting shortly thereafter. As such, we are **requesting an extension of the NHTF grant contract end date from June 30, 2024 to April 30, 2026**. Assuming a construction start date of March 15, 2024, we are anticipating construction completion by the end of 2025. An additional 120 days beyond the anticipated construction completion of December 31, 2025 is included in this request to allow for any unforeseen delays to either the start date or during construction as well as to allow for time to submit the final draw package to THDA.

We would also like to request a slight modification to the unit mix noted within Attachment A of the contract. The project has a total of 161 affordable residential units and the project is still committed to developing 43 NHTF units; however, we are simply **requesting one additional four-bedroom NHTF unit and one less one-bedroom NHTF unit**. The current grant contract stipulates the following NHTF unit mix: 16 one-bedrooms, 16 two-bedrooms, 8 three-bedrooms and 3 four-bedrooms. Based on our current HUD CHAP (commitment to enter into a housing assistance payment contract) that covers these 43 NHTF units, we would like to request the following unit mix: 15 one-bedrooms, 16 two-bedrooms, 8 three-bedrooms and 4 four-bedrooms.

Southeastern Housing Foundation, along with our development partner, Knoxville's Community Development Corporation, is very excited to get started on this project and bring it to fruition after many years of planning and coordination. We appreciate your consideration of this grant modification request. Please do not hesitate to reach out with any additional questions you may have.

Respectfully,

Chris Martin
President, Southeastern Housing Foundation II

Cc: Jim Hatfield, Vice President, Knoxville's Community Development Corporation



Annex

THDA MORTGAGE REPORT: CALENDAR YEAR 2023



Hulya Arik, Ph.D.
Senior Economist

THDA.ORG



THDA MORTGAGE REPORT

Calendar Year 2023

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EXECUTIVE SUMMARY

Homeowners who purchased or refinanced in 2020 and 2021 with historically low interest rates of between two and three percent were unwilling to give up that low mortgage rate and list their homes for sale in the current high interest rate environment. High mortgage rates and the lack of available housing inventory to buy if they did sell created a disincentive to sell their homes, otherwise referred to as a “lock-in” effect, for these homeowners. Fannie Mae’s National Housing Survey¹ revealed that, in the first quarter of 2023, 29 percent of people with a mortgage (and people who own their homes free and clear) plan to stay in their homes longer than intended; For 21 percent of these mortgage borrowers being “locked-in” to a low mortgage rate was the key reason for staying longer in their homes followed by other reasons such as liking their current home and that home prices being too high to buy another home.

THDA’s Great Choice Home Loan programs make homeownership possible and affordable for Tennesseans of middle/moderate income. Even with a limited inventory of homes at THDA’s purchase price limits, with the help of its approved lenders that originate mortgages, THDA was able to reach potential borrowers, and make their dream of homeownership possible. In 2023, both the total number and dollar amount of THDA loans funded were higher than last year. Nearly \$740 million first mortgage loans were created for 3,220 homebuyers who used THDA loans, in addition to \$35 million second mortgage loans for nearly 3,100 borrowers who needed assistance for downpayment and closing costs. Albeit less than 4,510 loans funded in 2019, 3,220 THDA loans in 2023 is still 76 percent more than the loan volume in 2021 when THDA’s loan production dipped to the second lowest level of last 10 years.

In 2023, interest rates in the market remained high as the Federal Reserve continued to raise the federal funds rate to stave off inflation and achieve maximum employment, following almost two years of rates between two and three percent. As a result, mortgage rates remained relatively high. The U.S. economy continued cooling without the expected recession due to continued consumer spending fueled by savings accumulated during pandemic.² Amidst this environment, THDA’s below market interest rates, which were possible due to favorable mortgage revenue bond (MRB) pricing, allowed for a 45 percent annual increase in the number of loans possible.

At the start of the year, the interest rate for THDA’s Great Choice loan was 6.25 percent. A volatile MRB market contributed to several increases and decreases in the rate over the year. Ultimately, THDA’s MRB program finished the year with a 6.375 percent interest rate. During the year, THDA borrowers experienced rates as low as 5.50 percent and as high as 7.375 percent. Similarly, in the market, the average interest rate for a 30-year fixed mortgage also fluctuated, starting the year with 6.48 percent in the first week of January, declining to 6.09 percent in early February, and then increasing to 7.79 percent in the late October. Eventually, the interest in the market finished at 6.61 percent.³

In December 2023, the volume of existing home sales on an annual basis dropped to its lowest level since 1995.⁴ The low inventory of existing homes coupled with unaffordable prices and mortgage rates limited choices, especially for first-time homebuyers, created affordability challenges. A majority of THDA borrowers purchase existing homes. Since 2008, no more than 20 percent of THDA borrowers purchase new homes each year. New home purchases declined even more when THDA offered the Hardest Hit Fund (HHF) downpayment assistance

¹ See “‘Lock-in Effect’ Not the Only Reason for Housing Supply Woes” at <https://www.fanniemae.com/research-and-insights/perspectives/lock-effect-not-only-reason-housing-supply-woes>

² See “Economic, Housing and Mortgage Market Outlook, December 2023” from Freddie Mac at <https://www.freddiemac.com/research/forecast/20231220-us-economy-expanded-in-2023>

³ According to Freddie Mac Primary Mortgage Market Survey, <https://www.freddiemac.com/pmms>.

⁴ According to an NAR® report <https://www.nar.realtor/newsroom/existing-home-sales-slid-1-0-in-december>

THDA MORTGAGE REPORT: Calendar Year 2023

(DPA) loan program 2017 through 2019 which was only available for existing home purchases. For example, in 2018, only seven percent of homes purchased by THDA borrowers were new, increasing to 14 percent in 2020. However, the aforementioned “lock-in” effect is constricting the existing home inventory in the market for all potential homebuyers. Approximately 10 percent of THDA borrowers in 2023 purchased a new home, paying an average of \$285,000, compared to an average price of \$230,000 paid by an existing home buying THDA borrower.

In addition to low and below market interest rates, the availability of downpayment and closing costs assistance (DPA) is what attracts many homebuyers to THDA mortgage programs. In 2023, of all THDA borrowers, 95 percent received DPA. In 2023, an average THDA borrower had \$11,243 in second mortgage loans, which was nine percent higher than the average second mortgage amount of \$10,325 in 2022, not adjusted for inflation. Since September 2021, THDA borrowers have been able to choose between a deferred payment (flat \$6,000) option and an amortizing (six percent of the purchase price) option when they need DPA. In 2023, an average THDA borrowers who chose amortizing DPA option received a second mortgage loan in the amount of \$14,901, up from \$13,822 in 2022.

High home prices and interest rates adversely impacted affordability. An average THDA borrower who purchased a home in 2023, had a monthly housing payment of nearly \$1,800, including principal, interest, real estate taxes and hazard and mortgage insurance (PITI). This is 33 percent more than the monthly PITI in 2022, not adjusted for inflation. For 43 percent of THDA borrowers who purchased a home in 2023, the monthly payment was more than 30 percent of their income⁵, which increased from 33 percent in 2022.⁶

⁵ THDA uses qualifying income, rather than household income to derive this calculation. Furthermore, there is no comparable figure for the broader market of first-time homebuyers as that data is not available.

⁶ While there is no comparable rate for first-time homeowners in the larger market, 24 percent of all homeowners with a mortgage were cost-burdened, according to the 2022 American Community Survey 5-year estimates.

KEY FINDINGS

- **THDA's loan production continued to increase in 2023.** THDA's loan production continued its steady year over year increase in both the total number and dollar amount of loans, inching towards pre-pandemic levels (p.6).
- **High and volatile interest rates coupled with a low inventory of homes for sale within THDA's purchase price limit constrained homebuyers who might have otherwise used THDA loans.** The average interest rate that THDA charged on Great Choice loans increased from 4.6 percent in 2022 to 6.12 percent in 2023. The market interest rate also increased from 5.34 percent in 2022 to 6.8 percent in 2023 (p.7).
- **The share of FHA- and USDA-insured THDA loans declined while conventional and VA-insured loans increased from the previous year.** In 2023, 73 percent of all THDA loans funded were FHA-insured, consistent with the steady decline over the last five years. Similar to the increase in VA insured loans, the number of Homeownership for Heroes loans increased in 2023. In 2023, nearly 400 THDA borrowers were active-duty military, National Guard, and veterans, state and local law enforcement officers, EMTs/paramedics or firefighters, marking a 120 percent increase from the previous year (p.8).
- **THDA's market share was significantly higher than the prior year due to declining loan production in the market coupled with increased THDA loan volume.** THDA's 1,621 FHA-insured loans for first-time homebuyers represented 27 percent of the 7,183 FHA-insured first lien home purchase loans originated for homebuyers who met THDA's income limit requirements and purchased homes that were priced less than or equal to THDA's purchase price limit in each county (p.9).
- **In 2023, 16 percent of all THDA borrowers were Black, declining from 18 percent in 2022.** White applicants were 81 percent of all THDA borrowers in 2023, up from 78 percent in 2021. The percentage of all THDA borrowers who identified as Hispanic was 10.2 percent, increasing from 7.2 percent in 2022. Although a greater percentage of THDA borrowers were Black compared to the overall market, borrowers in other race categories were underrepresented (p.10).
- **Increasing home prices and high interest rates created affordability challenges for homebuyers in 2023.** An average THDA borrower paid nearly \$240,000 to purchase a home, an increase from \$215,000 in 2022, not adjusted for inflation. Soaring prices and interest rates manifested themselves in monthly house payments. An average THDA borrower's monthly payment for principal, interest, taxes and insurance increased from \$1,400 in 2022 to \$1,800 in 2023 (p.12).
- **THDA funded at least one loan in 92 counties, similar to last year.** Johnson, Perry and Pickett Counties were the only counties with no THDA funded loans. With 282 borrowers, Montgomery County had the most THDA borrowers in 2023, followed by Shelby and Davidson Counties. Some rural counties outside of an MSA saw a significant increase in the number of THDA borrowers. For example, 49 THDA borrowers purchased a home in Dyer County compared to 15 in 2022 (p.14).
- **Of 160 approved THDA lenders, 122 lenders actively originated THDA loans in 2023, up from 103 in 2022.** Including six loans originated through its wholesale branch, Mortgage Investors Group (MIG) was the lender with the most THDA loans in 2023, followed by CMG Mortgage Inc. and Primm Mortgage Company (p.15).

INTRODUCTION

The Calendar Year report is THDA’s annual analysis of its single family homeownership programs, including the Great Choice, New Start and HFA Advantage⁷ programs and Great Choice Plus, which is the second loan companion program. This report analyzes trends in THDA’s loan production between 2018 and 2023 while considering housing market dynamics during this period. In particular, this report explores how loan production varied by program type, the extent to which eligible THDA borrowers in the market were served by THDA, and how this market share changed after the COVID-19 pandemic. Furthermore, it considers the demographic and economic characteristics of THDA borrowers, including race, ethnicity, income, and credit score. This report also explores trends in the characteristics of properties and lenders. Property and borrower characteristics of second loans are captured in the discussions of first loans, in lieu of providing duplicate analysis.

FINDINGS

A. THDA’s Annual Loan Production

In 2023, both the total number and dollar amount of loans funded were higher than the previous year, 71 percent of 4,510 borrowers in 2019. In 2023, THDA funded 3,220 first mortgage loans totaling nearly \$740 million. During the same period, for 3,068 borrowers who needed assistance for downpayment and closing costs, THDA provided \$34.5 million in second mortgages. THDA’s loan production was 45 percent higher than it was in 2022. Similarly, the total dollar amount of first mortgage loans increased (not inflation adjusted) by 58 percent in 2023 from the previous year.

Table 1: THDA’s First Mortgage Loans Funded, 2018-2023

Year	Count	Total Loan \$*	ANNUAL % CHANGE	
			Count	Loan\$
2018	4,473	\$601,155,314		
2019	4,510	\$666,972,333	1%	11%
2020	2,972	\$513,320,243	-34%	-23%
2021	1,839	\$339,687,461	-38%	-34%
2022	2,225	\$466,081,121	21%	37%
2023	3,220	\$737,633,844	45%	58%

* Total Loan Amount does not include the second mortgages funded for downpayment and closing costs.

Interest rates are a key factor that influences loan volume. Excluding zero-interest rate New Start Program loans and Homeownership for Heroes Program⁸ loans with rate discounts, the average interest rate THDA charged on Great Choice loans⁹ was 6.12 percent in 2023. This was a significant increase from the 4.60 percent charged in 2022. However, this increase is similar to that of the market interest rate, which was also increasing over this period. The average interest rate on 30-year fixed rate mortgages was 6.80 in 2023, up from 5.34 percent in 2022.¹⁰ In the first quarter of 2023, the average interest rate THDA charged increased slightly to 6.29 percent from 6.24 percent in the prior quarter, leading to a decline in the demand for

⁷ On April 1, 2022, THDA changed the name of “Freddie Mac GC 97” program to utilize Freddie Mac’s program name of HFA Advantage. And it is now called Freddie Mac FHA Advantage.

⁸ Starting March 1, 2023, THDA enhanced and rebranded the Homeownership for the Brave Program. It is now called Homeownership for Heroes. In collaboration with the Governor’s office, THDA is offering a 50-basis points discount in interest rate in the Great Choice Mortgage Loan Program for Firefighters, State and Local Law Enforcement Officers, EMT and Paramedics in addition to Veterans, active-duty Military, Reservists and members of the National Guard.

⁹ THDA’s interest rate is linked to factors affecting financial markets (such as Federal Reserve Bank’s rate increases to curb inflation) through the interest rate for the tax-exempt mortgage revenue bonds (MRBs). The interest rate is also based on IRS limitations on what THDA is allowed to earn on its bonds. The New Start and Homeownership for the Brave programs are two examples of programs for which the interest rate is not based on bond activity. THDA’s New Start loan program is designed to promote the construction of new homes for low- and very low-income Tennesseans and delivered through non-profit organizations. It has zero interest rate. The Heroes Program offers a 50-basis point rate reduction that is applied to the THDA Great Choice loan based on the current rate at time of loan submission.

¹⁰ See Primary Mortgage Market Survey, Freddie Mac, <https://www.freddiemac.com/pmms>.

THDA MORTGAGE REPORT: Calendar Year 2023

THDA loan products. In the second quarter of 2023, THDA lowered the average interest rate on Great Choice loans to 5.75 percent, despite a slight increase in the average market interest rate to 6.51 percent from 6.37 percent. THDA's declining and lower than market average interest rates¹¹ contributed to a more than two-fold increase in THDA loan originations in the second quarter of 2023. THDA's loan production continued to grow in the second half of 2023. In fact, the number of THDA funded loans in the fourth quarter of 2023 reached the highest level since the third quarter of 2019, during which THDA was still offering HHF DPA loans.

In addition to interest rates, the availability of homes within THDA's purchase price limits also affects the loan volume. In 2023, the lack of inventory continued to impact THDA's loan production adversely. According to the latest National Association of Realtors' quarterly Metropolitan Median Area Prices and Affordability and Housing Affordability Index,¹² in the third quarter of 2023, the median price of existing homes sold increased in most metro areas. Chattanooga, Knoxville, Memphis and Nashville MSAs are among 200 metros tracked in NAR's quarterly report. In all four major Tennessee MSAs, the median price of existing homes sold increased in the third quarter of 2023 from one year prior, making it difficult to find an affordable home to purchase using one of THDA's loan products.

B. THDA's Loan Production by Program

Downpayment and closing costs assistance (DPA) continue to incentivize homebuyers to choose THDA loans, particularly in the current environment of high mortgage rates and high prices. More than 95 percent of borrowers in 2023 received a second mortgage loan for DPA, a decline from 98 and 99 percent in 2018 and 2019, respectively. Of 152 borrowers who did not need DPA, 22 borrowers used the New Start Program and 21 borrowers used the Freddie Mac HFA Advantage Program. The remaining no-DPA loans were funded through mortgage revenue bonds. Montgomery County, with 31 loans, had the majority of no-DPA borrowers followed by Davidson County with nine borrowers. Besides Habitat for Humanity Organizations which originated New Start Program loans, Mortgage Investors Group (MIG) was the lender with the most no-DPA borrowers with 21 loans. Compared to all funded loans in 2023, a higher portion of no-DPA loans were VA-insured. Excluding the New Start Program loans, nearly one-third of no-DPA loans were VA-insured.

The average second mortgage amount for all borrowers who needed assistance for downpayment and closing costs was \$11,243 in 2023. Since September 2021, THDA borrowers have been able to choose between a deferred payment (no payment) option and an amortizing (payment) option when they need DPA.¹³ In 2023, even with the required monthly payment, 59 percent of THDA borrowers who used DPA chose the payment option over the deferred option to receive more assistance for downpayment and closing costs, marking an increase of 4 percent from 2022. Even with higher interest rates that apply to both first and second mortgage loans and a monthly payment requirement, THDA borrowers increasingly prefer the amortizing option, which allows them to cover downpayment and closing costs. The average DPA amount for borrowers who utilized the amortizing option was nearly \$14,901, an eight percent increase from \$13,822 in 2022. A relatively lower percentage of borrowers with USDA- or VA-insured loans that required low or no downpayment utilized the amortized option. For example, only 14 percent of borrowers with VA-insured loans and 15 percent of borrowers with USDA-insured loans chose amortized DPA option compared to 69 percent of THDA borrowers with FHA-insured loans.

In 2023, there were 293 HFA Advantage loans (THDA's conventional loan product), which represented nine percent of total THDA loan production, the highest level since the inception of the program in 2020. THDA's mortgage revenue bond (MRBs) and HFA Advantage loans increased from the previous year, while New Start loans declined.

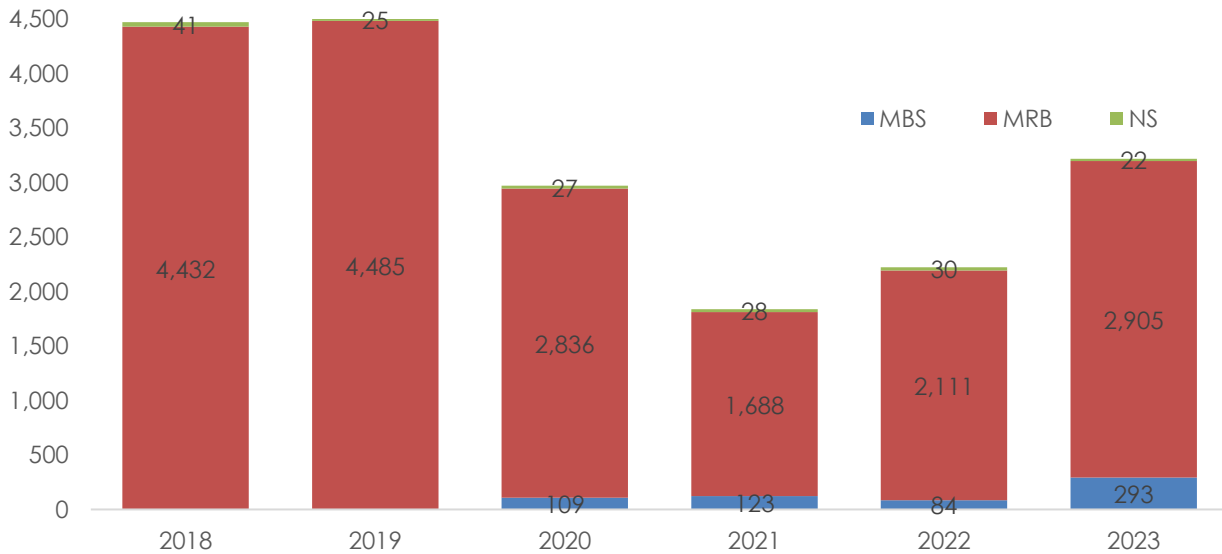
¹¹ We calculated THDA's average interest rate based on the funding date (the date THDA purchased the originated loan from the lender). However, borrowers lock the rate when they applied for the loan. There could be up to two months from the date borrowers lock the rate to the funding date. Therefore, the comparison of average THDA rate to the market rate should be taken cautiously.

¹² National Association of Realtors® (NAR) quarterly Metropolitan Median Area Prices and Affordability report is available at <https://www.nar.realtor/research-and-statistics/housing-statistics/metropolitan-median-area-prices-and-affordability>

¹³ "The Great Choice Plus-Deferred" program offers a flat \$6,000 second mortgage loan amount over a 30-year term *without monthly payments* and the loan is forgiven at the end of the 30-year term. "The Great Choice Plus- Amortizing" is a second mortgage loan for six percent of the sales price, *with a monthly payment* over a 15-year term. The amortizing second mortgage loan offers borrowers more assistance for covering downpayment and closing costs, but also requires monthly payments for 15 years at the same interest rate of the first mortgage loan.

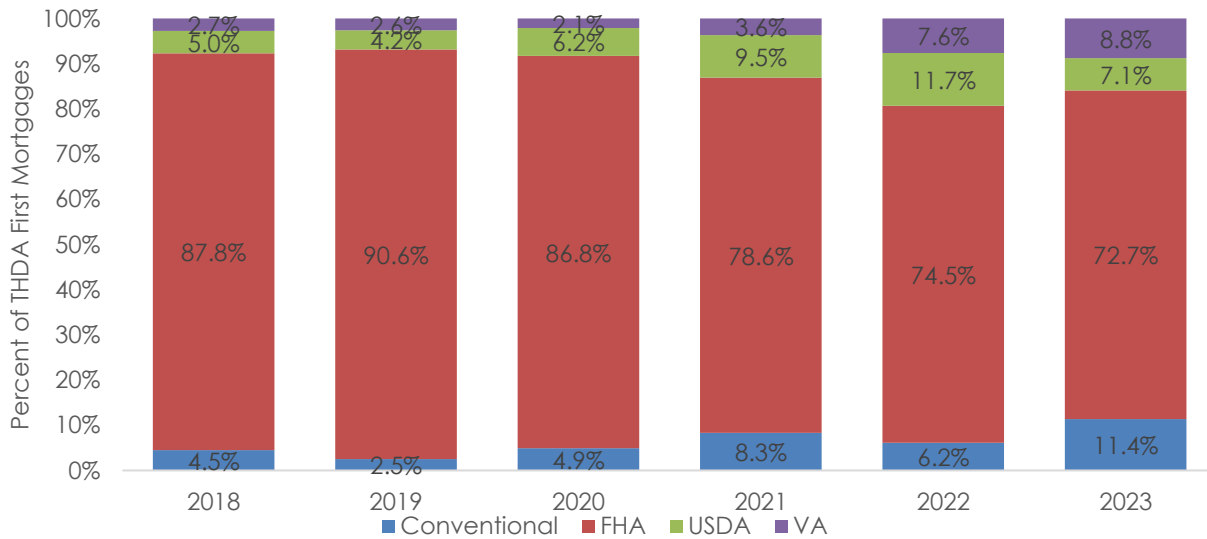
THDA MORTGAGE REPORT: Calendar Year 2023

Figure 1: THDA's First Mortgage Loans Funded by Program, 2018-2023



In recent years, the share of FHA-insured loans has been steadily declining. In 2023, 73 percent of all THDA loans funded were FHA-insured compared to 75 percent in 2022. In contrast, the share of VA-insured and conventional loans increased, while both the number and share of USDA-insured THDA loans declined.

Figure 2: THDA's First Mortgage Loans Funded by Loan Type, 2018-2023



The number of VA-insured THDA loans increased from 170 loans in 2022 to 282 loans in 2023, a 66 percent increase. Consistent with the increase in VA-insured loans, the number of Homeownership for Heroes Program loans increased to 390 borrowers in 2023 from 177 borrowers who took advantage of rate discounts in 2022.¹⁴ Representing 12 percent of all THDA borrowers in 2023, the majority of borrowers with Heroes loans were veterans, active-duty military, reservists or members of the National Guard followed by law enforcement officers and then firefighters.

¹⁴ The Homeownership for Heroes Program offers an interest rate discount for firefighters, state and local law enforcement officers, EMT and paramedics in addition to veterans, active-duty military, reservists and members of the National Guard

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There was at least one Heroes loan in 67 different counties. Forty-one percent of all Heroes borrowers, or 159 borrowers, purchased a home in Montgomery County, followed by Rutherford County with 24 borrowers. Six lenders originated more than half of the Heroes loans in 2023, Mortgage Research Center being the one with the most loans, followed by Mortgage Investors Group (MIG).

C. THDA's Market Share

Determining THDA's market share requires an analysis of data from the Home Mortgage Disclosure Act (HMDA) to better understand the activity in a comparable market (See Appendix for methodology). THDA's 1,621 FHA-insured loans for first-time homebuyers represented 27 percent of the 7,183 FHA-insured first lien home purchase loans originated for homebuyers who met THDA's income limit requirements and purchased homes that would have been eligible under THDA's purchase price limits. In 2021, this market share was 18 percent, marking a significant increase in THDA's presence in the market of eligible homebuyers and homes. THDA funded 14 percent more FHA-insured loans for first-time homebuyers in 2022. In contrast, all lenders originated 24 percent fewer FHA-insured loans in 2022 compared to the previous year for THDA-eligible borrowers. Declining loan production in the market coupled with increased THDA loan volume contributed to this significant increase in THDA's market share from 2021 to 2022.

THDA's share in FHA-insured loans market also varied by race. In 2022, THDA served 32 percent of Black first-time homebuyers who were income and purchase price eligible for THDA programs. In 2019, this share was nearly 50 percent. THDA's market share also declined among White borrowers, although to a smaller degree over this period. In contrast, its market share among "Other Minority," and "Asian," groups increased from 2019. Furthermore, in all race categories, except "NA/Missing," THDA's market share in 2022 increased from 2021.

Table 3: THDA's Market Share in FHA-Insured Loans Market by Race

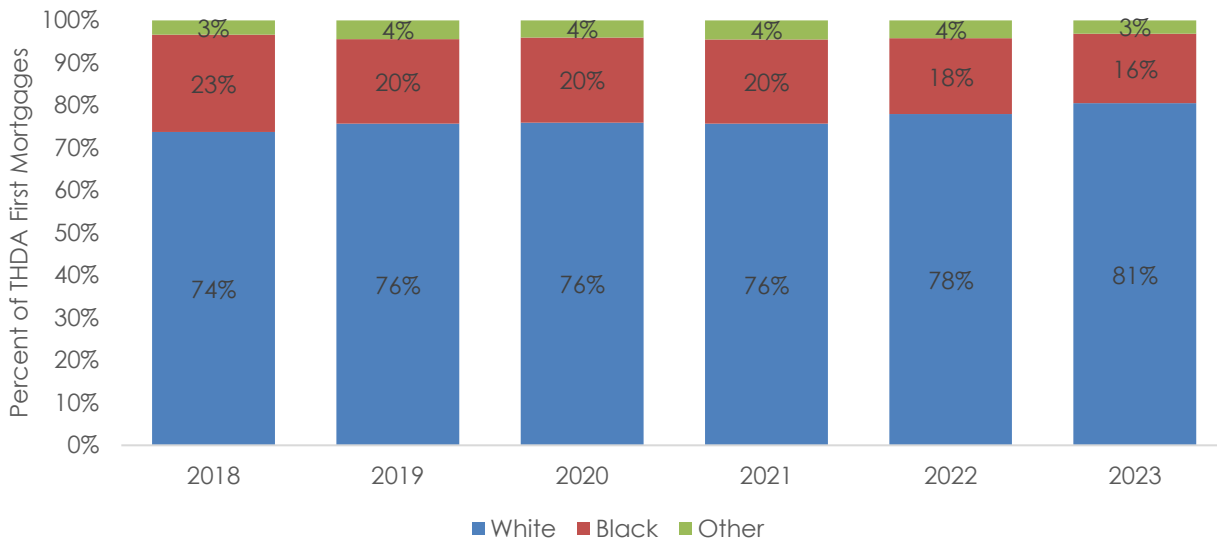
County	FHA-Insured Loans								THDA's Market Share in FHA-Insured Loans Market			
	Market				THDA				2019	2020	2021	2022
	2019	2020	2021	2022	2019	2020	2021	2022				
Asian	150	176	108	90	28	22	9	13	23%	15%	10%	17%
Black	2,066	2,200	1,609	1,191	822	525	295	315	48%	29%	22%	32%
White	9,892	9,167	6,727	4,988	3,040	1,917	1,068	1,238	37%	25%	19%	30%
Other Minority	191	241	169	175	20	14	12	29	13%	7%	8%	20%
NA/Missing	1,001	1,014	841	739	132	71	42	26	16%	8%	6%	4%
TENNESSEE	13,287	12,798	9,454	7,183	4,042	2,549	1,426	1,621	37%	24%	18%	27%

D. Demographic and Economic Characteristics of THDA Borrowers

Race and Ethnicity

In 2023, 16 percent of all THDA borrowers were Black, a decline from 18 percent in 2022. White applicants were 81 percent of all THDA borrowers in 2023, up from 78 percent in 2022. While Black THDA borrowers represented 23 percent of all THDA borrowers in 2018, it declined thereafter.

Figure 3: THDA’s First Mortgage Loans Funded by Borrower’s Race, 2018-2023



Haywood County had the highest percent of THDA borrowers who were Black (56 percent of all borrowers) followed by Shelby County with 54 percent and Hardeman County with 50 percent. These counties have been at the top of the list for the share of Black THDA borrowers since 2018, correlating strongly with each county’s existing population. More than 50 percent of the population in Shelby and Haywood counties are Black and in Hardeman County, 40 percent of all people were Black in 2022.¹⁵

In six of the top 10 counties with the highest shares of Black population, the percent of THDA loans made to Black borrowers was greater than or equal to the percent of Black people in the county. In Shelby County, 54 percent of the total population is Black, the highest share in the state followed by Haywood County. In Shelby and Haywood Counties, Black borrowers also represented the highest percent of total borrowers in each county. Lauderdale, Fayette and Tipton Counties had a relatively low representation of Black borrowers in THDA loan origination compared to their populations. For example, nearly 35 percent of Lauderdale County is Black; yet only four of 26 THDA loans in the county were made to Black borrowers. In Lake County, no THDA loans were originated for Black applicants.

Table 4: Total Population in 2022 and THDA Loans Originated in 2023 by Race

	Total Population			Loans Originated		
	White	Black	Other	White	Black	Other
Shelby	36.7%	53.8%	9.6%	44.5%	53.7%	1.8%
Haywood	44.3%	50.2%	5.5%	44.4%	55.6%	0.0%
Hardeman	54.5%	39.7%	5.7%	50.0%	50.0%	0.0%
Madison	55.8%	37.2%	7.0%	53.5%	45.1%	1.4%
Lauderdale	60.1%	34.4%	5.5%	84.6%	15.4%	0.0%
Fayette	67.3%	27.0%	5.7%	87.5%	12.5%	0.0%
Davidson	59.7%	26.3%	14.0%	65.3%	30.6%	4.2%
Lake	66.1%	25.7%	8.2%	100.0%	0.0%	0.0%
Montgomery	65.5%	20.2%	14.3%	69.9%	24.1%	6.0%
Tipton	76.1%	18.5%	5.4%	88.6%	11.4%	0.0%
Tennessee	74.9%	16.3%	8.9%	80.5%	16.3%	3.2%

¹⁵ American Community Survey (ACS), 5-year estimates, 2016-2020.

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In comparison to the overall mortgage market, a greater share of THDA borrowers were Black throughout the years.¹⁶ In 2022, 7.3 percent of all single-family mortgages originated in Tennessee were for Black borrowers, while 76 percent were for White borrowers. Among THDA borrowers, 18 percent of all borrowers were Black, and 78 percent were White in 2022. While THDA's share of White borrowers is similar to the market, its share of Black THDA borrowers exceeds that of the market. A higher share of loans originated for applicants in other race categories in the overall mortgage market is partly to blame for the discrepancy between THDA and market racial distribution. For example, in 2022, while only one percent of THDA borrowers were Asian, 3.2 percent of all mortgage borrowers in the broader market were Asian. Furthermore, HMDA data has significant missing demographic information about borrowers, particularly as it relates to race and ethnicity. For example, in 2022, only two percent of THDA borrowers did not have their race recorded, while over 11 percent of all home purchase mortgage borrowers in the market did not have their race reported.

The percentage of all THDA borrowers who identified as of Hispanic origin was 10.2 percent, an increase compared to 7.1 percent in 2022. Rutherford County, with 48 borrowers, had the highest number of Hispanic THDA borrowers, followed by Shelby and Montgomery Counties, with 44 and 41 Hispanic borrowers, respectively.

Age

In 2023, the average age of a THDA borrower was 35, and Generation Z (borrowers born after 1996)¹⁷ made up 27 percent of all THDA borrowers, increasing from 20 percent in 2022. Millennials comprised 49 percent of all THDA borrowers, forming the majority. While the percent of THDA borrowers in every generation category declined in 2023, the share of Generation Z borrowers increased.

Income

In 2023, the median income¹⁸ of THDA borrowers was \$70,000 and the average income was \$71,000. The average income of THDA borrowers in Nashville MSA was greater than the THDA overall average income, which is expected given the area's higher income eligibility limits. In the Nashville MSA, an average THDA borrower had an income of nearly \$85,000 while in the Johnson City MSA, the average income of THDA borrowers was \$60,000.

Credit Score

Overall, THDA borrowers had an average credit score of 707, which was higher than the previous year. Based on FHA reporting,¹⁹ this score is higher than the average credit score of 674 for all nationwide FHA loan endorsements in the fourth quarter of 2023. The average and median credit scores of THDA borrowers have been trending upward in recent years.²⁰ There was not significant variation in average credit score by age categories. Even though older THDA borrowers, those who were born before 1965, had the highest average credit score, there were only seven borrowers in this age group, therefore, their average credit score should be regarded with caution. An average HFA Advantage (conventional) Program borrower had a higher credit score than the average MRB Program borrower.

¹⁶ Based on HMDA data. See "Tennessee Home Loan Trends: 2022," available at: <https://thda.org/documents/2022-HMDA-Report.pdf>

¹⁷ In 2018, Pew Research Center identified 1996 as the last birth year for Millennials and determined the cutoff points among generations accordingly. Those who were born before 1946 are considered as Silent Generation, born between 1946 and 1964 as Baby Boomers, born between 1965 and 1980 as Generation X (Gen X), born between 1981 and 1996 as Millennials and born after 1996 as Generation Z (Gen Z). We followed Pew Research Center's generational cutoff points. For more information about Pew Research Center's generations definition, see <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>

¹⁸ The income reported here for the homebuyers who used THDA's new conventional loan product, GC97 is qualifying income, not the household income. In 2021, for MRB borrowers also income reporting changed and now it is also showing the "qualifying income." Therefore, the comparison to previous year may not be meaningful.

¹⁹ Quarterly Report to Congress on FHA Single-Family Mutual Mortgage Insurance Fund Programs, https://www.hud.gov/program_offices/housing/mra/oe/rpts/rtc/fharcqtrly

²⁰ Credit score minimum requirement first added in April 2009. Effective June 15, 2015, minimum credit score requirement for THDA loans increased to 640. The minimum credit score requirement for New Start loans is 620. In 2015, the minimum credit score for THDA borrowers was changed from 620 to 640, which may have contributed to this upward trend in the past few years.

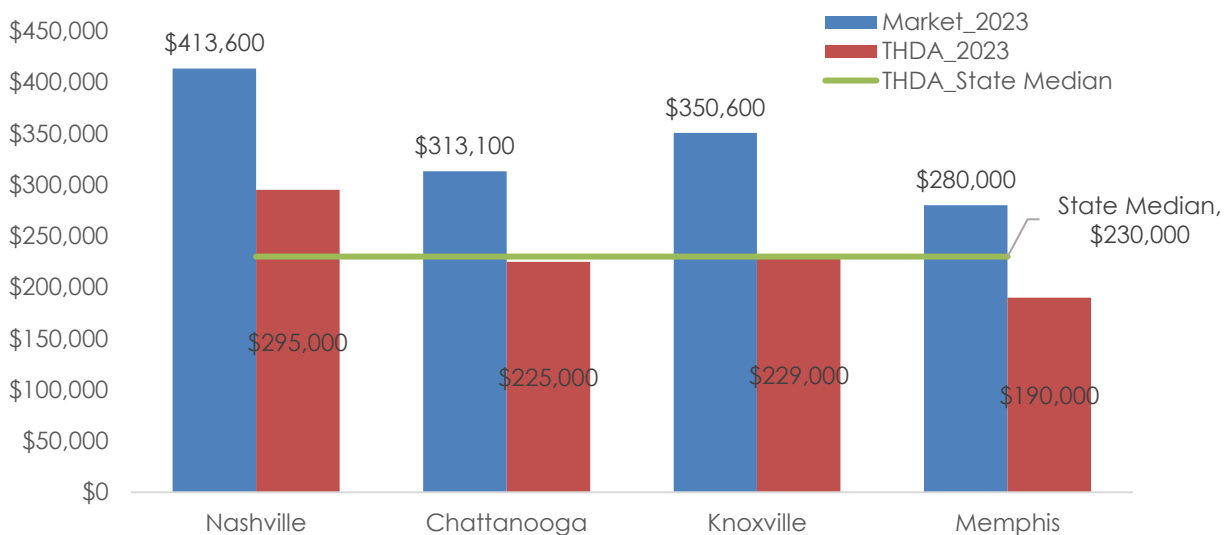
E. Property Characteristics of THDA Mortgages

Purchase Price, Loan Amount and Downpayment Assistance (DPA) Amount

High home prices coupled with high interest rate continued to strain THDA eligible homebuyers in 2023. The average price paid by a THDA borrower was nearly \$236,000, which is an increase from \$215,000 in 2022, not adjusted for inflation. The average price paid by THDA borrowers who purchased a home in the Nashville MSA was nearly \$300,000.

An average THDA borrower who purchased a new home in 2023 paid \$285,000, 24 percent more than was paid in 2022 (\$230,000). In 2023, the median price of an *existing* home purchased with a THDA loan in the Nashville MSA was \$295,000, nine percent higher than the previous year. In 2023, the median priced existing home was \$413,600 for all homebuyers in the Nashville MSA (not just buyers who used THDA loan products).²¹ The median THDA borrower in Nashville MSA paid 71 percent of what all homebuyers paid for an existing home in the MSA. Even though the THDA median home price was higher in the Nashville MSA than what THDA borrowers paid elsewhere, it was still lower than the overall median home price in the Nashville MSA. In all major MSAs, the median price paid for an existing home by THDA borrowers was less than the median price paid by all homebuyers in the market.

Figure 4: Median Price of Existing Homes, Major MSAs, THDA and Market, 2023

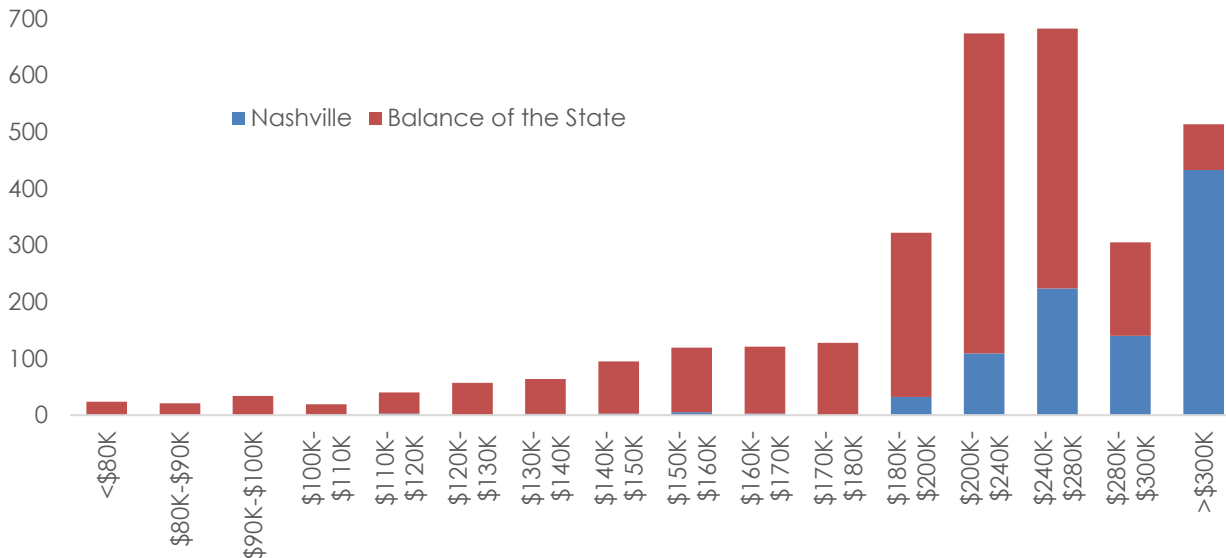


THDA mortgages are for moderately priced homes. Therefore, borrowers must purchase homes within THDA’s purchase price limits. For the first half of the year, THDA’s purchase price limit was \$375,000 in the Nashville MSA counties, \$350,000 in the targeted counties, and \$300,000 for the rest of the state. On July 26, 2023, THDA increased the purchase price limit to \$400,000 for all counties in the state. Less than 200 THDA borrowers, representing six percent of all THDA borrowers in 2023, purchased a home priced \$350,000 or higher, and a majority of them purchased a home in one of 13 Nashville MSA counties. With 66 loans, Rutherford County was the county with the highest number of homes priced \$350,000 and more, followed by Davidson County with 50 loans. Figure 5 depicts the distribution of sales prices for all THDA customers in the Nashville MSA and in the balance of the state. The patterns are consistent with the housing price increases seen in the Nashville MSA housing market. While 44 percent of THDA borrowers in the counties outside the Nashville MSA purchased a home priced less than \$200,000, only five percent of the THDA borrowers in the Nashville MSA were able to do the same.

²¹ The data for the existing homes median prices are from the National Association of Realtors (NAR) quarterly Metropolitan Median Area Prices and Affordability report for the third quarter of 2023 available at <https://www.nar.realtor/research-and-statistics/housing-statistics/metropolitan-median-area-prices-and-affordability>. Data is preliminary and subject to revision.

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Figure 5: Distribution of THDA Loans by Purchase Price, Nashville MSA and Balance of the State, 2023



In line with increasing purchase prices, the loan amount of THDA borrowers also increased in 2023. The average loan amount for the first mortgages, including the New Start loans, was nearly \$230,000 in 2023 compared to \$210,000 in 2022. On average, a THDA borrower who needed assistance for downpayment and closing costs received a second mortgage in the amount of \$11,243, a nine percent increase from \$10,325 in 2021.

Property Type

In 2023, 10 percent of homes purchased with a THDA loan were new construction, declining from 11 percent in 2022. Among the counties with 50 or more THDA borrowers in 2023, Robertson County was the county with the highest share of new homes purchased followed by Wilson County, which had 30 and 28 percent of all loans, respectively. In 41 counties, no THDA borrower purchased a new home. While 76 percent of THDA borrowers purchased a single-family home, 12 percent of homes were in planned unit development (PUD)²² and 10 percent of the homes were manufactured homes. In Macon County, 17 THDA borrowers, representing more than 40 percent of all THDA borrowers in the county in 2023, purchased a manufactured home. This past year yielded the highest number of manufactured homes purchased by THDA borrowers. While the majority of THDA loans for manufactured homes were in East Tennessee, only nine percent were in West Tennessee.

Debt-to-Income Ratio (DTI) and Loan-to Value Ratio (LTV)

The maximum allowable debt-to-income ratio (DTI) is 45 percent for THDA borrowers. In 2023, an average THDA borrower had a 39.7 percent DTI, slightly increasing from 39.4 percent in 2022. The average DTI for all FHA endorsements²³ was 45.19 percent in the fourth quarter of FY2023, compared with 44.72 percent the previous quarter. THDA borrowers who purchased in large MSAs like Clarksville, Nashville and Chattanooga had, on average, relatively higher DTI than the rest of the borrowers. For example, while an average THDA borrower in the Nashville MSA had DTI of 40.4, the average DTI in the Kingsport MSA was 38. THDA follows FHA, VA and USDA/RD guidelines for maximum loan-to-value ratio (LTV) and allows uninsured conventional portfolio loans with a maximum LTV of 78 percent. In 2022, the average LTV of all THDA borrowers was 96 percent, which is the same as the previous three years.

²² A Planned Unit Development (PUD) is a community of homes that could include single family residences, townhomes or condos, and even commercial units.

²³ For more detail, see "Quarterly Report to Congress, Financial Status of the Mutual Mortgage Insurance Fund Fiscal Year 2022, Quarter Four," available <https://www.hud.gov/sites/dfiles/Housing/images/MMIQtrlyQ42022.pdf>

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Monthly Payment (PITI)

In 2023, including principal, interest, real estate taxes and insurance (hazard and mortgage), an average THDA borrower's monthly payment (PITI) was nearly \$1,800, up from \$1,400 in 2022. On average, PITI was 31 percent of income, increased from 27 percent in 2022. The increasing monthly housing payments in 2023 also impacted the cost burden of THDA borrowers. On average, 43 percent of THDA borrowers paid 30 percent or more of their income in 2023. In 2022, 33 percent of THDA borrowers paid 30 percent or more of their income for monthly housing expenses.

F. GEOGRAPHIC DISTRIBUTION

Fifty-three percent of all THDA loans and 60 percent of all loan dollars (not including the second mortgage amounts) were made in Middle Tennessee. The share of THDA loans originated in East Tennessee declined from 33 percent in 2022 to 29 percent in 2023. The remaining 18 percent of borrowers were in West Tennessee, an increase from 15 percent in the previous year. Although THDA's 2022 loan production compared to the previous year was higher in all three grand divisions, West Tennessee experienced the greatest increase with 77 percent more THDA borrowers in 2023.

THDA funded at least one loan in each of 92 counties, a decline from 93 counties in 2022. Only in Johnson, Perry and Pickett Counties were there no THDA funded loans. While in many of the counties THDA funded more loans in 2023 than previous year, THDA's loan production declined in 13 counties and did not change in six counties. In Montgomery County, THDA borrowers increased from 191 to 282, placing the county, once again, at the top in terms of number of THDA borrowers in 2023. Shelby and Davidson Counties closely followed Montgomery County with 218 and 216 loans, respectively.

While the position of 10 counties with high number of THDA loans did not change significantly, some counties experienced notable change in 2023 compared to 2022. For example, in Carroll County in West Tennessee, THDA increased its loan production from one loan in 2022 to 12 loans in 2023. Similarly in Dyer County, another West Tennessee county, the number of THDA funded loans increased to 49 from 15 in 2022, more than three folds increase. The majority of counties where THDA saw notable increases were outside of an MSA.

G. LENDERS

There were nearly 160 lenders approved to originate THDA loans across the state. A total of 122 lenders^{24, 25} originated the loans funded by THDA in 2023, increased from 103 lenders in 2022. Thirty-seven lenders originated, each, less than five THDA loans in 2023. With 603 (including six loans through its wholesale branch) THDA loans (19 percent of all loans funded in 2023), Mortgage Investors Group (MIG) originated the highest number of THDA loans, followed by CMG Mortgage Inc. with 230 loans and Primis Mortgage Company with 114 loans. MIG and CMG are THDA approved lenders that have been top producers of THDA loans for several years, while Primis is a relatively newly approved lender. The number of THDA loans Primis originated increased from seven in 2022 to 114 in 2023.

MIG originated THDA loans in 78 different counties, but a majority (nearly 63 percent) of the 603 THDA loans were in East Tennessee. Knox County was the county MIG was most active in 2023 with 81 THDA loans followed by Shelby County with 35 loans. MIG was also the top home purchase loans producer in 2022 with nearly 4,500 loans among all mortgages originated in Tennessee.²⁶ Over 600 loans originated for THDA borrowers represented 13 percent of MIG's total loan production in Tennessee in 2022, regardless of borrowers' eligibility for a THDA loan.

²⁴ Wholesale lenders are not combined with their retail lending activity. There were three active wholesale lenders in 2023: First Community Wholesale, Guaranty Wholesale and MIG Wholesale.

²⁵ Number of lenders also include the nonprofit organizations (Habitat for Humanity) that delivered the New Start loans.

²⁶ Based on HMDA data. Since 2023 data is not yet available, we were not able to compare THDA's production to overall market in 2023.

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Based on 2022 HMDA data, 884 lenders contributed at least one loan to the 83,495 home purchase loan originations. Going beyond the top 10 originators, less than 30 lenders originated half of all first-lien single family residential home purchase loans in Tennessee. A majority of lenders with high origination numbers were approved THDA lenders except Rocket Mortgage (previously called Quicken Loans), United Wholesale, Eastman, Citizens Bank and Wells Fargo. The top 10 lenders that originated the highest number of home purchase loans in Tennessee in 2023, except Mortgage Research Center, mainly originated conventional loans, i.e., 50 percent or more of their overall home purchase loan portfolio in 2022 were conventional, while for their THDA loan portfolio, majority of their loans were FHA-insured.

Table 5: 10 Lenders with Most Home Purchase Loans Originated in 2022, Market and THDA

	Market	THDA	THDA Percent of Market
Mortgage Investors Group, Inc.	4,449	589	13%
Quicken Loans, LLC (Rocket Mortgage, LLC)	3,141	0	0%
Mortgage Research Center, LLC	2,736	36	1%
United Wholesale Mortgage, LLC	2,461	0	0%
First Community Mortgage, Inc.	2,388	116	5%
CMG Mortgage, Inc.	2,204	133	6%
Movement Mortgage, LLC	2,110	34	2%
FirstBank	1,959	66	3%
DHI Mortgage Company, Ltd.	1,581	0	0%
LoanDepot.Com, LLC	1,573	33	2%

There are three THDA-approved wholesale lenders, and two of them were active in 2023: First Community Mortgage and MIG. There was no THDA loan originated by Guaranty Home Mortgage Corporation wholesale in 2023 (or in 2021 or 2022). Wholesale lenders, especially First Community Mortgage and Guaranty Home Mortgage Corporation, were highly active in 2018 and 2019. Their THDA loan volume started to decline in 2020, and Guaranty Home Mortgage wholesale completely stopped. In 2023, wholesale loans from First Community Mortgage significantly increased, even though it was still lower than the loan volume in 2020.

APPENDIX

A. METHODOLOGY: CALCULATING THDA'S MARKET SHARE

Using HMDA data to measure THDA's share in the home loan market presents some limitations because of the nature of the HMDA data and THDA's loan program eligibility requirements. Keeping these limitations in mind, we estimated the market share based on THDA's income and purchase price limits for each county. Because the majority of THDA loans are FHA-insured, we compared THDA FHA-insured mortgage loans to FHA-insured loans in the market. First-time homebuyer data is not readily available through HMDA, so we used FHA estimates of first-time homebuyers to help us estimate the market share. While there are some estimation issues to be found in these assumptions, the estimates serve as a good overall barometer.

To compare similar loan products between THDA and those within the HMDA data set, we limited the HMDA loans to those with borrowers meeting the income and purchase price limits for THDA borrowers. HMDA does not require all lenders to report mortgage information, so the data may not represent a complete inventory of loans made, especially in small rural counties. Additionally, THDA loan eligibility is subject to income and purchase price limits, and in more than half of the state's counties, loan eligibility is limited to first time homebuyers.²⁷

As such, we define "THDA eligible borrowers" within the HMDA data as first time homebuyers with income less than or equal to THDA's income limit for the county in which they are purchasing their homes with a price less than or equal to the THDA purchase price limit in the county. Since the majority of THDA loans funded in the recent years are FHA-insured, only FHA-insured THDA loans are compared to FHA-insured loans originated in the market.

In the HMDA data, institutions report the loan amounts rather than the purchase prices. This complicates the process for determining which borrowers may be eligible for THDA loans. First, we estimate the purchase price of the homes by assuming that borrowers paid four percent of the reported loan amount as downpayment. A four percent downpayment may be considered low, especially for conventional loans, but considering the existence of zero or low downpayment loan products such as FSA/RHS and FHA insured loans and the fact that borrowers may use private mortgage insurance (PMI) and pay less than 20 percent downpayment, four percent is an appropriate average for an estimated downpayment. We compared this estimated purchase price to the THDA purchase price limit each county.

To determine the eligibility based on the income limits, THDA's income limits for a small family (households with one to two people) were used. HMDA data do not include the number of people in the household. This might underestimate number of THDA eligible borrowers.

HMDA data do not indicate whether a borrower was a first-time homebuyer. Since majority of THDA borrowers are first-time homebuyers, we used the estimates provided in the US Department of Housing and Urban Development's Annual reports to Congress on financial status of FHA mortgage insurance fund²⁸. For example, in 2022, the report estimates 83.5 percent of borrowers who used FHA-insured loans were first-time homebuyers. All told, this means that the loan counts used are likely to either underestimate or overestimate THDA's participation in the market. Despite these limitations, this is a useful comparison to examine our loan market participation.

²⁷ First-time homeownership requirement is waived in the fully targeted economically distressed counties and qualified census tracts in addition to the Veterans who are using THDA loan products.

²⁸ Annual reports for various fiscal years can be found at <https://www.hud.gov/fhammifirpt>

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B. ADDITIONAL TABLES

Table B.1. THDA Single Family Loans, Number and Dollar, by Program and Calendar Year, 2018-2023

	All Programs	Great Choice (GC)	Great Choice Plus DPA (GC+)	HFA Advantage (GC 97)	HFA Advantage Plus (GC 97+)	New Start
# of Loans	ALL	GC	GC+	GC 97	GC 97+	NS
2018	4,473	19	4,413			41
2019	4,510	6	4,479			25
2020	2,972	23	2,813		109	27
2021	1,839	26	1,662	8	115	28
2022	2,225	48	2,063	2	82	30
2023	3,220	109	2,796	21	272	22
Loan \$	ALL	GC	GC+	GC 97	GC 97+	NS
2018	\$601,155,314	\$2,336,848	\$594,652,002			\$4,166,464
2019	\$666,972,333	\$599,032	\$663,526,126			\$2,847,175
2020	\$513,320,243	\$3,709,532	\$487,428,398		\$19,020,392	\$3,161,921
2021	\$339,687,461	\$4,278,556	\$308,876,660	\$1,919,298	\$21,288,147	\$3,324,800
2022	\$466,081,121	\$10,243,671	\$435,045,853	\$545,786	\$15,380,711	\$4,865,100
2023	\$737,633,844	\$25,011,272	\$643,673,471	4991310	59837866	\$4,119,925
Avg. Loan \$	ALL	GC	GC+	GC 97	GC 97+	NS
2018	\$134,396	\$122,992	\$134,750			\$101,621
2019	\$147,887	\$99,839	\$148,142			\$113,887
2020	\$172,719	\$161,284	\$173,277		\$174,499	\$117,108
2021	\$184,713	\$164,560	\$185,846	\$239,912	\$185,114	\$118,743
2022	\$209,475	\$213,410	\$210,880	\$272,893	\$187,570	\$162,170
2023	\$229,079	\$229,461	\$230,212	237681.4286	219992.1544	\$187,269

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Table B.2. Property Characteristics, 2023

New/Existing Homes	All	GC	GC+	GC 97	GC 97+	NS
NEW						
Average Price	\$285,408	\$306,465	\$285,669	NA	\$277,810	\$274,064
Median Price	\$282,978	\$305,000	\$282,725	NA	\$282,265	\$275,000
Number of New Homes	334	13	286	0	13	22
% of Homes New	10.4%	11.9%	10.2%	0.0%	4.8%	100.0%
EXISTING						
Average Price	\$230,515	\$240,149	\$229,890	\$273,281	\$229,533	NA
Median Price	\$230,000	\$238,500	\$230,000	\$269,000	\$225,000	NA
Number of Existing Homes	2,886	96	2,510	21	259	0
% of Homes Existing	89.6%	88.1%	89.8%	100.0%	95.2%	0.0%
Total number of loans	3,220	109	2,796	21	272	22
Sales Price	All	GC	GC+	GC 97	GC 97+	NS
Mean	\$236,209	\$248,058	\$235,596	\$273,281	\$231,841	\$274,064
Median	\$235,250	\$250,000	\$235,000	\$269,000	\$225,000	\$275,000
Less than \$80,000	0.75%	0.00%	0.82%	0.00%	0.37%	0.00%
\$80,000-\$90,000	0.65%	0.00%	0.64%	0.00%	1.10%	0.00%
\$90,000-\$100,000	1.06%	2.75%	1.04%	0.00%	0.74%	0.00%
\$100,000-\$110,000	0.59%	0.00%	0.57%	0.00%	1.10%	0.00%
\$110,000-\$120,000	1.24%	0.92%	1.29%	0.00%	1.10%	0.00%
\$120,000-\$130,000	1.77%	1.83%	1.68%	0.00%	2.94%	0.00%
\$130,000-\$140,000	1.99%	2.75%	1.97%	4.76%	1.84%	0.00%
\$140,000-\$150,000	2.95%	2.75%	2.97%	0.00%	3.31%	0.00%
\$150,000-\$160,000	3.70%	4.59%	3.79%	0.00%	2.94%	0.00%
\$160,000-\$170,000	3.76%	2.75%	3.68%	0.00%	5.51%	0.00%
\$170,000-\$180,000	3.98%	4.59%	3.68%	4.76%	6.99%	0.00%
\$180,000-\$200,000	10.00%	3.67%	10.26%	4.76%	10.66%	4.55%
\$200,000-\$240,000	20.93%	21.10%	21.03%	19.05%	20.22%	18.18%
\$240,000-\$280,000	21.21%	15.60%	21.75%	23.81%	16.54%	36.36%
\$280,000-\$300,000	9.47%	15.60%	9.55%	4.76%	6.25%	13.64%
\$300,000 and more	15.96%	21.10%	15.27%	38.10%	18.38%	27.27%

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Table B.3. Homebuyer Characteristics, 2023

Age	All	GC	GC+	GC 97	GC 97+	NS
Mean	35	34	35	35	35	38
Median	31	29	32	27	31	37
Younger than 25	22.3%	28.4%	22.3%	28.6%	19.9%	13.6%
25-29	19.8%	23.9%	19.4%	23.8%	22.8%	4.5%
30-34	18.9%	20.2%	18.7%	9.5%	21.7%	13.6%
35-39	11.1%	6.4%	11.2%	14.3%	9.2%	31.8%
40-44	8.5%	4.6%	8.5%	4.8%	8.8%	22.7%
45 and older	19.5%	16.5%	19.9%	19.0%	17.6%	13.6%
Gender	All	GC	GC+	GC 97	GC 97+	NS
Female	43.8%	29.4%	42.8%	38.1%	56.6%	95.5%
Male	55.8%	69.7%	56.8%	61.9%	43.4%	4.5%
Household Size	All	GC	GC+	GC 97	GC 97+	NS
Mean	2	2	2	2	2	2
Median	2	2	2	2	1	3
1 Person	38.0%	40.4%	36.7%	42.9%	50.4%	27.3%
2 Person	27.9%	25.7%	27.6%	57.1%	30.5%	18.2%
3 Person	17.3%	18.3%	17.7%	0.0%	11.4%	45.5%
4 Person	10.4%	11.0%	11.1%	0.0%	4.8%	4.5%
5+ Person	6.4%	4.6%	6.9%	0.0%	2.9%	4.5%
Income	All	GC	GC+	GC 97	GC 97+	NS
Mean	\$70,882	\$68,631	\$71,799	\$67,308	\$64,368	\$49,491
Median	\$69,922	\$67,511	\$70,720	\$61,854	\$60,660	\$50,121
Less than \$30,000	0.8%	0.0%	0.8%	0.0%	1.5%	4.5%
\$30,000-\$35,000	1.0%	0.0%	0.9%	4.8%	2.2%	0.0%
\$35,000-\$40,000	3.0%	4.6%	2.3%	9.5%	7.4%	13.6%
\$40,000-\$45,000	4.2%	4.6%	3.9%	4.8%	7.0%	9.1%
\$45,000-\$50,000	5.8%	6.4%	5.3%	14.3%	8.8%	22.7%
\$50,000-\$55,000	7.6%	6.4%	7.2%	0.0%	11.4%	18.2%
\$55,000-\$60,000	8.4%	8.3%	8.3%	14.3%	8.8%	18.2%
\$60,000-\$65,000	9.2%	11.0%	9.1%	4.8%	9.6%	13.6%
\$65,000-\$70,000	10.2%	10.1%	10.6%	0.0%	8.5%	0.0%
\$70,000-\$75,000	10.5%	13.8%	10.8%	0.0%	7.0%	0.0%
\$75,000-\$80,000	9.1%	7.3%	9.3%	14.3%	7.4%	0.0%
\$80,000-\$85,000	7.3%	11.9%	7.5%	0.0%	4.4%	0.0%
\$85,000-\$90,000	6.2%	4.6%	6.6%	19.0%	2.2%	0.0%
More than \$90,000	16.8%	11.0%	17.5%	14.3%	14.0%	0.0%
Race/Ethnicity	All	GC	GC+	GC 97	GC 97+	NS
White	80.5%	81.7%	80.7%	100.0%	81.6%	22.7%
African American	16.3%	11.9%	16.4%	0.0%	14.3%	68.2%
Asian	1.1%	2.8%	1.0%	0.0%	1.5%	4.5%
American Indian/Alaskan Native	0.6%	3.7%	0.5%	0.0%	0.7%	0.0%
Nat. Hawaiian/Pacific Islander	0.2%	0.0%	0.1%	0.0%	0.4%	0.0%
Not Provided/Missing	1.3%	0.0%	1.3%	0.0%	1.5%	4.5%
Hispanic or Latino	10.2%	8.3%	9.9%	4.8%	14.7%	9.1%

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Table B.4. Loan Characteristics, 2023

Downpayment	All	GC	GC+	GC 97	GC 97+	NS
Mean	\$10,393	\$21,067	\$9,045	\$35,600	\$11,848	\$86,794
Median	\$8,225	\$4,025	\$8,225	\$16,250	\$8,039	\$82,000
With Downpayment	90.5%	54.1%	90.8%	100.0%	100.0%	100.0%
Without Downpayment	9.5%	45.9%	9.2%	0.0%	0.0%	0.0%
# of Loans with DP	2,914	59	2,540	21	272	22
Downpayment Percent of Price	All	GC	GC+	GC 97	GC 97+	NS
Mean	4.3%	8.2%	3.8%	13.0%	5.0%	31.4%
Median	3.5%	3.5%	3.5%	5.4%	3.0%	30.8%
Loan Type	All	GC	GC+	GC 97	GC 97+	NS
Conventional	9.1%	0.0%	0.0%	100.0%	100.0%	0.0%
Conventional Uninsured	2.3%	22.0%	1.0%	0.0%	0.0%	100.0%
FHA	72.7%	23.9%	82.8%	0.0%	0.0%	0.0%
USDA	7.1%	14.7%	7.7%	0.0%	0.0%	0.0%
VA	8.8%	39.4%	8.5%	0.0%	0.0%	0.0%
PITI	All	GC	GC+	GC 97	GC 97+	NS
Mean	\$1,793	\$1,552	\$1,780	\$1,845	\$2,109	\$741
Median	\$1,652	\$1,550	\$1,661	\$1,963	\$1,663	\$779
Less than \$700	1.8%	1.8%	1.6%	0.0%	1.5%	27.3%
\$700-\$799	1.6%	0.0%	1.3%	0.0%	1.5%	40.9%
\$800-899	2.0%	3.7%	1.8%	4.8%	1.1%	31.8%
\$900-\$999	2.4%	6.4%	2.3%	0.0%	2.2%	0.0%
\$1,000-\$1,199	9.8%	15.6%	9.7%	4.8%	10.3%	0.0%
\$1,200-\$1,499	20.8%	20.2%	20.8%	19.0%	22.8%	0.0%
\$1,500-\$1,999	39.6%	33.9%	41.1%	23.8%	30.9%	0.0%
\$2,000 and more	22.0%	18.3%	21.3%	47.6%	29.8%	0.0%
PITI as % of Income	All	GC	GC+	GC 97	GC 97+	NS
Mean	31.0%	27.5%	30.2%	34.0%	41.5%	18.4%
Median	28.3%	27.9%	28.0%	32.5%	32.9%	18.3%
less than 15%	1.6%	2.8%	1.6%	0.0%	0.4%	13.6%
15-20%	6.2%	8.3%	6.2%	0.0%	2.6%	45.5%
20-25%	19.0%	19.3%	20.0%	0.0%	9.6%	36.4%
25-30%	29.8%	29.4%	30.8%	28.6%	21.7%	4.5%
30% or more	43.4%	40.4%	41.5%	71.4%	65.8%	0.0%
Targeted Area	All	GC	GC+	GC 97	GC 97+	NS
Yes	25.0%	25.7%	27.8%	0.0%	0.0%	4.5%
No	75.0%	74.3%	72.2%	100.0%	100.0%	95.5%

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Table B.5a. Geographic Distribution of Loans by Program, 2023

TENNESSEE	ALL		GC		GC Plus		GC97		GC97 Plus		NS	
Statewide	3,220		109	3.39%	2,796	86.83%	21	0.65%	272	8.45%	22	0.68%
GRAND DIVISIONS	ALL		GC		GC Plus		GC97		GC97 Plus		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
East	940	29.19%	25	22.94%	809	28.93%	3	14.29%	102	37.50%	1	4.55%
Middle	1,693	52.58%	59	54.13%	1,481	52.97%	13	61.90%	120	44.12%	20	90.91%
West	587	18.23%	25	22.94%	506	18.10%	5	23.81%	50	18.38%	1	4.55%
URBAN-RURAL	ALL		GC		GC Plus		GC97		GC97 Plus		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
Rural	885	27.48%	29	26.61%	804	28.76%	9	42.86%	43	15.81%	0	0.00%
Urban	2,335	72.52%	80	73.39%	1,992	71.24%	12	57.14%	229	84.19%	22	100.00%
MSA	ALL		GC		GC Plus		GC97		GC97 Plus		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
Chattanooga	120	3.73%	0	0.00%	98	3.51%	0	0.00%	22	8.09%	0	0.00%
Clarksville	282	8.76%	30	27.52%	239	8.55%	1	4.76%	12	4.41%	0	0.00%
Cleveland	44	1.37%	1	0.92%	41	1.47%	0	0.00%	2	0.74%	0	0.00%
Jackson	91	2.83%	3	2.75%	84	3.00%	0	0.00%	3	1.10%	1	4.55%
Johnson City	49	1.52%	2	1.83%	39	1.39%	0	0.00%	8	2.94%	0	0.00%
Kingsport-Bristol	98	3.04%	3	2.75%	91	3.25%	0	0.00%	3	1.10%	1	4.55%
Knoxville	356	11.06%	12	11.01%	293	10.48%	2	9.52%	49	18.01%	0	0.00%
Memphis	261	8.11%	8	7.34%	212	7.58%	2	9.52%	39	14.34%	0	0.00%
Morristown	79	2.45%	3	2.75%	70	2.50%	0	0.00%	6	2.21%	0	0.00%
Nashville	955	29.66%	18	16.51%	825	29.51%	7	33.33%	85	31.25%	20	90.91%
Non-MSA	885	27.48%	29	26.61%	804	28.76%	9	42.86%	43	15.81%	0	0.00%

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Table B.5b. Geographic Distribution of Loan Dollars by Program, 2023

TENNESSEE	ALL	GC	GC Plus	GC97	GC97 Plus	NS
Statewide	\$737,633,844	\$25,011,272	\$643,673,471	\$4,991,310	\$59,837,866	\$4,119,925
GRAND DIVISIONS	ALL	GC	GC Plus	GC97	GC97 Plus	NS
East	\$195,938,218	\$5,294,946	\$169,161,067	\$539,080	\$20,803,125	\$140,000
Middle	\$440,691,816	\$15,693,470	\$387,149,750	\$3,379,580	\$30,629,091	\$3,839,925
West	\$101,003,810	\$4,022,856	\$87,362,654	\$1,072,650	\$8,405,650	\$140,000
URBAN-RURAL	ALL	GC	GC Plus	GC97	GC97 Plus	NS
Rural	\$170,630,137	\$5,321,889	\$155,304,670	\$1,821,820	\$8,181,758	\$0
Urban	\$567,003,707	\$19,689,383	\$488,368,801	\$3,169,490	\$51,656,108	\$4,119,925
MSA	ALL	GC	GC Plus	GC97	GC97 Plus	NS
Chattanooga	\$25,926,000	\$0	\$21,177,093	\$0	\$4,748,907	\$0
Clarksville	\$71,911,178	\$8,356,161	\$60,726,216	\$308,750	\$2,520,051	\$0
Cleveland	\$9,317,595	\$185,640	\$8,853,065	\$0	\$278,890	\$0
Jackson	\$15,946,895	\$602,681	\$14,594,513	\$0	\$609,701	\$140,000
Johnson City	\$9,167,086	\$366,160	\$7,315,141	\$0	\$1,485,785	\$0
Kingsport-Bristol	\$18,195,380	\$593,394	\$16,994,706	\$0	\$467,280	\$140,000
Knoxville	\$78,376,790	\$2,469,804	\$65,044,031	\$429,560	\$10,433,395	\$0
Memphis	\$49,984,965	\$1,209,933	\$41,722,616	\$511,200	\$6,541,216	\$0
Morristown	\$16,536,632	\$710,190	\$14,656,844	\$0	\$1,169,598	\$0
Nashville	\$271,641,186	\$5,195,420	\$237,284,576	\$1,919,980	\$23,401,285	\$3,839,925
Non-MSA	\$170,630,137	\$5,321,889	\$155,304,670	\$1,821,820	\$8,181,758	\$0

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Table B. 6. Loans (# and %) by Program and County, 2023

COUNTY	ALL		GC		GC+		GC97		GC97+		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
Anderson	43	1.3%	1	0.9%	37	1.3%	0	--	5	1.8%	0	--
Bedford	54	1.7%	2	1.8%	48	1.7%	1	4.8%	3	1.1%	0	--
Benton	6	0.2%	0	--	6	0.2%	0	--	0	--	0	--
Bledsoe	1	0.0%	0	--	1	0.0%	0	--	0	--	0	--
Blount	36	1.1%	1	0.9%	30	1.1%	1	4.8%	4	1.5%	0	--
Bradley	39	1.2%	1	0.9%	36	1.3%	0	--	2	0.7%	0	--
Campbell	32	1.0%	1	0.9%	27	1.0%	0	--	4	1.5%	0	--
Cannon	13	0.4%	0	--	11	0.4%	0	--	2	0.7%	0	--
Carroll	12	0.4%	1	0.9%	11	0.4%	0	--	0	--	0	--
Carter	14	0.4%	0	--	12	0.4%	0	--	2	0.7%	0	--
Cheatham	29	0.9%	2	1.8%	23	0.8%	0	--	3	1.1%	1	4.5%
Chester	10	0.3%	0	--	10	0.4%	0	--	0	--	0	--
Claiborne	15	0.5%	0	--	14	0.5%	0	--	1	0.4%	0	--
Clay	3	0.1%	0	--	3	0.1%	0	--	0	--	0	--
Cocke	19	0.6%	1	0.9%	15	0.5%	0	--	3	1.1%	0	--
Coffee	49	1.5%	1	0.9%	44	1.6%	0	--	4	1.5%	0	--
Crockett	10	0.3%	0	--	10	0.4%	0	--	0	--	0	--
Cumberland	14	0.4%	0	--	13	0.5%	1	4.8%	0	--	0	--
Davidson	216	6.7%	5	4.6%	166	5.9%	4	19.0%	35	12.9%	6	27.3%
Decatur	4	0.1%	0	--	4	0.1%	0	--	0	--	0	--
Dekalb	33	1.0%	0	--	30	1.1%	1	4.8%	2	0.7%	0	--
Dickson	54	1.7%	2	1.8%	51	1.8%	0	--	1	0.4%	0	--
Dyer	49	1.5%	1	0.9%	44	1.6%	2	9.5%	2	0.7%	0	--
Fayette	8	0.2%	0	--	8	0.3%	0	--	0	--	0	--
Fentress	9	0.3%	0	--	8	0.3%	0	--	1	0.4%	0	--
Franklin	42	1.3%	1	0.9%	40	1.4%	0	--	1	0.4%	0	--
Gibson	46	1.4%	4	3.7%	40	1.4%	0	--	2	0.7%	0	--
Giles	9	0.3%	0	--	9	0.3%	0	--	0	--	0	--
Grainger	14	0.4%	2	1.8%	12	0.4%	0	--	0	--	0	--
Greene	31	1.0%	3	2.8%	26	0.9%	0	--	2	0.7%	0	--
Grundy	6	0.2%	0	--	6	0.2%	0	--	0	--	0	--
Hamblen	36	1.1%	0	--	32	1.1%	0	--	4	1.5%	0	--
Hamilton	107	3.3%	0	--	86	3.1%	0	--	21	7.7%	0	--
Hancock	3	0.1%	0	--	3	0.1%	0	--	0	--	0	--
Hardeman	8	0.2%	0	--	8	0.3%	0	--	0	--	0	--
Hardin	7	0.2%	0	--	7	0.3%	0	--	0	--	0	--
Hawkins	29	0.9%	1	0.9%	28	1.0%	0	--	0	--	0	--
Haywood	9	0.3%	0	--	9	0.3%	0	--	0	--	0	--
Henderson	16	0.5%	1	0.9%	14	0.5%	0	--	1	0.4%	0	--
Henry	8	0.2%	0	--	7	0.3%	1	4.8%	0	--	0	--
Hickman	24	0.7%	0	--	20	0.7%	0	--	4	1.5%	0	--
Houston	7	0.2%	0	--	7	0.3%	0	--	0	--	0	--
Humphreys	15	0.5%	0	--	14	0.5%	0	--	1	0.4%	0	--

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Table B. 6. Loans (# and %) by Program and County, 2023

COUNTY	ALL		GC		GC+		GC97		GC97+		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
Jackson	6	0.2%	0	--	6	0.2%	0	--	0	--	0	--
Jefferson	43	1.3%	3	2.8%	38	1.4%	0	--	2	0.7%	0	--
Johnson	0	--	0	--	0	--	0	--	0	--	0	--
Knox	155	4.8%	6	5.5%	119	4.3%	1	4.8%	29	10.7%	0	--
Lake	5	0.2%	0	--	5	0.2%	0	--	0	--	0	--
Lauderdale	26	0.8%	1	0.9%	25	0.9%	0	--	0	--	0	--
Lawrence	38	1.2%	0	--	35	1.3%	0	--	3	1.1%	0	--
Lewis	7	0.2%	0	--	5	0.2%	0	--	2	0.7%	0	--
Lincoln	23	0.7%	1	0.9%	21	0.8%	0	--	1	0.4%	0	--
Loudon	25	0.8%	1	0.9%	22	0.8%	0	--	2	0.7%	0	--
Macon	41	1.3%	0	--	39	1.4%	0	--	2	0.7%	0	--
Madison	71	2.2%	3	2.8%	64	2.3%	0	--	3	1.1%	1	4.5%
Marion	6	0.2%	0	--	5	0.2%	0	--	1	0.4%	0	--
Marshall	38	1.2%	0	--	36	1.3%	0	--	2	0.7%	0	--
Maurry	55	1.7%	0	--	46	1.6%	0	--	6	2.2%	3	13.6%
McMinn	43	1.3%	0	--	43	1.5%	0	--	0	--	0	--
McNairy	5	0.2%	0	--	4	0.1%	0	--	1	0.4%	0	--
Meigs	6	0.2%	0	--	5	0.2%	0	--	1	0.4%	0	--
Monroe	31	1.0%	0	--	30	1.1%	0	--	1	0.4%	0	--
Montgomery	282	8.8%	30	27.5%	239	8.5%	1	4.8%	12	4.4%	0	--
Moore	2	0.1%	2	1.8%	0	--	0	--	0	--	0	--
Morgan	11	0.3%	0	--	11	0.4%	0	--	0	--	0	--
Obion	20	0.6%	3	2.8%	16	0.6%	0	--	1	0.4%	0	--
Overton	10	0.3%	0	--	9	0.3%	1	4.8%	0	--	0	--
Perry	0	--	0	--	0	--	0	--	0	--	0	--
Pickett	0	--	0	--	0	--	0	--	0	--	0	--
Polk	5	0.2%	0	--	5	0.2%	0	--	0	--	0	--
Putnam	20	0.6%	2	1.8%	14	0.5%	2	9.5%	2	0.7%	0	--
Rhea	16	0.5%	0	--	15	0.5%	0	--	1	0.4%	0	--
Roane	32	1.0%	0	--	29	1.0%	0	--	3	1.1%	0	--
Robertson	54	1.7%	0	--	51	1.8%	0	--	3	1.1%	0	--
Rutherford	211	6.6%	4	3.7%	185	6.6%	1	4.8%	14	5.1%	7	31.8%
Scott	8	0.2%	0	--	6	0.2%	0	--	2	0.7%	0	--
Sequatchie	7	0.2%	0	--	7	0.3%	0	--	0	--	0	--
Sevier	14	0.4%	0	--	13	0.5%	0	--	1	0.4%	0	--
Shelby	218	6.8%	7	6.4%	171	6.1%	2	9.5%	38	14.0%	0	--
Smith	22	0.7%	1	0.9%	18	0.6%	1	4.8%	2	0.7%	0	--
Stewart	8	0.2%	0	--	8	0.3%	0	--	0	--	0	--
Sullivan	69	2.1%	2	1.8%	63	2.3%	0	--	3	1.1%	1	4.5%
Sumner	134	4.2%	2	1.8%	125	4.5%	1	4.8%	5	1.8%	1	4.5%
Tipton	35	1.1%	1	0.9%	33	1.2%	0	--	1	0.4%	0	--
Trousdale	14	0.4%	1	0.9%	13	0.5%	0	--	0	--	0	--
Unicoi	4	0.1%	0	--	3	0.1%	0	--	1	0.4%	0	--

THDA MORTGAGE REPORT: Calendar Year 2023

Table B. 6. Loans (# and %) by Program and County, 2023

COUNTY	ALL		GC		GC+		GC97		GC97+		NS	
	#	%	#	%	#	%	#	%	#	%	#	%
Union	8	0.2%	0	--	6	0.2%	0	--	2	0.7%	0	--
Van Buren	1	0.0%	0	--	1	0.0%	0	--	0	--	0	--
Warren	40	1.2%	0	--	39	1.4%	0	--	1	0.4%	0	--
Washington	31	1.0%	2	1.8%	24	0.9%	0	--	5	1.8%	0	--
Wayne	6	0.2%	1	0.9%	5	0.2%	0	--	0	--	0	--
Weakley	14	0.4%	3	2.8%	10	0.4%	0	--	1	0.4%	0	--
White	23	0.7%	1	0.9%	22	0.8%	0	--	0	--	0	--
Williamson	12	0.4%	0	--	10	0.4%	0	--	2	0.7%	0	--
Wilson	76	2.4%	1	0.9%	67	2.4%	0	--	6	2.2%	2	9.1%
Tennessee	3,220		109		2,796		21		272		22	

THDA MORTGAGE REPORT: Calendar Year 2023

Table B. 7. Dollar Amount of *First Mortgages* by Program and County, 2023

COUNTY	ALL	GC	GC+	GC97	GC97+	NS
Anderson	\$9,760,866	\$156,780	\$8,501,886	\$0	\$1,102,200	\$0
Bedford	\$13,343,227	\$421,748	\$11,795,074	\$315,000	\$811,405	\$0
Benton	\$1,093,539	\$0	\$1,093,539	\$0	\$0	\$0
Bledsoe	\$162,011	\$0	\$162,011	\$0	\$0	\$0
Blount	\$8,141,862	\$219,750	\$6,690,907	\$189,000	\$1,042,205	\$0
Bradley	\$8,393,335	\$185,640	\$7,928,805	\$0	\$278,890	\$0
Campbell	\$5,983,123	\$180,808	\$4,927,035	\$0	\$875,280	\$0
Cannon	\$3,283,076	\$0	\$2,862,866	\$0	\$420,210	\$0
Carroll	\$1,586,746	\$150,505	\$1,436,241	\$0	\$0	\$0
Carter	\$2,625,784	\$0	\$2,296,469	\$0	\$329,315	\$0
Cheatham	\$7,938,866	\$493,985	\$6,481,581	\$0	\$823,300	\$140,000
Chester	\$1,693,073	\$0	\$1,693,073	\$0	\$0	\$0
Claiborne	\$2,677,938	\$0	\$2,514,008	\$0	\$163,930	\$0
Clay	\$525,111	\$0	\$525,111	\$0	\$0	\$0
Cocke	\$3,651,106	\$329,568	\$2,825,703	\$0	\$495,835	\$0
Coffee	\$11,071,862	\$227,260	\$10,104,246	\$0	\$740,356	\$0
Crockett	\$1,530,378	\$0	\$1,530,378	\$0	\$0	\$0
Cumberland	\$2,780,526	\$0	\$2,671,006	\$109,520	\$0	\$0
Davidson	\$62,272,119	\$1,413,708	\$48,838,620	\$1,080,200	\$9,763,416	\$1,176,175
Decatur	\$603,549	\$0	\$603,549	\$0	\$0	\$0
Dekalb	\$7,385,536	\$0	\$6,764,251	\$257,050	\$364,235	\$0
Dickson	\$14,823,693	\$550,447	\$14,001,646	\$0	\$271,600	\$0
Dyer	\$7,972,439	\$89,898	\$7,317,308	\$357,750	\$207,483	\$0
Fayette	\$1,829,918	\$0	\$1,829,918	\$0	\$0	\$0
Fentress	\$1,558,490	\$0	\$1,417,840	\$0	\$140,650	\$0
Franklin	\$8,658,082	\$210,000	\$8,257,962	\$0	\$190,120	\$0
Gibson	\$6,807,180	\$593,595	\$5,860,387	\$0	\$353,198	\$0
Giles	\$1,645,389	\$0	\$1,645,389	\$0	\$0	\$0
Grainger	\$2,901,762	\$428,000	\$2,473,762	\$0	\$0	\$0
Greene	\$6,225,640	\$640,190	\$5,255,450	\$0	\$330,000	\$0
Grundy	\$1,042,942	\$0	\$1,042,942	\$0	\$0	\$0
Hamblen	\$6,902,760	\$0	\$6,189,062	\$0	\$713,698	\$0
Hamilton	\$23,406,705	\$0	\$18,829,487	\$0	\$4,577,218	\$0
Hancock	\$617,800	\$0	\$617,800	\$0	\$0	\$0
Hardeman	\$1,280,020	\$0	\$1,280,020	\$0	\$0	\$0
Hardin	\$965,223	\$0	\$965,223	\$0	\$0	\$0
Hawkins	\$5,598,197	\$162,500	\$5,435,697	\$0	\$0	\$0
Haywood	\$1,466,107	\$0	\$1,466,107	\$0	\$0	\$0
Henderson	\$2,480,191	\$281,694	\$1,984,013	\$0	\$214,484	\$0
Henry	\$1,360,923	\$0	\$1,157,223	\$203,700	\$0	\$0
Hickman	\$5,516,239	\$0	\$4,824,709	\$0	\$691,530	\$0
Houston	\$1,337,741	\$0	\$1,337,741	\$0	\$0	\$0
Humphreys	\$3,032,239	\$0	\$2,857,639	\$0	\$174,600	\$0
Jackson	\$1,195,227	\$0	\$1,195,227	\$0	\$0	\$0
Jefferson	\$9,633,872	\$710,190	\$8,467,782	\$0	\$455,900	\$0
Johnson	\$0	\$0	\$0	\$0	\$0	\$0
Knox	\$36,011,568	\$1,259,406	\$28,405,753	\$240,560	\$6,105,849	\$0

THDA MORTGAGE REPORT: Calendar Year 2023

Table B. 7. Dollar Amount of *First Mortgages* by Program and County, 2023

COUNTY	ALL	GC	GC+	GC97	GC97+	NS
Lake	\$425,744	\$0	\$425,744	\$0	\$0	\$0
Lauderdale	\$3,373,616	\$161,616	\$3,212,000	\$0	\$0	\$0
Lawrence	\$7,475,192	\$0	\$6,971,994	\$0	\$503,198	\$0
Lewis	\$1,408,265	\$0	\$971,765	\$0	\$436,500	\$0
Lincoln	\$4,408,890	\$158,332	\$4,039,558	\$0	\$211,000	\$0
Loudon	\$5,290,301	\$225,060	\$4,769,116	\$0	\$296,125	\$0
Macon	\$9,477,593	\$0	\$8,954,443	\$0	\$523,150	\$0
Madison	\$12,723,444	\$602,681	\$11,371,062	\$0	\$609,701	\$140,000
Marion	\$1,191,727	\$0	\$1,020,038	\$0	\$171,689	\$0
Marshall	\$9,518,515	\$0	\$9,028,317	\$0	\$490,198	\$0
Maury	\$13,774,553	\$0	\$11,745,058	\$0	\$1,445,745	\$583,750
Mcminn	\$8,538,056	\$0	\$8,538,056	\$0	\$0	\$0
Mcnairy	\$771,324	\$0	\$587,994	\$0	\$183,330	\$0
Meigs	\$1,074,448	\$0	\$908,578	\$0	\$165,870	\$0
Monroe	\$5,976,898	\$0	\$5,898,813	\$0	\$78,085	\$0
Montgomery	\$71,911,178	\$8,356,161	\$60,726,216	\$308,750	\$2,520,051	\$0
Moore	\$397,975	\$397,975	\$0	\$0	\$0	\$0
Morgan	\$2,190,426	\$0	\$2,190,426	\$0	\$0	\$0
Obion	\$2,527,881	\$444,444	\$1,957,434	\$0	\$126,003	\$0
Overton	\$2,018,192	\$0	\$1,866,592	\$151,600	\$0	\$0
Perry	\$0	\$0	\$0	\$0	\$0	\$0
Pickett	\$0	\$0	\$0	\$0	\$0	\$0
Polk	\$924,260	\$0	\$924,260	\$0	\$0	\$0
Putnam	\$4,301,165	\$330,600	\$3,066,372	\$427,200	\$476,993	\$0
Rhea	\$3,350,128	\$0	\$3,165,828	\$0	\$184,300	\$0
Roane	\$6,308,006	\$0	\$5,728,793	\$0	\$579,213	\$0
Robertson	\$15,710,238	\$0	\$14,810,513	\$0	\$899,725	\$0
Rutherford	\$65,683,335	\$1,295,901	\$58,455,377	\$314,280	\$4,277,777	\$1,340,000
Scott	\$1,493,807	\$0	\$932,857	\$0	\$560,950	\$0
Sequatchie	\$1,327,568	\$0	\$1,327,568	\$0	\$0	\$0
Sevier	\$3,197,945	\$0	\$2,957,645	\$0	\$240,300	\$0
Shelby	\$41,040,674	\$1,047,922	\$33,158,586	\$511,200	\$6,322,966	\$0
Smith	\$5,127,939	\$272,727	\$4,189,332	\$174,500	\$491,380	\$0
Stewart	\$1,516,840	\$0	\$1,516,840	\$0	\$0	\$0
Sullivan	\$12,597,183	\$430,894	\$11,559,009	\$0	\$467,280	\$140,000
Sumner	\$37,566,623	\$434,416	\$35,060,432	\$351,000	\$1,520,775	\$200,000
Tipton	\$7,114,373	\$162,011	\$6,734,112	\$0	\$218,250	\$0
Trousdale	\$4,114,240	\$359,336	\$3,754,904	\$0	\$0	\$0
Unicoi	\$766,741	\$0	\$543,641	\$0	\$223,100	\$0
Union	\$1,788,876	\$0	\$1,356,353	\$0	\$432,523	\$0
Van buren	\$233,197	\$0	\$233,197	\$0	\$0	\$0
Warren	\$8,308,099	\$0	\$8,139,599	\$0	\$168,500	\$0
Washington	\$5,774,561	\$366,160	\$4,475,031	\$0	\$933,370	\$0
Wayne	\$900,683	\$153,550	\$747,133	\$0	\$0	\$0
Weakley	\$2,357,468	\$488,490	\$1,698,743	\$0	\$170,235	\$0
White	\$4,529,025	\$242,424	\$4,286,601	\$0	\$0	\$0
Williamson	\$4,051,694	\$0	\$3,430,991	\$0	\$620,703	\$0

THDA MORTGAGE REPORT: Calendar Year 2023

Table B. 7. Dollar Amount of *First Mortgages* by Program and County, 2023

COUNTY	ALL	GC	GC+	GC97	GC97+	NS
Wilson	\$22,300,978	\$374,900	\$19,874,104	\$0	\$1,651,974	\$400,000
Tennessee	\$737,633,844	\$25,011,272	\$643,673,471	\$4,991,310	\$59,837,866	\$4,119,925



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors
FROM: Bill Lord, Director, Community Housing
Don Watt, Chief Programs Officer
SUBJECT: 2023 HOME Rental Funding Matrix
DATE: March 4, 2024

THDA made \$4 million available to award under the 2023-2 HOME Rental Development Program Description and received four applications requesting over \$3.1 million in Program funds. Proposals by the following two applicants passed threshold and scoring criteria and were awarded funding:

HOME Applications Passing Threshold	Project Name	Region	Score	Funds Requested	Number of HOME Units
Hilltopper, Inc.	Janet Clark Homes	E	86	\$760,950	7
Volunteer Behavioral Health Care System	VBHCS Ridgecrest Expansion	E	78	\$776,250	6

Proposals by the following applicants did not meet threshold requirements and were ineligible for award:

Not Eligible/Failed Threshold	Project Name	Region	Score	Funds Requested	Reason
Emory Valley Center	Wadsworth Rehabilitation Project	E	67	\$746,597	Did not pass threshold as missing Individual disclosure forms from board members; Did not pass underwriting; Exceeded per unit subsidy limits.
LifeCare Heritage (DBA LifeCare Foundations)	LifeCare Heritage Road	E	67	\$791,743	Did not pass non-profit threshold as missing audit, TN Certificate of Existence, corporate disclosure, and operating funds documents.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

THDA.org - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



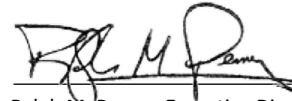
2023 HOME Rental Housing Round II Development Program Matrix

						Funds Available:	\$4,000,000.00		
HOME Applications Passing Threshold	Project Name	Region	Score	Funds Requested	Funds Conditionally Awarded	Remaining Balance	Total Units	HOME Units	
Hilltopper, Inc	Janet Clark House	E	86	\$760,950	\$760,950	\$3,239,050	10	7	
Volunteer Behavioral Health Care System	VBHCS Ridgecrest Expansion	E	78	\$776,250	\$776,250	\$2,462,800	11	6	
Total Funds Awarded:				\$1,537,200					

Not Eligible/ Failed Threshold	Project Name	Region	Score	Funds Requested	Reason	Total Units	HOME Units
Emory Valley Center	Wadsworth Rehabilitation Project	E	67	\$746,597	Did not pass threshold (Individual disclosure from board members); Did not pass underwriting; unit funding requested exceeds subsidy limits	2	2
LifeCare Heritage (DBA LifeCare Foundations)	LifeCare Hermitage Road	M	47	\$791,743	Did not pass non-profit threshold. Missing: Audit, TN Certificate of Existence, Corporate Disclosure, Operating Funds document. Did not pass scoring	8	8

Funds Available:	\$4,000,000.00	Total of HOME Units
Funds Requested:	\$3,075,539.50	23
Total Awarded:	\$1,537,200.00	13
Funds Not Awarded:	\$2,462,800.00	

Approved by:



Ralph M. Perrey, Executive Director

1/30/24

Date



Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor
502 Deaderick Street, Nashville, TN 37243

Bill Lee
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM

TO: THDA Board of Directors

FROM: Rebecca Carter, Director, Community Services
Don Watt, Chief Programs Officer

SUBJECT: Emergency Rental Assistance Eviction Prevention Program (ERA-EPP) Additional Funding Awards

DATE: March 4, 2024

Following the policy approved by the Board at its November 14, 2023 meeting, THDA made subsequent funding awards to ERA-EPP partners using the following eligibility criteria:

THDA may award an additional grant amount up to the lesser of:

- 300% of its existing grant award, or
- The monthly expenditure rate from August 1, 2023 to the most recent completed month before the additional funding request is made to THDA, multiplied by the number of months remaining in the contract period,
- The remaining ERA-EPP funds available for award; or
- The Grantee’s requested amount of additional assistance.

Two subsequent awards were made:

Bradley Cleveland Community Services Agency was awarded **\$526,926** in additional funds which was less than 300% of the initial award and less than the monthly expenditure rate. The award was based on the criteria, the Grantee’s requested amount of additional assistance.

Chattanooga Regional Homeless Coalition was awarded **\$1,448,552.25** in additional funds which was less than 300% of the initial award, but equal to the monthly expenditure rate from August 1, 2023 to December 31, 2023.

Agency	Initial Award	Additional Award	Total Liability
Bradley Cleveland Community Service Agency	\$ 236,463.30	\$ 526,926.00	\$ 763,389.30
Chattanooga Regional Homeless Coalition	\$ 500,000.00	\$ 1,448,552.25	\$ 1,948,552.25

