



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Strengthening Multifamily Program with Refunding Bonds

HFA Missouri Housing Development Commission

Submission Contact Marilyn Lappin

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA Missouri Housing Development Commission

Entry Name Strengthening Multifamily Program with Refunding Bonds

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO



**HFA: Missouri Housing Development Commission
Entry Name: Strengthening Multifamily Program
with Refunding Bonds**

Strengthening Multifamily Program with Refunding Bonds

Lowering Debt Service Costs for Affordable Housing Projects and Improving MHDC's Bond-Financed Program Economics

During fiscal year 2013 Missouri Housing Development Commission (MHDC) refinanced multiple series of MHDC Multifamily Housing Revenue Bonds to achieve lower costs of funds which enabled MHDC to lower the mortgage rates for twenty-five multifamily projects and to improve MHDC program economic results.

MHDC finance staff worked diligently with its financial advisors to monitor the bond market in efforts to identify opportunities for bond refundings for bonds reaching their optional call dates. The price levels of bonds offered unique periods with very attractive taxable rates for municipal issuers. Investors looking for stable income provided liquidity and strong support of municipal bond markets during these periods.

In October 2012, MHDC sold its Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1 in the amount of \$42,740,000 which provided proceeds to refund six prior revenue bond series. The bonds included \$15,465,000 in serial bonds with maturities in 2013 through 2022 and four term bonds totaling \$27,275,000 maturing in 2023, 2028, 2033 and 2038. The 2012 Series 1 Refunding Revenue Bonds closed on November 7, 2012 and the prior bonds were fully refunded on November 9, 2012. The effective cost of funds was lowered to 3.65%. MHDC in-turn lowered the mortgage rates on the underlying mortgages effective November 1, 2012.

In June 2013, MHDC sold its Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2 in the amount of \$15,560,000 which provided proceeds to refund five prior revenue bond series. The bonds included \$5,635,000 in serial bonds with maturities in 2014 through 2023 and three term bonds totaling \$9,925,000 maturing in 2028, 2033 and 2040. The 2013 Series 2 Refunding Revenue Bonds closed on June 27, 2013 and the prior bonds were fully



**HFA: Missouri Housing Development Commission
Entry Name: Strengthening Multifamily Program
with Refunding Bonds**

refunded on July 1, 2013. The effective cost of funds was lowered to 4.03%. MHDC in-turn lowered the mortgage rates on the underlying mortgages effective July 1, 2013.

The redemption provisions for both series of refunding bonds include a ten-year optional call lock-out provision. However, the redemption provisions also include special mandatory redemption at par for any mortgage prepayments.

In total, the mortgages for twenty-five projects financed were modified to reflect reduced interest rates. The maturity dates for the mortgages remained unchanged and no new prepayment lock-out periods were established. The mortgage rates were lowered from rates that ranged from 5.75% to 6.33% to rates of 4.75% for nineteen projects and 5.125% for six projects. Savings in mortgage payments resulting from the reduced interest rates totaled \$10.1 million over the remaining terms of the mortgages. The bond refunding transactions and loan rate modifications were consummated at a time when most of the projects were still within the compliance period and refinancing is typically more difficult; thus, the debt service savings directly benefit the projects at a time when alternative funding sources for the owners were limited. These savings are particularly important during economic times that have resulted in increased operating costs for such items as property taxes, insurance, utilities and professional fees while effective rental rate increases have been limited. The reduced debt service costs clearly strengthen the cash flows for these projects thereby further managing HUD and MHDC's risk exposure on the seven loans insured by FHA under its Section 223(a)(7) and the eighteen loans insured by FHA under its Section 542(c) Risk Share Program. MHDC participates in 50% of the insured risk in accordance with its agreement with HUD for purposes of the Section 542(c) Risk Share Program.

In addition to the mortgage rate reduction, MHDC achieved improved economics as a result of these successful refunding series. Analyses show that compared to a 'do-nothing' scenario, these refundings will save the twenty-five projects \$10.1 million in debt service costs and improve the net present value to MHDC by \$1.9 million.



**HFA: Missouri Housing Development Commission
Entry Name: Strengthening Multifamily Program
with Refunding Bonds**

In summary, the Taxable Multifamily Housing Refunding Revenue Bond issues completed by MHDC during fiscal year 2013 strengthened its multifamily program by providing significant debt service costs reductions for twenty-five projects, thereby providing continued stable affordable housing for the tenants and reducing the risk to HUD and MHDC of mortgage non-performance. And at the same time, MHDC improved its net economic benefit of the program, which will provide resources enabling MHDC to further its affordable housing mission.

Attachments

Official Statement: Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1

Official Statement: Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2

NEW ISSUE—BOOK-ENTRY ONLY

Rating: S&P "AA"
(See "RATING OF THE OFFERED BONDS" herein)

The interest on the Offered Bonds is included in gross income for federal income tax purposes. In the opinion of Gilmore & Bell, P.C. and the Hardwick Law Firm, LLC, Co-Bond Counsel, under existing law, the interest on the Offered Bonds is exempt from income taxation by the State of Missouri. See "TAX MATTERS" herein.

\$42,740,000

Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1
(Federally Taxable)

Dated: Date of Issuance

Due: As shown on the inside cover

This Official Statement relates to the issuance and sale by the Missouri Housing Development Commission (the "Commission") of its Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1 (the "Offered Bonds").

The Offered Bonds will bear interest, payable on January 1 and July 1 of each year, commencing January 1, 2013, and on their respective maturity dates, at the rates, and will mature in the years and in the principal amounts, shown on the inside front cover.

The Offered Bonds are issuable only as fully registered bonds, without coupons, and, when issued, are expected to be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases will be made in book-entry form only, in any integral multiple of \$5,000. The Purchaser will not receive certificates representing its interest in the Offered Bonds purchased. Principal and interest on the Offered Bonds are payable by UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A., as Trustee, to DTC, which will in turn be responsible for remitting such principal and interest to the Beneficial Owners of the Offered Bonds, as described under the caption "DESCRIPTION OF THE OFFERED BONDS—Book-Entry Bonds" herein.

The Offered Bonds are subject to redemption as further described under "DESCRIPTION OF THE OFFERED BONDS—Optional Redemption," "—Special Mandatory Redemption" and "—Sinking Fund Redemption."

The Offered Bonds are being issued by the Commission pursuant to the Trust Indenture dated as of June 1, 2000 (the "General Indenture") and the 2012 Series 1 Supplemental Trust Indenture dated as of November 1, 2012 (the "Supplemental Indenture," and together with the General Indenture, the "Indenture") to refund certain outstanding bonds of the Commission, the proceeds of which were used to finance 19 FHA-insured Risk-Share Mortgage Loans for residential housing projects in the State of Missouri, the units of which are to be occupied by low- and moderate-income persons and families, all as described herein. The Indenture permits the issuance of additional series of bonds on a parity with the Offered Bonds (collectively, the "Bonds").

THE OFFERED BONDS WILL CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY A PLEDGE OF CERTAIN REVENUES AND FUNDS ESTABLISHED UNDER THE INDENTURE AND THE MORTGAGE LOANS HELD UNDER THE INDENTURE. NONE OF THE COMMISSION'S AGREEMENTS OR OBLIGATIONS UNDER THE INDENTURE SHALL BE A DEBT OF THE STATE OF MISSOURI OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) AND NEITHER THE STATE OF MISSOURI NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) SHALL BE LIABLE THEREON. THE OFFERED BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION. THE COMMISSION HAS NO TAXING POWER. NEITHER THE BOARD OF COMMISSIONERS OF THE COMMISSION, ITS OFFICERS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE OFFERED BONDS, SHALL BE LIABLE PERSONALLY ON THE OFFERED BONDS.

The Offered Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality and tax exemption by Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, Washington, D.C. It is expected that the Offered Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about November 7, 2012.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

GEORGE K. BAUM & COMPANY

EDWARD D. JONES & CO., L.P.

BOFA MERRILL LYNCH

RAYMOND JAMES | MORGAN KEEGAN

STERN BROTHERS

RBC CAPITAL MARKETS

UMB BANK, N.A.

Dated: October 17, 2012

MATURITY SCHEDULE

\$42,740,000 2012 SERIES 1 BONDS

SERIAL BONDS

Maturity	Principal Amount	Interest Rate	Price	CUSIP 60636Y
January 1, 2013	\$40,000	0.400%	100.00%	GN5
July 1, 2013	780,000	0.500	100.00	GP0
January 1, 2014	770,000	0.600	100.00	GQ8
July 1, 2014	775,000	0.700	100.00	GR6
January 1, 2015	780,000	0.800	100.00	GS4
July 1, 2015	785,000	0.900	100.00	GT2
January 1, 2016	790,000	1.100	100.00	GU9
July 1, 2016	795,000	1.200	100.00	GV7
January 1, 2017	805,000	1.350	100.00	GW5
July 1, 2017	800,000	1.450	100.00	GX3
January 1, 2018	785,000	1.700	100.00	GY1
July 1, 2018	795,000	1.875	100.00	GZ8
January 1, 2019	800,000	2.050	100.00	HA2
July 1, 2019	815,000	2.200	100.00	HB0
January 1, 2020	825,000	2.400	100.00	HC8
July 1, 2020	835,000	2.550	100.00	HD6
January 1, 2021	850,000	2.650	100.00	HE4
July 1, 2021	865,000	2.750	100.00	HF1
January 1, 2022	880,000	2.850	100.00	HG9
July 1, 2022	895,000	2.900	100.00	HH7

TERM BONDS

\$1,835,000 — 3.000% Term Bonds Due July 1, 2023, Price 100.00%, CUSIP 60636Y HK0
\$10,430,000 — 3.723% Term Bonds Due July 1, 2028, Price 100.00%, CUSIP 60636Y HL8
\$10,760,000 — 4.156% Term Bonds Due July 1, 2033, Price 100.00%, CUSIP 60636Y HM6
\$4,250,000 — 4.250% Term Bonds Due July 1, 2038, Price 100.00%, CUSIP 60636Y HN4

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COMMISSION OR BY THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE OFFERED BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE COMMISSION AND BY OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMMISSION SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OFFERED BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE OFFERED BONDS TO CERTAIN DEALERS AND CERTAIN DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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Co-Financial Advisors
 Columbia Capital Management, LLC
 CSG Advisors Incorporated

OFFICIAL STATEMENT

\$42,740,000

MISSOURI HOUSING DEVELOPMENT COMMISSION TAXABLE MULTIFAMILY HOUSING REFUNDING REVENUE BONDS, 2012 SERIES 1

INTRODUCTION

This Official Statement, including the cover page and appendices hereto, is being distributed by the Missouri Housing Development Commission (the "Commission") in order to furnish information in connection with the sale of the Commission's Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1, in the aggregate principal amount of \$42,740,000 (the "Offered Bonds"), issued pursuant to Chapter 215, Revised Statutes of Missouri, as amended, and Appendix B(1) thereto (the "Act"), the Trust Indenture dated as of June 1, 2000 (the "General Indenture"), between the Commission and UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A (the "Trustee"), as supplemented by the 2012 Series 1 Supplemental Trust Indenture, dated as of November 1, 2012, between said parties (the "Supplemental Indenture"). (The General Indenture and the Supplemental Indenture are jointly referred to herein as the "Indenture.") Pursuant to the Indenture, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein, and all such bonds, including the Offered Bonds, are herein sometimes referred to as the "Bonds." The definitions of certain capitalized terms used in this Official Statement and defined in the Indenture are set forth in **Appendix A**.

The Bonds are special, limited obligations of the Commission secured, as provided in the Indenture, by a pledge of (a) all Mortgages and Mortgage Loans held under the Indenture, (b) all Revenues and (c) all money and investments in all Funds and Accounts established by or pursuant to the Indenture, including a Debt Service Reserve Fund and a Mortgage Reserve Fund, but not including the Rebate Fund. See "NATURE OF OBLIGATION AND SOURCES OF PAYMENT."

The Offered Bonds are subject to redemption as described herein, including by special mandatory redemption at any time from prepayments of one or more related Mortgage Loans. See "DESCRIPTION OF THE OFFERED BONDS" and the redemption provisions described therein, including clause (a) under "— Special Mandatory Redemption."

None of the Commission's agreements or obligations under the Indenture shall be a debt of the State of Missouri or any political subdivision thereof (other than the Commission) and neither the State of Missouri nor any political subdivision thereof (other than the Commission) shall be liable thereon. The Offered Bonds shall not constitute an indebtedness of any of the foregoing within the meaning of any constitutional, statutory or charter debt limitation. The Commission has no taxing power. Neither the Board of Commissioners of the Commission, its officers or employees, nor any person executing the Offered Bonds, shall be liable personally on the Offered Bonds.

The Offered Bonds are being issued by the Commission to provide moneys to refund the Commission's 2000 Series 1 Bonds, 2001 Series 1A Bonds, 2001 Series 2A Bonds, 2002 Series 1 Bonds, 2002 Series 2 Bonds and 2002 Series 4 Bonds (collectively, the "Refunded Bonds") previously issued pursuant to various resolutions of the Commission, the proceeds of which were used to finance 19 FHA-insured Mortgage Loans for the 19 Projects described in **Appendix C** hereto. The mortgage loans financed under the Indenture are referred to herein as the "Mortgage Loans."

The Indenture requires that each Mortgage Loan purchased by the Commission thereunder be in an amount which is either fully and unconditionally insured or guaranteed as to timely payment by GNMA,

FHLMC, Fannie Mae or insured by FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3), or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7), or fully and unconditionally guaranteed by the Commission, which mortgage insurance guaranty shall be a general obligation of the Commission, secured by a pledge of its full faith and credit. Section references in this paragraph are to the United States Housing Act of 1937, as amended (the "National Housing Act").

The Indenture imposes no limitation on the aggregate principal amount of Bonds which may be outstanding under the Indenture at any one time. The Commission has previously issued multiple Series of Bonds that are currently outstanding under the Indenture (see table below), and may issue additional Series of Bonds on a parity with the Offered Bonds and such other currently outstanding Bonds under the Indenture (see "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—Provisions for Issuance of Bonds"). The Offered Bonds are expected to be the forty-first series of Bonds issued under the Indenture.

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The Commission has issued the following Multifamily Housing Revenue Bonds under the General Indenture (collectively, the "Prior Bonds"), and such bonds are outstanding in the following principal amounts:

<u>Series Designation</u>	<u>Issue Date</u>	<u>Number of Projects</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
2000 Series 1	June 29, 2000	7	\$11,540,000	\$9,275,000*
2001 Series 1A	August 22, 2001	2	7,300,000	1,820,000*
2001 Series 2A	September 21, 2001	7	3,800,000	3,230,000*
2002 Series 1 (Bevo-Bavarian Project)	June 27, 2002	1	12,890,000	11,875,000*
2002 Series 2 (Columbia Square Townhomes Project)	September 5, 2002	1	4,440,000	3,220,000*
2002 Series 4 (Hawthorne Place Apartments Project)	October 24, 2002	1	20,505,000	13,260,000*
2003 Series 1 (Pevely Square Apartments Project)	January 24, 2003	1	5,105,000	2,420,000
2003 Series 2 (Parkview Place Apartments Project)	July 31, 2003	1	5,715,000	4,295,000
2003 Series 3 (Hyder Elderly Apartments Project)	August 21, 2003	1	3,965,000	3,695,000
2003 Series 4 (Ridge Crest Apartments Project)	August 28, 2003	1	3,925,000	2,355,000
2003 Series 5 (Kensington Heights Apartments Project)	October 23, 2003	1	5,075,000	4,700,000
2003 Series 6 (Historic Ellison Apartments Project)	October 14, 2003	1	5,280,000	2,030,000
2003 Series 7 (Autumn House/Jefferson Manor Projects)	October 20, 2003	2	4,695,000	4,245,000
2003 Series 8 (Stratford Commons Apartments Project)	October 23, 2003	1	4,385,000	2,070,000
2003 Series 9 (Rural Development Apartments Project)	October 27, 2003	11	8,590,000	3,260,000
2003 Series 10 (Hidden Valley Apartments Project)	December 10, 2003	1	10,880,000	9,935,000
2004 Series 1 (Hickory Townhomes Project)	February 19, 2004	1	3,165,000	2,885,000
2004 Series 2 (Winter Garden Apartments Project)	February 25, 2004	1	4,190,000	3,770,000
2004 Series 3 (Woodlen Place Apartments Project)	May 28, 2004	1	1,800,000	1,240,000
2004 Series 4 (Festus Gardens Apartments Project)	May 27, 2004	1	5,990,000	4,125,000
2004 Series 5 (FP-San Remo Apartments Project)	July 14, 2004	1	3,785,000	2,195,000
2004 Series 6 (Allen Market Lane Apartments Project)	August 9, 2004	1	6,735,000	3,405,000
2005 Series 1 (St. Louis Brewery Apartments Project)	January 27, 2005	1	8,125,000	3,250,000
2005 Series 2 (Meadowglen Apartments Project)	February 24, 2005	1	8,540,000	6,705,000
2005 Series 3 (Olde Oak Tree & Landmark Towers Projects)	March 2, 2005	2	6,520,000	5,675,000
2005 Series 4 (Park Place Apartments)	June 30, 2005	1	10,330,000	9,615,000
2005 Series 5 (Hawkins Village Apartments)	August 25, 2005	1	5,335,000	5,060,000
2005 Series 6 (Ivanhoe Gardens Apartments)	October 27, 2005	1	4,240,000	2,460,000
2006 Series 1 (Meadow Ridge Townhouses)	February 21, 2006	1	6,360,000	2,920,000
2006 Series 2 (Ashley Park Apartments)	February 24, 2006	1	7,290,000	6,215,000
2006 Series 3 (Eureka & Wendell Apartments)	March 29, 2006	2	3,165,000	3,060,000
2006 Series 4 (Justin Place Apartments)	May 10, 2006	1	5,640,000	2,180,000
2006 Series 5 (Metropolitan Village Apartments)	May 11, 2006	1	5,960,000	5,720,000
2007 Series 1 (Linden Campus Apartments)	February 28, 2007	1	3,980,000	1,940,000
2009 Series 1 (Courthouse Apartments)	December 30, 2009	1	18,940,000	18,940,000
2010 Series 1 (Basie Court Apartments)	September 9, 2010	1	4,967,000	4,967,000
2010 Series 2 (Samantha Heights Apartments)	October 28, 2010	1	8,610,000	8,610,000
2010 Series 3 (Wesley Senior Towers Apartments)	November 30, 2010	1	5,395,000	5,395,000
2010 Series 4 (Lucas Heights Apartments)	December 29, 2010	1	8,175,000	8,175,000
2010 Series 5 (Grandview Estates)	December 16, 2010	<u>1</u>	<u>3,531,000</u>	<u>3,531,000</u>
TOTALS		<u>66</u>	<u>\$268,858,000</u>	<u>\$203,723,000</u>

* To be refunded in whole by the Offered Bonds.

The Offered Bonds will be on parity with the Prior Bonds (other than the Refunded Bonds) and any additional bonds issued from time to time under the General Indenture. See **Appendix C** and **Appendix D** hereto for additional information about the Projects and Mortgage Loans financed by the Prior Bonds. The Commission expects to issue additional bonds under the General Indenture from time to time.

The Indenture establishes a Debt Service Reserve Fund which is required to be maintained, to the extent of available revenues, in an amount equal to the sum of the amounts required for such purpose with respect to each Series of Bonds outstanding.

The Indenture permits the Commission to withdraw certain pledged amounts free and clear of the lien of the Indenture after the payment of debt service on the Bonds, payment of Program Expenses and the making of any required reserve fund deposits.

In addition to the Commission's Multifamily Program, which assists in financing the acquisition of decent, safe and sanitary residential rental housing facilities for low income and moderate income persons and families (the "Program"), the Commission is authorized under the Act to engage in certain other activities. See "THE COMMISSION" for the Commission's website address which contains a current description of the Commission's single-family and multifamily programs. The proceeds of the Offered Bonds may not be used to finance any activities of the Commission other than the Program.

There follows in this Official Statement information concerning the Commission and the Program, including the Mortgage Loans and the related Projects to be refinanced with the proceeds of the Offered Bonds, together with descriptions of the terms of the Offered Bonds, the Indenture and certain provisions of the Act. All references to the Act, the General Indenture and the Supplemental Indenture are qualified in their entirety by reference to each such statute or document, and all references to the Offered Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

THE COMMISSION

General

In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low- and moderate-income persons, established the Commission in order to increase the availability of decent, safe and sanitary housing at prices within the means of low- and moderate-income persons. The Act authorizes the Commission: (a) to make, purchase or participate in the purchase of uninsured, partially insured or fully insured loans, including mortgages insured or otherwise guaranteed by the federal government or mortgages insured or otherwise guaranteed by other insurers of mortgages, to persons and families of low income and moderate income for homes within the State, and to purchase or participate in the purchase of any other securities which are secured, directed or indirectly, by any such loan; (b) to issue its bonds or other evidences of indebtedness for the purpose of obtaining funds to make or purchase such home mortgage loans (or participations therein), to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Commission, including the revenues and receipts to be received by the Commission from such home mortgages (or participations therein), notes or other property of the Commission, to secure the payment of the principal of, premium, if any, and interest on such bonds.

"Low income or moderate income persons and families" is defined in the Act to mean persons and families who are in low- or moderate-income groups and who cannot afford to pay enough to cause private enterprise in their community to build a sufficient supply of adequate, safe and sanitary residential housing. The Act authorizes the Commission to define "low income" and "moderate income" with greater particularity and on a regional basis. The Act defines "residential housing" to include such social, medical, recreational,

educational, nursing, commercial, communal, dining, training, rehabilitation, therapeutic or other nonhousing facilities and services as may be incidental or appurtenant thereto.

The Commission has concentrated most of its financing activities in purchasing or originating mortgage loans for multifamily housing projects and in purchasing mortgage-backed securities of mortgage loans for single-family residences. *General information about the Commission's programs may be obtained from the Commission or may be accessed on the Commission's website www.mhdc.com*; this reference to the Commission's website is not intended to incorporate the materials contained thereon into this Official Statement.

In addition to providing the Commission with the powers set forth above, the Act empowers the Commission to provide technical services to assist in the planning, processing, design, construction or rehabilitation of residential housing for occupancy by persons and families of low and moderate income or land development for such housing, to provide consultative project assistance services for such residential housing and for land development for residential housing, to promote research and development in scientific methods of constructing low-cost residential housing of high durability, to provide to nonprofit corporations such advisory, consultative, training and educational services as will enable them to become owners of housing constructed or rehabilitated under the Act and assist them in managing such housing and to collect reasonable fees and charges (limited to amounts required to pay the costs of the Commission, including operating and administrative expenses, and reasonable allowances for losses) in connection with providing technical, consultative and project assistance services.

The Commission has never defaulted on the payment of the principal of or interest on any of its indebtedness.

The Commission consists of the Governor, the Lieutenant Governor, the State Treasurer and the Attorney General of the State of Missouri, and six additional members selected by the Governor with the advice and consent of the Senate. The Act requires the members selected by the Governor to be individuals knowledgeable in the areas of housing, finance or construction. Members of the Commission serve for terms of four years each. Six members of the Commission constitute a quorum. There are currently two vacancies on the Commission.

The members of the Commission and their occupations are as follows:

Jeremiah W. (Jay) Nixon	Governor of Missouri
Peter Kinder	Lieutenant Governor of Missouri
Clint Zweifel	Treasurer of Missouri
Chris Koster	Attorney General of Missouri
Jeffrey S. Bay, Chairman	Attorney Kansas City, Missouri
Troy Nash, Vice Chairman	Vice President and Director of Public Sector Consulting, Zimmer Real Estate Services Kansas City, Missouri
John Stanfield, Secretary/Treasurer	Business Representative//Organizer, Carpenters' District Council of Greater Saint Louis and Vicinity St. Charles, Missouri

David Cosgrove Attorney
St. Louis, Missouri

The principal staff officers are as follows:

Kip Stetzler	Interim Executive Director
Tina Beer	Deputy Director - Director of Operations
Marilyn Lappin	Director of Finance
William Ulm	Director of Rental Production

In addition to its full-time staff, the Commission has contracted or will contract for other technical and professional personnel to assist in the initiating, processing and reviewing of applications for federally insured mortgage loans and the purchasing, servicing and selling of mortgage loans. These include, but are not limited to, attorneys, architects, engineers, land planners, housing consultants, market analysts, appraisers and mortgage servicing agents.

The Commission's offices are located at 3435 Broadway, Kansas City, Missouri 64111, telephone number: (816) 759-6600 and at 4625 Lindell Boulevard, Suite 300, St. Louis, Missouri 63108, telephone number: (314) 877-1350.

Columbia Capital Management, LLC, St. Louis, Missouri, and CSG Advisors Incorporated, Atlanta, Georgia, serve as co-financial advisors to the Commission.

Copies of the Commission's audited financial statements for the year ended June 30, 2012 will be made available to Bondowners upon written request. The audited financial statements may also be viewed at the Commission's website at www.mhdc.com. This reference to the Commission's website is not intended to incorporate the materials contained thereon into this Official Statement.

SUMMARY OF FINANCING PLAN

The Offered Bonds will provide funds to refund the Refunded Bonds and refinance 19 FHA-insured Risk-Share Mortgage Loans and Mortgage Loans insured by FHA under Section 223(a)(7) of the National Housing Act for 19 Projects designed for occupancy by persons of low and moderate income. All principal and interest payments on the Mortgage Loans to be refinanced by the Offered Bonds are current as of the date of this Official Statement.

The 19 Projects and related Mortgage Loans refinanced by the Offered Bonds are described in the table below and in **Appendix C** hereto. The Commission will offer to reduce the interest rate on the refinanced Mortgage Loans in connection with the issuance of the Offered Bonds to the offered modified interest rate set forth in the table below. Each Borrower that accepts the offered modified interest rate on its Mortgage Loan will enter into a Deed of Trust Note Modification Agreement with the Commission on or after the date of issuance of the Offered Bonds setting forth such reduced interest rate, which rate will be effective no earlier than November 1, 2012. Each such Modification Agreement will also provide for amortization of the remaining principal of the related Mortgage Loan based upon level debt service for the remaining term of the loan described in the table below at the modified interest rate thereof. In the event that a Borrower does

not accept the offered modified interest rate, the current interest rate shown in the table below will continue to apply to such Mortgage Loan and the existing amortization of such Mortgage Loan will remain unchanged.

Borrower	Program Type	Principal Amount to be Refinanced	Remaining Term as of November 1, 2012 (Months)	Current Interest Rate	Offered Modified Interest Rate	Original Bond Series
Deerfield Village Associates, L.P.	FHA Risk Share	\$1,065,701	217	6.33%	4.75%	2000-1
Highland Meadows Associates, L.P.	FHA Risk Share	641,023	217	6.33	4.75	2000-1
Village Meadows Associates, L.P.	FHA Risk Share	853,361	217	6.33	4.75	2000-1
Rocktree Apartments Associates, L.P.	FHA Risk Share	1,201,919	217	6.33	4.75	2000-1
Country Club Village Associates, L.P.	FHA Risk Share	1,012,637	224	6.33	4.75	2000-1
Colony Plaza Associates, L.P.	FHA Risk Share	2,103,356	217	6.33	4.75	2000-1
Glenwood Manor Associates, L.P.	FHA Risk Share	1,919,969	224	6.33	4.75	2000-1
SY University Commons Investors, L.P.	FHA Risk Share	1,837,102	239	6.00	4.75	2001-1A
SY University Commons Investors, L.P. - IRP*	FHA Risk Share	310,286	53	6.00	4.75	2001-1A
St. Joseph Housing, L.P.	FHA Risk Share	1,999,742	238	6.00	4.75	2001-1A
Country Club Village II Associates, L.P.	FHA 223(a)(7)	236,929	222	6.00	4.75	2001-2A
Monroe Estates Associates, L.P.	FHA 223(a)(7)	515,995	227	6.00	4.75	2001-2A
Houston Plaza Associates, L.P.	FHA 223(a)(7)	134,077	227	6.00	4.75	2001-2A
Prairie Plains Associates, L.P.	FHA 223(a)(7)	268,155	227	6.00	4.75	2001-2A
Highland Acres Associates, L.P.	FHA 223(a)(7)	296,596	227	6.00	4.75	2001-2A
Crestview Village Associates, L.P.	FHA 223(a)(7)	560,688	227	6.00	4.75	2001-2A
Maplewood Manor Associates, L.P.	FHA 223(a)(7)	934,481	227	6.00	4.75	2001-2A
Spartina, L.P.	FHA Risk Share	11,175,423	309	6.00	4.75	2002-1
SY Columbia Square Investors, L.P.	FHA Risk Share	2,896,548	256	6.00	4.75	2002-2
SY Columbia Square Investors, L.P. - IRP*	FHA Risk Share	13,685	4	6.00	4.75	2002-2
Hawthorne Associates, L.P.	FHA Risk Share	<u>12,271,151</u>	259	5.75	4.75	2002-4
		<u>\$42,248,826</u>				

*The Commission currently receives Section 236 Interest Reduction Payments with respect to this Mortgage Loan. See Appendix C hereto.

The debt service payments on the Mortgage Loans refinanced by the Offered Bonds, plus interest earnings on the related Accounts in the various Indenture Funds, are expected to be sufficient to pay scheduled debt service on the Offered Bonds plus related Program Expenses.

SOURCES AND USES OF FUNDS

The Offered Bonds are being issued by the Commission to provide moneys to refund the Refunded Bonds and refinance 19 Mortgage Loans in an aggregate principal amount of \$42,248,826, for the related Projects described in **Appendix C** hereto. The proceeds of the Offered Bonds are expected to be applied as follows:

Sources of Funds:	
Principal of Offered Bonds	\$42,740,000.00
Transfers from Accounts for Refunded Bonds.....	3,535,605.37
TOTAL	<u>\$46,275,605.37</u>
Uses of Funds:	
Redemption of Refunded Bonds on November 9, 2012.....	\$44,034,736.00
Deposit to Debt Service Reserve Fund	1,496,773.10
Deposit to Revenue Fund.....	10,000.00
Deposit to Costs of Issuance Fund.....	475,000.00
Deposit to Surplus Fund.....	<u>259,096.27</u>
TOTAL	<u>\$46,275,605.37</u>

NATURE OF OBLIGATION AND SOURCES OF PAYMENT

Pledge of the Indenture

The Indenture is a contract between the Commission and the Trustee for the benefit of the holders of all Bonds issued thereunder, and its provisions are for the equal benefit, protection and security of the holders of all such Bonds, each of which, regardless of time of issue or maturity, is to be of equal rank without preference, priority or distinction.

THE OFFERED BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY A PLEDGE OF CERTAIN REVENUE AND FUNDS ESTABLISHED UNDER THE INDENTURE AND THE MORTGAGE LOANS HELD UNDER THE INDENTURE. NONE OF THE COMMISSION'S AGREEMENTS OR OBLIGATIONS UNDER THE INDENTURE SHALL BE A DEBT OF THE STATE OF MISSOURI OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) AND NEITHER THE STATE OF MISSOURI NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) SHALL BE LIABLE THEREON. THE OFFERED BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION. THE COMMISSION HAS NO TAXING POWER. NEITHER THE BOARD OF COMMISSIONERS OF THE COMMISSION, ITS OFFICERS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE OFFERED BONDS, SHALL BE LIABLE PERSONALLY ON THE OFFERED BONDS.

Under the terms and conditions set forth in the Indenture, the proceeds of the Bonds, the Mortgage Loans, the revenues from the Mortgage Loans and all funds and accounts established by the Indenture (including the investments thereof and proceeds of such investments, if any) are pledged for the payment of the principal or redemption price of and interest on the Bonds. "Revenues" are defined in the General Indenture to mean all income and receipts of whatever kind (other than Escrow Payments and earnings on the Rebate Fund) received by the Commission from or with respect to Mortgage Loans or Projects, including, without limitation, Mortgage Repayments, whether paid by or on behalf of the Mortgagor (unless otherwise provided in the Supplemental Indenture authorizing the financing thereof or pledging the same), commitment fees or other charges paid to the Commission by or on behalf of Approved Mortgagors or Lenders, Prepayments and Acquired Project Income. The pledge of Revenues described above is subject to the respective liens of the Trustee, depositories and paying agents for reasonable compensation and expenses. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE."

Debt Service Reserve Fund

The General Indenture creates a Debt Service Reserve Fund for the Bonds. The General Indenture defines "Debt Service Reserve Fund Requirement" to mean, as of any date of calculation, the sum of the amounts required by each Supplemental Indenture for outstanding Bonds. Except as otherwise provided in "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE – Withdrawal From Funds to Prevent Defaults," moneys on deposit in the Debt Service Reserve Accounts of the Debt Service Fund shall be used only to make Debt Service Payments on the related Series of Bonds as provided in the Indenture.

The Commission may satisfy the Debt Service Reserve Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Supplemental Indenture establishing such Debt Service Reserve Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments shall be set forth in the Supplemental Indenture establishing such Debt Service Reserve Requirement; provided, however, that the obligation of the Commission to reimburse the issuer of such surety bond, insurance policy or letter of credit from moneys pledged under the Indenture shall be subordinate to the payment of the principal of and interest on the Bonds. The Debt Service Reserve Requirement with respect to the Offered Bonds will be satisfied by the transfer of moneys held in Accounts established with respect to the Refunded Bonds and the covenant of the Commission to make up certain deficits as required by the Supplemental Indenture.

The Supplemental Indenture for the Offered Bonds provides that the Debt Service Reserve Fund Requirement for the Offered Bonds shall be maintained in an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the Offered Bonds, which amount is established as the Debt Service Reserve Fund Requirement with respect to the Offered Bonds. It is a condition precedent to the authentication by the Trustee of any Series of Bonds that the amount in the Debt Service Reserve Fund, after issuing such Bonds and depositing in the Debt Service Reserve Fund the amount provided for in the supplemental indenture authorizing such Bonds, be at least equal to the Debt Service Reserve Fund Requirement for all Bonds to be Outstanding after the issuance of such Series. Upon the issuance of the Offered Bonds, the amount held in the Debt Service Reserve Fund will at least equal the Debt Service Reserve Fund Requirement in respect of all Bonds then Outstanding (including the Offered Bonds). If at any time the amount in the Debt Service Reserve Fund, exclusive of amounts received as income or interest earned on investments, exceeds the Debt Service Reserve Fund Requirement and if no Event of Default exists under the Indenture, the Trustee, upon request of an Authorized Officer, shall transfer such excess or any portion thereof to either the Redemption Fund or the Revenue Fund.

The Supplemental Indenture for the Offered Bonds also provides that prior to each Bond Payment Date, the Trustee shall determine if a transfer from the Offered Bonds Debt Service Reserve Account is required to prevent a default on the Offered Bonds (the amount of such transfer shall be referred to as the "Offered Bonds Debt Service Shortfall"). The Supplemental Indenture for the Offered Bonds further provides that prior to each Bond Payment Date, the Trustee shall also determine if the sum of (i) the cash in the Offered Bonds Debt Service Reserve Account, (ii) the market value of the Investment Securities in the Offered Bonds Debt Service Reserve Account, as determined by the Trustee, and (iii) the aggregate amount of all previous transfers from the Offered Bond Debt Service Reserve Account to the Offered Bonds Debt Service Account required by the General Indenture that have not been subsequently replenished, is less than the Debt Service Reserve Fund Requirement with respect to the Offered Bonds (which difference, if any, shall be referred to as the "Commission Funded Reserve Account Deficit"). If a Commission Funded Reserve Account Deficit exists, the Commission shall, prior to the Bond Payment Date, deposit with the Trustee for credit to the Offered Bonds Debt Service Reserve Account, cash in an amount equal to the Commission Funded Reserve Account Deficit; provided, that the aggregate amount required to be deposited by the Commission pursuant to this paragraph shall not exceed the amount of the initial Debt Service Reserve Fund Requirement with respect to the Offered Bonds. Any cash so deposited by the Commission shall be from funds other than those held under the Indenture.

Mortgage Reserve Fund

The General Indenture establishes a Mortgage Reserve Fund, moneys in which can be used to make Debt Service Payments when moneys in the Debt Service Fund are insufficient or to pay expenses on Acquired Projects, and defines "Mortgage Reserve Requirement" to mean, as of any date of calculation, the sum of the amounts, if any, required by each Supplemental Indenture. *The Supplemental Indenture for the Offered Bonds provides that the Mortgage Reserve Requirement for the Offered Bonds is \$0.*

Additional Bonds

The aggregate principal amount of the Bonds which may be issued under the General Indenture is not limited, except as may be provided by the General Indenture or any Supplemental Indenture, and Bonds may be issued in one or more series. Additional series of Bonds may be issued under the conditions described under "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—Provisions for Issuance of Bonds."

Investment Securities

The following two paragraphs provide summary information with respect to the Investment Securities that have been acquired or the providers of investment agreements (or similar agreements) that have been entered into for the short term accounts (i.e., Debt Service Accounts, Revenue Accounts, etc.) (collectively, the "Float Accounts") and the Debt Service Reserve Accounts for other Series of Bonds Outstanding under the Indenture. The Investment Securities that have been acquired or the investment agreements (or similar agreements) that have been entered into for the investment of amounts in the Float Accounts and Debt Service Reserve Accounts for each Series of Bonds are generally in effect until the final maturity of the related Series of Bonds. *There can be no assurance that one or more of the investment agreement providers listed below will not have their credit rating downgraded below the minimum rating required to maintain an "AA" rating on the Bonds. Nor can there be any assurance that the market value of one or more of the Investment Securities allocable to a Debt Service Reserve Account or Float Account will not be reduced as a result of market fluctuations.*

Moneys in the Float Accounts for each Series of Bonds issued prior to the Offered Bonds are invested in the Federated Government Obligations Money Market Fund. The interest rate for the Federated Government Obligations Money Market Fund is variable. During the entire 12-month period ending September 30, 2012, the 7-Day yield was 0.01% per annum.

Moneys in the Debt Service Reserve Accounts for each Series of Bonds issued prior to the date of this Official Statement are invested as follows:

Series	Investment	Debt Service Reserve Account Interest Rate
2000 Series 1		*
2001 Series 1A		*
2001 Series 2A	Federated Government Obligations Money Market	Variable**
2002 Series 1 (Bevo-Bavarian Project)	U.S. Treasury Bond Maturing 8/15/2028	5.500%
2002 Series 2 (Columbia Square Townhomes Project)	U.S. Treasury Bond Maturing 11/15/2028	5.250%
2002 Series 4 (Hawthorne Place Apartments Project)	U.S. Treasury Bond Maturing 11/15/2028	5.250%
2003 Series 1 (Pevely Square Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 2 (Parkview Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 3 (Hyder Elderly Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 4 (Ridge Crest Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 5 (Kensington Heights Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 6 (Historic Ellison Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 7 (Autumn House/Jefferson Manor Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 8 (Stratford Commons Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 9 (Rural Development Apartments Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 10 (Hidden Valley Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 1 (Hickory Townhomes Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 2 (Winter Garden Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 3 (Woodlen Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 4 (Festus Gardens Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 5 (FP-San Remo Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 6 (Allen Market Lane Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 1 (St. Louis Brewery Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 2 (Meadowglen Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 3 (Olde Oak Tree & Landmark Towers Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 4 (Park Place Apartments Project)	Federated Government Obligations Money Market	Variable**
2005 Series 5 (Hawkins Village Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 6 (Ivanhoe Gardens Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 1 (Meadow Ridge Townhouses Project)	U.S. Treasury Bond Maturing 8/15/2013	4.250%
	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 2 (Ashley Park Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 3 (Eureka & Wendell Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 4 (Justin Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 5 (Metropolitan Village Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2007 Series 1 (Linden Campus Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2009 Series 1 (Courthouse Apartments Project)	U.S. Treasury Bond Maturing 8/15/2039	4.500%
2010 Series 1 (Basie Court Apartments Project)	U.S. Treasury Bond Maturing 8/15/2040	3.875%
2010 Series 2 (Samantha Heights Apartments Project)	U.S. Treasury Bond Maturing 8/15/2040	3.875%
2010 Series 3 (Wesley Senior Towers Apartments Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%
2010 Series 4 (Lucas Heights Apartments Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%
2010 Series 5 (Grandview Estates Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%

* The Reserve Account Requirement for the 2000 Series 1 Bonds and the 2001 Series 1A Bonds is provided by a Surety Bond issued by Financial Security Assurance Inc.

** The interest rate for the Federated Government Obligations Money Market is variable. During the entire 12-month period ending September 30, 2012, the 7-Day Yield was 0.01% per annum.

DESCRIPTION OF THE OFFERED BONDS

General Description

The Offered Bonds will be dated as of and bear interest from their dated date as shown on the cover page of this Official Statement, payable on January 1, 2013 and thereafter semiannually on January 1 and July 1 in each year (and on their respective maturity dates) at the rates per annum set forth on the inside cover page of this Official Statement, and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement.

Book-Entry Bonds

The information contained in this section concerning DTC and DTC's book-entry system has been obtained from sources the Commission and the Underwriters believe to be reliable, but neither the Commission nor the Underwriters take any responsibility for the accuracy or completeness thereof.

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

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

Purchases of Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC's records. The ownership interest of each actual purchaser of each Offered Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be

accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

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

NEITHER THE COMMISSION, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC DIRECT AND INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

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

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

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Commission or the Trustee. DTC's services with respect to Offered Bonds may be discontinued or terminated at any time by the Commission, in its sole discretion and without the consent of any other person, if the Commission determines that DTC is unable to discharge its responsibilities with respect to the Offered Bonds or that a continuation of the requirement that all of the Outstanding Offered Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interests of the Beneficial Owners of such Bonds. In the event that DTC's services are so discontinued or terminated and no substitute securities depository willing to undertake the functions of DTC under the Indenture can be found which, in the opinion of the Commission, is willing and able to undertake such functions upon reasonable and customary terms, or in the event it is so determined that continuation of the system of book-entry transfers is not in the best interests of the Beneficial Owners, the Commission is obligated to deliver Offered Bond certificates, at the expense of the Beneficial Owners, as described in the Indenture. In such event, the Trustee is entitled to rely on information provided by DTC and the DTC Participants as to the names and principal amounts in which the Offered Bonds are to be registered.

In the event that the book-entry only system is discontinued, as described in the preceding paragraph, the following requirements of the Indenture would apply. The principal or redemption price of all Offered Bonds will be payable at the corporate trust office of the Trustee and interest on the Offered Bonds will be payable by check or draft mailed to the registered owner of such Bonds at such Owner's address as it appears on the registration books of the Trustee or at such other address as such Owner may have filed with the Trustee for that purpose; provided, however, that payment of principal or Redemption Price of and interest on any Offered Bond to any registered owner of at least \$1,000,000 aggregate principal amount of Offered Bonds Outstanding at the time of payment shall, upon written request to the Trustee, be paid by wire transfer of (a) next-day funds on the applicable Bond Payment Date or (b) immediately available funds on the business day next succeeding the applicable Bond Payment Date. The Offered Bonds will be transferable only by presentation and surrender thereof to the Trustee together with an assignment duly executed by the registered owner of such Bonds or such Owner's duly authorized representative in form satisfactory to the Trustee and containing information required by the Trustee in order to effect such transfer and upon payment of any charge, made as reimbursement for any tax, fee or other governmental charge imposed with respect thereto. In addition, the Commission or the Trustee may charge for the cost, if any, of preparing any new Offered Bond upon such exchange or transfer and any other expenses, including counsel fees, of the Commission or the Trustee incurred in connection therewith, and such costs and expenses, if so charged, shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Offered Bonds may be exchanged for an equal aggregate principal amount of Offered Bonds in other authorized denominations upon surrender thereof at the corporate trust office of the Trustee. The Commission shall not be obligated to (i) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the next succeeding Bond Payment Date of the Offered Bonds, (ii) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business 15 days next preceding any selection of Offered Bonds to be redeemed and ending at the close of business on the date of the first mailing of notice of such redemption, or (iii) transfer or exchange any Offered Bonds called or being called for redemption in whole or in part.

According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Transfers and Exchanges

For every transfer and exchange of Offered Bonds, whether temporary or definitive, the Commission or the Trustee shall make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. In addition, the cost, if any, of preparing each new Offered Bond upon such exchange or transfer and any other expenses of the Commission or the Trustee incurred in connection therewith shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Commission shall not be obligated to (i) issue, exchange or transfer any Offered Bond during the 15 days next preceding any Bond Payment Date of the Offered Bonds, (ii) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business 15 days next preceding any selection of Offered Bonds to be redeemed and ending at the close of business on the date of the first mailing of notice of such redemption or (iii) transfer or exchange any Offered Bonds called or being called for redemption in whole or in part.

Special Mandatory Redemption

The Offered Bonds shall be subject to redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to the Indenture at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without premium, as a whole or in part to the extent that the Trustee receives payments on a Mortgage Loan refinanced by the Offered Bonds in excess of regularly scheduled payments, including (but not limited to) payments representing:

- (a) payments representing voluntary prepayments on such Mortgage Loan; provided, that any moneys received from a Borrower representing voluntary prepayments on a Mortgage Loan to be applied by the Trustee to the payment of the Redemption Price pursuant to this subsection (e) plus an amount equal to all costs of redeeming the Offered Bonds to be redeemed must be deposited with the Trustee for a continuous 123-day period (or as otherwise provided in the Indenture) prior to or during which period no Event of Bankruptcy with respect to such Borrower as evidenced by a Non-Bankruptcy Certificate from such Borrower to the Commission and the Trustee shall have occurred before the Trustee shall give notice of redemption;
- (b) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of such Mortgage Loan following a partial or total destruction or condemnation of the related Project;
- (c) mortgage insurance proceeds or other amounts received with respect to such Mortgage Loan following the occurrence of an event of default under such Mortgage Loan;
- (d) a prepayment of such Mortgage Loan required by the applicable rules, regulations, policies and procedures of FHA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of such Mortgage Loan under certain circumstances); and
- (e) prepayments on such Mortgage Loan made by the applicable Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy.

The Mortgage Loans refinanced by the Offered Bonds may be voluntarily prepaid at any time without penalty, thereby causing a special mandatory redemption of the Offered Bonds as described in paragraph (a) above. In connection with the issuance of the Refunded Bonds, the Borrower under each

Mortgage Loan refinanced by the Offered Bonds agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a period that began on the first date on which 50% of the residential units in such Project were occupied and will end (so long as the applicable Project is not then receiving assistance under Section 8 of the United States Housing Act of 1937) on the date that is 15 years after the date on which 50% of the residential units in the applicable Project were occupied. When this compliance period expires with respect to a Project refinanced by the Offered Bonds, the likelihood of a Borrower making voluntary prepayments on the related Mortgage Loan will increase.

If less than all the Outstanding Offered Bonds are to be redeemed pursuant to the above special mandatory redemption provisions, the Offered Bonds shall be selected for redemption from among all maturities (and scheduled sinking fund redemptions) of the Offered Bonds allocable to such Mortgage Loan as set forth in the Supplemental Indenture, such that the remaining principal payments due under such Mortgage Loan following the receipt of the prepayment will provide revenues sufficient to pay the remaining principal due on the Offered Bonds allocable to such Mortgage Loan that will remain Outstanding following such redemption.

Optional Redemption

The Offered Bonds shall be subject to redemption on any date on or after July 1, 2022, in whole or in part, at the option of the Commission, from the proceeds of refunding bonds or other funds of the Commission (including proceeds from the sale of a Mortgage Loan refinanced by the Offered Bonds or participation in a Mortgage Loan refinanced by the Offered Bonds), at a redemption price equal to 100% of the principal amount of the Offered Bonds to be redeemed, plus accrued interest to the redemption date. The Commission is permitted to sell Mortgage Loans to effectuate the optional redemption of Offered Bonds if certain conditions are met. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE – Covenants Relating to Mortgage Loans."

If less than all of the Offered Bonds shall be called for optional redemption pursuant to the immediately preceding paragraph, the Offered Bonds to be redeemed shall be selected for redemption either (a) on a pro-rata basis from among all maturities of the Offered Bonds or (b) by any other selection method, if the Commission provides a Cash Flow Certificate giving effect to such other selection method to the Trustee.

The proceeds of any voluntary prepayments on any Mortgage Loan refinanced by the Offered Bonds shall be applied to effect a special mandatory redemption of the Offered Bonds as more fully described above under "—Special Mandatory Redemption." The Mortgage Loans refinanced by the Offered Bonds may be voluntarily prepaid at any time without penalty.

Sinking Fund Redemption

The Offered Bonds maturing July 1, 2023, July 1, 2028, July 1, 2033 and July 1, 2038 shall be subject to mandatory sinking fund redemption on the respective Interest Payment Dates set forth in the schedules below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, by lot, in the following principal amounts, subject to reduction of such mandatory sinking fund redemption payments to the extent that such Offered Bonds are redeemed prior to maturity otherwise than pursuant to such mandatory sinking fund redemption:

2012 SERIES 1 BONDS DUE JULY 1, 2023

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2023	\$910,000	July 1, 2023†	\$925,000

†Maturity Date

2012 SERIES 1 BONDS DUE JULY 1, 2028

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2024	\$945,000	July 1, 2026	\$1,050,000
July 1, 2024	965,000	January 1, 2027	1,075,000
January 1, 2025	985,000	July 1, 2027	1,100,000
July 1, 2025	1,005,000	January 1, 2028	1,125,000
January 1, 2026	1,030,000	July 1, 2028†	1,150,000

†Maturity Date

2012 SERIES 1 BONDS DUE JULY 1, 2033

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2029	\$1,175,000	July 1, 2031	\$1,080,000
July 1, 2029	1,200,000	January 1, 2032	965,000
January 1, 2030	1,230,000	July 1, 2032	900,000
July 1, 2030	1,260,000	January 1, 2033	860,000
January 1, 2031	1,290,000	July 1, 2033†	800,000

†Maturity Date

2012 SERIES 1 BONDS DUE JULY 1, 2038

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2034	\$815,000	July 1, 2036	\$330,000
July 1, 2034	705,000	January 1, 2037	340,000
January 1, 2035	300,000	July 1, 2037	345,000
July 1, 2035	320,000	January 1, 2038	355,000
January 1, 2036	315,000	July 1, 2038†	425,000

†Maturity Date

Notice of Redemption

Notice of redemption of the Offered Bonds will be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 20 days prior to the redemption date to the registered owner (DTC while in book-entry form) of any Offered Bonds or portions thereof to be redeemed, except that in the event the Offered Bonds are subject to redemption from FHA insurance proceeds in the event of a default on a Mortgage Loan refinanced by the Offered Bonds, the Trustee will give the maximum notice possible, but in no event less than seven days' notice. If notice of redemption shall have been given as aforesaid, and if on the redemption date moneys for the redemption of all Offered Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payments, then from and after the redemption date interest on such Bonds issued under the Indenture or portions thereof shall cease to accrue and become payable.

If DTC or its nominee is the registered owner of any Offered Bond to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such Offered Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Offered Bond to be redeemed shall not affect the validity of the redemption of such Bond. See "DESCRIPTION OF THE OFFERED BONDS—Book-Entry Bonds."

THE MULTIFAMILY PROGRAM

General

The Commission began its first multifamily program in 1970. The current Program was authorized by the Commission on February 25, 2000. Pursuant to the Program, the Commission has covenanted to apply the proceeds of Bonds issued under the General Indenture to Acquire Mortgage Loans (including acquisition by the refunding of bonds previously issued to finance Mortgage Loans) for multifamily housing developments for low-income or moderate-income persons or families or to pay notes issued for such purposes. "Low income or moderate income persons and families" is defined in the Act as persons and families who are in low- or moderate-income groups and who cannot afford to pay enough to cause private enterprise in their community to build a sufficient supply of adequate, safe and sanitary residential housing.

Pursuant to the Indenture, Mortgage Loans or interests therein must be in an amount which is either (i) fully and unconditionally insured or guaranteed as to timely payment by GNMA, FHLMC, Fannie Mae or FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3) of the National Housing Act, or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7) of the National Housing Act or (ii) fully and unconditionally guaranteed by the Commission, which mortgage insurance guaranty shall be a general obligation of the Commission, secured by a pledge of its full faith and credit. The Mortgage Loans refinanced by the Offered Bonds are all insured under Section 542(c) of the Housing and Community Development Act of 1992, as amended, or Section 223(a)(7) of the National Housing Act. See "SUMMARY OF FINANCING PLAN" and **Appendix C** for a description of such Mortgage Loans.

For a description of the various FHA insurance programs, see **Appendix B** hereto.

Loan Servicing, Management and Monitoring

The Commission services all the Mortgage Loans held (and to be held) under the Indenture. As the servicer, the Commission is required to collect all payments due under the Mortgage Loan, including escrow payments for casualty insurance premiums, mortgage insurance premiums and taxes and special assessments.

All project and Mortgage Loan reserves and escrows will be held in separate accounts for each loan (such accounts are not pledged to secure the Bonds, although they may be available to cure Mortgage Loan defaults). These accounts will be established as each Mortgage Loan is originated and funds are required to be deposited. The Commission performs quarterly reviews of all Mortgage Loans to ensure documentation is adequate and received in a timely manner.

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The General Indenture contains various covenants and security provisions, certain of which are summarized below. The definitions of certain capitalized terms used below and defined in the General Indenture are set forth in Appendix A. Reference is made to the General Indenture for a full and complete statement of its provisions.

Provisions for Issuance of Bonds

The General Indenture authorizes the issuance of Bonds (including the Prior Bonds, the Offered Bonds and future, additional Series of Bonds) in one or more Series by a Supplemental Indenture. Each Supplemental Indenture shall include a determination by the Commission that the principal amount thereof is necessary to provide sufficient funds for the Program and either specify or fix the manner of determining, among other things:

- (a) the authorized principal amount of such Series of Bonds;
- (b) the purpose for which such Series of Bonds is being issued, which shall be to Acquire one or more Mortgage Loans relating to identified Projects or to refund Bonds or other obligations issued to finance Mortgage Loans relating to identified Projects or any combination thereof and incidental to these purposes, (i) make required deposits in Funds and Accounts under the General Indenture, (ii) pay the costs of issuance of such Series of Bonds and (iii) pay Program Expenses;
- (c) the amounts to be deposited in the Funds and Accounts created and established by the General Indenture and the Supplemental Indenture; and
- (d) the amount of the Debt Service Reserve Fund Requirement and the Mortgage Reserve Requirement for such Series, if any, and the designation of the Bonds of such Series, if any, constituting the Debt Service Reserve Fund Bonds.

A Series of Bonds shall be authenticated by the Trustee and delivered to or upon the order of the Commission only upon delivery to the Trustee of certain certificates, orders and opinions including the following:

- (a) a certificate of an Authorized Officer (a "Cash Flow Certificate") setting forth projected cash flows, Revenues, Program Expenses and Aggregate Debt Service for all Bonds for each

Bond Year during which Bonds will be Outstanding based upon the reasonable expectations of the Commission and showing:

(i) as to projected Revenues, the amounts of Revenues estimated to be available for Principal Installments and interest when due, derived from all Mortgage Loans Acquired and reasonably expected to be Acquired from the proceeds of Bonds, or from the proceeds of Notes paid or to be paid or other funds to be reimbursed from the proceeds of such Bonds, and derived from the investment of proceeds of all Bonds and Revenues, or otherwise pledged under the Indenture;

(ii) as to Program Expenses, the Program Expenses with respect to each Series of Bonds;

(iii) as to Aggregate Debt Service, the scheduled Debt Service Payments on Bonds to be Outstanding after the issuance of such Series of Bonds;

(iv) the assumptions upon which the foregoing expectations are based;

(v) that the amount of the projected Revenues in each future Bond Year exceeds the sum of the Aggregate Debt Service and estimated Program Expenses for such Bond Year; and

(vi) that the sum of the outstanding principal balance of all Mortgage Loans pledged under the Indenture, plus the moneys and Investment Securities held in the Program Fund, the Revenue Fund and the Debt Service Fund (except to the extent of interest accrued on Outstanding Bonds and any Program Expenses that have been incurred but for which provision for payment has not been made), the Redemption Fund and the Debt Service Reserve Fund, (but only to the extent of any cash on deposit therein) equals or exceeds 100.0% of the principal amount of Outstanding Bonds; and

(b) evidence that the Commission has notified each Rating Agency of the issuance of those Series of Bonds to be issued and each such Rating Agency has confirmed in writing that such Series will be rated not lower than "AA" by S&P and that the issuance of such Series will have no adverse effect on the existing ratings of the other Outstanding Bonds (without giving effect to any bond insurance policies or other credit enhancement relating to such Bonds).

Bonds of one or more Series may be issued to refund Outstanding Bonds of one or more Series only upon receipt by the Trustee of certain certificates, orders, opinions and other documents including the certificates and documents described in the foregoing paragraph. In addition, there must be deposited with the Trustee either (a) moneys in an amount sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date, which moneys shall be held by the Trustee or by one or more Paying Agents in a separate account irrevocably in trust for the holders of the Bonds being refunded, or (b) Government Obligations, the principal and interest on which when due, together with any moneys deposited with the Trustee or Paying Agents, will be sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date.

Funds Established by the General Indenture

The General Indenture establishes or provides for the establishment of the following Funds, all of which shall be held by the Trustee: (a) Program Fund; (b) Revenue Fund; (c) Principal Fund; (d) Debt Service Fund; (e) Debt Service Reserve Fund; (f) Mortgage Reserve Fund; (g) Program Operating Fund; (h) Redemption Fund; (i) Surplus Fund; and (j) Rebate Fund. All of such Funds other than the Program Operating Fund shall consist of separately held and named Accounts for each Series of Bonds.

Program Fund

There shall be deposited in the applicable Program Account of the Program Fund the amount of Bond proceeds specified in the related Supplemental Indenture. Except with respect to moneys deposited in a Costs of Issuance Account or a Capitalized Interest Account, if any, and except as otherwise provided in the General Indenture, moneys in the Program Fund shall be used solely to Acquire the Mortgage Loans identified in a Supplemental Indenture or Commission Request as reasonably expected to be Acquired with the proceeds of the Series of Bonds authorized thereby.

Moneys may be withdrawn from the applicable Program Account of the Program Fund to pay Project Costs. No moneys withdrawn from the Program Fund may be expended to pay Project Costs with respect to a Mortgage Loan unless the Commission has previously Acquired a Mortgage on such Project and the Mortgage Loan with respect to such Project is not subject to a pledge prior to the pledge by the Commission under the General Indenture.

The Commission covenants that it will not make a construction advance with respect to a Mortgage Loan unless the amount of such advance (a) shall at the time it is made be insured, guaranteed or otherwise entitled to realize the benefits of the source of credit support for such Mortgage Loan and (b) together with all other amounts previously applied from the proceeds of the Bonds to such Project is less than the authorized Project Costs of such Project (including any Overrun previously authorized).

The Commission may apply moneys withdrawn from the applicable Program Account of the Program Fund to the payment of any Overrun only upon obtaining from S&P written confirmation that the unenhanced rating on the Bonds is no less than "AA" and providing the Trustee with a Cash Flow Certificate and a certificate which states (i) the amount of the Overrun; (ii) that the Commission has authorized an increase in the Related Mortgage Loan in the amount of the Overrun; (iii) that the Overrun is properly payable as part of the Project Cost; (iv) that the amounts advanced to pay the Overrun will be secured by a Mortgage on the Project and will meet the requirement for credit support; and (v) that the moneys available in the Program Fund after the payment of the Overrun will be sufficient to pay the remaining Project Cost of all Projects (other than the Project with respect to which the Overrun is to be paid) to be funded from the Program Fund.

The Commission may determine not to finance one or more Projects originally identified in a Supplemental Indenture or Commission Request. Moneys deposited in the applicable Program Account of the Program Fund from the proceeds of a Series of Bonds to Acquire a Project which the Commission subsequently determines not to finance shall be held by the Trustee in a special account and applied, as the Commission shall direct, only to (i) finance substitute Projects or (ii) pay Overruns on any Project (irrespective of the Series of Bonds from which such Project was originally expected to be financed) above, provided that the Commission shall file with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds and evidence that S&P has confirmed in writing that any substitution will not cause the rating assigned to such Series to fall below "AA" by S&P.

In the event that there shall be moneys remaining in any such special account and unless otherwise provided in the Supplemental Indenture with respect to such Related Series of Bonds, such moneys shall be transferred to the Redemption Fund and used to redeem Bonds of such Series, except to the extent that the Commission certifies that any of such moneys are required to pay anticipated Project Costs of one or more Projects with respect to which the Commission has previously Acquired a Mortgage Loan in whole or in part from such special account.

Unless otherwise specified in a Supplemental Indenture, within 90 days after Acquisition of all Mortgage Loans or Completion of all Projects for which proceeds of a Series of Bonds have been deposited in the Program Fund pursuant to a Supplemental Indenture (including substituted Projects but excluding any Projects eliminated by Supplemental Indenture or Commission Request), the Commission shall by certificate direct that any such Bond proceeds remaining in the applicable Program Account of the Program Fund shall be transferred to the applicable Redemption Account of the Redemption Fund and used to redeem the Related Series of Bonds. Any such additional Mortgage Loan shall be Acquired only after the Commission shall have filed with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds. In the event that there shall be moneys remaining in any such special account after the date specified for the acquisition of such Mortgage Loan, such moneys shall be transferred to the Redemption Fund for the Related Series of Bonds except to the extent that the Commission certifies that any of such moneys are required to pay anticipated Project Costs of one or more Projects with respect to which the Commission has previously Acquired a Mortgage Loan in whole or in part from such special accounts.

Capitalized Interest Accounts

A Supplemental Indenture may create a Capitalized Interest Account within the Program Fund for a particular Series of Bonds. To the extent, if any, that the interest becoming due and payable on a Bond Payment Date on the Bonds of such Series exceeds the amount then deposited in the Revenue Fund, the Trustee shall withdraw an amount equal to such excess from the Capitalized Interest Account and deposit such amount in the applicable Debt Service Account of the Debt Service Fund.

Revenue Fund

The Commission shall cause all Revenues, except Prepayments, to be deposited in the applicable Revenue Account of the Revenue Fund.

Within the applicable Revenue Account of the Revenue Fund, the Commission, by a Certificate, shall direct the Trustee to create an Acquired Project Subaccount for each Project acquired by the Commission in connection with the enforcement of its rights, by a Mortgage or otherwise (the "Acquired Project") into which shall be deposited all Acquired Project Income. Moneys in each Acquired Project Subaccount shall be applied as follows:

(a) an amount equal to the interest which would have been payable on the Mortgage Loan with respect to each such Acquired Project, determined as though such Mortgage Loan were still in effect, shall be withdrawn on or before each Bond Payment Date and deposited in the applicable Revenue Account of the Revenue Fund;

(b) an amount equal to the principal payments which would have been payable on the Mortgage Loan with respect to each such Acquired Project, determined as though such Mortgage Loan

were still in effect, shall be withdrawn on or before each Bond Payment Date and deposited in the Debt Service Account; and

(c) an amount equal to the payment of Acquired Project Expenses of the Related Acquired Project shall be applied to such payment.

Moneys remaining in any Acquired Project Subaccount at the end of a Fiscal Year which the Commission certifies as not being required to meet future Acquired Project Expenses of the Related Acquired Project shall be allocated as described below.

Allocation of Moneys in the Revenue Accounts of the Revenue Fund

Except as otherwise provided in a Supplemental Indenture with the consent of the Bond Insurer, if any, on or before each Bond Payment Date (or any other date on which interest is payable) moneys in the applicable Revenue Account of the Revenue Fund shall be transferred by the Trustee to the following Funds and Accounts in the following order of priority:

(a) To the applicable Principal Account of the Principal Fund, from the Mortgage Repayments deposited in such Revenue Account, the portion of such Mortgage Repayments required to pay the Principal Installment on such Series of Bonds on the next Bond Payment Date;

(b) To the applicable Debt Service Account of the Debt Service Fund, an amount which, together with the amount therein (after giving effect to any transfer from the applicable Capitalized Interest Account), will equal the interest due and payable on such Bond Payment Date on the Outstanding Bonds of such Series;

(c) To the Program Operating Fund, an amount equal to the sum of (i) the Bond Insurance Premium portion of Program Expenses, if any, due on the next Bond Payment Date and (ii) all other amounts due and payable to the Bond Insurer, if any;

(d) To the applicable Debt Service Reserve Account of the Debt Service Reserve Fund, the amount, if any, necessary to make the balance in such Account equal to the Debt Service Reserve Fund Requirement with respect to such Series of Bonds;

(e) To the applicable Mortgage Reserve Account of the Mortgage Reserve Fund, the amount, if any, necessary to make the balance in such Account equal to the Mortgage Reserve Requirement with respect to such Series of Bonds;

(f) To the Program Operating Fund, an amount equal to the Program Expenses (other than any Bond Insurance Premium) due on the next Bond Payment Date;

(g) To any other Fund or Account, the amount, if any, previously withdrawn therefrom to make a Debt Service Payment to prevent a default to the extent not previously restored;

(h) To the applicable Rebate Account of the Rebate Fund, the amount necessary to comply with federal tax law; and

(i) To the applicable Surplus Account of the Surplus Fund, the remainder, if any, provided that the Supplemental Indenture provides that a balance of at least \$10,000 shall be maintained in the Revenue Account with respect to the Offered Bonds.

Principal Fund

Within the Principal Fund there is established a Principal Account for each Series of Bonds. Moneys on deposit in a Principal Account of the Principal Fund shall be withdrawn by the Trustee and deposited in the related Debt Service Account of the Debt Service Fund on or before each Bond Payment Date in an amount equal to the Principal Installments, if any, becoming due and payable on such date on the applicable Bonds of each Series. Prepayments deposited in a Principal Account of the Principal Fund shall be transferred to the related Redemption Account of the Redemption Fund to pay the redemption price of the related Series of Bonds.

Debt Service Reserve Fund and Mortgage Reserve Fund

Moneys shall be withdrawn from the applicable Accounts of the Debt Service Reserve Fund and the Mortgage Reserve Fund as set forth under "NATURE OF OBLIGATION AND SOURCES OF PAYMENT – Debt Service Reserve Fund" and "—Mortgage Reserve Fund."

Program Operating Fund

Moneys on deposit in the Program Operating Fund may be withdrawn from time to time by the Commission upon the filing of an Authorized Officer's certificate with the Trustee stating the amount to be withdrawn and the purpose therefor. Except as provided in the next succeeding paragraph, moneys may be so withdrawn only for the purpose of paying Program Expenses.

Any amounts remaining on deposit in the Program Operating Fund in excess of the Program Expenses then due and payable shall be transferred upon a Commission Request to the Revenue Fund.

Surplus Fund

Moneys on deposit in the Surplus Accounts of the Surplus Fund shall be used to make up deficiencies in the Debt Service Fund in the manner provided below under "—Withdrawal From Funds to Prevent Defaults" and otherwise may be withdrawn from time to time by the Commission for any lawful purpose upon the filing of a Certificate of an Authorized Officer stating the amount to be withdrawn and the purpose therefor, provided that amounts may be withdrawn only if the Commission delivers to the Trustee, the Rating Agency and the Bond Insurer, if any, a Cash Flow Certificate (giving effect to such withdrawal), a Certificate of an Authorized Officer to the effect that, after giving effect to such withdrawal, the sum of the outstanding principal balance of all Mortgage Loans pledged thereunder, plus the moneys and Investment Securities held in the Program Fund, the Revenue Fund and the Debt Service Reserve Fund (except to the extent of interest accrued on Outstanding Bonds and any incurred and unpaid Program Expenses), the Redemption Fund and the Debt Service Reserve Fund (but only to the extent of any cash on deposit therein), equals or exceeds 102.0% (or such greater percentage as may be required by the Rating Agency to maintain an unenhanced rating of "AA" on the Bonds) of the principal amount of Outstanding Bonds; provided, further, that except for withdrawals to make up deficiencies in the Debt Service Fund, no amount may be withdrawn from a Surplus Account established for a Series of Bonds prior to the applicable Initial Surplus Account Withdrawal Date specified in the Supplemental Indenture authorizing such Series of Bonds.

The Supplemental Indenture for the Offered Bonds provides that the Initial Surplus Account Withdrawal Date for the Offered Bonds shall be the first Bond Payment Date on which the sum of the outstanding principal balance of the Mortgage Loans to be financed with the proceeds of the Offered Bonds, plus the moneys and the market value of the Investment Securities (including accrued and unpaid interest thereon) held in the Offered Bond Program Account, the Offered Bond Revenue Account, the Offered Bond Debt Service Account, the Offered Bond Redemption Account, the Offered Bond Debt Service Reserve Account and the Offered Bond Surplus Account, equals or exceeds 102.0% of the sum of the principal amount of outstanding Offered Bonds plus accrued and unpaid interest thereon.

Redemption Fund

Moneys deposited in the Redemption Fund will be deposited in the Redemption Account established with respect to the related Series of Bonds. The moneys in any such Redemption Account will be used to purchase or redeem Bonds of the related Series.

Bonds of each Series shall be redeemed from each maturity thereof from unexpended proceeds of Bonds (if applicable) and Prepayments of Mortgage Loans transferred to the Redemption Fund from the Program Fund, to the extent practicable, in the proportion which the amount of Bonds of such Series then Outstanding of such maturity bears to the total Outstanding Bonds of such Series, provided that the Supplemental Indenture authorizing a Series of Bonds may provide otherwise as to that Series. The redemption selection methods for the Offered Bonds are set forth above under "DESCRIPTION OF THE OFFERED BONDS – Special Mandatory Redemption." Bonds of any Series and maturity may be redeemed by the deposit of moneys from other sources upon direction by the Commission to the Trustee and in the manner provided in the General Indenture.

Withdrawal From Funds To Prevent Defaults

If on any Bond Payment Date moneys in a Debt Service Account of the Debt Service Fund are less than the amount of the Debt Service Payment due on the related Series of Outstanding Bonds becoming due and payable on such Bond Payment Date, the Trustee shall transfer from the following Funds in the following order the amount of such deficit from any moneys available for the purpose of making such Debt Service Payment and not required for the purposes of such Funds:

- (1) first, from the related Debt Service Reserve Account of the Debt Service Reserve Fund;
- (2) second, from the related Mortgage Reserve Account (if any) of the Mortgage Reserve Fund;
- (3) third, from the related Capitalized Interest Account (if any), and then, from all Capitalized Interest Accounts, on a pro rata basis;
- (4) fourth, from the related Surplus Account of the Surplus Fund, and then, from all Surplus Accounts, on a pro rata basis;
- (5) fifth, from the related Principal Account of the Principal Fund, and then, from all Principal Accounts, on a pro rata basis; and

(6) sixth, from the related Redemption Account of the Redemption Fund and then, from all Redemption Accounts, on a pro rata basis (but only to the extent that moneys on deposit therein are not dedicated to the redemption of Bonds for which a notice of redemption has already be given).

If, after making any of the above-described transfers, the amount in the Debt Service Fund on any Bond Payment Date is less than the amount of the Debt Service Payment due on all Outstanding Bonds becoming due and payable on such Bond Payment Date, the Trustee shall transfer from the following Funds in the following order of priority the amount of such deficit:

(a) any cash or Investment Securities on deposit in all Debt Service Reserve Accounts of the Debt Service Reserve Fund, on a pro rata basis (provided, however, that no claim under a surety bond, insurance policy or letter of credit deposited to the credit of any Debt Service Reserve Account in the Debt Service Reserve Fund shall be made other than for the applicable Debt Service Reserve Account);

(b) any cash or Investment Securities on deposit in all Mortgage Revenue Accounts of the Mortgage Reserve Fund, on a pro rata basis (provided, however, that no claim under a surety bond, insurance policy or letter of credit deposited to the credit of any Mortgage Reserve Account in the Mortgage Reserve Fund shall be made other than for the applicable Mortgage Reserve Account);

(c) Any Fund designated by the Commission, other than the Program Fund or the Rebate Fund; and

(d) the Program Fund.

In the event a transfer is made to the Debt Service Fund from any of the above Funds (and any Account within such Funds) to the Debt Service Fund, there shall be deposited in such Funds (and any Account within such Funds from which the transfer was made) an amount equal to the amount so transferred from the next moneys deposited in the Revenue Fund.

Prepayments

Except as may be otherwise provided with respect to a particular Series of Bonds by a Supplemental Indenture (subject to the consent of the Bond Insurer, if any), and except as described in the next succeeding paragraph, all Prepayments shall be deposited in the applicable Principal Account of the Principal Fund. Such Prepayments shall be transferred to the related Redemption Account of the Redemption Fund, except that the portion of Prepayments representing an amount not divisible by Authorized Denominations for the applicable Series of Bonds shall be transferred by the Trustee to the related Revenue Account of the Revenue Fund and any penalty, fee, premium or other additional charge for the prepayment of principal which may be provided by the terms of a Mortgage Loan may be transferred by the Trustee to the Revenue Fund as directed by an Authorized Officer. The Offered Bonds shall be subject to redemption prior to maturity to the extent that the Trustee receives certain Prepayments on a Mortgage Loan refinanced by the Offered Bonds. See "DESCRIPTION OF THE OFFERED BONDS – Special Mandatory Redemption."

Prepayments received as a consequence of damage, destruction or condemnation of a Project may be used, at the option of the Commission, to repair or restore such Project, provided that the Commission shall have filed with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds and the advances for such repairs are insured or guaranteed by the insurer or guarantor, if any, of the Mortgage Loan with respect to the Project and

such insurance or guaranty is not otherwise adversely affected. The portions of Prepayments representing any penalty, fee, premium or additional charge may be transferred to the Revenue Fund by the Trustee upon a Commission Request.

Receipt of debentures issued by a government insurer upon default of the mortgagor shall not be deemed to be Prepayments of the Mortgage Loan and, upon receipt, such debentures shall be deposited in the Revenue Fund. However, if interest income is not sufficient to pay the debt service on the Bonds in addition to other expenses of the Project, the Trustee may sell the debentures at the best price or prices obtainable if necessary to pay principal and interest on the Bonds.

Investment of Funds

Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Securities which mature or may be redeemed at the option of the holder not later than the times when such moneys shall be needed for payments to be made from such Funds or Accounts. Investments are to be made by the Trustee in accordance with instructions received from the Commission. In lieu of making investments in Investment Securities, the Trustee shall, upon direction by the Commission, deposit moneys in any Fund or Account in interest-bearing time deposits or shall make other similar banking arrangements provided all moneys in such deposits or arrangements are continuously and fully secured by Investment Securities of the type specified in clause (a) or (b) of the definition of "Investment Securities" and with a market value at all times at least equal to the amount (including accrued but unpaid interest) of the deposit or other similar banking arrangement.

In computing the amount in any Fund or Account held by the Trustee under the provisions of the Indenture, other than the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the cost or face value thereof, whichever is lower, exclusive of accrued interest except that obligations maturing within one year shall be valued at face value without accrued interest. In computing the amount held in the Debt Service Reserve Fund, obligations shall be valued at market value.

The interest, income or increment to all Funds and Accounts due to the investment thereof shall be transferred to the Revenue Fund, except that no such transfer shall be made from the Debt Service Reserve Fund unless, after giving effect to the transfer, the amount therein at least equals the Debt Service Reserve Fund Requirement.

Payment of Bonds

The Commission covenants that it will duly and punctually pay or cause to be paid the principal or Redemption Price of every Bond, purchase price of any variable rate bonds and the interest on every Bond at the dates and places and in the manner mentioned in the Bonds and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Creation of Liens

The Commission shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Commission or by any Fiduciary under the General Indenture, except that the Commission may issue (a) evidences of indebtedness secured by a pledge of the Revenues to be derived after the pledge of the Revenues provided in the General Indenture has been discharged and satisfied or (b) notes or bonds of the Commission not secured under the General Indenture.

Covenants Relating to Mortgage Loans

The Commission has covenanted to Acquire Mortgage Loans only in accordance with provisions of the Act, the General Indenture, the applicable Supplemental Indenture and any applicable regulations of the Commission. The Commission shall at all times charge and collect Mortgage Repayments and other amounts with respect to Mortgage Loans which, together with any other Revenues estimated to be available therefor, are at least sufficient in each Bond Year for the payment of the sum of (a) the Aggregate Debt Service for such Bond Year; (b) Program Expenses during such Bond Year; and (c) the amount, if any, to be paid during such Bond Year from Revenues into the Debt Service Reserve Fund.

Except in the event of a default on a Mortgage Loan, the Commission has covenanted not to sell any Mortgage Loan unless the Commission provides the Trustee with (a) a Cash Flow Certificate (giving effect to such sale), (b) evidence that the Commission has notified each Rating Agency of the proposed sale of such Mortgage Loan and each such Rating Agency has confirmed in writing that such sale will not cause the rating on the Bonds to be lower than "AA" by S&P and that such sale will have no adverse effect on existing ratings of the other Outstanding Bonds (without giving effect to any bond insurance policies or other credit enhancement relating to such Bonds), (c) the sale proceeds are used to redeem the applicable portion of the related Series of Bonds, and (d) the proceeds of such sale, together with any moneys provided by the Commission, will be in an amount sufficient to pay the redemption price of the applicable portion of the Series of Bonds to be redeemed, plus accrued interest thereon to the redemption date.

The Commission has covenanted not to modify any Mortgage Loan or any Mortgage or any note or other obligation evidencing or securing any Mortgage Loan which will in any manner impair or materially adversely affect the rights or security of the Bondholders (without giving effect to any credit enhancement) provided, however, that, subject to consent of the Bond Insurer, if any, nothing in this paragraph shall be construed to prevent the Commission from (i) settling a default on any Mortgage Loan on such terms as the Commission shall determine to be in the best interests of the Commission and the Bondholders or (ii) cooperating with FHA or any other insurer or guarantor to effect the restructuring of Mortgage Loans on such terms as the Commission shall determine to be in the best interests of the Commission and the Bondholders; provided, however, that, with respect to such modification, the Commission shall have filed with the Trustee certificates satisfying the same requirements as the Certificates required to be filed as a condition precedent to the issuance of an additional series of Bonds. The Commission shall service, or cause to be serviced, each Mortgage Loan in accordance with prudent business practices and all applicable regulations of the insurer of such Mortgage Loan and shall neither take nor fail to take any action which would result in the loss, reduction or suspension of any Housing Subsidy Payments with respect to any Project, except under the limited circumstances described in the Indenture.

To the extent permitted by the insurer or guarantor, if any, of any Mortgage Loan, unless otherwise provided in the Supplemental Indenture authorizing the Mortgage Loan, the Commission shall require that any Prepayment of a Mortgage Loan shall be required to be at least sufficient to provide for the payment by the Commission of (i) the Redemption Price and accrued interest on the next redemption date of the Related Series of Bonds in a principal amount equal to the amount of such prepaid Mortgage Loan, (ii) a proportionate amount of Outstanding Bonds of the Related Series of Bonds issued to provide for capitalized interest and Costs of Issuance, and (iii) the costs and expenses of the Commission in effecting such redemption.

The Commission has covenanted to enforce diligently and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans and the preservation and protection of the rights and privileges of the Commission and the Bondholders thereunder.

Upon the happening of an event of default under a Mortgage Loan, the Commission shall take all reasonable steps to recover the proceeds of the insurance or guaranty, if any, on such Mortgage Loan. Whenever it shall be necessary or advisable in order to protect and enforce its rights under a Mortgage Loan, the Commission, with the consent of the insurer or guarantor, if any, of such Mortgage Loan, shall commence foreclosure proceedings and, in the protection and enforcement of its rights, shall bid for and, if necessary, purchase the Project securing such Mortgage Loan or, as an alternative to foreclosure proceedings, take such other action as may be appropriate or necessary to acquire the Project. For such period as the Commission shall be in possession of the Project securing such Mortgage Loan, the Commission shall operate and administer such Project in the manner required of the Approved Mortgagor.

Certain Other Covenants

Among other covenants made by the Commission are those related to the following matters:

Accounts and Reports. The Commission shall keep proper books of records and accounts relating to its transactions and the Funds and Accounts established by the General Indenture, which are subject at all times to the inspection of the Trustee and the holders of an aggregate of not less than 5% in principal amount of Outstanding Bonds or their representatives duly authorized in writing. The Commission shall annually, within 180 days after the close of each Fiscal Year, file with the Trustee a copy of an annual report accompanied by an Accountant's Certificate setting forth a statement of income, expenses and changes in fund balances for such year and a statement of cash flows for such year. A copy of each annual report will be mailed to each Bondholder (at the expense of such Bondholder) who has filed his name and address with the Commission for such purpose.

Personnel. The Commission has covenanted at all times to appoint, retain and employ competent and qualified personnel or contract for such personnel for the purpose of carrying out the Program.

Arbitrage Covenant. The Commission has covenanted not to use or permit the use of the proceeds of any Bonds that purport to be tax-exempt or any other moneys in its possession or control in any manner which would cause any such Bond to be an "arbitrage bond" within the meaning ascribed to the term in Section 103 of the Code or any successor section to the Code.

Defaults and Remedies

Each of the following events constitutes an "Event of Default":

(a) the Commission shall fail to pay any Principal Installment or the Redemption Price on any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) the Commission shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable;

(c) the Commission shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture or in the Bonds, and such failure shall continue for a period of 30 days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the holders of not less than 10% in principal amount of the Bonds Outstanding;
or

(d) the Commission shall file a petition seeking relief under the federal bankruptcy laws or under any other applicable law or statute of the United States or of the State.

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the holders of not less than 50% in aggregate principal amount of the Bonds Outstanding (or such greater amount as may be required by a supplemental indenture) shall, give 30 days' notice in writing to the Commission of its intention to declare all Bonds Outstanding due and payable immediately. After such 30-day period the Trustee may, and upon written request of such holders shall, by notice in writing to the Commission, declare all Bonds Outstanding immediately due and payable. If all Events of Default known to the Trustee shall have been remedied to the satisfaction of the Trustee prior to entry of final judgment or decree, and all amounts otherwise due for debt service and expenses have been paid or provided for, the Trustee may annul such declaration and its consequences.

Upon the occurrence and continuance of an Event of Default the Trustee may, and upon the written request of the holders of not less than 50% in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor shall, proceed to protect and enforce its rights and the rights of the Bondholders by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem most expedient, including but not limited to:

(a) enforcement of the right of Bondholders to collect and enforce the payment of principal and interest due or becoming due on Mortgage Loans and collect and enforce any rights with respect to the Mortgages and to require the Commission to carry out its duties under the terms of the General Indenture and the Act;

(b) suit upon all or any part of the Bonds;

(c) civil action to require the Commission to account as if it were the trustee of an express trust for the Holders of the Bonds;

(d) civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; and

(e) enforcement of any other right of Bondholders conferred by law or the General Indenture.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the holders of not less than 50% in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the General Indenture by any acts which may be unlawful or in violation of the General Indenture or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of the General Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the holders of Bonds not making such request.

It is further provided that no Bondholder shall have any right to institute any suit, action or proceeding in equity or at law unless such holder shall have given to the Trustee written notice of the Event of Default and unless the holders of not less than 50% in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee and shall have afforded the Trustee a reasonable opportunity to proceed to institute action and unless, also, there shall have been offered to the Trustee reasonable security and indemnity,

and the Trustee shall have failed or refused to comply with such request within 60 days of receipt of such request.

Application of Revenues and Other Moneys After Default

If an Event of Default occurs and is not remedied, the Commission, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee all moneys and securities then held by the Commission in any Fund or Account under the General Indenture and, as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the General Indenture.

During the continuance of an Event of Default, the Trustee will apply such moneys, securities, Revenues, payments and receipts and the income therefrom as follows and in the following order:

(a) to the payment of the reasonable and proper charges of the Trustee, provided that, in the case of an Event of Default of the type listed in (d) under "Defaults and Remedies" above, (i) the amount of such charges paid from the Revenues and other moneys and securities pledged under the General Indenture shall not exceed the Trustee fees specified in the most recent certificate of the type required to be filed as a condition precedent to the issuance of an additional Series of Bonds plus any Revenues in excess of those necessary to make Debt Service Payments on all Outstanding Bonds, and (ii) any amounts held in the Rebate Fund shall be applied to comply with federal tax law;

(b) to the payment of the interest and Principal Installments or Redemption Price then due on the Bonds, subject to the provisions of the General Indenture, as follows:

(i) unless the principal of all the Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due in the order of maturity of such installments, and, if the amount available is not sufficient to pay in full any installments maturing on the same dates, then to the payments thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the persons entitled thereto of the unpaid Principal Installments or Redemption Price of any Bonds which have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available are not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

THIRD: to the payment of all amounts due and payable to the Bond Insurer, if any;

(ii) if the principal of all the Bonds has become or been declared due and payable, first, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any

other Bond, ratably to the persons entitled thereto, without any discrimination or preference and second, to the payment of all amounts due and payable to the Bond Insurer, if any; and

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

Majority Bondholders Control Proceedings

If an Event of Default shall have occurred and be continuing, the holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct the method of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the General Indenture or for the appointment of a receiver or any other proceedings under the General Indenture, provided that such direction is in accordance with law and the provisions of the General Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction, and provided further that nothing in the General Indenture impairs the right of the Trustee in its discretion to take any other action under the General Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

Responsibilities of Fiduciaries

No Fiduciary assumes any responsibility for the correctness of the recitals of fact in the General Indenture and in the Bonds, and no Fiduciary makes any representation as to or incurs any responsibility in respect of the validity or sufficiency of the General Indenture or of Bonds or in respect of the security afforded by the General Indenture. No Fiduciary will be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof or to advance any of its own moneys, unless properly indemnified. Subject to certain provisions of the General Indenture, no Fiduciary will be liable in connection with the performance of its duties under the General Indenture except for its own negligence or willful misconduct.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the General Indenture. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by the General Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate trust officer would exercise or use under the circumstances.

Compensation of Fiduciaries

The Commission shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the General Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the General Indenture, and each Fiduciary shall have a lien therefor on any and all funds at any time held by it under the General Indenture. Subject to the provisions of the General Indenture, the Commission will indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the General Indenture and which are not due to its negligence or willful misconduct.

Removal of Trustee

The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Bond Insurer, if any, or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Commission, or (ii) by the Commission at any time except during the continuance of an Event of Default with or without cause as determined in the sole discretion of the Commission by filing with the Trustee a notice of removal. In no event shall any such removal take effect until a successor Trustee has been appointed and has taken office in accordance with the Indenture.

Modifications of General Indenture

There are provided procedures whereby the Commission may amend the General Indenture or a Supplemental Indenture by adoption of a Supplemental Indenture. Amendments that may be made without consent of Bondholders but with the consent of the Bond Insurer, if any, must be for such purposes as providing for the issuance of a Series of Bonds, further securing the Bonds, imposing further limitations on or surrendering rights of the Commission, curing ambiguities, changing a Supplemental Indenture authorizing the issuance of any variable rate bonds which change will become effective only on a date when such variable rate bonds are subject to mandatory tender, substituting Projects to be financed from Bond proceeds or making such other modifications in the General Indenture that are not materially adverse, in the discretion of the Trustee, to the interests of the Bondholders.

Amendments of the respective rights and obligations of the Commission and the Bondholders may be made with the written consent of the holders of not less than two-thirds in principal amount of the Bonds Outstanding to which the amendment applies, but no such amendment shall permit a change in the terms of redemption or maturity of the principal of any Bond Outstanding or of any installment of interest thereon or tender price of any variable rate Bond or a reduction in the principal amount or Redemption Price therefor or the rate of interest thereon without the consent of the Bondholders of all such Bonds or reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect such amendment.

Amendments may be made in any respect with the written consent of the holders of all the Bonds and the consent of the Bond Insurer, if any, then Outstanding.

Discharge of Indenture in Entirety

If the Commission shall pay or cause to be paid, or there is otherwise paid, to the holders of all Bonds the principal or Redemption Price, if applicable, and interest due at the times and in the manner stipulated therein and in the General Indenture, then, unless there shall be an Officer's Certificate delivered to the Trustee to the contrary, the pledge of any Revenues and other moneys and securities pledged under the General Indenture and all covenants, agreements and other obligations of the Commission to the Bondholders shall thereupon cease, terminate and be discharged and satisfied; provided, however, that such discharge and satisfaction shall not be deemed effective for 90 days or such shorter period as will not, in the opinion of counsel experienced in bankruptcy matters, subject such amounts to being treated as "preferential payments" under applicable federal bankruptcy laws.

Discharge of Indenture as to a Series of Bonds

If the Commission shall pay or cause to be paid, or there shall otherwise be paid to the holders of all Outstanding Bonds of a particular Series the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the General Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the General Indenture, and all covenants, agreements and obligations of the Commission to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied; provided, however, that such discharge and satisfaction shall not be deemed effective for 90 days or such shorter period as will not, in the opinion of counsel experienced in bankruptcy matters, subject such amounts to being treated as "preferential payments" under applicable federal bankruptcy laws.

Defeasance

All Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the General Indenture if, among other things, there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, which deposit shall be accompanied by a verification report of an Accountant with respect to the sufficiency of such deposit.

Subordination of Documents

Notwithstanding anything in the Supplemental Indenture to the contrary, the provisions thereof are subordinate to all applicable HUD mortgage insurance regulations and related administrative requirements. In the event of any conflict between the provisions of such documents and the provisions of any applicable FHA Regulations, related HUD administrative requirements, or the Mortgage Loan Documents, the applicable regulations, related administrative requirements or the Mortgage Loan Documents shall control.

RATING OF THE OFFERED BONDS

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") is expected to assign the Offered Bonds a rating of "AA" and to simultaneously reaffirm the rating of "AA" on the existing Bonds issued under the Indenture. An explanation of the significance of such ratings may be obtained only from S&P. The Commission has furnished to S&P information and materials relating to the Offered Bonds and itself, certain of which information and materials have not been included in this Official Statement. Generally, S&P bases its ratings on such information and materials and on investigations, studies and assumptions by S&P. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision, suspension or withdrawal of the ratings may have an adverse effect on the market price of the Offered Bonds.

TAX MATTERS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, OWNERS OF THE OFFERED BONDS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE OFFERED BONDS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY OWNERS OF THE OFFERED BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THOSE OWNERS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE OFFERED BONDS WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE OFFERED BONDS; AND (C) OWNERS OF THE OFFERED BONDS SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR CIRCUMSTANCES.

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Offered Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Offered Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Offered Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Offered Bonds.

Tax Status of the Offered Bonds – Federal and State of Missouri

No Federal Tax Exemption. The interest on the Offered Bonds is *included* in gross income for federal income tax purposes, in accordance with the owner's normal method of accounting.

Missouri Tax Exemption. In the opinion of each of Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel, which opinions shall be delivered on the date of issuance of the Offered Bonds, under the law existing as of the issue date of the Bonds, the interest on the Offered Bonds is exempt from income taxation by the State of Missouri.

No Other Opinions. Neither Co-Bond Counsel is expressing any opinion regarding federal, state or local tax consequences arising with respect to the Offered Bonds, except as expressly provided herein. Purchasers of the Offered Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Offered Bonds, including the possible application of state, local, foreign and other tax laws.

Form of Co-Bond Counsel Opinion. The form of each Co-Bond Counsel opinion is attached hereto as **Appendix E**.

Other Tax Consequences

Sale, Exchange or Retirement of Offered Bonds. Upon the sale, exchange or retirement (including redemption) of an Offered Bond, an owner of the Offered Bond generally will recognize gain or loss in an

amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Offered Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Offered Bond. To the extent an Offered Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Offered Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Offered Bonds, and to the proceeds paid on the sale of the Offered Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Other Tax Consequences. Prospective purchasers of the Offered Bonds should be aware that ownership and disposition of the Offered Bonds may result in other tax consequences to certain taxpayers. Such tax consequences are not described in this Official Statement, and Bond Counsel expresses no opinion regarding such tax consequences. Purchasers of Offered Bonds should consult their tax advisors as to the applicability of any other tax consequences relating to the purchase, ownership and disposition of the Offered Bonds, including the possible application of state, local, foreign and other applicable tax laws.

NO LITIGATION

At the time of delivery of and payment for the Offered Bonds, the Commission will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public commission or body, pending or, to the best knowledge of the Commission, threatened against the Commission affecting the existence of the Commission or the title of its members or officers to their respective offices or their respective powers with respect to the Offered Bonds, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Offered Bonds or the collection of revenues or assets of the Commission pledged or to be pledged to pay the principal of and interest on the Bonds, or contesting in any way the completeness or accuracy of the Official Statement or any amendment or supplement thereto, or contesting the material powers of the Commission or any authority for the issuance of the Offered Bonds or the execution of the Indenture; nor, to the best knowledge of the Commission, is there any basis thereof, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Indenture.

In the opinion of the Commission's general counsel, there is no litigation pending which would materially adversely affect the financial position of the Commission or the Commission's ability to meet the debt service requirements of the Offered Bonds or the Bonds.

CERTAIN LEGAL MATTERS

All legal matters relating to the authorization, issuance and delivery of the Offered Bonds are subject to the approval of Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel. The opinion of Co-Bond Counsel with respect to the Offered Bonds will be in substantially the form attached as **Appendix E**.

Certain legal matters will be passed upon by Greenberg Traurig, LLP, Washington, D.C., Counsel to the Underwriters.

SALE OF OFFERED BONDS

All of the Offered Bonds will be purchased from the Commission by Stifel, Nicolaus & Company, Incorporated, George K. Baum & Company, Edward D. Jones & Co., L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Keegan & Company, Inc., Stern Brothers & Co., RBC Capital Markets, LLC and UMB Bank, N.A. (collectively, the "Underwriters") under a Bond Purchase Contract between the Commission and the Underwriters (the "Purchase Contract"), pursuant to which the Underwriters agree, subject to certain conditions, to purchase all of the Offered Bonds at prices equal to the offering prices set forth on the inside cover page hereof. The Underwriters will receive underwriting fees and expenses in the amount of \$313,017.98 with respect to the Offered Bonds.

The initial public offering prices of the Offered Bonds stated on the cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers (including dealers depositing such Offered Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

On April 2, 2012, Raymond James Financial, Inc. ("RJF"), the parent company of Raymond James & Associates, Inc. ("Raymond James"), acquired all of the stock of Morgan Keegan & Company, Inc. ("Morgan Keegan"), one of the Underwriters of the Offered Bonds, from Regions Financial Corporation. Morgan Keegan and Raymond James are each registered broker-dealers. Both Morgan Keegan and Raymond James are wholly owned subsidiaries of RJF and, as such, are affiliated broker-dealer companies under the common control of RJF, utilizing the trade name "Raymond James | Morgan Keegan" that appears on the cover of this Official Statement. It is anticipated that the businesses of Raymond James and Morgan Keegan will be combined. Morgan Keegan has entered into a distribution arrangement with Raymond James for the distribution of the Offered Bonds at the original issue prices. Such arrangement generally provides that Morgan Keegan will share a portion of its underwriting compensation or selling concession with Raymond James.

CONTINUING DISCLOSURE

The Commission will enter into an agreement (the "Disclosure Agreement") for the benefit of the holders of the Offered Bonds, to cause certain financial information and operating data relating to the Program (primarily any changes to the information of the type included in **Appendix C** hereto) to be sent to the municipal securities information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, Section 240.15c2-12). A copy of the proposed form of Disclosure Agreement relating to the Offered Bonds may be obtained from the Commission. The Commission has not failed to comply with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

ADDITIONAL INFORMATION

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the Offered Bonds.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Commission. Concurrently with the delivery of the Offered Bonds, the Commission will furnish a certificate executed on behalf of the Commission by its Chairman, Vice Chairman, Executive Director or Director of Finance to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the Offered Bonds, does not contain any untrue statement of a

material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

MISSOURI HOUSING DEVELOPMENT
COMMISSION

By: /s/ Marilyn Lappin
Marilyn Lappin, Director of Finance

APPENDIX A

CERTAIN DEFINITIONS

"*Acquire*" or "*Acquired*," when used with respect to a Mortgage Loan, means the acquisition by the commission of a Mortgage Loan either by the payment of Notes, the refunding of bonds or other obligations previously issued by the Commission, or the purchase of making of such Mortgage Loan.

"*Acquired Project*" means a Project to which the Commission has acquired title or of which it has taken possession through enforcement of its rights conferred by law, by a Mortgage or otherwise.

"*Aggregate Debt Service*" means, for any period, the Debt Service Payments becoming due and payable on all Bonds on all Bond Payment Dates during such period.

"*Approved Mortgagor*" means an "approved mortgagor" as such term is defined in the Act, which is the mortgagor on a Mortgage Loan the Commission has Acquired or reasonably expects to Acquire, and any successor in title or assigns.

"*Authorized Denominations*" means \$5,000 or any integral multiple thereof.

"*Authorized Officer*" means the Chairman, Vice Chairman or Executive Director of the Commission and any other officer designated from time to time as an Authorized Officer by resolution of the Commission, and when used with reference to any particular act or document also means any other person authorized by the Commission to perform an act or sign a document.

"*Bond*" or "*Bonds*" means any of the bonds of the Commission authorized by the General Indenture and issued pursuant to a Supplemental Indenture.

"*Bondholder*" or "*Holder*" or "*Owner*" or similar term, when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

"*Bond Insurer*" means the Bond Insurer(s) specified in a Supplemental Indenture with respect to a Series of Bonds. There is no Bond Insurer with respect to the Offered Bonds.

"*Bond Payment Date*" or "*Bond Payment Dates*" means the date or dates specified for a Series of Bonds in the Supplemental Indenture authorizing the same. With respect to the Offered Bonds, the "*Bond Payment Dates*" are each January 1 and July 1, commencing January 1, 2013, and the respective maturity dates thereof.

"*Bond Year*" means the 12-month period specified in the Supplemental Indenture.

"*Borrower*" means the Approved Mortgagor obligated to make payments under a Mortgage Loan. With respect to the Mortgage Loan refinanced by the Offered Bonds, "*Borrower*" means the Borrower specified in Appendix C attached hereto, and its successors and assigns.

"*Business Day*" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in New York, New York or the city in which the principal corporate trust office or payment office of the Trustee is located, are authorized or obligated by law or executive order to be closed for business.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations of the Treasury Department thereunder, and/or the Internal Revenue Code of 1954, as amended, and the Regulations of the Treasury Department thereunder, whichever is applicable.

"Commission Request" means a written request of the Commission signed by an Authorized Officer.

"Completed" or "Completion," when used with respect to a Project, means that (a) if the Related Mortgage Loan is insured or guaranteed by a third party, the third-party insurer or guarantor has finally endorsed the Related Mortgage Loan or has taken substantially similar action and (b) in all other cases, the Commission has certified (i) the final Project Cost for such Project and (ii) that the moneys available in the Program Fund for such Project are sufficient to meet any unpaid Project Costs so certified.

"Costs of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Commission and related to the authorization, sale and issuance of Bonds, which items of expense shall include but not be limited to bond insurance premiums, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee and Paying Agents, compensation of investment bankers, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding and other costs, charges and fees in connection with the foregoing.

"Debt Service Payment," when used with respect to any Bond Payment Date, means the aggregate of the (i) interest and (ii) Principal Installments, if any, payable on such date.

"Debt Service Reserve Fund Bonds" means the Bonds of a Series, if any, issued for the purpose of providing moneys for deposit in the Debt Service Reserve Fund and so designated in the Supplemental Indenture.

"Defaulted Mortgage Loan" means a Mortgage Loan on which payments of principal and interest are 30 days or more in arrears.

"Fannie Mae" means Fannie Mae and any successor thereto.

"FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development and any successor thereto.

"FHLMC" means the Federal Home Loan Mortgage Corporation and any successor thereto.

"Fiduciary" or "Fiduciaries" means the Trustee, the Paying Agents, the Depositories or any or all of them, as may be appropriate.

"Fiscal Year" means a period beginning on July 1 in any year and ending on June 30 of the following year or such other 12-month period adopted by the Commission as may be required to comply with applicable laws or regulations.

"GNMA" means the Government National Mortgage Association and any successor thereto.

"Government" means the United States of America and any agency or instrumentality thereof.

"Government Obligations" means Investment Securities (a) which are described in clause (a) of the definition of Investment Securities below and (b) which are not subject to redemption by the issuer thereof prior to their maturity.

"*Housing Subsidy Payments*" means (a) the moneys, if any, received from time to time by the Commission from the Government with respect to (i) rental payments on, or the purchase price of, residential housing units in Projects or (ii) interest payments on Mortgage Loans and (b) any other subsidy payments with respect to the Projects or the Mortgage Loans, provided the same may be used, in accordance with the statutes and regulations pursuant to which such moneys are paid, to make Debt Service Payments.

"*Interest Period*" means the period from a Bond Payment Date to, but not including, the next succeeding Bond Payment Date.

"*Investment Securities*" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Commission's moneys:

1. Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, or (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

2. Evidences of ownership of proportionate interests in future interest and principal payments on obligations described in clause 1 above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

3. Federal Housing Administration debentures.

4. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation ("FHLMC") participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts and senior debt obligations);

(b) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(c) Federal Home Loan Banks ("FHL Banks") Consolidated debt obligations;

(d) Federal National Mortgage Association ("FNMA") senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(e) Student Loan Marketing Association ("SLMA") senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(f) Financing Corporation ("FICO") debt obligations; and

(g) Resolution Funding Corporation ("REFCORP") debt obligations.

5. Unsecured certificates of deposit, time deposits and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

6. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation ("FDIC"), in banks which have capital and surplus of at least \$5 million.

7. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

8. Money market funds rate of "AAm" or "AAm-G" by S&P, or better.

9. "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated no less than "Aa3" by Moody's and "AA" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

10. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

11. Repurchase Agreements with (a) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "AA" by S&P and "Aa" by Moody's; or (b) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA" by S&P and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity rated "AA" or better by S&P and "Aa" or better by Moody's and acceptable to the Bond Insurer, if any, provided that:

(i) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "AA" and "Aa" rating, respectively, in an "AA" rated structured financing (with a market value approach);

(ii) the Trustee or a third party acting solely as agent therefor or for the Commission (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(iii) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(iv) all other requirements of S&P in respect of repurchase agreements shall be met; and

(v) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "AA" by S&P or "Aa3" by Moody's, as appropriate, the provider must, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Commission or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are 103% or better and the provider is rated at least "AA" by S&P and "Aa" by Moody's, respectively.

12. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims-paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's, provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Program Fund, construction draws, if applicable) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Commission and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Commission or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Commission and the Bond Insurer, if any) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Bond Insurer, if any;

(e) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Commission, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" -rated structured financing (with a market value approach); or (B) subject to the prior written consent of the Bond Insurer, if any, repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Commission or Trustee;

(f) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(g) the investment agreement must provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), be accelerated, and amounts invested and accrued but unpaid interest thereon shall be repaid to the Commission or Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated, and amounts invested and accrued but unpaid interest thereon shall be repaid to the Commission or Trustee, as appropriate.

13. Any other investment approved in writing by the applicable Bond Insurer.

In determining whether a particular investment would adversely affect the ratings on the Outstanding Bonds (without giving effect to any policies or other credit enhancement), the Commission may rely upon the most recent credit publications of the applicable Rating Agency, or written or oral determinations thereof, provided that if oral the Commission shall maintain a written summarization of the results of such oral communication.

"*Lender*" means a bank, savings and loan, mortgage banker or other financial institution holding Bond proceeds and/or Revenues pursuant to a servicing agreement or similar agreement with the Commission.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency approved by the Bond Insurer, if any, and designated by the Commission with notice to the Trustee.

"*Mortgage*" means an instrument evidencing a mortgage lien on a Project, subject to such title exceptions as shall be acceptable to (i) the Commission and (ii) the insurer of such Mortgage, if applicable.

"*Mortgage Loan*" means an interest-bearing obligation evidencing a loan which is made to an Approved Mortgagor to finance a Project secured by a Mortgage on the Project and acquired by the Commission and which is (i) fully and unconditionally insured or guaranteed as to timely payment by GNMA, FHLMC or Fannie Mae or insured by FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3), or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7), or (ii) fully and unconditionally guaranteed as to timely payment by the Commission, which mortgage insurance guaranty shall be a general obligation of the Commission secured by a pledge of its full faith and credit; provided, however, that if FHA reduces the amount of FHA insurance coverage with respect to a Mortgage Loan, such uninsured portion shall be fully and unconditionally insured or otherwise guaranteed as to timely payment by the general obligation of the Commission, secured by a pledge of its full faith and credit.

"*Mortgage Repayment*" means the amounts paid on a Mortgage Loan from time to time as principal thereof and interest thereon by or on behalf of an Approved Mortgagor to or for the account of the Commission.

"Notes" means any notes or other obligations other than Bonds issued by the Commission to finance a Project.

"Outstanding," when used with respect to Bonds, means, as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

- (a) any Bond cancelled or delivered to the Trustee for cancellation on or before such date;
- (b) any Bond (or any portion of any Bond) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption moneys and/or Government Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Government Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond (or any portion of any Bond) to be redeemed prior to maturity notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Trustee;
- (c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture;
- (d) variable rate Bonds not delivered to the Trustee although deemed tendered; and
- (e) Bonds deemed to have been paid as provided in the Indenture.

"Overrun" means a Project Cost which exceeds the Commission's estimate therefor and which has been approved by the Commission.

"Prepayment" means any moneys received or recovered by the Commission from any payment of or with respect to principal of a Mortgage Loan (including any penalty, fee, premium or other additional charge for prepayment which may be provided by the terms of the Mortgage Loan) prior to the scheduled payments of principal called for by such Mortgage Loan (including any increase in the monthly amortization of principal of the Mortgage Loan as a result of a prepayment, even though the total monthly payment of principal and interest on the Mortgage Loan remains the same), whether (a) by voluntary prepayment made by the Approved Mortgagor, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Commission or (d) by any proceedings taken by the Commission in the event of a default thereon by the Approved Mortgagor, including, without limitation, money (but not debentures) received pursuant to the provisions of the Indenture relating to Defaulted Mortgage Loans.

"Principal Installment" means, as of any date of calculation, (a) the principal amount of all Bonds due on a certain date with respect to which no Sinking Fund Installments have been provided plus (b) the unsatisfied balance of any Sinking Fund Installments due on such date.

"Program Expenses" means all the fees relating to the Program and a Series of Bonds under the Indenture without limiting the generality of the foregoing: premiums paid to any Bond Insurer; premiums payable to any Liquidity Provider; the fees and expenses of any Remarketing Agent, Trustee, Tender Agent or any Depositaries and Paying Agents; the fees and expenses with respect to any surety provided for the Debt Service Reserve Fund or the Mortgage Reserve Fund; the fees and expenses of the Commission, including, but not limited to, the Program Administration Fee of the Commission and any fees and expenses of the

Commission acting in its capacity as servicer; and any other expenses required or permitted to be paid by the Commission under the provisions of the Indenture. The Program Expenses with respect to a particular Series of Bonds shall be specified in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

"*Project*" means a "development" or "residential housing" defined in the Act for occupancy by low income and moderate income persons and families on a rental basis. With respect to a Mortgage Loan refinanced by the Offered Bonds, "*Project*" means the related Project specified in Appendix C attached hereto.

"*Project Cost*" means, as of any date of calculation, the aggregate amount of construction or other costs then authorized by the Commission and the insurer or guarantor, if any, of the Related Mortgage Loan to be incurred with respect to the Project.

"*Rating Agency*" means S&P and each national bond rating agency which (a) was requested by the Commission to issue a rating with respect to the Bonds and (b) has issued and has outstanding a rating with respect to the Outstanding Bonds.

"*Record Date*" means the fifteenth calendar day, whether or not a Business Day, preceding such Bond Payment Date, unless the same shall be modified for a particular Series of Bonds in the Supplemental Indenture authorizing the issuance thereof.

"*Redemption Price*," when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture and the applicable Supplemental Indenture.

"*Refunded Bonds*" means the Commission's outstanding (i) Multifamily Housing Revenue Bonds, 2000 Series 1, (ii) Multifamily Housing Revenue Bonds, 2001 Series 1A, (iii) Multifamily Housing Revenue Bonds, 2001 Series 2A, (iv) Multifamily Housing Revenue Bonds, 2002 Series 1 (Bevo-Bavarian Project), (v) Multifamily Housing Revenue Bonds, 2002 Series 2 (Columbia Square Townhomes Project), and (vi) Multifamily Housing Revenue Bonds, 2002 Series 4 (Hawthorne Place Apartments Project).

"*Related Mortgage Loan*," when used with respect to any Project, means the Mortgage Loan made to finance such Project.

"*Related Series of Bonds*," when used with respect to a Project or a Mortgage Loan, means the Series of Bonds or, if appropriate, the several Series of Bonds the proceeds of which were used, or are to be used, to finance such Project or to acquire such Mortgage Loan.

"*Revenues*" means all income and receipts of whatever kind (other than Escrow Payments and earnings on the Rebate Fund) received by the Commission from or with respect to Mortgage Loans or Projects, including, without limitation, Mortgage Repayments whether paid by or on behalf of the Mortgagor (unless, with the consent of the Bond Insurer, if any, otherwise provided in the Supplemental Indenture authorizing the financing thereof or pledging the same), commitment fees or other charges paid to the Commission by or on behalf of Approved Mortgagors or Lenders, Prepayments and Acquired Project Income.

"*Servicer*" means the Commission or, subject to the consent of the Bond Insurer, if any, any Lender or other corporation, firm or organization designated by the Commission which shall have executed a servicing agreement with the Commission.

"*Sinking Fund Installment*," when used with respect to any Series of Bonds, means the amount so designated for any particular due date in the Supplemental Indenture.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency approved by the Bond Insurer, if any, and designated by the Commission with notice to the Trustee.

"*Trustee*" means UMB Bank & Trust, N.A. (formerly known as State Street Bank and Trust Company of Missouri, N.A.), and any successor thereto.

APPENDIX B

SUMMARY OF FHA MORTGAGE INSURANCE PROGRAMS

The following is a brief description of certain multifamily mortgage insurance programs administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended, and Sections 221(d)(3), 221(d)(4) and 223(a)(7) of the National Housing Act, as amended, and the regulations thereunder. The information is qualified in its entirety by reference to the Housing and Community Development Act of 1992, as amended (the "1992 Housing Act"), and to the National Housing Act and the regulations thereunder.

FHA Risk-Sharing Program

Section 542(c) (the "Risk Sharing Act") of the 1992 Housing Act authorizes HUD, acting through FHA, to enter into risk-sharing agreements with qualified state or local housing finance agencies ("HFAs") to enable those HFAs to underwrite and process loans for which HUD, acting through FHA, will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the "Regulations") pursuant to the 1992 Housing Act. The Risk-Sharing Program established by the Risk Sharing Act allows HFAs to carry out certain HUD functions, including the assumption of underwriting, loan management and property disposition functions and responsibility for defaulted loans, including reimbursement of HUD for a portion of the loss from any defaults that occur while the HUD contract of mortgage insurance is in effect.

Projects eligible to be insured under the Risk-Sharing Program include new construction projects, substantial rehabilitation projects, acquisition of existing projects with substantial rehabilitation, projects receiving Section 8 of the United States Housing Act of 1937 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program.

The Commission has been designated by HUD as a "qualified HFA" under the 1992 Housing Act. The Commission has entered into a risk-sharing agreement with HUD dated as of April 26, 1994, as amended (the "Risk-Sharing Agreement") which sets out the terms for the Commission's participation in the Risk-Sharing Program. The Commission has a "Level I" approval, which means it may re-insure HUD for up to 50% of any losses on the mortgage loans (based on certain loan-to-value criteria); HUD has approved the Commission's underwriting standards and loan terms and conditions for Level I loans. Projects financed by Mortgage Loans insured under the Risk-Sharing Program must contain five or more units. To date, the Commission has assumed 50% of the risk of loss on mortgage loans. As such, upon payment of a claim by HUD, MHDC will reimburse HUD 50% of the insurance benefits paid by HUD. The Risk Sharing Act as presently enacted requires that the Commission use proceeds of insurance under the Risk Sharing Act to redeem Bonds of the related Series. However, in the event of a loan default, the Commission is obligated to share with HUD in any loss arising as a consequence of the loan default.

Under the Risk Sharing Act and related regulations, unless the general obligations of the Commission are rated "A" or better, the Commission is required to establish and maintain a specially designated interest-bearing account consisting entirely of liquid assets in a financial institution acceptable to HUD that may be drawn upon only by HUD to satisfy any of the Commission's obligations to HUD. Because the Commission has received a rating of "AA+" on its general obligation debts, HUD does not require that the Commission maintain such account.

FHA Insurance Risk Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (a) the corresponding mortgage is paid in full; (b) the Commission acquires mortgaged property and notifies FHA that it will not file an insurance claim; (c) a party other than the Commission acquires the property at a foreclosure sale; (d) the Commission notifies FHA of a voluntary termination of mortgage insurance; (e) the Commission or its successors commit fraud or make a material misrepresentation to FHA with respect to certain information; (f) the receipt by FHA of an application for final claims settlement by the Commission; or (g) the Commission acquires the mortgage property and fails to make an initial claim.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification and lead-based paint and asbestos requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD will monitor the HFA's compliance with requirements concerning subsidy layering, the Davis-Bacon Act, environmental laws, and other program criteria. Certain HUD requirements may only be applicable when construction advances are insured.

If FHA insures construction advances under the mortgage note, at the initial closing (that is, upon commencement of construction and the first advance), a closing docket, including certifications required by the Regulations, are submitted to FHA and FHA then issues its initial endorsement of the mortgage note for insurance of advances.

Upon completion of construction, presentation of a closing docket, including an executed regulatory agreement between the HFA and the mortgagor and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by the Commission. Although the Commission has been given authority to approve cost certifications by a mortgagor, which certifications are final and incontestable absent fraud or misrepresentation by the mortgagor, such certifications are contestable by HUD in the event of fraud or misrepresentation, up to and during final endorsement of the applicable mortgage.

The Regulations define an event of default under an FHA-insured mortgage as (a) a failure to make any payment due under the mortgage or (b) a failure to perform any other mortgage covenant (which includes covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30-day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or the Commission has filed an application for an initial claim payment. Unless a written extension is granted by HUD, the Commission must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of the Commission, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where the Commission certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days but not to exceed 360 days from the date of default.

The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment. The mortgage note interest component of the initial claim amount is subject to curtailment as described below.

HUD must make all claim payments in cash. The initial claim payment to the Commission is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessments under the Regulations. The Commission must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms for the mortgages within 30 days of the initial claim payment. Any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement. Within 30 days of the initial claim payment, the Commission must also issue to HUD a debenture, payable in five years unless extended, in an amount equal to the amount of the initial claim payment, representing the Commission's obligation to HUD under its Risk Sharing Agreement.

In determining the mortgage note interest component of the initial claim amount, if the Commission fails to meet any of the requirements of the Regulations within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late. Losses sustained as a consequence of the sole negligence of the Commission will be the sole obligation of the Commission, notwithstanding the risk apportionment otherwise agreed to by HUD and the Commission.

When FHA pays a claim, the Risk Sharing Agreement provides that the Commission will issue a debenture (each, a "Debenture") to HUD for the full amount of the claim, which shall be supported by the full faith and credit of the Commission. Each Debenture will have a term of five years and will bear interest at HUD's published debenture rate, and interest will be payable annually. The Risk Sharing Act contemplates that during the five-year term of each Debenture, the Commission would work toward curing the default, foreclosure or resale of the related development. Upon the due date of each Debenture, the total loss to be shared by the Commission and HUD shall be computed pursuant to the Risk Sharing Agreement.

The Regulations provide that not later than 30 days after either (a) foreclosure sale or sale after acceptance of a deed in lieu of foreclosure or (b) expiration of the term of the HFA debenture, loss on the mortgaged property is determined and allocated between HUD and the HFA in accordance with their respective percentages of risk specified in the mortgage note and risk-sharing agreement.

Information on project management and servicing will be required after endorsement. Additionally, the HFA must submit semiannual reports and annual financial statements and must maintain its eligibility by continued compliance with the risk-sharing agreement, the regulatory agreement and all the requirements for initial program eligibility.

FHA Insurance Programs

Section 221(d)(3) applies to public, limited dividend and private nonprofit mortgagors. Section 221(d)(4) applies to all other mortgagors approved by HUD, including profit-motivated entities. Mortgage loans insured under Sections 221(d)(3) and 221(d)(4) may bear interest at a rate not exceeding the applicable FHA rate per annum and, in general, be in the maximum amount of the lesser of (a) an amount based on a "cost per unit" formula set forth in the federal regulations relating to such sections or (b) 90% of the estimated replacement cost of the development for profit-motivated entities, including limited dividend entities, or 100% of the estimated replacement cost for public and nonprofit entities.

FHA supervises the rents and charges made by mortgagors as well as the maintenance of the development and a reserve for replacement fund by the mortgagors. After initial approval, any change in such rents and charges must be approved by FHA. In addition, mortgagors under Section 221(d)(4) are supervised as to capital structure and rate of return on their equity in developments.

Pursuant to federal regulations, mortgagors must certify to FHA that they will not (a) discriminate against applicants because of race, color, religion or national origin, (b) discriminate against tenants or

applicants because of children in the family or (c) sell the development, unless the purchaser thereof so certifies. Preference for occupancy is required to be given to persons displaced by governmental action or catastrophe in Section 221(d) developments.

Pursuant to Sections 221(d)(3) and 221(d)(4), the real property on which a development is constructed must be either (a) owned by the mortgagor in fee simple or (b) leased by the mortgagor pursuant to a 99-year renewable lease, a lease having a remaining term of not less than 75 years or a lease from a governmental body with a remaining term of not less than 50 years. The mortgage on such development is required to proscribe the creation of senior or junior liens on such real property, except for junior liens granted in connection with the guaranty of operating loan losses or supplementary loans for the development.

Developments insured under Sections 221(d)(3) and 221(d)(4) must contain more than four dwelling units and comply with all state and local zoning, building and other governmental laws, ordinances and regulations. Upon completion of construction, development costs must be certified by the mortgagor to FHA. Profit-motivated mortgagors are required to agree to reduce the balance of any mortgage loan if FHA determines upon certification that the amount of such mortgage loan, where insured under Section 221(d)(4), exceeds 90% of allowable development cost or, where insured under Section 221(d)(3), exceeds 100% of allowable development cost.

Upon a default on a mortgage loan insured pursuant to Sections 221(d)(3) and 221(d)(4), current regulations provide for settlement of insurance benefits in cash unless the mortgagee requests payment in debentures. Pursuant to the Indenture, the Commission has covenanted not to request payment in debentures.

Under the terms of either the Sections 221(d)(3) and 221(d)(4) insurance programs, a mortgagee is entitled to claim insurance benefits upon the failure of the mortgagor to make a mortgage loan payment (or to perform any other obligation under the mortgage if, because of such failure, the mortgagee accelerates the debt), if such default continues for 30 days. To perfect its claim for payment, the mortgagee is required either to assign the mortgage loan and mortgage to HUD, acting through the FHA Commissioner, or to tender to it good and marketable title to the property covered by the insured mortgage loan.

The insurance benefits paid by FHA in cash under Sections 221(d)(3) and 221(d)(4) will be an amount equal to the aggregate of (a) the unpaid principal amount of the mortgage loan, (b) the amount of all payments made by the mortgagee (i) for taxes, special assessments and water rates which are liens prior to the mortgage, (ii) for insurance on the property, and (iii) for any mortgage loan insurance premiums paid after default, (c) an allowance for reasonable payments made by the mortgagee with the approval of FHA for the completion and preservation of the property, and (d) an amount equivalent to FHA debenture interest covering the period of time from the date of default on the mortgage loan to the date the insurance settlement occurs. From the aggregate of the foregoing amounts is deducted the total of (a) any amount received by the mortgagee on account of the mortgage loan after the date of default and (b) the sum of (i) any balance of the mortgage loan not advanced to the mortgagor, (ii) any cash of the mortgagor held by the mortgagee and not applied to reduction of the mortgage loan, (iii) all funds held by the mortgagee for the mortgagor pursuant to any other agreement, and (iv) an amount equivalent to 1% of the mortgage loan advanced to the mortgagor and not repaid as of the date of default, except that all or part of the 1% may be waived by FHA, if, at its request and in lieu of foreclosure, the mortgaged property and the mortgage loan are assigned to the Secretary of HUD.

When any property to be conveyed to FHA has been damaged by fire, earthquake, flood or tornado, it is generally required as a condition to payment of an insurance claim that such property be repaired by the mortgagee prior to such conveyance. Each mortgagor is required under the terms of the mortgage to maintain adequate property insurance with fire and extended coverage and flood insurance, where applicable.

Section 223(a)(7) permits the refinancing of FHA-insured mortgage loans only. The amount of the mortgage loan may not exceed the original principal amount of the mortgage loan being refinanced. Underwriting review is simplified and minimal if the refinancing involves simply an interest rate reduction. Other than the refinancing aspects of Section 223(a)(7), a Section 223(a)(7) insured mortgage loan continues to be governed by the FHA program under which the original mortgage loan was insured.

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APPENDIX C

PROJECTS AND MORTGAGE LOANS EXPECTED TO BE REFINANCED BY THE OFFERED BONDS

The following Projects and Mortgage Loans are expected to be refinanced by the Offered Bonds:

FHA Risk-Sharing Program Projects Originally Financed by 2000 Series 1 Bonds

Project	Borrower ¹	Location	No./Type of Units ²	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Glenwood Manor	Glenwood Manor Associates, L.P.	Springfield	41 1 Bdr., 64 2 Bdr, 14 3 Bdr.; F	\$1,919,969	224 months	\$5,265,232
Country Club Village I	Country Club Village Associates, L.P.	Springfield	28 1 Bdr., 34 2 Bdr, 8 3 Bdr.; F	1,102,637	224 months	3,451,781
Colony Plaza	Colony Plaza Associates, L.P.	Excelsior Springs	111 1 Bdr.; E	2,103,356	217 months	4,855,889
Deerfield Village	Deerfield Village Associates, L.P.	Carthage	10 1 Bdr.; 34 2 Bdr. & 16 3 Bdr.; F	1,065,701	217 months	2,043,633
Highland Meadows	Highland Meadows Associates, L.P.	Carthage	44 1 Bdr.; E	641,023	217 months	1,527,705
Village Meadows	Village Meadows Associates, L.P.	Boonville	52 1 Bdr.; E	853,361	217 months	2,132,498
Rocktree Apartments	Rocktree Apartments Associates, L.P.	Fulton	64 1 Bdr.; E	1,201,919	217 months	2,978,639

¹The general partner of each partnership is NEF Properties, Inc., an affiliate of National Equity Fund, Inc.

²E = Elderly units; F = Family units.

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an original interest rate of 6.33%, which is eligible, at the option of the applicable Borrower, to be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of each

such Mortgage Loan will be based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by Series 2001 Series 1A Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
University Commons	SY University Commons Investors L.P.	St. Louis County	40 1 Bdr./1 bath	\$1,837,102	239 months	\$7,849,821
			40 2 Bdr./1 bath	310,286	53 months	
			32 3 Bdr./1 bath			
			12 3 Bdr./1.5 bath			
			9 4 Bdr./1.5 bath			
Oakridge Apartments	St. Joseph Housing, L.P.	Buchanon County	14 1 Bdr./1 bath	1,999,742	238 months	\$6,432,777
			20 2 Bdr./1 bath			
			50 3 Bdr./1 bath			
			14 4 Bdr./1.5 bath			

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a term of 30 years, plus the construction period, with an original interest rate of 6.00%, which is eligible at the option of the applicable Borrower, to be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of the Mortgage Loan relating to University Commons will be based upon (1) level debt service for the remaining 239-month term of the remaining loan amount of \$1,837,102 at the applicable interest rate thereof plus (2) level debt service for the remaining 53-month term of the remaining loan amount of \$310,286 at the applicable interest rate thereof. Amortization of the remaining principal of the Mortgage Loan relating to Oakridge Apartments is based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time. The Commission currently receives Section 236 Interest Reduction Payments with respect to University Commons; approximately 60% of such Payments (\$83,000 annually) will be applied (but are not pledged) to the debt service payments due on the related Mortgage Loan. Such Payments expire on December 1, 2017.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

**FHA 223(a)(7) Projects
Originally Financed by Series 2001 Series 2A Bonds**

Project	Borrower¹	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Country Club II	Country Club Village II Associates, L.P.	Greene County	14 1 Bdr. 14 2 Bdr.	\$236,929	222 months	\$1,510,007
Crestview Village	Crestview Village Associates, L.P.	Clay County	18 1 Bdr. 20 2 Bdr. 10 3 Bdr.	560,688	227 months	2,615,717
Houston Plaza	Houston Plaza Associates, L.P.	Bates County	34 1 Bdr.	134,077	227 months	1,158,489
Highland Acres	Highland Acres Associates, L.P.	Jasper County	35 1 Bdr.	296,596	227 months	1,115,883
Monroe Estates	Monroe Estates Associates, L.P.	Laclede County	46 1 Bdr. 20 2 Bdr. 8 3 Bdr.	515,955	227 months	2,790,295
Maplewood Manor	Maplewood Manor Associates, L.P.	Jasper County	8 1 Bdr. 44 2 Bdr. 14 3 Bdr.	934,481	227 months	2,620,296
Prairie Plains	Prairie Plains Associates, L.P.	Barton County	20 1 Bdr. 20 2 Bdr. 10 3 Bdr.	268,155	227 months	2,002,270

¹The general partner of each partnership is NEF Properties, Inc., an affiliate of National Equity Fund, Inc.

Each of the above-described Mortgage Loans is FHA Insured under Section 223(a)(7) with a term of 30 years, plus the construction period, with an original interest rate of 6.00%, which is eligible, at the option of the applicable Borrower, to be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of .50% annually. Amortization of the remaining principal of each such Mortgage Loan will be based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal

rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by Series 2002 Series 1 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Bavarian Towers/Bevo Place Apartments	Spartina, L.P.	St. Louis, Missouri	267 1Bdr/1 bath 6 2 Bdr/1 bath	\$11,175,423	309 months	\$22,870,250

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a term of 35 years, plus the construction period, with an original interest rate of 6.00%, which is eligible, at the option of the Borrower, to be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan will be based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by Series 2002 Series 2 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Columbia Square Townhomes	SY Columbia Square Investors, L. P.	Columbia, Missouri	64 2 Bdr./1 bath 64 3 Bdr./1.5 bath	\$2,896,548 13,685	256 months 4 months	\$9,095,000

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a term of 30 years, plus the construction period, with an original interest rate of 6.00%, which is eligible, at the option of the Borrower, to be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of such Mortgage Loan is based upon (1) level debt service for the remaining 256-month term of the remaining loan amount of \$2,896,548 at the applicable interest rate thereof plus (2) level debt service for the remaining four-month term of the remaining loan amount of \$13,685 at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time. The Commission currently receives Section 236 Interest Reduction Payments with respect to Columbia Square Townhomes; approximately 47% of such Payments (\$42,500 annually) will be applied (but are not pledged) to the debt service payments due on the Mortgage Loan. Such Payments expire on March 1, 2013.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by Series 2002 Series 4 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Hawthorne Place Apartments	Hawthorne Associates, L.P.	Independence, Missouri	112 1Bdr./1 bath 139 2 Bdr./1 bath 218 2 Bdr./1.5 bath TH 276 3 Bdr./1.5 bath TH	\$12,271,151	259 months	\$42,413,290

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a term of 30 years, plus the construction period, with an original interest rate of 5.75%, which is eligible, at the option of the Borrower, be modified to 4.75% with an effective date no earlier than November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of such Mortgage Loan will be based upon level debt service for remaining term of the loan at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

APPENDIX D

PROJECTS AND MORTGAGE LOANS FINANCED BY PREVIOUSLY ISSUED BONDS

2003 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Pevely Square Apartments	Pevely Square, L.P.	Pevely, Missouri	60 1Bdr./1 bath 50 2 Bdr./1 bath 10 3 Bdr./1.5 bath	\$5,000,000	\$10,317,776

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.0%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,600,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,400,000, upon commencement of amortization of the related Mortgage Loan; such additional principal payment is expected to be funded at such time by equity payments required of the 99.9% limited partner described below. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2013.

Capital Partners Series XVI purchased the initial 99.9% legal interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Parkview Place Apartments	Parkview Place Apartments, L.P.	University City, Missouri	115 1Bdr./1 bath 39 Efficiency 1 Bdr./1 bath 2 Employee units	\$8,155,000	\$10,070,717

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.0%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon (1) level debt service for a 30-year loan of \$4,240,000 at the interest rate thereof plus (2) level debt service for an 89-month loan of \$1,210,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2013. The Commission will receive Section 236 Interest Reduction Payments in the amount of \$14,599 per month with respect to Parkview Place Apartments commencing on the date of delivery of the Offered Bonds and ending on February 1, 2012. Such Payments will be accumulated and applied (but are not pledged) to the debt service payments due on the Mortgage Loan, with such Payments to be applied during the 89-month period commencing October 1, 2004, in the amount of \$16,878 monthly.

Affiliates of Affordable Equity Partner, Inc. purchased the initial 99.9% legal interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 3 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hyder Elderly Apartments	Hyder Development Group, L.P.	Jefferson City, Missouri	116 1 Bdr./1 bath	\$3,825,000	\$7,621,504

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 6.10%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$3,825,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 15 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2013.

US Bancorp Community Development Corporation or an affiliate thereof purchased the initial 99.9% legal interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Ridge Crest Apartments	Ridge Crest Apartments, L.P.	St. Louis, Missouri	6 1 Bdr./1 bath 51 2 Bdr./1 bath 26 3 Bdr./1 bath	\$3,800,000	\$7,450,202

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon (1) level debt service for a 30-year loan of \$2,370,000 at the interest rate thereof plus (2) level debt service for an 87-month loan of \$355,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,075,000 on October 1, 2004; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2013. The Commission currently receives Section 236 Interest Reduction Payments with respect to Ridge Crest Apartments; for a period of 87 months commencing November 1, 2004, such Payments (approximately \$5,085 monthly) will be applied (but are not pledged) to the debt service payments due on the Mortgage Loan.

Boston Capital Tax Credit Fund IV L.P., a Delaware limited partnership, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Missouri Tax Partners IV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Kensington Heights Apartments	Agent Kensington LP	Kansas City, Missouri	122 1 Bdr./1 bath 3 2 Bdr./1 bath 1 Employee unit	\$4,900,000	\$8,804,844

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$4,900,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

BCP/Kensington, LLC, a Delaware limited liability company, purchased the initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Missouri Tax Partners IV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Historic Ellison Apartments	Historic Ellison, L.P.	Kansas City, Missouri	56 1Bdr./1 bath 12 2 Bdr./1 bath	\$5,200,000	\$9,146,262

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,165,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,035,000 on February 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 14 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Banc of America Housing Fund IVB Limited Partnership, LLLP, a Delaware limited liability limited partnership, purchased the initial 99.97% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and certain federal historic tax credits, an affiliate of Allegiant Bank, a Missouri state bank, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and an affiliate of Enhanced Historic Credit Partners, L.L.C., a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of certain state historic tax credits.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 7 BONDS

The following Projects and Mortgage Loans were financed by the 2003 Series 7 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Autumn House Apartments	SY Autumn House Investors, L.P.	Maryville, Missouri	50 1 Bdr/1 bath	\$1,100,000	\$2,176,251
Jefferson Manor Townhomes	SY Jefferson Manor Investors, L.P.	Kansas City, Missouri	63 2 Bdr/1 bath 24 3 Bdr/2 bath	\$3,430,000	\$6,053,735

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loans is based upon level debt service for 30-year loans in the respective principal amounts set forth above at the interest rate thereof. The construction period for the rehabilitation of the Projects is 10 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loans can be optionally prepaid by the mortgagor on or after December 1, 2013.

RCC Credit Facility, L.L.C., a Delaware limited liability company, purchased an initial 99.98% limited partner interest in each Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects. SY Autumn House STC Investors, a Missouri limited partnership, purchased an initial 0.01% limited partner interest in SY Autumn House Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Autumn House Apartments Project, and SY Jefferson Manor STC Investors, a Missouri limited partnership, purchased an initial 0.01% limited partner interest in SY Jefferson Manor Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Jefferson Manor Townhomes Project.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2003 SERIES 8 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 8 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Stratford Commons Apartments	Stratford Commons, L.P.	Pine Lawn, Missouri	28 2 Bdr. 29 3 Bdr. 2 4 Bdr. 1 3 Bdr. accessible 3 2 Bdr. accessible 3 2 Bdr. garden	\$4,300,000	\$8,878,393

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,200,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,100,000 on April 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

RCC Credit Facility, LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project and certain federal historic tax credits, and Missouri Tax Partners IV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of state low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 9 BONDS

The following Projects and Mortgage Loans were financed by the 2003 Series 9 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Apple Court Apartments	Warrensburg Housing Associates, L.P.	Warrensburg, Missouri	4 1 Bdr. 16 2 Bdr. 4 3 Bdr.	\$665,000	\$1,362,030
Apple Plaza Apartments	Plattsburg Properties, L.P.	Plattsburg, Missouri	4 1 Bdr. 12 2 Bdr.	\$420,000	\$752,685
Bell City Apartments	Bell City Properties, L.P.	Bell City, Missouri	24 1 Bdr.	\$510,000	\$857,311
Dexter II Apartments	Dexter Housing Associates, L.P.	Dexter, Missouri	10 1 Bdr. 12 2 Bdr. 6 3 Bdr.	\$650,000	\$1,398,114
Licking I Apartments	Licking Properties, L.P.	Licking, Missouri	10 2 Bdr. 6 3 Bdr.	\$530,000	\$893,517
Montgomery City II Apartments	Montgomery City Associates, L.P.	Montgomery City, Missouri	12 1 Bdr. 14 2 Bdr. 6 3 Bdr.	\$1,190,000	\$2,099,233
Mountain Grove I Apartments	Mountain Grove Properties, L.P.	Mountain Grove, Missouri	12 1 Bdr. 24 2 Bdr. 2 3 Bdr.	\$1,135,000	\$2,020,134
Parma Apartments	Parma Properties, L.P.	Parma, Missouri	12 1 Bdr. 12 2 Bdr. 6 3 Bdr.	\$790,000	\$1,454,743
Scott City I Apartments	Scott City Properties, L.P.	Scott City, Missouri	40 1 Bdr.	\$740,000	\$1,671,912
Senath Apartments	Senath Housing Partners, L.P.	Senath, Missouri	24 1 Bdr. 16 2 Bdr. 8 3 Bdr.	\$1,155,000	\$2,312,505
Sikeston I Apartments	Sikeston Housing Associates, L.P.	Sikeston, Missouri	32 1 Bdr.	\$665,000	\$1,389,296

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loans is based upon level debt service for 30-year loans in the aggregate amount of \$3,500,000 at the interest rate thereof. The mortgagors are required to make additional principal payments in the aggregate amount of \$4,950,000 on June 1, 2004; such additional principal payments are expected to be funded at such time by equity payments required of the limited partners of each mortgagor described below. The construction period for the rehabilitation of the Projects is 6 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loans can be optionally prepaid by the mortgagors on or after December 1, 2013.

Capital Partners Series XVIII, L.P., a Missouri limited partnership, purchased an initial 23.99% limited partner interest in each Borrower, and upon receipt of certain required HUD approvals expects to purchase an additional 75.99% limited partnership interest in each Borrower (for a total limited partner interest of 99.98% in each Borrower), in order to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects. In addition, Missouri Affordable Housing Fund XIV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in each Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2003 SERIES 10 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 10 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hidden Valley Apartments	JT Hidden Valley, LP	Wentzville, Missouri	92 2 Bdr./1 bath 96 3 Bdr./1 bath 12 4 Bdr./1.5 bath	\$10,500,000	\$19,218,315

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.125%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$10,500,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Raymond James Tax Credit Fund XXII L.L.C., a Delaware limited liability company (the "Fund"), purchased all of the limited partnership interests in the Borrower in order to obtain the benefits of 99.99% of the federal low-income housing tax credits and 100% of the Missouri low-income housing tax credits available with respect to the acquisition and rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hickory Townhomes	Hickory Townhomes, L.P.	St. Louis, Missouri	6 2 Bdr 46 3 Bdr 12 4 Bdr.	\$3,050,000	\$6,523,060

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,050,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.99% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and Missouri Tax Credit Fund LP, a Missouri limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 100% of the Missouri low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Winter Garden Apartments	Winter Garden Preservation, L.P.	St. Louis, Missouri	94 1Bdr. 18 2 Bdr.	\$4,050,000	\$8,399,637

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$4,050,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

AIMCO Capital Tax Credit Fund II, a Delaware limited liability company, purchased the initial 99.99% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and AIMCO Winter Garden, LLC, a Delaware limited liability company, purchased an initial 0.01% general partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 3 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Woodlen Place Apartments	Woodlen Place Associates, L.P.	Kansas City, Missouri	14 1 Bdr 31 2 Bdr 15 3 Bdr	\$1,750,000	\$3,620,454

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$450,000 on March 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 8 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 94% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Alliant Capital Ltd., a Florida limited partnership, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Missouri Tax Credit Fund LP, a Missouri limited partnership, purchased an initial 0.01% limited partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Festus Gardens Apartments	Festus Associates I, L.P.	Festus, Missouri	72 1 Bdr. 80 2 Bdr. 8 3 Bdr.	\$5,830,000	\$11,910,859

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$4,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,530,000 on October 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 15 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Raymond James Tax Credit Fund VI, L.L.C., a Delaware limited liability company, purchased all of the limited partnership interests in the Borrower to obtain the benefits of the federal low-income housing tax credits and the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
FP-San Remo Apartments	FP-San Remo Development, L.P.	St. Louis, Missouri	18 1 Bdr. 37 2 Bdr. 13 3 Bdr. 7 4 Bdr.	\$3,700,000	\$6,995,415

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.0%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,400,000 on September 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2014.

St. Louis Equity Fund 2004 LLC, a Missouri limited liability company, purchased all of the limited partnership interests in the Borrower in order to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Allen Market Lane Apartments	Allen Market Lane Properties, L.P.	St. Louis, Missouri	93 1 Bdr. 7 2 Bdr.	\$6,600,000	\$11,848,000

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,530,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,070,000 on February 1, 2006; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 16 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2014.

Alliant Credit Facility, Ltd., a Florida limited partnership, is the investor limited partner of the Borrower and purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 99.98% of the federal historic tax credits and 100% of the state historic tax credits relating to the Project; Alliant Credit Facility ALP, LLC, a Florida limited liability company, is the administrative limited partner of the Borrower and purchased an initial 0.005% limited partnership interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project; MBS Alliant GP, Inc., a Missouri corporation, is the managing general partner of the Borrower and purchased an initial 0.01% general partner interest in the Borrower, thereby obtaining the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.01% of the federal historic tax credits relating to the Project; and Allen Market AGP, Inc., a Florida corporation, is the administrative general partner of the Borrower and purchased an initial 0.005% general partner interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable

to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
St. Louis Brewery Apartments	St. Louis Brewery Apartments, L.P.	St. Louis, Missouri	4 Studio 62 1 Bdr. 62 2 Bdr. 12 3 Bdr./2 Bath TH	\$8,000,000	\$15,851,183

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,350,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$4,650,000 on June 1, 2006; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 16 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2014.

Alliant Credit Facility, Ltd., a Florida limited partnership, is the investor limited partner of the Borrower and purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 99.98% of the federal historic tax credits and 100% of the state historic tax credits relating to the Project; Alliant Credit Facility ALP, LLC, a Florida limited liability company, is the administrative limited partner of the Borrower and purchased an initial 0.005% limited partnership interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project; MBS Alliant GP, Inc., a Missouri corporation, is the managing general partner of the Borrower and purchased an initial 0.01% general partner interest in the Borrower, thereby obtaining the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.01% of the federal historic tax credits relating to the Project; and St. Louis Brewery AGP, Inc., a Florida corporation, is the administrative general partner of the Borrower and purchased an initial 0.005% general partner interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Meadowglen Apartments	Meadowglen Apartments, L.P.	St. Louis, Missouri	208 1 Bdr.	\$8,300,000	\$15,920,549

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$6,775,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,525,000 on March 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 22 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2014.

RCC Meadowglen Associates LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 3 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Olde Oak Tree Apartments	SY Old Oak Tree Investors, L.P.	Independence, Missouri	124 1 Bdr./1 bath 1 Employee Unit	\$4,050,000	\$7,693,805
Landmark Towers Apartments	SY Landmark Investors, L.P.	Liberty, Missouri	64 1 Bdr/1 bath 1 Employee Unit	\$2,250,000	\$4,299,463

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of each Mortgage Loan is based upon level debt service for a 30-year loan in the amount of \$3,900,000 with respect to the Olde Oak Tree Apartments Project and in the amount of \$2,000,000 with respect to the Landmark Towers Apartments Project, at the interest rates thereof. SY Old Oak Tree Investors, L.P. is required to make an additional principal payment of \$150,000 on June 1, 2006, and SY Landmark Investors, L.P. is required to make an additional principal payment of \$250,000 on March 1, 2006; such additional principal payments are expected to be funded at such time by equity payments required of the respective limited partners described below. The construction period for the rehabilitation of the Olde Oak Tree Apartments Project is 13 months, and the construction period for the rehabilitation of the Landmark Towers Apartments Project is 10 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loans can be optionally prepaid by the respective mortgagors on or after June 1, 2015.

RCC Credit Facility, L.L.C., a Delaware limited liability company, is the investor limited partner of each Borrower and purchased an initial 99.98% limited partner interest in each Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects; Related Direct SLP LLC, a Delaware limited liability company, is the special limited partner of each Borrower and purchased an initial 0.01% limited partnership interest in each Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the rehabilitation of the respective Projects; SY Old Oak Tree Associates, Inc. is the general partner of SY Old Oak Tree Investors, L.P. and purchased an initial 0.01% partner interest in SY Old Oak Tree Investors, L.P. to obtain the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Olde Oak Tree Apartments Project; and SY Landmark Associates, Inc. is the general partner of SY Landmark Investors, L.P. and purchased an initial 0.01% partner interest in SY Landmark Investors, L.P. to obtain the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Landmark Apartments Project. SY Old Oak Tree STC Investors, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner

interest in SY Old Oak Tree Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Olde Oak Tree Apartments Project, and SY Landmark STC Investors, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in SY Landmark Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Landmark Towers Apartments Project.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2005 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Park Place Apartments	Park Place Preservation, L.P.	St. Louis, Missouri	242 1 Bdr.	\$10,000,000	\$18,527,742

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$10,000,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2015.

AIMCO Capital Tax Credit Fund V, LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hawkins Village Apartments	Hawkins Village Preservation, L.P.	St. Louis County, Missouri	106 2 Bdr. 33 3 Bdr. 1 Mgmt. Unit	\$5,150,000	\$9,702,483

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 5.50%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$5,150,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 9 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2015.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.99% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Ivanhoe Gardens Apartments	Ivanhoe Gardens Apartments, LP	Kansas City, Missouri	25 1 Bdr. 41 2 Bdr. 14 3 Bdr.	\$4,110,000	\$9,078,976

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,500,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,610,000 on March 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 14 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Meadow Ridge Townhouses	The Villas at Blue River, L.P.	Blue Springs, Missouri	58 2 Bdr. 79 3 Bdr. 13 4 Bdr.	\$6,170,000	\$12,857,455

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon (1) level debt service for a 30-year loan of \$2,490,000 at the interest rate thereof plus (2) level debt service for a 65-month loan of \$685,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,995,000 on October 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015. The Commission currently receives Section 236 Interest Reduction Payments with respect to the Meadow Ridge Townhouses; for a period of 66 months commencing October 1, 2007, such Payments will be applied (but are not pledged) to the debt service payments due on the Mortgage Loan.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund IV, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Ashley Park Apartments	Ashley Park Recap Associates I, L.P.	Kansas City, Missouri	8 Studio 79 1 Bdr. 96 2 Bdr. 1 Employee Unit	\$7,000,000	\$13,020,758

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$6,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$700,000 on April 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 3 BONDS

The following Projects and Mortgage Loans were financed by the 2006 Series 3 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Eureka Apartments	Chaffee Properties, L.P.	Chaffee, Missouri	50 1 Bdr./1 bath	\$890,000	\$1,675,769
Wendell Apartments	Sikeston Properties II, L.P.	Sikeston, Missouri	75 1 Bdr./1 bath 1 Employee Unit	\$2,140,000	\$3,438,454

Each of the above-described Mortgage Loans are insured under the FHA Risk-Sharing Program with a projected term of 40 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of each Mortgage Loan is based upon level debt service for a 40-year loan in the amount of \$890,000 with respect to the Eureka Apartments Project and in the amount of \$2,140,000 with respect to the Wendell Apartments Project, at the interest rates thereof. The construction period for the rehabilitation of each of the Eureka Apartments Project and the Wendell Apartments Project is 7 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loans can be optionally prepaid by the respective mortgagors on or after December 1, 2015.

Capital Partner Series XXI, L.P., a Missouri limited partnership, purchased a 99.98% limited partner interest in each Borrower in order to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects. In addition, Missouri Affordable Housing Fund XVIII, a Missouri limited partnership, purchased an initial 0.01% limited partner interest in each Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2006 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Justin Place Apartments	Justin Partners, L.P.	Kansas City, Missouri	8 1 Bdr. 70 2 Bdr. 22 3 Bdr.	\$5,580,000	\$10,888,629

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$2,230,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,350,000 on July 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2016.

NEF Assignment Corporation, an Illinois not-for-profit corporation, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Horizon Asset Management, LLC, a Missouri limited liability company, and Missouri Tax Credit Fund, L.P., a Missouri limited partnership, purchased limited partnership interests in the Borrower in order to obtain the benefits of 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Metropolitan Village Apartments	Metropolitan Village Apartments, L.P.	St. Louis, Missouri	141 1 Bdr. 6 2 Bdr.	\$5,720,000	\$12,279,091

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$5,720,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2016.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2007 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2007 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Linden Campus Apartments	Linden Elderly Housing Development Group, L.P.	Jefferson City, Missouri	91 1 Bdr.	\$3,900,000	\$6,422,221

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 40 years, plus the construction period, with an interest rate of 6.15%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 40-year loan of \$1,900,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,000,000 on July 1, 2008; such additional principal payment is expected to be funded at such time by equity payments required of the limited partner described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2017.

U.S.A. Institutional Tax Credit Fund LIX, L.P., a Delaware limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.8% of the federal low-income housing tax credits and Linden Elderly State Partners, LLC, a Missouri limited liability company, purchased a limited partnership interest in the Borrower to obtain the benefits of 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2009 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2009 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Courthouse Apartments	Courthouse Apartments, LLC	Kansas City, Missouri	109 1 Bdr./1 bath 38 2 Bdr./1 bath 6 2 Bdr./1.5 bath 23 2 Bdr./2 bath	\$19,000,000	\$40,061,154

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.8% until January 1, 2012 and an interest rate of 5.375% thereafter, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$5,835,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$13,165,000 on or before January 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the members described below pursuant to the terms and conditions of the Borrower's operating agreement. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2019.

US Bancorp Community Development Corporation, a Minnesota corporation ("USBCDC"), and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% membership interest in the Borrower in order to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and certain federal historic tax credits. An affiliate of USBCDC purchased certain state historic tax credits allocated to the managing member of the Borrower.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Basie Court Apartments	Basie Court Redevelopment Investors, L.P.	Kansas City, Missouri	9 1 Bdr./1 bath 22 2 Bdr./1.5 bath 45 2 Bdr./2 bath 6 2 Bdr./2.5 bath 6 3 Bdr./2.5 bath	\$4,970,000	\$10,230,534

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,500,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$3,470,000 on or before December 1, 2011; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2020.

Basie Court Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Court State TCF, LLC, a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Samantha Heights Apartments	Samantha Heights, LP	Independence, Missouri	125 1 Bdr./1 bath	\$8,400,000	\$13,832,173

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.60%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$6,100,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,300,000 on or before May 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 15 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

M&I Community Development Corporation, a Wisconsin corporation, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and SCS Samantha, LLC, a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 3 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Wesley Senior Towers Apartments	Wesley St. Joe, LP	St. Joseph, Missouri	110 1 Bdr./1 bath	\$5,350,000	\$9,517,498

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.95%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,850,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,500,000 on or before August 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 17 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Wesley Towers Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and State TC Fund V, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Lucas Heights Apartments	Metropolitan Redevelopment Investors, LP	St. Louis, Missouri	96 1 Bdr./1 bath 96 2 Bdr/1 bath	\$8,100,000	\$15,762,074

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.80%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,500,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$4,600,000 on or before May 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Lucas Heights Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Lucas Heights State TCF, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Grandview Estates	Independence Housing Associates, L.P.	Independence, Missouri	32 2 Bdr./2 bath	\$3,500,000	\$7,125,149

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.90%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,000,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,500,000 on or before March 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Grandview Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project, and Grandview State TCF, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

APPENDIX E

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[Closing Date]

MISSOURI HOUSING DEVELOPMENT COMMISSION

UMB BANK & TRUST, N.A.,
formerly known as State Street Bank and Trust Company of Missouri, N.A., as Trustee

Re: \$42,740,000 Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2012 Series 1

Ladies and Gentlemen:

WE HEREBY CERTIFY that we have acted as Co-Bond Counsel in connection with the authorization and issuance by the Missouri Housing Development Commission (the "Commission") of the above-referenced 2012 Series 1 Bonds (collectively, the "2012 Series 1 Bonds").

The 2012 Series 1 Bonds have been authorized and issued pursuant to the Constitution and statutes of the State of Missouri, particularly Sections 215.010 to 215.250, and Appendix B(1), RSMo. 1986, as amended (collectively, the "Act"), Resolution No. 1027 duly adopted by the Commission (the "Resolution"), and the Trust Indenture, dated as of June 1, 2000, as supplemented by the 2012 Series 1 Supplemental Trust Indenture, dated as of November 1, 2012 (as supplemented, the "Indenture") between the Commission and UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A., St. Louis, Missouri (the "Trustee"). Capitalized terms used and not otherwise defined in this opinion have the meanings assigned in the Indenture.

In the capacity of Co-Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings relating to the authorization and issuance of the 2012 Series 1 Bonds. We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the 2012 Series 1 Bonds.

Based upon such examination, we are of the opinion, as of the date hereof, that:

1. The Commission is a body corporate and politic and a governmental instrumentality of the State of Missouri. The Commission, pursuant to the Act, has the power and authority to adopt the Resolution, to enter into the Indenture, to perform its obligations thereunder, to issue and deliver the 2012 Series 1 Bonds and to apply the proceeds thereof in the manner and for the purposes set forth in the Resolution and the Indenture.

2. The Resolution has been duly adopted by the Commission and the Indenture has been duly entered into by the Commission and constitutes a valid and binding obligation of the Commission enforceable upon the Commission in accordance with its terms.

3. The Commission has duly authorized the issuance, execution and delivery of the 2012 Series 1 Bonds, and the 2012 Series 1 Bonds have been duly issued, executed and delivered. The 2012 Series 1 Bonds constitute legal, valid and binding obligations of the Commission as provided in the Resolution and the Indenture, payable in accordance with their terms, and the owners thereof are entitled to the benefit and security of the Indenture.

4. The 2012 Series 1 Bonds, together with the interest thereon, are limited obligations of the Commission payable solely from, and are entitled to the benefit of a valid lien against, the revenues and funds pledged under the Indenture. Neither the 2012 Series 1 Bonds nor any of the Commission's agreements or obligations under the Indenture shall be a debt of the State of Missouri or any political subdivision thereof and neither the State of Missouri nor any political subdivision thereof shall be liable thereon. The 2012 Series 1 Bonds shall not constitute an indebtedness of any of the foregoing within the meaning of any constitutional, statutory or charter debt limitation.

5. Interest on the 2012 Series 1 Bonds is exempt from income taxation by the State of Missouri. We express no opinion as to whether such interest is exempt from the tax imposed by Chapter 148, RSMo. 1985, as amended.

The rights of the holders of the 2012 Series 1 Bonds and the enforceability of the 2012 Series 1 Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered in law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

NEW ISSUE—BOOK-ENTRY ONLY

Rating: S&P "AA"
(See "RATING OF THE OFFERED BONDS" herein)

The interest on the Offered Bonds is included in gross income for federal income tax purposes. In the opinion of Gilmore & Bell, P.C. and the Hardwick Law Firm, LLC, Co-Bond Counsel, under existing law, the interest on the Offered Bonds is exempt from income taxation by the State of Missouri. See "TAX MATTERS" herein.

\$15,560,000
Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2
(Federally Taxable)

Dated: Date of Issuance

Due: As shown on the inside cover

This Official Statement relates to the issuance and sale by the Missouri Housing Development Commission (the "Commission") of its Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2 (the "Offered Bonds").

The Offered Bonds will bear interest, payable on January 1 and July 1 of each year, commencing January 1, 2014, and on their respective maturity dates, at the rates, and will mature in the years and in the principal amounts, shown on the inside front cover.

The Offered Bonds are issuable only as fully registered bonds, without coupons, and, when issued, are expected to be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases will be made in book-entry form only, in any integral multiple of \$5,000. The Purchaser will not receive certificates representing its interest in the Offered Bonds purchased. Principal and interest on the Offered Bonds are payable by UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A, as Trustee, to DTC, which will in turn be responsible for remitting such principal and interest to the Beneficial Owners of the Offered Bonds, as described under the caption "DESCRIPTION OF THE OFFERED BONDS—Book-Entry Bonds" herein.

The Offered Bonds are subject to redemption as further described under "DESCRIPTION OF THE OFFERED BONDS—Special Mandatory Redemption from Excess Mortgage Loan Payments, "—Optional Redemption "—Special Mandatory Redemption from Excess Debt Service Reserve Fund Moneys" and "—Sinking Fund Redemption."

The Offered Bonds are being issued by the Commission pursuant to the Trust Indenture dated as of June 1, 2000 (the "General Indenture") and the 2013 Series 2 Supplemental Trust Indenture dated as of June 1, 2013 (the "Supplemental Indenture," and together with the General Indenture, the "Indenture") to refund certain outstanding bonds of the Commission, the proceeds of which were used to finance six FHA-insured Risk-Share Mortgage Loans for residential housing projects in the State of Missouri, the units of which are to be occupied by low- and moderate-income persons and families, all as described herein. The Indenture permits the issuance of additional series of bonds on a parity with the Offered Bonds (collectively, the "Bonds").

THE OFFERED BONDS WILL CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY A PLEDGE OF CERTAIN REVENUES AND FUNDS ESTABLISHED UNDER THE INDENTURE AND THE MORTGAGE LOANS HELD UNDER THE INDENTURE. NONE OF THE COMMISSION'S AGREEMENTS OR OBLIGATIONS UNDER THE INDENTURE SHALL BE A DEBT OF THE STATE OF MISSOURI OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) AND NEITHER THE STATE OF MISSOURI NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) SHALL BE LIABLE THEREON. THE OFFERED BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION. THE COMMISSION HAS NO TAXING POWER. NEITHER THE BOARD OF COMMISSIONERS OF THE COMMISSION, ITS OFFICERS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE OFFERED BONDS, SHALL BE LIABLE PERSONALLY ON THE OFFERED BONDS.

The Offered Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality and tax exemption by Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, LLP, Washington, D.C. It is expected that the Offered Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about June 27, 2013.

STIFEL

BOFA MERRILL LYNCH
RBC CAPITAL MARKETS

George K. Baum & Company

EDWARD D. JONES & CO., L.P.
STERN BROTHERS

UMB BANK, N.A.

Dated: June 6, 2013

MATURITY SCHEDULE

\$15,560,000 2013 SERIES 2 BONDS

SERIAL BONDS

Maturity	Principal Amount	Interest Rate	Price	CUSIP 60636Y
January 1, 2014	\$260,000	0.35%	100%	JN2
July 1, 2014	265,000	0.45	100	JY8
January 1, 2015	265,000	0.60	100	JP7
July 1, 2015	265,000	0.70	100	JZ5
January 1, 2016	265,000	0.97	100	JQ5
July 1, 2016	270,000	1.07	100	KA8
January 1, 2017	270,000	1.50	100	JR3
July 1, 2017	270,000	1.60	100	KB6
January 1, 2018	275,000	1.75	100	JS1
July 1, 2018	275,000	1.85	100	KC4
January 1, 2019	280,000	2.20	100	JT9
July 1, 2019	280,000	2.30	100	KD2
January 1, 2020	285,000	2.50	100	JU6
July 1, 2020	290,000	2.60	100	KE0
January 1, 2021	295,000	2.90	100	JV4
July 1, 2021	295,000	3.00	100	KF7
January 1, 2022	300,000	3.10	100	JW2
July 1, 2022	305,000	3.20	100	KG5
January 1, 2023	310,000	3.30	100	JX0
July 1, 2023	315,000	3.35	100	KH3

TERM BONDS

\$3,485,000 — 4.030% Term Bonds Due July 1, 2028, Price 100%, CUSIP 60636Y KJ9
\$4,265,000 — 4.430% Term Bonds Due July 1, 2033, Price 100%, CUSIP 60636Y KK6
\$2,175,000 — 4.625% Term Bonds Due January 1, 2040, Price 100%, CUSIP 60636Y KL4

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COMMISSION OR BY THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE OFFERED BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE COMMISSION AND BY OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMMISSION SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OFFERED BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE OFFERED BONDS TO CERTAIN DEALERS AND CERTAIN DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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Co-Financial Advisors
 CSG Advisors Incorporated
 Columbia Capital Management, LLC

OFFICIAL STATEMENT

\$15,560,000

**MISSOURI HOUSING DEVELOPMENT COMMISSION
TAXABLE MULTIFAMILY HOUSING REFUNDING REVENUE BONDS
2013 SERIES 2**

INTRODUCTION

This Official Statement, including the cover page and appendices hereto, is being distributed by the Missouri Housing Development Commission (the "Commission") in order to furnish information in connection with the sale of the Commission's Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2, in the aggregate principal amount of \$15,560,000 (the "Offered Bonds"), issued pursuant to Chapter 215, Revised Statutes of Missouri, as amended, and Appendix B(1) thereto (the "Act"), the Trust Indenture dated as of June 1, 2000 (the "General Indenture"), between the Commission and UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A (the "Trustee"), as supplemented by the 2013 Series 2 Supplemental Trust Indenture, dated as of June 1, 2013, between said parties (the "Supplemental Indenture"). (The General Indenture and the Supplemental Indenture are jointly referred to herein as the "Indenture.") Pursuant to the Indenture, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein, and all such bonds, including the Offered Bonds, are herein sometimes referred to as the "Bonds." The definitions of certain capitalized terms used in this Official Statement and defined in the Indenture are set forth in **Appendix A**.

The Bonds are special, limited obligations of the Commission secured, as provided in the Indenture, by a pledge of (a) all Mortgages and Mortgage Loans held under the Indenture, (b) all Revenues and (c) all money and investments in all Funds and Accounts established by or pursuant to the Indenture, including a Debt Service Reserve Fund and a Mortgage Reserve Fund, but not including the Rebate Fund. See "NATURE OF OBLIGATION AND SOURCES OF PAYMENT."

The Offered Bonds are subject to redemption as described herein, including by special mandatory redemption at any time from prepayments of one or more related Mortgage Loans. See "DESCRIPTION OF THE OFFERED BONDS" and the redemption provisions described therein, including clause (a) under "— Special Mandatory Redemption."

None of the Commission's agreements or obligations under the Indenture shall be a debt of the State of Missouri or any political subdivision thereof (other than the Commission) and neither the State of Missouri nor any political subdivision thereof (other than the Commission) shall be liable thereon. The Offered Bonds shall not constitute an indebtedness of any of the foregoing within the meaning of any constitutional, statutory or charter debt limitation. The Commission has no taxing power. Neither the Board of Commissioners of the Commission, its officers or employees, nor any person executing the Offered Bonds, shall be liable personally on the Offered Bonds.

The Offered Bonds are being issued by the Commission to provide moneys to refund the Commission's 2003 Series 1 Bonds, 2003 Series 2 Bonds, 2003 Series 3 Bonds, 2003 Series 4 Bonds and 2003 Series 7 Bonds (collectively, the "Refunded Bonds") previously issued pursuant to various resolutions of the Commission, the proceeds of which were used to finance six FHA-insured Mortgage Loans for the six Projects described in **Appendix C** hereto. The mortgage loans financed under the Indenture are referred to herein as the "Mortgage Loans."

The Indenture requires that each Mortgage Loan purchased by the Commission thereunder be in an amount which is either (1) fully and unconditionally insured or guaranteed as to timely payment by GNMA, FHLMC, Fannie Mae or insured by FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3), or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7), or (2) fully and unconditionally guaranteed by the Commission, which guaranty shall be a general obligation of the Commission secured by a pledge of its full faith and credit. Section references in this paragraph are to the United States Housing Act of 1937, as amended (the "National Housing Act").

The Indenture imposes no limitation on the aggregate principal amount of Bonds which may be outstanding under the Indenture at any one time. The Commission has previously issued multiple Series of Bonds that are currently outstanding under the Indenture (see table below), and may issue additional Series of Bonds on a parity with the Offered Bonds and such other currently outstanding Bonds under the Indenture (see "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—Provisions for Issuance of Bonds").

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The Commission has issued the following Multifamily Housing Revenue Bonds under the General Indenture (collectively, the "Prior Bonds"):

<u>Series Designation</u>	<u>Issue Date</u>	<u>Number of New Projects</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
2000 Series 1*	June 29, 2000	7	\$11,540,000	\$0
2001 Series 1A*	August 22, 2001	2	7,300,000	0
2001 Series 2A*	September 21, 2001	7	3,800,000	0
2002 Series 1 (Bevo-Bavarian Project)*	June 27, 2002	1	12,890,000	0
2002 Series 2 (Columbia Square Townhomes Project)*	September 5, 2002	1	4,440,000	0
2002 Series 4 (Hawthorne Place Apartments Project)*	October 24, 2002	1	20,505,000	0
2003 Series 1 (Pevely Square Apartments Project)***	January 24, 2003	1	5,105,000	2,285,000
2003 Series 2 (Parkview Place Apartments Project)***	July 31, 2003	1	5,715,000	3,755,000
2003 Series 3 (Hyder Elderly Apartments Project)***	August 21, 2003	1	3,965,000	3,555,000
2003 Series 4 (Ridge Crest Apartments Project)***	August 28, 2003	1	3,925,000	2,145,000
2003 Series 5 (Kensington Heights Apartments Project)	October 23, 2003	1	5,075,000	4,505,000
2003 Series 6 (Historic Ellison Apartments Project)	October 14, 2003	1	5,280,000	1,905,000
2003 Series 7 (Autumn House/Jefferson Manor Projects)***	October 20, 2003	2	4,695,000	4,005,000
2003 Series 8 (Stratford Commons Apartments Project)	October 23, 2003	1	4,385,000	1,945,000
2003 Series 9 (Rural Development Apartments Project)	October 27, 2003	11	8,590,000	3,070,000
2003 Series 10 (Hidden Valley Apartments Project)	December 10, 2003	1	10,880,000	9,390,000
2004 Series 1 (Hickory Townhomes Project)	February 19, 2004	1	3,165,000	2,720,000
2004 Series 2 (Winter Garden Apartments Project)	February 25, 2004	1	4,190,000	3,550,000
2004 Series 3 (Woodlen Place Apartments Project)	May 28, 2004	1	1,800,000	1,165,000
2004 Series 4 (Festus Gardens Apartments Project)	May 27, 2004	1	5,990,000	3,915,000
2004 Series 5 (FP-San Remo Apartments Project)	July 14, 2004	1	3,785,000	2,055,000
2004 Series 6 (Allen Market Lane Apartments Project)	August 9, 2004	1	6,735,000	3,230,000
2005 Series 1 (St. Louis Brewery Apartments Project)	January 27, 2005	1	8,125,000	3,080,000
2005 Series 2 (Meadowglen Apartments Project)	February 24, 2005	1	8,540,000	6,450,000
2005 Series 3 (Olde Oak Tree & Landmark Towers Projects)	March 2, 2005	2	6,520,000	5,360,000
2005 Series 4 (Park Place Apartments)	June 30, 2005	1	10,330,000	9,100,000
2005 Series 5 (Hawkins Village Apartments)	August 25, 2005	1	5,335,000	4,860,000
2005 Series 6 (Ivanhoe Gardens Apartments)	October 27, 2005	1	4,240,000	2,335,000
2006 Series 1 (Meadow Ridge Townhouses)	February 21, 2006	1	6,360,000	2,460,000
2006 Series 2 (Ashley Park Apartments)**	February 24, 2006	1	7,290,000	5,900,000
2006 Series 3 (Eureka & Wendell Apartments)	March 29, 2006	2	3,165,000	3,000,000
2006 Series 4 (Justin Place Apartments)	May 10, 2006	1	5,640,000	2,105,000
2006 Series 5 (Metropolitan Village Apartments)	May 11, 2006	1	5,960,000	5,445,000
2007 Series 1 (Linden Campus Apartments)	February 28, 2007	1	3,980,000	1,900,000
2009 Series 1 (Courthouse Apartments)	December 30, 2009	1	18,940,000	5,710,000
2010 Series 1 (Basie Court Apartments)	September 9, 2010	1	4,967,000	1,467,000
2010 Series 2 (Samantha Heights Apartments)	October 28, 2010	1	8,610,000	6,250,000
2010 Series 3 (Wesley Senior Towers Apartments)	November 30, 2010	1	5,395,000	2,875,000
2010 Series 4 (Lucas Heights Apartments)	December 29, 2010	1	8,175,000	3,545,000
2010 Series 5 (Grandview Estates)	December 16, 2010	1	3,531,000	1,015,000
2012 Series 1*	November 7, 2012	0	42,740,000	42,700,000
2013 Series 1 (Friendship Village Apartments)	February 27, 2013	<u>1</u>	<u>6,555,000</u>	<u>6,555,000</u>
TOTALS		<u>67</u>	<u>\$318,153,000</u>	<u>\$175,307,000</u>

* The 2012 Series 1 Bonds refunded the 2000 Series 1 Bonds, 2001 Series 1A Bonds, 2001 Series 2A Bonds, 2002 Series 1 Bonds (Bevo-Bavarian Project), 2002 Series 2 Bonds (Columbia Square Townhomes Project) and 2002 Series 4 Bonds (Hawthorne Place Apartments Project).

** The Mortgage Loan relating to the 2006 Series 2 Bonds (the "2006 Series 2 Mortgage Loan") is in default due to the failure of the related borrower to make mortgage principal and interest payments when due. The Commission has provided notice to the Trustee that (i) the 2006 Series 2 Mortgage Loan is in default because the related borrower failed to make the December 1, 2012 and subsequent mortgage principal and interest payments and (ii) the Commission has filed with the U.S. Department of Housing and Urban Development the required notice of mortgage default, which is the initial filing to commence an FHA insurance claim with respect to the 2006 Series 2 Mortgage Loan. *There has been no event of default with respect to the 2006 Series 2 Bonds. However, upon payment of an FHA insurance claim, the 2006 Series 2 Bonds will be subject to mandatory redemption at par, as a whole or in part to the extent the Trustee receives mortgage insurance proceeds in excess of regularly scheduled payments.*

*** To be refunded in whole by the Offered Bonds.

The Offered Bonds will be on parity with the Prior Bonds (other than the Refunded Bonds) and any additional bonds issued from time to time under the General Indenture. See **Appendix C** and **Appendix D** hereto for additional information about the Projects and Mortgage Loans financed by the Prior Bonds. The Commission expects to issue additional bonds under the General Indenture from time to time, including the Commission's Multifamily Housing Revenue Bonds, 2013 Series 3 (Shepard Apartments Project) and Multifamily Housing Revenue Bonds, 2013 Series 4 (John Calvin Manor Apartments Project) expected to be issued in the coming months.

The Indenture establishes a Debt Service Reserve Fund which is required to be maintained, to the extent of available revenues, in an amount equal to the sum of the amounts required for such purpose with respect to each Series of Bonds outstanding.

The Indenture permits the Commission to withdraw certain pledged amounts free and clear of the lien of the Indenture after the payment of debt service on the Bonds, payment of Program Expenses and the making of any required reserve fund deposits.

In addition to the Commission's Multifamily Program, which assists in financing the acquisition of decent, safe and sanitary residential rental housing facilities for low income and moderate income persons and families (the "Program"), the Commission is authorized under the Act to engage in certain other activities. See "THE COMMISSION" for the Commission's website address which contains a current description of the Commission's single-family and multifamily programs. The proceeds of the Offered Bonds may not be used to finance any activities of the Commission other than the Program.

There follows in this Official Statement information concerning the Commission and the Program, including the Mortgage Loans and the related Projects to be refinanced with the proceeds of the Offered Bonds, together with descriptions of the terms of the Offered Bonds, the Indenture and certain provisions of the Act. All references to the Act, the General Indenture and the Supplemental Indenture are qualified in their entirety by reference to each such statute or document, and all references to the Offered Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

THE COMMISSION

General

In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low- and moderate-income persons, established the Commission in order to increase the availability of decent, safe and sanitary housing at prices within the means of low- and moderate-income persons. The Act authorizes the Commission: (a) to make, purchase or participate in the purchase of uninsured, partially insured or fully insured loans, including mortgages insured or otherwise guaranteed by the federal government or mortgages insured or otherwise guaranteed by other insurers of mortgages, to persons and families of low income and moderate income for homes within the State, and to purchase or participate in the purchase of any other securities which are secured, directed or indirectly, by any such loan; (b) to issue its bonds or other evidences of indebtedness for the purpose of obtaining funds to make or purchase such home mortgage loans (or participations therein), to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Commission, including the revenues and receipts to be received by the Commission from such home mortgages (or participations therein), notes or other property of the Commission, to secure the payment of the principal of, premium, if any, and interest on such bonds.

"Low income or moderate income persons and families" is defined in the Act to mean persons and families who are in low- or moderate-income groups and who cannot afford to pay enough to cause private enterprise in their community to build a sufficient supply of adequate, safe and sanitary residential housing. The Act authorizes the Commission to define "low income" and "moderate income" with greater particularity and on a regional basis. The Act defines "residential housing" to include such social, medical, recreational, educational, nursing, commercial, communal, dining, training, rehabilitation, therapeutic or other non-housing facilities and services as may be incidental or appurtenant thereto.

The Commission has concentrated most of its financing activities in purchasing or originating mortgage loans for multifamily housing projects and in purchasing mortgage-backed securities of mortgage loans for single-family residences. *General information about the Commission's programs may be obtained from the Commission or may be accessed on the Commission's website www.mhdc.com*; this reference to the Commission's website is not intended to incorporate the materials contained thereon into this Official Statement.

In addition to providing the Commission with the powers set forth above, the Act empowers the Commission to provide technical services to assist in the planning, processing, design, construction or rehabilitation of residential housing for occupancy by persons and families of low and moderate income or land development for such housing, to provide consultative project assistance services for such residential housing and for land development for residential housing, to promote research and development in scientific methods of constructing low-cost residential housing of high durability, to provide to nonprofit corporations such advisory, consultative, training and educational services as will enable them to become owners of housing constructed or rehabilitated under the Act and assist them in managing such housing and to collect reasonable fees and charges (limited to amounts required to pay the costs of the Commission, including operating and administrative expenses, and reasonable allowances for losses) in connection with providing technical, consultative and project assistance services.

The Commission has never defaulted on the payment of the principal of or interest on any of its indebtedness.

The Commission consists of the Governor, the Lieutenant Governor, the State Treasurer and the Attorney General of the State of Missouri, and six additional members selected by the Governor with the advice and consent of the Senate. The Act requires the members selected by the Governor to be individuals knowledgeable in the areas of housing, finance or construction. Members of the Commission serve for terms of four years each. Six members of the Commission constitute a quorum. There are currently two vacancies on the Commission.

The members of the Commission and their occupations are as follows:

Jeremiah W. (Jay) Nixon	Governor of Missouri
Peter Kinder	Lieutenant Governor of Missouri
Clint Zweifel	Treasurer of Missouri
Chris Koster	Attorney General of Missouri
Jeffrey S. Bay, Chairman	Attorney Kansas City, Missouri

Troy Nash, Vice Chairman	Vice President and Director of Public Sector Consulting, Zimmer Real Estate Services Kansas City, Missouri
David Cosgrove, Secretary/Treasurer	Attorney St. Louis, Missouri
Greg L. Roberts	Attorney Chesterfield, Missouri

The principal staff officers are as follows:

Kip Stetzler	Interim Executive Director
Tina Beer	Director of Operations
Marilyn Lappin	Director of Finance
William Ulm	Director of Rental Production

In addition to its full-time staff, the Commission has contracted or will contract for other technical and professional personnel to assist in the initiating, processing and reviewing of applications for federally insured mortgage loans and the purchasing, servicing and selling of mortgage loans. These include, but are not limited to, attorneys, architects, engineers, land planners, housing consultants, market analysts, appraisers and mortgage servicing agents.

The Commission's offices are located at 3435 Broadway, Kansas City, Missouri 64111, telephone number: (816) 759-6600 and at 4625 Lindell Boulevard, Suite 300, St. Louis, Missouri 63108, telephone number: (314) 877-1350.

CSG Advisors Incorporated, Atlanta, Georgia, and Columbia Capital Management, LLC, St. Louis, Missouri, serve as co-financial advisors to the Commission.

Copies of the Commission's audited financial statements for the year ended June 30, 2012 will be made available to Bondowners upon written request. The audited financial statements may also be viewed at the Commission's website at www.mhdc.com. This reference to the Commission's website is not intended to incorporate the materials contained thereon into this Official Statement.

SUMMARY OF FINANCING PLAN

The Offered Bonds will provide funds to refund the Refunded Bonds and refinance FHA-insured Risk-Share Mortgage Loans and Mortgage Loans insured by FHA under Section 223(a)(7) of the National Housing Act for 19 projects designed for occupancy by persons of low and moderate income. All principal and interest payments on the Mortgage Loans to be refinanced by the Offered Bonds are current as of the date of this Official Statement.

The six Projects and related Mortgage Loans refinanced by the Offered Bonds are described in the table below and in **Appendix C** hereto. The Commission will offer to reduce the interest rate on the refinanced Mortgage Loans in connection with the issuance of the Offered Bonds to the offered modified interest rate set forth in the table below. Each Borrower that accepts the reduced interest rate on its Mortgage Loan will enter into a Deed of Trust Note Modification Agreement with the Commission on or shortly after the

date of issuance of the Offered Bonds setting forth such reduced interest rate, which rate will be effective as of July 1, 2013. Each such Modification Agreement will also provide for amortization of the remaining principal of the related Mortgage Loan based upon level debt service commencing on August 1, 2013 for the remaining term of the loan described in the table below at the modified interest rate thereof. In the event that a Borrower does not accept the reduced interest rate offered by the Commission in connection with the issuance of the Offered Bonds, the current interest rate shown in the table below will continue to apply to such Mortgage Loan and the existing amortization of such Mortgage Loan will remain unchanged.

<u>Borrower</u>	<u>Program Type</u>	<u>Principal Amount to be Refinanced</u>	<u>Remaining Term as of June 1, 2013 (Months)</u>	<u>Current Interest Rate</u>	<u>Offered Modified Interest Rate</u>	<u>Original Bond Series</u>
Pevely Square, L.P.	FHA Risk Share	\$2,217,172	249	6.00%	5.125%	2003-1
Parkview Place Apartments, L.P.	FHA Risk Share	3,658,989	255	6.00	5.125	2003-2
Hyder Development Group, L.P.	FHA Risk Share	3,479,826	319	6.10	5.125	2003-3
Ridge Crest Apartments, L.P.	FHA Risk Share	2,060,072	256	6.25	5.125	2003-4
SY Autumn House Investors, L.P.	FHA Risk Share	956,426	256	6.25	5.125	2003-7
SY Jefferson Manor Investors, L.P.	FHA Risk Share	<u>2,982,311</u>	256	6.25	5.125	2003-7
		\$15,354,796				

The debt service payments on the Mortgage Loans refinanced by the Offered Bonds, plus interest earnings on the related Accounts in the various Indenture Funds, are expected to be sufficient to pay scheduled debt service on the Offered Bonds plus related Program Expenses.

SOURCES AND USES OF FUNDS

The Offered Bonds are being issued by the Commission to provide moneys to refund the Refunded Bonds and refinance Mortgage Loans in the principal amount of \$15,354,796, for the Projects described in **Appendix C** hereto. The proceeds of the Offered Bonds are expected to be applied as follows:

Sources of Funds:

Principal of Offered Bonds	\$15,560,000.00
Transfers from Accounts for Refunded Bonds.....	<u>2,206,592.12</u>
TOTAL	<u>\$17,766,592.12</u>

Uses of Funds:

Redemption of Refunded Bonds on July 1, 2013.....	\$15,972,921.25
Deposit to Debt Service Reserve Fund	539,000.00
Deposit to Revenue Fund.....	10,000.00
Deposit to Costs of Issuance Fund.....	260,000.00
Deposit to Surplus Fund.....	<u>984,670.87</u>
TOTAL	<u>\$17,766,592.12</u>

NATURE OF OBLIGATION AND SOURCES OF PAYMENT

Pledge of the Indenture

The Indenture is a contract between the Commission and the Trustee for the benefit of the holders of all Bonds issued thereunder, and its provisions are for the equal benefit, protection and security of the holders of all such Bonds, each of which, regardless of time of issue or maturity, is to be of equal rank without preference, priority or distinction.

THE OFFERED BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY A PLEDGE OF CERTAIN REVENUE AND FUNDS ESTABLISHED UNDER THE INDENTURE AND THE MORTGAGE LOANS HELD UNDER THE INDENTURE. NONE OF THE COMMISSION'S AGREEMENTS OR OBLIGATIONS UNDER THE INDENTURE SHALL BE A DEBT OF THE STATE OF MISSOURI OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) AND NEITHER THE STATE OF MISSOURI NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COMMISSION) SHALL BE LIABLE THEREON. THE OFFERED BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION. THE COMMISSION HAS NO TAXING POWER. NEITHER THE BOARD OF COMMISSIONERS OF THE COMMISSION, ITS OFFICERS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE OFFERED BONDS, SHALL BE LIABLE PERSONALLY ON THE OFFERED BONDS.

Under the terms and conditions set forth in the Indenture, the proceeds of the Bonds, the Mortgage Loans, the revenues from the Mortgage Loans and all funds and accounts established by the Indenture (including the investments thereof and proceeds of such investments, if any) are pledged for the payment of the principal or redemption price of and interest on the Bonds. "Revenues" are defined in the General Indenture to mean all income and receipts of whatever kind (other than Escrow Payments and earnings on the Rebate Fund) received by the Commission from or with respect to Mortgage Loans or Projects, including, without limitation, Mortgage Repayments, whether paid by or on behalf of the Mortgagor (unless otherwise provided in the Supplemental Indenture authorizing the financing thereof or pledging the same), commitment fees or other charges paid to the Commission by or on behalf of Approved Mortgagors or Lenders, Prepayments and Acquired Project Income. The pledge of Revenues described above is subject to the respective liens of the Trustee, depositories and paying agents for reasonable compensation and expenses. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE."

Debt Service Reserve Fund

The General Indenture creates a Debt Service Reserve Fund for the Bonds. The General Indenture defines "Debt Service Reserve Fund Requirement" to mean, as of any date of calculation, the sum of the amounts required by each Supplemental Indenture for outstanding Bonds. Except as otherwise provided in "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE – Withdrawal From Funds to Prevent Defaults," moneys on deposit in the Debt Service Reserve Accounts of the Debt Service Fund shall be used only to make Debt Service Payments on the related Series of Bonds as provided in the Indenture.

The Commission may satisfy the Debt Service Reserve Requirement by the deposit of a surety bond, insurance policy or letter of credit as shall be specified in the Supplemental Indenture establishing such Debt Service Reserve Requirement. All matters relating to the procedures for making a claim or draw under such credit instruments shall be set forth in the Supplemental Indenture establishing such Debt Service Reserve

Requirement; provided, however, that the obligation of the Commission to reimburse the issuer of such surety bond, insurance policy or letter of credit from moneys pledged under the Indenture shall be subordinate to the payment of the principal of and interest on the Bonds. The Debt Service Reserve Requirement with respect to the Offered Bonds will be satisfied by the transfer of moneys held in Accounts established with respect to the Refunded Bonds and the covenant of the Commission to make up certain deficits as required by the Supplemental Indenture.

The Supplemental Indenture for the Offered Bonds provides that the Debt Service Reserve Fund Requirement for the Offered Bonds shall be maintained in an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the Offered Bonds, which amount is established as the Debt Service Reserve Fund Requirement with respect to the Offered Bonds. It is a condition precedent to the authentication by the Trustee of any Series of Bonds that the amount in the Debt Service Reserve Fund, after issuing such Bonds and depositing in the Debt Service Reserve Fund the amount provided for in the supplemental indenture authorizing such Bonds, be at least equal to the Debt Service Reserve Fund Requirement for all Bonds to be Outstanding after the issuance of such Series. Upon the issuance of the Offered Bonds, the amount held in the Debt Service Reserve Fund will at least equal the Debt Service Reserve Fund Requirement in respect of all Bonds then Outstanding (including the Offered Bonds). If at any time the amount in the Debt Service Reserve Fund, exclusive of amounts received as income or interest earned on investments, exceeds the Debt Service Reserve Fund Requirement and if no Event of Default exists under the Indenture, the Trustee, upon request of an Authorized Officer, shall transfer such excess or any portion thereof to either the Redemption Fund or the Revenue Fund, as directed by a Commission Request. To the extent that the Debt Service Reserve Fund Requirement will be reduced as a result of a proposed redemption of Bonds of any Series resulting from a deposit of moneys in the Redemption Fund, the Trustee shall, upon receipt of a Commission Request, transfer from the Debt Service Reserve Fund to the Redemption Fund moneys equal to the amount of such reduction and apply such moneys to the redemption of Bonds of that Series on the date of such redemption.

The Supplemental Indenture for the Offered Bonds also provides that prior to each Bond Payment Date, the Trustee shall determine if a transfer from the Offered Bonds Debt Service Reserve Account is required to prevent a default on the Offered Bonds (the amount of such transfer shall be referred to as the "Offered Bonds Debt Service Shortfall"). The Supplemental Indenture for the Offered Bonds further provides that prior to each Bond Payment Date, the Trustee shall also determine if the sum of (i) the cash in the Offered Bonds Debt Service Reserve Account, (ii) the market value of the Investment Securities in the Offered Bonds Debt Service Reserve Account, as determined by the Trustee, and (iii) the aggregate amount of all previous transfers from the Offered Bond Debt Service Reserve Account to the Offered Bonds Debt Service Account required by the General Indenture that have not been subsequently replenished, is less than the Debt Service Reserve Fund Requirement with respect to the Offered Bonds (which difference, if any, shall be referred to as the "Commission Funded Reserve Account Deficit"). If a Commission Funded Reserve Account Deficit exists, the Commission shall, prior to the Bond Payment Date, deposit with the Trustee for credit to the Offered Bonds Debt Service Reserve Account, cash in an amount equal to the Commission Funded Reserve Account Deficit; provided, that the aggregate amount required to be deposited by the Commission pursuant to this paragraph shall not exceed the amount of the initial Debt Service Reserve Fund Requirement with respect to the Offered Bonds. Any cash so deposited by the Commission shall be from funds other than those held under the Indenture.

Mortgage Reserve Fund

The General Indenture establishes a Mortgage Reserve Fund, moneys in which can be used to make Debt Service Payments when moneys in the Debt Service Fund are insufficient or to pay expenses on Acquired Projects, and defines "Mortgage Reserve Requirement" to mean, as of any date of calculation, the sum of the

amounts, if any, required by each Supplemental Indenture. *The Supplemental Indenture for the Offered Bonds provides that the Mortgage Reserve Requirement for the Offered Bonds is \$0.*

Additional Bonds

The aggregate principal amount of the Bonds which may be issued under the General Indenture is not limited, except as may be provided by the General Indenture or any Supplemental Indenture, and Bonds may be issued in one or more series. Additional series of Bonds may be issued under the conditions described under "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—Provisions for Issuance of Bonds."

Investment Securities

The following two paragraphs provide summary information with respect to the Investment Securities that have been acquired for the short term accounts (i.e, Debt Service Accounts, Revenue Accounts, etc.) (collectively, the "Float Accounts") and the Debt Service Reserve Accounts for other Series of Bonds Outstanding under the Indenture. The Investment Securities that have been acquired for the investment of amounts in the Float Accounts and Debt Service Reserve Accounts for each Series of Bonds are generally in effect until the final maturity of the related Series of Bonds. *There can be no assurance that the market value of one or more of the Investment Securities allocable to a Debt Service Reserve Account or Float Account will not be reduced as a result of market fluctuations.*

Moneys in the Float Accounts for each Series of Bonds issued prior to the Offered Bonds are invested in the Federated Government Obligations Money Market Fund. The interest rate for the Federated Government Obligations Money Market Fund is variable. During the entire 12-month period ending April 30, 2013, the 7-Day yield was 0.01% per annum.

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Moneys in the Debt Service Reserve Accounts for each Outstanding Series of Bonds issued prior to the date of this Official Statement are invested as follows:

Series	Investment	Debt Service Reserve Account Interest Rate
2003 Series 1 (Pevely Square Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 2 (Parkview Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 3 (Hyder Elderly Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 4 (Ridge Crest Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 5 (Kensington Heights Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 6 (Historic Ellison Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 7 (Autumn House/Jefferson Manor Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 8 (Stratford Commons Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 9 (Rural Development Apartments Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2003 Series 10 (Hidden Valley Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 1 (Hickory Townhomes Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 2 (Winter Garden Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 3 (Woodlen Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 4 (Festus Gardens Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 5 (FP-San Remo Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2004 Series 6 (Allen Market Lane Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 1 (St. Louis Brewery Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 2 (Meadowglen Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 3 (Olde Oak Tree & Landmark Towers Projects)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 4 (Park Place Apartments Project)	Federated Government Obligations Money Market	Variable*
2005 Series 5 (Hawkins Village Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2005 Series 6 (Ivanhoe Gardens Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 1 (Meadow Ridge Townhouses Project)	U.S. Treasury Bond Maturing 8/15/2013	4.250%
	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 2 (Ashley Park Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 3 (Eureka & Wendell Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 4 (Justin Place Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2006 Series 5 (Metropolitan Village Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2007 Series 1 (Linden Campus Apartments Project)	U.S. Treasury Bond Maturing 2/15/2031	5.375%
2009 Series 1 (Courthouse Apartments Project)	U.S. Treasury Bond Maturing 8/15/2039	4.500%
2010 Series 1 (Basie Court Apartments Project)	U.S. Treasury Bond Maturing 8/15/2040	3.875%
2010 Series 2 (Samantha Heights Apartments Project)	U.S. Treasury Bond Maturing 8/15/2040	3.875%
2010 Series 3 (Wesley Senior Towers Apartments Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%
2010 Series 4 (Lucas Heights Apartments Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%
2010 Series 5 (Grandview Estates Project)	U.S. Treasury Bond Maturing 11/15/2040	4.250%
2012 Series 1	Federated Government Obligations Money Market	Variable*
	U.S. Treasury Bond Maturing 8/15/2028	5.500%
	U.S. Treasury Bond Maturing 11/15/2028	5.250%
2013 Series 1 (Friendship Village Apartments)	U.S. Treasury Bond Maturing 11/15/2042	2.750%

* The interest rate for the Federated Government Obligations Money Market is variable. During the entire 12-month period ending April 30, 2013, the 7-Day yield was 0.01% per annum.

DESCRIPTION OF THE OFFERED BONDS

General Description

The Offered Bonds will be dated as of and bear interest from their dated date as shown on the cover page of this Official Statement, payable on January 1, 2014 and thereafter semiannually on January 1 and July

1 in each year (and on their respective maturity dates) at the rates per annum set forth on the inside cover page of this Official Statement, and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement.

Book-Entry Bonds

The information contained in this section concerning DTC and DTC's book-entry system has been obtained from sources the Commission and the Underwriters believe to be reliable, but neither the Commission nor the Underwriters take any responsibility for the accuracy or completeness thereof.

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

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

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

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by

an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

NEITHER THE COMMISSION, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC DIRECT AND INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

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

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

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Commission or the Trustee. DTC's services with respect to Offered Bonds may be discontinued or terminated at any time by the Commission, in its sole discretion and without the consent of any other person, if the Commission determines that DTC is unable to discharge its responsibilities with respect to the Offered Bonds or that a continuation of the requirement that all of the Outstanding Offered Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interests of the Beneficial Owners of such Bonds. In the event that DTC's

services are so discontinued or terminated and no substitute securities depository willing to undertake the functions of DTC under the Indenture can be found which, in the opinion of the Commission, is willing and able to undertake such functions upon reasonable and customary terms, or in the event it is so determined that continuation of the system of book-entry transfers is not in the best interests of the Beneficial Owners, the Commission is obligated to deliver Offered Bond certificates, at the expense of the Beneficial Owners, as described in the Indenture. In such event, the Trustee is entitled to rely on information provided by DTC and the DTC Participants as to the names and principal amounts in which the Offered Bonds are to be registered.

In the event that the book-entry only system is discontinued, as described in the preceding paragraph, the following requirements of the Indenture would apply. The principal or redemption price of all Offered Bonds will be payable at the corporate trust office of the Trustee and interest on the Offered Bonds will be payable by check or draft mailed to the registered owner of such Bonds at such Owner's address as it appears on the registration books of the Trustee or at such other address as such Owner may have filed with the Trustee for that purpose; provided, however, that payment of principal or Redemption Price of and interest on any Offered Bond to any registered owner of at least \$1,000,000 aggregate principal amount of Offered Bonds Outstanding at the time of payment shall, upon written request to the Trustee, be paid by wire transfer of (a) next-day funds on the applicable Bond Payment Date or (b) immediately available funds on the business day next succeeding the applicable Bond Payment Date. The Offered Bonds will be transferable only by presentation and surrender thereof to the Trustee together with an assignment duly executed by the registered owner of such Bonds or such Owner's duly authorized representative in form satisfactory to the Trustee and containing information required by the Trustee in order to effect such transfer and upon payment of any charge, made as reimbursement for any tax, fee or other governmental charge imposed with respect thereto. In addition, the Commission or the Trustee may charge for the cost, if any, of preparing any new Offered Bond upon such exchange or transfer and any other expenses, including counsel fees, of the Commission or the Trustee incurred in connection therewith, and such costs and expenses, if so charged, shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Offered Bonds may be exchanged for an equal aggregate principal amount of Offered Bonds in other authorized denominations upon surrender thereof at the corporate trust office of the Trustee. The Commission shall not be obligated to (i) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the next succeeding Bond Payment Date of the Offered Bonds, (ii) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business 15 days next preceding any selection of Offered Bonds to be redeemed and ending at the close of business on the date of the first mailing of notice of such redemption, or (iii) transfer or exchange any Offered Bonds called or being called for redemption in whole or in part.

According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Transfers and Exchanges

For every transfer and exchange of Offered Bonds, whether temporary or definitive, the Commission or the Trustee shall make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. In addition, the cost, if any, of preparing each new Offered Bond upon such exchange or transfer and any other expenses of the Commission or the Trustee incurred in connection therewith shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Commission shall not be obligated to

(i) issue, exchange or transfer any Offered Bond during the 15 days next preceding any Bond Payment Date of the Offered Bonds, (ii) issue, exchange or transfer any Offered Bond during a period beginning at the opening of business 15 days next preceding any selection of Offered Bonds to be redeemed and ending at the close of business on the date of the first mailing of notice of such redemption or (iii) transfer or exchange any Offered Bonds called or being called for redemption in whole or in part.

Special Mandatory Redemption from Excess Mortgage Loan Payments

The Offered Bonds shall be subject to redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to the Indenture at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, as a whole or in part to the extent that the Trustee receives payments on a Mortgage Loan refinanced by the Offered Bonds in excess of regularly scheduled payments, including (but not limited to) payments representing:

- (a) payments representing voluntary prepayments on such Mortgage Loan; provided, that any moneys received from a Borrower representing voluntary prepayments on a Mortgage Loan to be applied by the Trustee to the payment of the Redemption Price pursuant to this subsection (e) plus an amount equal to all costs of redeeming the Offered Bonds to be redeemed must be deposited with the Trustee for a continuous 123-day period (or as otherwise provided in the Indenture) prior to or during which period no Event of Bankruptcy with respect to such Borrower as evidenced by a Non-Bankruptcy Certificate from such Borrower to the Commission and the Trustee shall have occurred before the Trustee shall give notice of redemption;
- (b) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of such Mortgage Loan following a partial or total destruction or condemnation of the related Project;
- (c) mortgage insurance proceeds or other amounts received with respect to such Mortgage Loan following the occurrence of an event of default under such Mortgage Loan;
- (d) a prepayment of such Mortgage Loan required by the applicable rules, regulations, policies and procedures of FHA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of such Mortgage Loan under certain circumstances); and
- (e) prepayments on such Mortgage Loan made by the applicable Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy.

The Mortgage Loans refinanced by the Offered Bonds may be voluntarily prepaid at any time without penalty, thereby causing a special mandatory redemption of the Offered Bonds as described in paragraph (a) above. In connection with the issuance of the Refunded Bonds on various dates in 2003, the Borrower under each Mortgage Loan refinanced by the Offered Bonds agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a period that began on the first date on which 50% of the residential units in such Project were occupied and will end (so long as the applicable Project is not then receiving assistance under Section 8 of the United States Housing Act of 1937) on the date that is 15 years after the date on which 50% of the residential units in the applicable Project were occupied. When this compliance period expires with respect to a Project refinanced by the Offered Bonds, the likelihood of a Borrower making voluntary prepayments on the related Mortgage Loan will increase.

If less than all the Outstanding Offered Bonds are to be redeemed pursuant to the above special mandatory redemption provisions, the Offered Bonds shall be selected for redemption from among all

maturities (and scheduled sinking fund redemptions) of the Offered Bonds allocable to such Mortgage Loan as set forth in the Supplemental Indenture, such that the remaining principal payments due under such Mortgage Loan following the receipt of the prepayment will provide revenues sufficient to pay the remaining principal due on the Offered Bonds allocable to such Mortgage Loan that will remain Outstanding following such redemption.

Optional Redemption

The Offered Bonds shall be subject to redemption on any date on or after July 1, 2023, in whole or in part, at the option of the Commission, from the proceeds of refunding bonds or other funds of the Commission (including proceeds from the sale of a Mortgage Loan refinanced by the Offered Bonds or participation in a Mortgage Loan refinanced by the Offered Bonds), at a redemption price equal to 100% of the principal amount of the Offered Bonds to be redeemed, plus accrued interest to the redemption date. The Commission is permitted to sell Mortgage Loans to effectuate the optional redemption of Offered Bonds if certain conditions are met. See "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE – Covenants Relating to Mortgage Loans."

If less than all of the Offered Bonds shall be called for optional redemption pursuant to the immediately preceding paragraph, the Offered Bonds to be redeemed shall be selected for redemption by any method selected by the Commission; *provided, that* the Commission provides to the Trustee a Cash Flow Certificate giving effect to such selection method.

The proceeds of any voluntary prepayments on any Mortgage Loan refinanced by the Offered Bonds shall be applied to effect a special mandatory redemption of the Offered Bonds as more fully described above under "—Special Mandatory Redemption from Excess Mortgage Loan Payments." The Mortgage Loans refinanced by the Offered Bonds may be voluntarily prepaid at any time without penalty.

Special Mandatory Redemption from Excess Debt Service Reserve Fund Moneys

To the extent that the Debt Service Reserve Fund Requirement with respect to the Offered Bonds will be reduced as a result of a proposed redemption of Offered Bonds resulting from a deposit of moneys in the Redemption Fund as described above under "—Special Mandatory Redemption from Excess Mortgage Loan Payments" or "—Optional Redemption" and the Trustee receives a Commission Request directing the Trustee to transfer moneys equal to the amount of such reduction from the Debt Service Reserve Fund to the Redemption Fund as described under "NATURE OF OBLIGATIONS AND SOURCES OF PAYMENT – Debt Service Reserve Fund," the Offered Bonds shall be subject to redemption in the amount of such transfer on the date of such proposed redemption at a redemption price equal to 100% of the principal amount of the Offered Bonds to be redeemed, plus accrued interest to the redemption date.

Sinking Fund Redemption

The Offered Bonds maturing July 1, 2028, July 1, 2033 and January 1, 2040 shall be subject to mandatory sinking fund redemption on the respective Interest Payment Dates set forth in the schedules below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, by lot, in the following principal amounts, subject to reduction of such mandatory sinking fund redemption payments to the extent that such Offered Bonds are redeemed prior to maturity otherwise than pursuant to such mandatory sinking fund redemption:

2013 SERIES 2 BONDS DUE JULY 1, 2028

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2024	\$320,000	July 1, 2026	\$350,000
July 1, 2024	325,000	January 1, 2027	360,000
January 1, 2025	330,000	July 1, 2027	365,000
July 1, 2025	340,000	January 1, 2028	370,000
January 1, 2026	345,000	July 1, 2028†	380,000

†Maturity Date

2013 SERIES 2 BONDS DUE JULY 1, 2033

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2029	\$385,000	July 1, 2031	\$430,000
July 1, 2029	395,000	January 1, 2032	440,000
January 1, 2030	405,000	July 1, 2032	450,000
July 1, 2030	410,000	January 1, 2033	460,000
January 1, 2031	420,000	July 1, 2033†	470,000

†Maturity Date

2013 SERIES 2 BONDS DUE JANUARY 1, 2040

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
January 1, 2034	\$480,000	July 1, 2037	\$95,000
July 1, 2034	450,000	January 1, 2038	95,000
January 1, 2035	285,000	July 1, 2038	100,000
July 1, 2035	85,000	January 1, 2039	100,000
January 1, 2036	90,000	July 1, 2039	105,000
July 1, 2036	90,000	January 1, 2040†	105,000
January 1, 2037	95,000		

†Maturity Date

Notice of Redemption

Notice of redemption of the Offered Bonds will be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 20 days prior to the redemption date to the registered owner (DTC while in book-entry form) of any Offered Bonds or portions thereof to be redeemed, except that in the event the Offered Bonds are subject to redemption from FHA insurance proceeds in the event of a default on a Mortgage Loan refinanced by the Offered Bonds, the Trustee will give the maximum notice possible, but in no

event less than seven days' notice. If notice of redemption shall have been given as aforesaid, and if on the redemption date moneys for the redemption of all Offered Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payments, then from and after the redemption date interest on such Bonds issued under the Indenture or portions thereof shall cease to accrue and become payable.

If DTC or its nominee is the registered owner of any Offered Bond to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such Offered Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Offered Bond to be redeemed shall not affect the validity of the redemption of such Bond. See "DESCRIPTION OF THE OFFERED BONDS—Book-Entry Bonds."

THE MULTIFAMILY PROGRAM

General

The Commission began its first multifamily program in 1970. The current Program was authorized by the Commission on February 25, 2000. Pursuant to the Program, the Commission has covenanted to apply the proceeds of Bonds issued under the General Indenture to Acquire Mortgage Loans (including acquisition by the refunding of bonds previously issued to finance Mortgage Loans) for multifamily housing developments for low-income or moderate-income persons or families or to pay notes issued for such purposes. "Low income or moderate income persons and families" is defined in the Act as persons and families who are in low- or moderate-income groups and who cannot afford to pay enough to cause private enterprise in their community to build a sufficient supply of adequate, safe and sanitary residential housing.

Pursuant to the Indenture, Mortgage Loans or interests therein must be in an amount which is either (i) fully and unconditionally insured or guaranteed as to timely payment by GNMA, FHLMC, Fannie Mae or FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3) of the National Housing Act, or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7) of the National Housing Act or (ii) fully and unconditionally guaranteed by the Commission, which mortgage insurance guaranty shall be a general obligation of the Commission, secured by a pledge of its full faith and credit. The Mortgage Loans refinanced by the Offered Bonds are all insured under Section 542(c) of the Housing and Community Development Act of 1992, as amended, or Section 223(a)(7) of the National Housing Act. See "SUMMARY OF FINANCING PLAN" and **Appendix C** for a description of such Mortgage Loans.

For a description of the various FHA insurance programs, see **Appendix B** hereto.

Loan Servicing, Management and Monitoring

The Commission services all the Mortgage Loans held (and to be held) under the Indenture. As the servicer, the Commission is required to collect all payments due under the Mortgage Loan, including escrow payments for casualty insurance premiums, mortgage insurance premiums and taxes and special assessments.

All project and Mortgage Loan reserves and escrows will be held in separate accounts for each loan (such accounts are not pledged to secure the Bonds, although they may be available to cure Mortgage Loan defaults). These accounts will be established as each Mortgage Loan is originated and funds are required to be

deposited. The Commission performs quarterly reviews of all Mortgage Loans to ensure documentation is adequate and received in a timely manner.

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The General Indenture contains various covenants and security provisions, certain of which are summarized below. The definitions of certain capitalized terms used below and defined in the General Indenture are set forth in Appendix A. Reference is made to the General Indenture for a full and complete statement of its provisions.

Provisions for Issuance of Bonds

The General Indenture authorizes the issuance of Bonds (including the Prior Bonds, the Offered Bonds and future, additional Series of Bonds) in one or more Series by a Supplemental Indenture. Each Supplemental Indenture shall include a determination by the Commission that the principal amount thereof is necessary to provide sufficient funds for the Program and either specify or fix the manner of determining, among other things:

- (a) the authorized principal amount of such Series of Bonds;
- (b) the purpose for which such Series of Bonds is being issued, which shall be to Acquire one or more Mortgage Loans relating to identified Projects or to refund Bonds or other obligations issued to finance Mortgage Loans relating to identified Projects or any combination thereof and incidental to these purposes, (i) make required deposits in Funds and Accounts under the General Indenture, (ii) pay the costs of issuance of such Series of Bonds and (iii) pay Program Expenses;
- (c) the amounts to be deposited in the Funds and Accounts created and established by the General Indenture and the Supplemental Indenture; and
- (d) the amount of the Debt Service Reserve Fund Requirement and the Mortgage Reserve Requirement for such Series, if any, and the designation of the Bonds of such Series, if any, constituting the Debt Service Reserve Fund Bonds.

A Series of Bonds shall be authenticated by the Trustee and delivered to or upon the order of the Commission only upon delivery to the Trustee of certain certificates, orders and opinions including the following:

- (a) a certificate of an Authorized Officer (a "Cash Flow Certificate") setting forth projected cash flows, Revenues, Program Expenses and Aggregate Debt Service for all Bonds for each Bond Year during which Bonds will be Outstanding based upon the reasonable expectations of the Commission and showing:
 - (i) as to projected Revenues, the amounts of Revenues estimated to be available for Principal Installments and interest when due, derived from all Mortgage Loans Acquired and reasonably expected to be Acquired from the proceeds of Bonds, or from the proceeds of Notes paid or to be paid or other funds to be reimbursed from the proceeds of such Bonds, and derived from the investment of proceeds of all Bonds and Revenues, or otherwise pledged under the Indenture;

(ii) as to Program Expenses, the Program Expenses with respect to each Series of Bonds;

(iii) as to Aggregate Debt Service, the scheduled Debt Service Payments on Bonds to be Outstanding after the issuance of such Series of Bonds;

(iv) the assumptions upon which the foregoing expectations are based;

(v) that the amount of the projected Revenues in each future Bond Year exceeds the sum of the Aggregate Debt Service and estimated Program Expenses for such Bond Year; and

(vi) that the sum of the outstanding principal balance of all Mortgage Loans pledged under the Indenture, plus the moneys and Investment Securities held in the Program Fund, the Revenue Fund and the Debt Service Fund (except to the extent of interest accrued on Outstanding Bonds and any Program Expenses that have been incurred but for which provision for payment has not been made), the Redemption Fund and the Debt Service Reserve Fund, (but only to the extent of any cash on deposit therein) equals or exceeds 100.0% of the principal amount of Outstanding Bonds; and

(b) evidence that the Commission has notified each Rating Agency of the issuance of those Series of Bonds to be issued and each such Rating Agency has confirmed in writing that such Series will be rated not lower than "AA" by S&P and that the issuance of such Series will have no adverse effect on the existing ratings of the other Outstanding Bonds (without giving effect to any bond insurance policies or other credit enhancement relating to such Bonds).

Bonds of one or more Series may be issued to refund Outstanding Bonds of one or more Series only upon receipt by the Trustee of certain certificates, orders, opinions and other documents including the certificates and documents described in the foregoing paragraph. In addition, there must be deposited with the Trustee either (a) moneys in an amount sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date, which moneys shall be held by the Trustee or by one or more Paying Agents in a separate account irrevocably in trust for the holders of the Bonds being refunded, or (b) Government Obligations, the principal and interest on which when due, together with any moneys deposited with the Trustee or Paying Agents, will be sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date.

Funds Established by the General Indenture

The General Indenture establishes or provides for the establishment of the following Funds, all of which shall be held by the Trustee: (a) Program Fund; (b) Revenue Fund; (c) Principal Fund; (d) Debt Service Fund; (e) Debt Service Reserve Fund; (f) Mortgage Reserve Fund; (g) Program Operating Fund; (h) Redemption Fund; (i) Surplus Fund; and (j) Rebate Fund. All of such Funds other than the Program Operating Fund shall consist of separately held and named Accounts for each Series of Bonds.

Program Fund

There shall be deposited in the applicable Program Account of the Program Fund the amount of Bond proceeds specified in the related Supplemental Indenture. Except with respect to moneys deposited in a Costs of Issuance Account or a Capitalized Interest Account, if any, and except as otherwise provided in the General Indenture, moneys in the Program Fund shall be used solely to Acquire the Mortgage Loans identified in a Supplemental Indenture or Commission Request as reasonably expected to be Acquired with the proceeds of the Series of Bonds authorized thereby.

Moneys may be withdrawn from the applicable Program Account of the Program Fund to pay Project Costs. No moneys withdrawn from the Program Fund may be expended to pay Project Costs with respect to a Mortgage Loan unless the Commission has previously Acquired a Mortgage on such Project and the Mortgage Loan with respect to such Project is not subject to a pledge prior to the pledge by the Commission under the General Indenture.

The Commission covenants that it will not make a construction advance with respect to a Mortgage Loan unless the amount of such advance (a) shall at the time it is made be insured, guaranteed or otherwise entitled to realize the benefits of the source of credit support for such Mortgage Loan and (b) together with all other amounts previously applied from the proceeds of the Bonds to such Project is less than the authorized Project Costs of such Project (including any Overrun previously authorized).

The Commission may apply moneys withdrawn from the applicable Program Account of the Program Fund to the payment of any Overrun only upon obtaining from S&P written confirmation that the unenhanced rating on the Bonds is no less than "AA" and providing the Trustee with a Cash Flow Certificate and a certificate which states (i) the amount of the Overrun; (ii) that the Commission has authorized an increase in the Related Mortgage Loan in the amount of the Overrun; (iii) that the Overrun is properly payable as part of the Project Cost; (iv) that the amounts advanced to pay the Overrun will be secured by a Mortgage on the Project and will meet the requirement for credit support; and (v) that the moneys available in the Program Fund after the payment of the Overrun will be sufficient to pay the remaining Project Cost of all Projects (other than the Project with respect to which the Overrun is to be paid) to be funded from the Program Fund.

The Commission may determine not to finance one or more Projects originally identified in a Supplemental Indenture or Commission Request. Moneys deposited in the applicable Program Account of the Program Fund from the proceeds of a Series of Bonds to Acquire a Project which the Commission subsequently determines not to finance shall be held by the Trustee in a special account and applied, as the Commission shall direct, only to (i) finance substitute Projects or (ii) pay Overruns on any Project (irrespective of the Series of Bonds from which such Project was originally expected to be financed) above, provided that the Commission shall file with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds and evidence that S&P has confirmed in writing that any substitution will not cause the rating assigned to such Series to fall below "AA" by S&P.

In the event that there shall be moneys remaining in any such special account and unless otherwise provided in the Supplemental Indenture with respect to such Related Series of Bonds, such moneys shall be transferred to the Redemption Fund and used to redeem Bonds of such Series, except to the extent that the Commission certifies that any of such moneys are required to pay anticipated Project Costs of one or more Projects with respect to which the Commission has previously Acquired a Mortgage Loan in whole or in part from such special account.

Unless otherwise specified in a Supplemental Indenture, within 90 days after Acquisition of all Mortgage Loans or Completion of all Projects for which proceeds of a Series of Bonds have been deposited in the Program Fund pursuant to a Supplemental Indenture (including substituted Projects but excluding any Projects eliminated by Supplemental Indenture or Commission Request), the Commission shall by certificate direct that any such Bond proceeds remaining in the applicable Program Account of the Program Fund shall be transferred to the applicable Redemption Account of the Redemption Fund and used to redeem the Related Series of Bonds. Any such additional Mortgage Loan shall be Acquired only after the Commission shall have filed with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds. In the event that there shall be moneys remaining in any such special account after the date specified for the acquisition of such Mortgage Loan, such moneys shall be transferred to the Redemption Fund for the Related Series of Bonds except to the extent that the Commission certifies that any of such moneys are required to pay anticipated Project Costs of one or more Projects with respect to which the Commission has previously Acquired a Mortgage Loan in whole or in part from such special accounts.

Capitalized Interest Accounts

A Supplemental Indenture may create a Capitalized Interest Account within the Program Fund for a particular Series of Bonds. To the extent, if any, that the interest becoming due and payable on a Bond Payment Date on the Bonds of such Series exceeds the amount then deposited in the Revenue Fund, the Trustee shall withdraw an amount equal to such excess from the Capitalized Interest Account and deposit such amount in the applicable Debt Service Account of the Debt Service Fund.

Revenue Fund

The Commission shall cause all Revenues, except Prepayments, to be deposited in the applicable Revenue Account of the Revenue Fund.

Within the applicable Revenue Account of the Revenue Fund, the Commission, by a Certificate, shall direct the Trustee to create an Acquired Project Subaccount for each Project acquired by the Commission in connection with the enforcement of its rights, by a Mortgage or otherwise (the "Acquired Project") into which shall be deposited all Acquired Project Income. Moneys in each Acquired Project Subaccount shall be applied as follows:

(a) an amount equal to the interest which would have been payable on the Mortgage Loan with respect to each such Acquired Project, determined as though such Mortgage Loan were still in effect, shall be withdrawn on or before each Bond Payment Date and deposited in the applicable Revenue Account of the Revenue Fund;

(b) an amount equal to the principal payments which would have been payable on the Mortgage Loan with respect to each such Acquired Project, determined as though such Mortgage Loan were still in effect, shall be withdrawn on or before each Bond Payment Date and deposited in the Debt Service Account; and

(c) an amount equal to the payment of Acquired Project Expenses of the Related Acquired Project shall be applied to such payment.

Moneys remaining in any Acquired Project Subaccount at the end of a Fiscal Year which the Commission certifies as not being required to meet future Acquired Project Expenses of the Related Acquired Project shall be allocated as described below.

Allocation of Moneys in the Revenue Accounts of the Revenue Fund

Except as otherwise provided in a Supplemental Indenture with the consent of the Bond Insurer, if any, on or before each Bond Payment Date (or any other date on which interest is payable) moneys in the applicable Revenue Account of the Revenue Fund shall be transferred by the Trustee to the following Funds and Accounts in the following order of priority:

(a) To the applicable Principal Account of the Principal Fund, from the Mortgage Repayments deposited in such Revenue Account, the portion of such Mortgage Repayments required to pay the Principal Installment on such Series of Bonds on the next Bond Payment Date;

(b) To the applicable Debt Service Account of the Debt Service Fund, an amount which, together with the amount therein (after giving effect to any transfer from the applicable Capitalized Interest Account), will equal the interest due and payable on such Bond Payment Date on the Outstanding Bonds of such Series;

(c) To the Program Operating Fund, an amount equal to the sum of (i) the Bond Insurance Premium portion of Program Expenses, if any, due on the next Bond Payment Date and (ii) all other amounts due and payable to the Bond Insurer, if any;

(d) To the applicable Debt Service Reserve Account of the Debt Service Reserve Fund, the amount, if any, necessary to make the balance in such Account equal to the Debt Service Reserve Fund Requirement with respect to such Series of Bonds;

(e) To the applicable Mortgage Reserve Account of the Mortgage Reserve Fund, the amount, if any, necessary to make the balance in such Account equal to the Mortgage Reserve Requirement with respect to such Series of Bonds;

(f) To the Program Operating Fund, an amount equal to the Program Expenses (other than any Bond Insurance Premium) due on the next Bond Payment Date;

(g) To any other Fund or Account, the amount, if any, previously withdrawn therefrom to make a Debt Service Payment to prevent a default to the extent not previously restored;

(h) To the applicable Rebate Account of the Rebate Fund, the amount necessary to comply with federal tax law; and

(i) To the applicable Surplus Account of the Surplus Fund, the remainder, if any, provided that the Supplemental Indenture provides that a balance of at least \$10,000 shall be maintained in the Revenue Account with respect to the Offered Bonds.

Principal Fund

Within the Principal Fund there is established a Principal Account for each Series of Bonds. Moneys on deposit in a Principal Account of the Principal Fund shall be withdrawn by the Trustee and deposited in the

related Debt Service Account of the Debt Service Fund on or before each Bond Payment Date in an amount equal to the Principal Installments, if any, becoming due and payable on such date on the applicable Bonds of each Series. Prepayments deposited in a Principal Account of the Principal Fund shall be transferred to the related Redemption Account of the Redemption Fund to pay the redemption price of the related Series of Bonds.

Debt Service Reserve Fund and Mortgage Reserve Fund

Moneys shall be withdrawn from the applicable Accounts of the Debt Service Reserve Fund and the Mortgage Reserve Fund as set forth under "NATURE OF OBLIGATION AND SOURCES OF PAYMENT – Debt Service Reserve Fund" and "—Mortgage Reserve Fund."

Program Operating Fund

Moneys on deposit in the Program Operating Fund may be withdrawn from time to time by the Commission upon the filing of an Authorized Officer's certificate with the Trustee stating the amount to be withdrawn and the purpose therefor. Except as provided in the next succeeding paragraph, moneys may be so withdrawn only for the purpose of paying Program Expenses.

Any amounts remaining on deposit in the Program Operating Fund in excess of the Program Expenses then due and payable shall be transferred upon a Commission Request to the Revenue Fund.

Surplus Fund

Moneys on deposit in the Surplus Accounts of the Surplus Fund shall be used to make up deficiencies in the Debt Service Fund in the manner provided below under "—Withdrawal From Funds to Prevent Defaults" and otherwise may be withdrawn from time to time by the Commission for any lawful purpose upon the filing of a Certificate of an Authorized Officer stating the amount to be withdrawn and the purpose therefor, provided that amounts may be withdrawn only if the Commission delivers to the Trustee, the Rating Agency and the Bond Insurer, if any, a Cash Flow Certificate (giving effect to such withdrawal), a Certificate of an Authorized Officer to the effect that, after giving effect to such withdrawal, the sum of the outstanding principal balance of all Mortgage Loans pledged thereunder, plus the moneys and Investment Securities held in the Program Fund, the Revenue Fund and the Debt Service Fund (except to the extent of interest accrued on Outstanding Bonds and any incurred and unpaid Program Expenses), the Redemption Fund and the Debt Service Reserve Fund (but only to the extent of any cash on deposit therein), equals or exceeds 102.0% (or such greater percentage as may be required by the Rating Agency to maintain an unenhanced rating of "AA" on the Bonds) of the principal amount of Outstanding Bonds; provided, further, that except for withdrawals to make up deficiencies in the Debt Service Fund, no amount may be withdrawn from a Surplus Account established for a Series of Bonds prior to the applicable Initial Surplus Account Withdrawal Date specified in the Supplemental Indenture authorizing such Series of Bonds.

The Supplemental Indenture for the Offered Bonds provides that the Initial Surplus Account Withdrawal Date for the Offered Bonds shall be the first Bond Payment Date on which the sum of the outstanding principal balance of the Mortgage Loans to be financed with the proceeds of the Offered Bonds, plus the moneys and the market value of the Investment Securities (including accrued and unpaid interest thereon) held in the Offered Bond Program Account, the Offered Bond Revenue Account, the Offered Bond Debt Service Account, the Offered Bond Redemption Account, the Offered Bond Debt Service Reserve Account and the Offered Bond Surplus Account, equals or exceeds 102.0% of the sum of the principal amount of outstanding Offered Bonds plus accrued and unpaid interest thereon.

Redemption Fund

Moneys deposited in the Redemption Fund will be deposited in the Redemption Account established with respect to the related Series of Bonds. The moneys in any such Redemption Account will be used to purchase or redeem Bonds of the related Series.

Bonds of each Series shall be redeemed from each maturity thereof from unexpended proceeds of Bonds (if applicable) and Prepayments of Mortgage Loans transferred to the Redemption Fund from the Program Fund, to the extent practicable, in the proportion which the amount of Bonds of such Series then Outstanding of such maturity bears to the total Outstanding Bonds of such Series, provided that the Supplemental Indenture authorizing a Series of Bonds may provide otherwise as to that Series. The redemption selection methods for the Offered Bonds are set forth above under "DESCRIPTION OF THE OFFERED BONDS – Special Mandatory Redemption from Excess Mortgage Loan Payments." Bonds of any Series and maturity may be redeemed by the deposit of moneys from other sources upon direction by the Commission to the Trustee and in the manner provided in the General Indenture.

Withdrawal from Funds to Prevent Defaults

If on any Bond Payment Date moneys in a Debt Service Account of the Debt Service Fund are less than the amount of the Debt Service Payment due on the related Series of Outstanding Bonds becoming due and payable on such Bond Payment Date, the Trustee shall transfer from the following Accounts in the following order the amount of such deficit from any moneys available for the purpose of making such Debt Service Payment and not required for the purposes of such Accounts:

- (1) from the related Capitalized Interest Account (if any) of the Program Fund, and then, from all Capitalized Interest Accounts, on a pro rata basis;
- (2) from the related Surplus Account of the Surplus Fund, and then, from all Surplus Accounts, on a pro rata basis;
- (3) from the related Principal Account of the Principal Fund, and then, from all Principal Accounts, on a pro rata basis; and
- (4) from the related Redemption Account of the Redemption Fund and then, from all Redemption Accounts, on a pro rata basis (but only to the extent that moneys on deposit therein are not dedicated to the redemption of Bonds for which a notice of redemption has already be given).

If, after making any of the above-described transfers, the amount in the Debt Service Fund on any Bond Payment Date is less than the amount of the Debt Service Payment due on all Outstanding Bonds becoming due and payable on such Bond Payment Date, the Trustee shall transfer from the following Funds in the following order of priority the amount of such deficit:

- (a) any cash or Investment Securities on deposit in all Debt Service Reserve Accounts of the Debt Service Reserve Fund, on a pro rata basis (provided, however, that no claim under a surety bond, insurance policy or letter of credit deposited to the credit of any Debt Service Reserve Account in the Debt Service Reserve Fund shall be made other than for the applicable Debt Service Reserve Account);

(b) any cash or Investment Securities on deposit in all Mortgage Reserve Accounts of the Mortgage Reserve Fund, on a pro rata basis (provided, however, that no claim under a surety bond, insurance policy or letter of credit deposited to the credit of any Mortgage Reserve Account in the Mortgage Reserve Fund shall be made other than for the applicable Mortgage Reserve Account);

(c) Any Fund designated by the Commission, other than the Program Fund or the Rebate Fund; and

(d) the Program Fund.

In the event a transfer is made to the Debt Service Fund from any of the above Funds (and any Account within such Funds) to the Debt Service Fund, there shall be deposited in such Funds (and any Account within such Funds from which the transfer was made) an amount equal to the amount so transferred from the next moneys deposited in the Revenue Fund.

Prepayments

Except as may be otherwise provided with respect to a particular Series of Bonds by a Supplemental Indenture (subject to the consent of the Bond Insurer, if any), and except as described in the next succeeding paragraph, all Prepayments shall be deposited in the applicable Principal Account of the Principal Fund. Such Prepayments shall be transferred to the related Redemption Account of the Redemption Fund, except that the portion of Prepayments representing an amount not divisible by Authorized Denominations for the applicable Series of Bonds shall be transferred by the Trustee to the related Revenue Account of the Revenue Fund and any penalty, fee, premium or other additional charge for the prepayment of principal which may be provided by the terms of a Mortgage Loan may be transferred by the Trustee to the Revenue Fund as directed by an Authorized Officer. The Offered Bonds shall be subject to redemption prior to maturity to the extent that the Trustee receives certain Prepayments on a Mortgage Loan refinanced by the Offered Bonds. See "DESCRIPTION OF THE OFFERED BONDS – Special Mandatory Redemption from Excess Mortgage Loan Payments."

Prepayments received as a consequence of damage, destruction or condemnation of a Project may be used, at the option of the Commission, to repair or restore such Project, provided that the Commission shall have filed with the Trustee certificates satisfying the same requirements as the certificates required to be filed as a condition precedent to the issuance of an additional Series of Bonds and the advances for such repairs are insured or guaranteed by the insurer or guarantor, if any, of the Mortgage Loan with respect to the Project and such insurance or guaranty is not otherwise adversely affected. The portions of Prepayments representing any penalty, fee, premium or additional charge may be transferred to the Revenue Fund by the Trustee upon a Commission Request.

Receipt of debentures issued by a government insurer upon default of the mortgagor shall not be deemed to be Prepayments of the Mortgage Loan and, upon receipt, such debentures shall be deposited in the Revenue Fund. However, if interest income is not sufficient to pay the debt service on the Bonds in addition to other expenses of the Project, the Trustee may sell the debentures at the best price or prices obtainable if necessary to pay principal and interest on the Bonds.

Investment of Funds

Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Securities which mature or may be redeemed at the option of the holder not later than the times

when such moneys shall be needed for payments to be made from such Funds or Accounts. Investments are to be made by the Trustee in accordance with instructions received from the Commission. In lieu of making investments in Investment Securities, the Trustee shall, upon direction by the Commission, deposit moneys in any Fund or Account in interest-bearing time deposits or shall make other similar banking arrangements provided all moneys in such deposits or arrangements are continuously and fully secured by Investment Securities of the type specified in clause (a) or (b) of the definition of "Investment Securities" and with a market value at all times at least equal to the amount (including accrued but unpaid interest) of the deposit or other similar banking arrangement.

In computing the amount in any Fund or Account held by the Trustee under the provisions of the Indenture, other than the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the cost or face value thereof, whichever is lower, exclusive of accrued interest except that obligations maturing within one year shall be valued at face value without accrued interest. In computing the amount held in the Debt Service Reserve Fund, obligations shall be valued at market value.

The interest, income or increment to all Funds and Accounts due to the investment thereof shall be transferred to the Revenue Fund, except that no such transfer shall be made from the Debt Service Reserve Fund unless, after giving effect to the transfer, the amount therein at least equals the Debt Service Reserve Fund Requirement.

Payment of Bonds

The Commission covenants that it will duly and punctually pay or cause to be paid the principal or Redemption Price of every Bond, purchase price of any variable rate bonds and the interest on every Bond at the dates and places and in the manner mentioned in the Bonds and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Creation of Liens

The Commission shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Commission or by any Fiduciary under the General Indenture, except that the Commission may issue (a) evidences of indebtedness secured by a pledge of the Revenues to be derived after the pledge of the Revenues provided in the General Indenture has been discharged and satisfied or (b) notes or bonds of the Commission not secured under the General Indenture.

Covenants Relating to Mortgage Loans

The Commission has covenanted to Acquire Mortgage Loans only in accordance with provisions of the Act, the General Indenture, the applicable Supplemental Indenture and any applicable regulations of the Commission. The Commission shall at all times charge and collect Mortgage Repayments and other amounts with respect to Mortgage Loans which, together with any other Revenues estimated to be available therefor, are at least sufficient in each Bond Year for the payment of the sum of (a) the Aggregate Debt Service for such Bond Year; (b) Program Expenses during such Bond Year; and (c) the amount, if any, to be paid during such Bond Year from Revenues into the Debt Service Reserve Fund.

Except in the event of a default on a Mortgage Loan, the Commission has covenanted not to sell any Mortgage Loan unless the Commission provides the Trustee with (a) a Cash Flow Certificate (giving effect to such sale), (b) evidence that the Commission has notified each Rating Agency of the proposed sale of such

Mortgage Loan and each such Rating Agency has confirmed in writing that such sale will not cause the rating on the Bonds to be lower than "AA" by S&P and that such sale will have no adverse effect on existing ratings of the other Outstanding Bonds (without giving effect to any bond insurance policies or other credit enhancement relating to such Bonds), (c) the sale proceeds are used to redeem the applicable portion of the related Series of Bonds, and (d) the proceeds of such sale, together with any moneys provided by the Commission, will be in an amount sufficient to pay the redemption price of the applicable portion of the Series of Bonds to be redeemed, plus accrued interest thereon to the redemption date.

The Commission has covenanted not to modify any Mortgage Loan or any Mortgage or any note or other obligation evidencing or securing any Mortgage Loan which will in any manner impair or materially adversely affect the rights or security of the Bondholders (without giving effect to any credit enhancement) provided, however, that, subject to consent of the Bond Insurer, if any, nothing in this paragraph shall be construed to prevent the Commission from (i) settling a default on any Mortgage Loan on such terms as the Commission shall determine to be in the best interests of the Commission and the Bondholders or (ii) cooperating with FHA or any other insurer or guarantor to effect the restructuring of Mortgage Loans on such terms as the Commission shall determine to be in the best interests of the Commission and the Bondholders; provided, however, that, with respect to such modification, the Commission shall have filed with the Trustee certificates satisfying the same requirements as the Certificates required to be filed as a condition precedent to the issuance of an additional series of Bonds. The Commission shall service, or cause to be serviced, each Mortgage Loan in accordance with prudent business practices and all applicable regulations of the insurer of such Mortgage Loan and shall neither take nor fail to take any action which would result in the loss, reduction or suspension of any Housing Subsidy Payments with respect to any Project, except under the limited circumstances described in the Indenture.

To the extent permitted by the insurer or guarantor, if any, of any Mortgage Loan, unless otherwise provided in the Supplemental Indenture authorizing the Mortgage Loan, the Commission shall require that any Prepayment of a Mortgage Loan shall be required to be at least sufficient to provide for the payment by the Commission of (i) the Redemption Price and accrued interest on the next redemption date of the Related Series of Bonds in a principal amount equal to the amount of such prepaid Mortgage Loan, (ii) a proportionate amount of Outstanding Bonds of the Related Series of Bonds issued to provide for capitalized interest and Costs of Issuance, and (iii) the costs and expenses of the Commission in effecting such redemption.

The Commission has covenanted to enforce diligently and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans and the preservation and protection of the rights and privileges of the Commission and the Bondholders thereunder. Upon the happening of an event of default under a Mortgage Loan, the Commission shall take all reasonable steps to recover the proceeds of the insurance or guaranty, if any, on such Mortgage Loan. Whenever it shall be necessary or advisable in order to protect and enforce its rights under a Mortgage Loan, the Commission, with the consent of the insurer or guarantor, if any, of such Mortgage Loan, shall commence foreclosure proceedings and, in the protection and enforcement of its rights, shall bid for and, if necessary, purchase the Project securing such Mortgage Loan or, as an alternative to foreclosure proceedings, take such other action as may be appropriate or necessary to acquire the Project. For such period as the Commission shall be in possession of the Project securing such Mortgage Loan, the Commission shall operate and administer such Project in the manner required of the Approved Mortgagor.

Certain Other Covenants

Among other covenants made by the Commission are those related to the following matters:

Accounts and Reports. The Commission shall keep proper books of records and accounts relating to its transactions and the Funds and Accounts established by the General Indenture, which are subject at all times to the inspection of the Trustee and the holders of an aggregate of not less than 5% in principal amount of Outstanding Bonds or their representatives duly authorized in writing. The Commission shall annually, within 180 days after the close of each Fiscal Year, file with the Trustee a copy of an annual report accompanied by an Accountant's Certificate setting forth a statement of income, expenses and changes in fund balances for such year and a statement of cash flows for such year. A copy of each annual report will be mailed to each Bondholder (at the expense of such Bondholder) who has filed his name and address with the Commission for such purpose.

Personnel. The Commission has covenanted at all times to appoint, retain and employ competent and qualified personnel or contract for such personnel for the purpose of carrying out the Program.

Arbitrage Covenant. The Commission has covenanted not to use or permit the use of the proceeds of any Bonds that purport to be tax-exempt or any other moneys in its possession or control in any manner which would cause any such Bond to be an "arbitrage bond" within the meaning ascribed to the term in Section 103 of the Code or any successor section to the Code.

Defaults and Remedies

Each of the following events constitutes an "Event of Default":

(a) the Commission shall fail to pay any Principal Installment or the Redemption Price on any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) the Commission shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable;

(c) the Commission shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture or in the Bonds, and such failure shall continue for a period of 30 days after written notice thereof to the Commission by the Trustee or to the Commission and to the Trustee by the holders of not less than 10% in principal amount of the Bonds Outstanding;
or

(d) the Commission shall file a petition seeking relief under the federal bankruptcy laws or under any other applicable law or statute of the United States or of the State.

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the holders of not less than 50% in aggregate principal amount of the Bonds Outstanding (or such greater amount as may be required by a supplemental indenture) shall, give 30 days' notice in writing to the Commission of its intention to declare all Bonds Outstanding due and payable immediately. After such 30-day period the Trustee may, and upon written request of such holders shall, by notice in writing to the Commission, declare all Bonds Outstanding immediately due and payable. If all Events of Default known to the Trustee shall have been remedied to the satisfaction of the Trustee prior to entry of final judgment or decree, and all amounts otherwise

due for debt service and expenses have been paid or provided for, the Trustee may annul such declaration and its consequences.

Upon the occurrence and continuance of an Event of Default the Trustee may, and upon the written request of the holders of not less than 50% in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor shall, proceed to protect and enforce its rights and the rights of the Bondholders by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem most expedient, including but not limited to:

- (a) enforcement of the right of Bondholders to collect and enforce the payment of principal and interest due or becoming due on Mortgage Loans and collect and enforce any rights with respect to the Mortgages and to require the Commission to carry out its duties under the terms of the General Indenture and the Act;
- (b) suit upon all or any part of the Bonds;
- (c) civil action to require the Commission to account as if it were the trustee of an express trust for the Holders of the Bonds;
- (d) civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; and
- (e) enforcement of any other right of Bondholders conferred by law or the General Indenture.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the holders of not less than 50% in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the General Indenture by any acts which may be unlawful or in violation of the General Indenture or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of the General Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the holders of Bonds not making such request.

It is further provided that no Bondholder shall have any right to institute any suit, action or proceeding in equity or at law unless such holder shall have given to the Trustee written notice of the Event of Default and unless the holders of not less than 50% in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee and shall have afforded the Trustee a reasonable opportunity to proceed to institute action and unless, also, there shall have been offered to the Trustee reasonable security and indemnity, and the Trustee shall have failed or refused to comply with such request within 60 days of receipt of such request.

Application of Revenues and Other Moneys After Default

If an Event of Default occurs and is not remedied, the Commission, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee all moneys and securities then held by the Commission in any Fund or Account under the General Indenture and, as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the General Indenture.

During the continuance of an Event of Default, the Trustee will apply such moneys, securities, Revenues, payments and receipts and the income therefrom as follows and in the following order:

(a) to the payment of the reasonable and proper charges of the Trustee, provided that, in the case of an Event of Default of the type listed in (d) under "Defaults and Remedies" above, (i) the amount of such charges paid from the Revenues and other moneys and securities pledged under the General Indenture shall not exceed the Trustee fees specified in the most recent certificate of the type required to be filed as a condition precedent to the issuance of an additional Series of Bonds plus any Revenues in excess of those necessary to make Debt Service Payments on all Outstanding Bonds, and (ii) any amounts held in the Rebate Fund shall be applied to comply with federal tax law;

(b) to the payment of the interest and Principal Installments or Redemption Price then due on the Bonds, subject to the provisions of the General Indenture, as follows:

(i) unless the principal of all the Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due in the order of maturity of such installments, and, if the amount available is not sufficient to pay in full any installments maturing on the same dates, then to the payments thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the persons entitled thereto of the unpaid Principal Installments or Redemption Price of any Bonds which have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available are not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

THIRD: to the payment of all amounts due and payable to the Bond Insurer, if any;

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

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

Majority Bondholders Control Proceedings

If an Event of Default shall have occurred and be continuing, the holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct the method of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the

General Indenture or for the appointment of a receiver or any other proceedings under the General Indenture, provided that such direction is in accordance with law and the provisions of the General Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction, and provided further that nothing in the General Indenture impairs the right of the Trustee in its discretion to take any other action under the General Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

Responsibilities of Fiduciaries

No Fiduciary assumes any responsibility for the correctness of the recitals of fact in the General Indenture and in the Bonds, and no Fiduciary makes any representation as to or incurs any responsibility in respect of the validity or sufficiency of the General Indenture or of Bonds or in respect of the security afforded by the General Indenture. No Fiduciary will be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof or to advance any of its own moneys, unless properly indemnified. Subject to certain provisions of the General Indenture, no Fiduciary will be liable in connection with the performance of its duties under the General Indenture except for its own negligence or willful misconduct.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the General Indenture. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by the General Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate trust officer would exercise or use under the circumstances.

Compensation of Fiduciaries

The Commission shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the General Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the General Indenture, and each Fiduciary shall have a lien therefor on any and all funds at any time held by it under the General Indenture. Subject to the provisions of the General Indenture, the Commission will indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the General Indenture and which are not due to its negligence or willful misconduct.

Removal of Trustee

The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Bond Insurer, if any, or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Commission, or (ii) by the Commission at any time except during the continuance of an Event of Default with or without cause as determined in the sole discretion of the Commission by filing with the Trustee a notice of removal. In no event shall any such removal take effect until a successor Trustee has been appointed and has taken office in accordance with the Indenture.

Modifications of General Indenture

There are provided procedures whereby the Commission may amend the General Indenture or a Supplemental Indenture by adoption of a Supplemental Indenture. Amendments that may be made without consent of Bondholders but with the consent of the Bond Insurer, if any, must be for such purposes as providing for the issuance of a Series of Bonds, further securing the Bonds, imposing further limitations on or surrendering rights of the Commission, curing ambiguities, changing a Supplemental Indenture authorizing the issuance of any variable rate bonds which change will become effective only on a date when such variable rate bonds are subject to mandatory tender, substituting Projects to be financed from Bond proceeds or making such other modifications in the General Indenture that are not materially adverse, in the discretion of the Trustee, to the interests of the Bondholders.

Amendments of the respective rights and obligations of the Commission and the Bondholders may be made with the written consent of the holders of not less than two-thirds in principal amount of the Bonds Outstanding to which the amendment applies, but no such amendment shall permit a change in the terms of redemption or maturity of the principal of any Bond Outstanding or of any installment of interest thereon or tender price of any variable rate Bond or a reduction in the principal amount or Redemption Price therefor or the rate of interest thereon without the consent of the Bondholders of all such Bonds or reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect such amendment.

Amendments may be made in any respect with the written consent of the holders of all the Bonds and the consent of the Bond Insurer, if any, then Outstanding.

Discharge of Indenture in Entirety

If the Commission shall pay or cause to be paid, or there is otherwise paid, to the holders of all Bonds the principal or Redemption Price, if applicable, and interest due at the times and in the manner stipulated therein and in the General Indenture, then, unless there shall be an Officer's Certificate delivered to the Trustee to the contrary, the pledge of any Revenues and other moneys and securities pledged under the General Indenture and all covenants, agreements and other obligations of the Commission to the Bondholders shall thereupon cease, terminate and be discharged and satisfied; provided, however, that such discharge and satisfaction shall not be deemed effective for 90 days or such shorter period as will not, in the opinion of counsel experienced in bankruptcy matters, subject such amounts to being treated as "preferential payments" under applicable federal bankruptcy laws.

Discharge of Indenture as to a Series of Bonds

If the Commission shall pay or cause to be paid, or there shall otherwise be paid to the holders of all Outstanding Bonds of a particular Series the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the General Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the General Indenture, and all covenants, agreements and obligations of the Commission to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied; provided, however, that such discharge and satisfaction shall not be deemed effective for 90 days or such shorter period as will not, in the opinion of counsel experienced in bankruptcy matters, subject such amounts to being treated as "preferential payments" under applicable federal bankruptcy laws.

Defeasance

All Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the General Indenture if, among other things, there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, which deposit shall be accompanied by a verification report of an Accountant with respect to the sufficiency of such deposit.

Subordination of Documents

Notwithstanding anything in the Supplemental Indenture to the contrary, the provisions thereof are subordinate to all applicable HUD mortgage insurance regulations and related administrative requirements. In the event of any conflict between the provisions of such documents and the provisions of any applicable FHA Regulations, related HUD administrative requirements, or the Mortgage Loan Documents, the applicable regulations, related administrative requirements or the Mortgage Loan Documents shall control.

RATING OF THE OFFERED BONDS

Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc. ("S&P") has assigned the Offered Bonds a rating of "AA" and simultaneously reaffirmed the rating of "AA" on the existing Bonds issued under the Indenture. An explanation of the significance of such ratings may be obtained only from S&P. The Commission has furnished to S&P information and materials relating to the Offered Bonds and itself, certain of which information and materials have not been included in this Official Statement. Generally, S&P bases its ratings on such information and materials and on investigations, studies and assumptions by S&P. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision, suspension or withdrawal of the ratings may have an adverse effect on the market price of the Offered Bonds.

TAX MATTERS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, OWNERS OF THE OFFERED BONDS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE OFFERED BONDS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY OWNERS OF THE OFFERED BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THOSE OWNERS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE OFFERED BONDS WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE OFFERED BONDS; AND (C) OWNERS OF THE OFFERED BONDS SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR CIRCUMSTANCES.

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Offered Bonds. This summary is based upon laws, regulations, rulings and

judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Offered Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Offered Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Offered Bonds.

Tax Status of the Offered Bonds – Federal and State of Missouri

No Federal Tax Exemption. The interest on the Offered Bonds is *included* in gross income for federal income tax purposes, in accordance with the owner's normal method of accounting.

Missouri Tax Exemption. In the opinion of each of Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel, which opinions shall be delivered on the date of issuance of the Offered Bonds, under the law existing as of the issue date of the Bonds, the interest on the Offered Bonds is exempt from income taxation by the State of Missouri.

No Other Opinions. Co-Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Offered Bonds, except as expressly provided herein. Purchasers of the Offered Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Offered Bonds, including the possible application of state, local, foreign and other tax laws.

Form of Co-Bond Counsel Opinion. The form of the Co-Bond Counsel opinion is attached hereto as **Appendix E**.

Other Tax Consequences

Sale, Exchange or Retirement of Offered Bonds. Upon the sale, exchange or retirement (including redemption) of an Offered Bond, an owner of the Offered Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Offered Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Offered Bond. To the extent an Offered Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Offered Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Offered Bonds, and to the proceeds paid on the sale of the Offered Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Offered Bonds should be aware that ownership of the Offered Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of

Offered Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Offered Bonds, including the possible application of state, local, foreign and other tax laws.

NO LITIGATION

At the time of delivery of and payment for the Offered Bonds, the Commission will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public commission or body, pending or, to the best knowledge of the Commission, threatened against the Commission affecting the existence of the Commission or the title of its members or officers to their respective offices or their respective powers with respect to the Offered Bonds, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Offered Bonds or the collection of revenues or assets of the Commission pledged or to be pledged to pay the principal of and interest on the Bonds, or contesting in any way the completeness or accuracy of the Official Statement or any amendment or supplement thereto, or contesting the material powers of the Commission or any authority for the issuance of the Offered Bonds or the execution of the Indenture; nor, to the best knowledge of the Commission, is there any basis thereof, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Indenture.

In the opinion of the Commission's general counsel, there is no litigation pending which would materially adversely affect the financial position of the Commission or the Commission's ability to meet the debt service requirements of the Offered Bonds or the Bonds.

CERTAIN LEGAL MATTERS

All legal matters relating to the authorization, issuance and delivery of the Offered Bonds are subject to the approval of Gilmore & Bell, P.C. and the Hardwick Law Firm LLC, Co-Bond Counsel. The opinion of Co-Bond Counsel with respect to the Offered Bonds will be in substantially the form attached as **Appendix E**.

Certain legal matters will be passed upon by Greenberg Traurig, LLP, Washington, D.C., Counsel to the Underwriters.

SALE OF OFFERED BONDS

All of the Offered Bonds will be purchased from the Commission by Stifel, Nicolaus & Company, Incorporated, George K. Baum & Company, Edward D. Jones & Co., L.P., BofA Merrill Lynch, UMB Bank, N.A., Stern Brothers and RBC Capital Markets (collectively, the "Underwriters") under a Bond Purchase Contract between the Commission and the Underwriters (the "Purchase Contract"), pursuant to which the Underwriters agree, subject to certain conditions, to purchase all of the Offered Bonds at prices equal to the offering prices set forth on the inside cover page hereof. The Underwriters will receive underwriting fees and expenses in the amount of \$139,066.65 with respect to the Offered Bonds.

The initial public offering prices of the Offered Bonds stated on the cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers (including dealers depositing such Offered Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

CONTINUING DISCLOSURE

The Commission will enter into an agreement (the "Disclosure Agreement") for the benefit of the holders of the Offered Bonds, to cause certain financial information and operating data relating to the Program (primarily any changes to the information of the type included in **Appendix C** hereto) to be sent to the municipal securities information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, Section 240.15c2-12). A copy of the proposed form of Disclosure Agreement relating to the Offered Bonds may be obtained from the Commission. The Commission has not failed to comply with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

ADDITIONAL INFORMATION

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the Offered Bonds.

The execution and delivery of this Official Statement by its Director of Finance has been duly authorized by the Commission. Concurrently with the delivery of the Offered Bonds, the Commission will furnish a certificate executed on behalf of the Commission by its Chairman, Vice Chairman, Executive Director or Director of Finance to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the Offered Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

MISSOURI HOUSING DEVELOPMENT
COMMISSION

By: /s/ Marilyn Lappin
Marilyn Lappin, Director of Finance

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APPENDIX A

CERTAIN DEFINITIONS

"*Acquire*" or "*Acquired*," when used with respect to a Mortgage Loan, means the acquisition by the commission of a Mortgage Loan either by the payment of Notes, the refunding of bonds or other obligations previously issued by the Commission, or the purchase of making of such Mortgage Loan.

"*Acquired Project*" means a Project to which the Commission has acquired title or of which it has taken possession through enforcement of its rights conferred by law, by a Mortgage or otherwise.

"*Aggregate Debt Service*" means, for any period, the Debt Service Payments becoming due and payable on all Bonds on all Bond Payment Dates during such period.

"*Approved Mortgagor*" means an "approved mortgagor" as such term is defined in the Act, which is the mortgagor on a Mortgage Loan the Commission has Acquired or reasonably expects to Acquire, and any successor in title or assigns.

"*Authorized Denominations*" means \$5,000 or any integral multiple thereof.

"*Authorized Officer*" means the Chairman, Vice Chairman or Executive Director of the Commission and any other officer designated from time to time as an Authorized Officer by resolution of the Commission, and when used with reference to any particular act or document also means any other person authorized by the Commission to perform an act or sign a document.

"*Bond*" or "*Bonds*" means any of the bonds of the Commission authorized by the General Indenture and issued pursuant to a Supplemental Indenture.

"*Bondholder*" or "*Holder*" or "*Owner*" or similar term, when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

"*Bond Insurer*" means the Bond Insurer(s) specified in a Supplemental Indenture with respect to a Series of Bonds. There is no Bond Insurer with respect to the Offered Bonds.

"*Bond Payment Date*" or "*Bond Payment Dates*" means the date or dates specified for a Series of Bonds in the Supplemental Indenture authorizing the same. With respect to the Offered Bonds, the "*Bond Payment Dates*" are each January 1 and July 1, commencing January 1, 2014, and the respective maturity dates thereof.

"*Bond Year*" means the 12-month period specified in the Supplemental Indenture.

"*Borrower*" means the Approved Mortgagor obligated to make payments under a Mortgage Loan. With respect to the Mortgage Loan refinanced by the Offered Bonds, "*Borrower*" means the Borrower specified in Appendix C attached hereto, and its successors and assigns.

"*Business Day*" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in New York, New York or the city in which the principal corporate trust office or payment office of the Trustee is located, are authorized or obligated by law or executive order to be closed for business.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations of the Treasury Department thereunder, and/or the Internal Revenue Code of 1954, as amended, and the Regulations of the Treasury Department thereunder, whichever is applicable.

"Commission Request" means a written request of the Commission signed by an Authorized Officer.

"Completed" or "Completion," when used with respect to a Project, means that (a) if the Related Mortgage Loan is insured or guaranteed by a third party, the third-party insurer or guarantor has finally endorsed the Related Mortgage Loan or has taken substantially similar action and (b) in all other cases, the Commission has certified (i) the final Project Cost for such Project and (ii) that the moneys available in the Program Fund for such Project are sufficient to meet any unpaid Project Costs so certified.

"Costs of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Commission and related to the authorization, sale and issuance of Bonds, which items of expense shall include but not be limited to bond insurance premiums, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee and Paying Agents, compensation of investment bankers, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding and other costs, charges and fees in connection with the foregoing.

"Debt Service Payment," when used with respect to any Bond Payment Date, means the aggregate of the (i) interest and (ii) Principal Installments, if any, payable on such date.

"Debt Service Reserve Fund Bonds" means the Bonds of a Series, if any, issued for the purpose of providing moneys for deposit in the Debt Service Reserve Fund and so designated in the Supplemental Indenture.

"Defaulted Mortgage Loan" means a Mortgage Loan on which payments of principal and interest are 30 days or more in arrears.

"Fannie Mae" means Fannie Mae and any successor thereto.

"FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development and any successor thereto.

"FHLMC" means the Federal Home Loan Mortgage Corporation and any successor thereto.

"Fiduciary" or "Fiduciaries" means the Trustee, the Paying Agents, the Depositories or any or all of them, as may be appropriate.

"Fiscal Year" means a period beginning on July 1 in any year and ending on June 30 of the following year or such other 12-month period adopted by the Commission as may be required to comply with applicable laws or regulations.

"GNMA" means the Government National Mortgage Association and any successor thereto.

"Government" means the United States of America and any agency or instrumentality thereof.

"Government Obligations" means Investment Securities (a) which are described in clause (a) of the definition of Investment Securities below and (b) which are not subject to redemption by the issuer thereof prior to their maturity.

"*Housing Subsidy Payments*" means (a) the moneys, if any, received from time to time by the Commission from the Government with respect to (i) rental payments on, or the purchase price of, residential housing units in Projects or (ii) interest payments on Mortgage Loans and (b) any other subsidy payments with respect to the Projects or the Mortgage Loans, provided the same may be used, in accordance with the statutes and regulations pursuant to which such moneys are paid, to make Debt Service Payments.

"*Interest Period*" means the period from a Bond Payment Date to, but not including, the next succeeding Bond Payment Date.

"*Investment Securities*" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Commission's moneys:

1. Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, or (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

2. Evidences of ownership of proportionate interests in future interest and principal payments on obligations described in clause 1 above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

3. Federal Housing Administration debentures.

4. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation ("FHLMC") participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts and senior debt obligations);

(b) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(c) Federal Home Loan Banks ("FHL Banks") Consolidated debt obligations;

(d) Federal National Mortgage Association ("FNMA") senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(e) Student Loan Marketing Association ("SLMA") senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(f) Financing Corporation ("FICO") debt obligations; and

(g) Resolution Funding Corporation ("REFCORP") debt obligations.

5. Unsecured certificates of deposit, time deposits and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

6. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation ("FDIC"), in banks which have capital and surplus of at least \$5 million.

7. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

8. Money market funds rate of "AAm" or "AAm-G" by S&P, or better.

9. "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated no less than "Aa3" by Moody's and "AA" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

10. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

11. Repurchase Agreements with (a) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "AA" by S&P and "Aa" by Moody's; or (b) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA" by S&P and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity rated "AA" or better by S&P and "Aa" or better by Moody's and acceptable to the Bond Insurer, if any, provided that:

(i) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "AA" and "Aa" rating, respectively, in an "AA" rated structured financing (with a market value approach);

(ii) the Trustee or a third party acting solely as agent therefor or for the Commission (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(iii) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(iv) all other requirements of S&P in respect of repurchase agreements shall be met; and

(v) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "AA" by S&P or "Aa3" by Moody's, as appropriate, the provider must, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Commission or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are 103% or better and the provider is rated at least "AA" by S&P and "Aa" by Moody's, respectively.

12. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims-paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's, provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Program Fund, construction draws, if applicable) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Commission and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Commission or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Commission and the Bond Insurer, if any) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Bond Insurer, if any;

(e) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Commission, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" -rated structured financing (with a market value approach); or (B) subject to the prior written consent of the Bond Insurer, if any, repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Commission or Trustee;

(f) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(g) the investment agreement must provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Commission or the Trustee (who shall give such direction if so directed by the Bond Insurer, if any), be accelerated, and amounts invested and accrued but unpaid interest thereon shall be repaid to the Commission or Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated, and amounts invested and accrued but unpaid interest thereon shall be repaid to the Commission or Trustee, as appropriate.

13. Any other investment approved in writing by the applicable Bond Insurer.

In determining whether a particular investment would adversely affect the ratings on the Outstanding Bonds (without giving effect to any policies or other credit enhancement), the Commission may rely upon the most recent credit publications of the applicable Rating Agency, or written or oral determinations thereof, provided that if oral the Commission shall maintain a written summarization of the results of such oral communication.

"*Lender*" means a bank, savings and loan, mortgage banker or other financial institution holding Bond proceeds and/or Revenues pursuant to a servicing agreement or similar agreement with the Commission.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency approved by the Bond Insurer, if any, and designated by the Commission with notice to the Trustee.

"*Mortgage*" means an instrument evidencing a mortgage lien on a Project, subject to such title exceptions as shall be acceptable to (i) the Commission and (ii) the insurer of such Mortgage, if applicable.

"*Mortgage Loan*" means an interest-bearing obligation evidencing a loan which is made to an Approved Mortgagor to finance a Project secured by a Mortgage on the Project and acquired by the Commission and which is (i) fully and unconditionally insured or guaranteed as to timely payment by GNMA, FHLMC or Fannie Mae or insured by FHA under its Section 542(c) Risk Share Program, Section 221(d)(4) or Section 221(d)(3), or if originally insured under Section 221(d)(4) or Section 221(d)(3), refinanced and insured by FHA under Section 223(a)(7), or (ii) fully and unconditionally guaranteed as to timely payment by the Commission, which mortgage insurance guaranty shall be a general obligation of the Commission secured by a pledge of its full faith and credit; provided, however, that if FHA reduces the amount of FHA insurance coverage with respect to a Mortgage Loan, such uninsured portion shall be fully and unconditionally insured or otherwise guaranteed as to timely payment by the general obligation of the Commission, secured by a pledge of its full faith and credit.

"*Mortgage Repayment*" means the amounts paid on a Mortgage Loan from time to time as principal thereof and interest thereon by or on behalf of an Approved Mortgagor to or for the account of the Commission.

"Notes" means any notes or other obligations other than Bonds issued by the Commission to finance a Project.

"Outstanding," when used with respect to Bonds, means, as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

- (a) any Bond cancelled or delivered to the Trustee for cancellation on or before such date;
- (b) any Bond (or any portion of any Bond) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption moneys and/or Government Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Government Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond (or any portion of any Bond) to be redeemed prior to maturity notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Trustee;
- (c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture;
- (d) variable rate Bonds not delivered to the Trustee although deemed tendered; and
- (e) Bonds deemed to have been paid as provided in the Indenture.

"Overrun" means a Project Cost which exceeds the Commission's estimate therefor and which has been approved by the Commission.

"Prepayment" means any moneys received or recovered by the Commission from any payment of or with respect to principal of a Mortgage Loan (including any penalty, fee, premium or other additional charge for prepayment which may be provided by the terms of the Mortgage Loan) prior to the scheduled payments of principal called for by such Mortgage Loan (including any increase in the monthly amortization of principal of the Mortgage Loan as a result of a prepayment, even though the total monthly payment of principal and interest on the Mortgage Loan remains the same), whether (a) by voluntary prepayment made by the Approved Mortgagor, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Commission or (d) by any proceedings taken by the Commission in the event of a default thereon by the Approved Mortgagor, including, without limitation, money (but not debentures) received pursuant to the provisions of the Indenture relating to Defaulted Mortgage Loans.

"Principal Installment" means, as of any date of calculation, (a) the principal amount of all Bonds due on a certain date with respect to which no Sinking Fund Installments have been provided plus (b) the unsatisfied balance of any Sinking Fund Installments due on such date.

"Program Expenses" means all the fees relating to the Program and a Series of Bonds under the Indenture without limiting the generality of the foregoing: premiums paid to any Bond Insurer; premiums payable to any Liquidity Provider; the fees and expenses of any Remarketing Agent, Trustee, Tender Agent or any Depositaries and Paying Agents; the fees and expenses with respect to any surety provided for the Debt Service Reserve Fund or the Mortgage Reserve Fund; the fees and expenses of the Commission, including, but not limited to, the Program Administration Fee of the Commission and any fees and expenses of the

Commission acting in its capacity as servicer; and any other expenses required or permitted to be paid by the Commission under the provisions of the Indenture. The Program Expenses with respect to a particular Series of Bonds shall be specified in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

"*Project*" means a "development" or "residential housing" defined in the Act for occupancy by low income and moderate income persons and families on a rental basis. With respect to a Mortgage Loan refinanced by the Offered Bonds, "*Project*" means the related Project specified in Appendix C attached hereto.

"*Project Cost*" means, as of any date of calculation, the aggregate amount of construction or other costs then authorized by the Commission and the insurer or guarantor, if any, of the Related Mortgage Loan to be incurred with respect to the Project.

"*Rating Agency*" means S&P and each national bond rating agency which (a) was requested by the Commission to issue a rating with respect to the Bonds and (b) has issued and has outstanding a rating with respect to the Outstanding Bonds.

"*Record Date*" means the fifteenth calendar day, whether or not a Business Day, preceding such Bond Payment Date, unless the same shall be modified for a particular Series of Bonds in the Supplemental Indenture authorizing the issuance thereof.

"*Redemption Price*," when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture and the applicable Supplemental Indenture.

"*Refunded Bonds*" means the Commission's outstanding (i) Multifamily Housing Revenue Bonds (Pevely Square Apartments Project), 2003 Series 1, (ii) Multifamily Housing Revenue Bonds (Parkview Place Apartments Project), 2003 Series 2, (iii) Multifamily Housing Revenue Bonds (Hyder Elderly Apartments Project), 2003 Series 3, (iv) Multifamily Housing Revenue Bonds (Ridge Crest Apartments Project), 2003 Series 4, and (v) Multifamily Housing Revenue Bonds (Autumn House/Jefferson Manor Projects), 2003 Series 7.

"*Related Mortgage Loan*," when used with respect to any Project, means the Mortgage Loan made to finance such Project.

"*Related Series of Bonds*," when used with respect to a Project or a Mortgage Loan, means the Series of Bonds or, if appropriate, the several Series of Bonds the proceeds of which were used, or are to be used, to finance such Project or to acquire such Mortgage Loan.

"*Revenues*" means all income and receipts of whatever kind (other than Escrow Payments and earnings on the Rebate Fund) received by the Commission from or with respect to Mortgage Loans or Projects, including, without limitation, Mortgage Repayments whether paid by or on behalf of the Mortgagor (unless, with the consent of the Bond Insurer, if any, otherwise provided in the Supplemental Indenture authorizing the financing thereof or pledging the same), commitment fees or other charges paid to the Commission by or on behalf of Approved Mortgagors or Lenders, Prepayments and Acquired Project Income.

"*Servicer*" means the Commission or, subject to the consent of the Bond Insurer, if any, any Lender or other corporation, firm or organization designated by the Commission which shall have executed a servicing agreement with the Commission.

"*Sinking Fund Installment*," when used with respect to any Series of Bonds, means the amount so designated for any particular due date in the Supplemental Indenture.

"*S&P*" means Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc., and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency approved by the Bond Insurer, if any, and designated by the Commission with notice to the Trustee.

"*Trustee*" means UMB Bank & Trust, N.A. (formerly known as State Street Bank and Trust Company of Missouri, N.A.), and any successor thereto.

APPENDIX B

SUMMARY OF FHA MORTGAGE INSURANCE PROGRAMS

The following is a brief description of certain multifamily mortgage insurance programs administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended, and Sections 221(d)(3), 221(d)(4) and 223(a)(7) of the National Housing Act, as amended, and the regulations thereunder. The information is qualified in its entirety by reference to the Housing and Community Development Act of 1992, as amended (the "1992 Housing Act"), and to the National Housing Act and the regulations thereunder.

FHA Risk-Sharing Program

Section 542(c) (the "Risk Sharing Act") of the 1992 Housing Act authorizes HUD, acting through FHA, to enter into risk-sharing agreements with qualified state or local housing finance agencies ("HFAs") to enable those HFAs to underwrite and process loans for which HUD, acting through FHA, will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the "Regulations") pursuant to the 1992 Housing Act. The Risk-Sharing Program established by the Risk Sharing Act allows HFAs to carry out certain HUD functions, including the assumption of underwriting, loan management and property disposition functions and responsibility for defaulted loans, including reimbursement of HUD for a portion of the loss from any defaults that occur while the HUD contract of mortgage insurance is in effect.

Projects eligible to be insured under the Risk-Sharing Program include new construction projects, substantial rehabilitation projects, acquisition of existing projects with substantial rehabilitation, projects receiving Section 8 of the United States Housing Act of 1937 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program.

The Commission has been designated by HUD as a "qualified HFA" under the 1992 Housing Act. The Commission has entered into a risk-sharing agreement with HUD dated as of April 26, 1994, as amended (the "Risk-Sharing Agreement") which sets out the terms for the Commission's participation in the Risk-Sharing Program. The Commission has a "Level I" approval, which means it may re-insure HUD for up to 50% of any losses on the mortgage loans (based on certain loan-to-value criteria); HUD has approved the Commission's underwriting standards and loan terms and conditions for Level I loans. Projects financed by Mortgage Loans insured under the Risk-Sharing Program must contain five or more units. To date, the Commission has assumed 50% of the risk of loss on mortgage loans. As such, upon payment of a claim by HUD, MHDC will reimburse HUD 50% of the insurance benefits paid by HUD. The Risk Sharing Act as presently enacted requires that the Commission use proceeds of insurance under the Risk Sharing Act to redeem Bonds of the related Series. However, in the event of a loan default, the Commission is obligated to share with HUD in any loss arising as a consequence of the loan default.

Under the Risk Sharing Act and related regulations, unless the general obligations of the Commission are rated "A" or better, the Commission is required to establish and maintain a specially designated interest-bearing account consisting entirely of liquid assets in a financial institution acceptable to HUD that may be drawn upon only by HUD to satisfy any of the Commission's obligations to HUD. Because the Commission has received a rating of "AA+" on its general obligation debts, HUD does not require that the Commission maintain such account.

FHA Insurance Risk Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (a) the corresponding mortgage is paid in full; (b) the Commission acquires mortgaged property and notifies FHA that it will not file an insurance claim; (c) a party other than the Commission acquires the property at a foreclosure sale; (d) the Commission notifies FHA of a voluntary termination of mortgage insurance; (e) the Commission or its successors commit fraud or make a material misrepresentation to FHA with respect to certain information; (f) the receipt by FHA of an application for final claims settlement by the Commission; or (g) the Commission acquires the mortgage property and fails to make an initial claim.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification and lead-based paint and asbestos requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD will monitor the HFA's compliance with requirements concerning subsidy layering, the Davis-Bacon Act, environmental laws, and other program criteria. Certain HUD requirements may only be applicable when construction advances are insured.

If FHA insures construction advances under the mortgage note, at the initial closing (that is, upon commencement of construction and the first advance), a closing docket, including certifications required by the Regulations, are submitted to FHA and FHA then issues its initial endorsement of the mortgage note for insurance of advances.

Upon completion of construction, presentation of a closing docket, including an executed regulatory agreement between the HFA and the mortgagor and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by the Commission. Although the Commission has been given authority to approve cost certifications by a mortgagor, which certifications are final and incontestable absent fraud or misrepresentation by the mortgagor, such certifications are contestable by HUD in the event of fraud or misrepresentation, up to and during final endorsement of the applicable mortgage.

The Regulations define an event of default under an FHA-insured mortgage as (a) a failure to make any payment due under the mortgage or (b) a failure to perform any other mortgage covenant (which includes covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30-day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or the Commission has filed an application for an initial claim payment. Unless a written extension is granted by HUD, the Commission must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of the Commission, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where the Commission certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days but not to exceed 360 days from the date of default.

The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment. The mortgage note interest component of the initial claim amount is subject to curtailment as described below.

HUD must make all claim payments in cash. The initial claim payment to the Commission is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessments under the Regulations. The Commission must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms for the mortgages within 30 days of the initial claim payment. Any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement. Within 30 days of the initial claim payment, the Commission must also issue to HUD a debenture, payable in five years unless extended, in an amount equal to the amount of the initial claim payment, representing the Commission's obligation to HUD under its Risk Sharing Agreement.

In determining the mortgage note interest component of the initial claim amount, if the Commission fails to meet any of the requirements of the Regulations within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late. Losses sustained as a consequence of the sole negligence of the Commission will be the sole obligation of the Commission, notwithstanding the risk apportionment otherwise agreed to by HUD and the Commission.

When FHA pays a claim, the Risk Sharing Agreement provides that the Commission will issue a debenture (each, a "Debenture") to HUD for the full amount of the claim, which shall be supported by the full faith and credit of the Commission. Each Debenture will have a term of five years and will bear interest at HUD's published debenture rate, and interest will be payable annually. The Risk Sharing Act contemplates that during the five-year term of each Debenture, the Commission would work toward curing the default, foreclosure or resale of the related development. Upon the due date of each Debenture, the total loss to be shared by the Commission and HUD shall be computed pursuant to the Risk Sharing Agreement.

The Regulations provide that not later than 30 days after either (a) foreclosure sale or sale after acceptance of a deed in lieu of foreclosure or (b) expiration of the term of the HFA debenture, loss on the mortgaged property is determined and allocated between HUD and the HFA in accordance with their respective percentages of risk specified in the mortgage note and risk-sharing agreement.

Information on project management and servicing will be required after endorsement. Additionally, the HFA must submit semiannual reports and annual financial statements and must maintain its eligibility by continued compliance with the risk-sharing agreement, the regulatory agreement and all the requirements for initial program eligibility.

FHA Insurance Programs

Section 221(d)(3) applies to public, limited dividend and private nonprofit mortgagors. Section 221(d)(4) applies to all other mortgagors approved by HUD, including profit-motivated entities. Mortgage loans insured under Sections 221(d)(3) and 221(d)(4) may bear interest at a rate not exceeding the applicable FHA rate per annum and, in general, be in the maximum amount of the lesser of (a) an amount based on a "cost per unit" formula set forth in the federal regulations relating to such sections or (b) 90% of the estimated replacement cost of the development for profit-motivated entities, including limited dividend entities, or 100% of the estimated replacement cost for public and nonprofit entities.

FHA supervises the rents and charges made by mortgagors as well as the maintenance of the development and a reserve for replacement fund by the mortgagors. After initial approval, any change in such rents and charges must be approved by FHA. In addition, mortgagors under Section 221(d)(4) are supervised as to capital structure and rate of return on their equity in developments.

Pursuant to federal regulations, mortgagors must certify to FHA that they will not (a) discriminate against applicants because of race, color, religion or national origin, (b) discriminate against tenants or

applicants because of children in the family or (c) sell the development, unless the purchaser thereof so certifies. Preference for occupancy is required to be given to persons displaced by governmental action or catastrophe in Section 221(d) developments.

Pursuant to Sections 221(d)(3) and 221(d)(4), the real property on which a development is constructed must be either (a) owned by the mortgagor in fee simple or (b) leased by the mortgagor pursuant to a 99-year renewable lease, a lease having a remaining term of not less than 75 years or a lease from a governmental body with a remaining term of not less than 50 years. The mortgage on such development is required to proscribe the creation of senior or junior liens on such real property, except for junior liens granted in connection with the guaranty of operating loan losses or supplementary loans for the development.

Developments insured under Sections 221(d)(3) and 221(d)(4) must contain more than four dwelling units and comply with all state and local zoning, building and other governmental laws, ordinances and regulations. Upon completion of construction, development costs must be certified by the mortgagor to FHA. Profit-motivated mortgagors are required to agree to reduce the balance of any mortgage loan if FHA determines upon certification that the amount of such mortgage loan, where insured under Section 221(d)(4), exceeds 90% of allowable development cost or, where insured under Section 221(d)(3), exceeds 100% of allowable development cost.

Upon a default on a mortgage loan insured pursuant to Sections 221(d)(3) and 221(d)(4), current regulations provide for settlement of insurance benefits in cash unless the mortgagee requests payment in debentures. Pursuant to the Indenture, the Commission has covenanted not to request payment in debentures.

Under the terms of either the Sections 221(d)(3) and 221(d)(4) insurance programs, a mortgagee is entitled to claim insurance benefits upon the failure of the mortgagor to make a mortgage loan payment (or to perform any other obligation under the mortgage if, because of such failure, the mortgagee accelerates the debt), if such default continues for 30 days. To perfect its claim for payment, the mortgagee is required either to assign the mortgage loan and mortgage to HUD, acting through the FHA Commissioner, or to tender to it good and marketable title to the property covered by the insured mortgage loan.

The insurance benefits paid by FHA in cash under Sections 221(d)(3) and 221(d)(4) will be an amount equal to the aggregate of (a) the unpaid principal amount of the mortgage loan, (b) the amount of all payments made by the mortgagee (i) for taxes, special assessments and water rates which are liens prior to the mortgage, (ii) for insurance on the property, and (iii) for any mortgage loan insurance premiums paid after default, (c) an allowance for reasonable payments made by the mortgagee with the approval of FHA for the completion and preservation of the property, and (d) an amount equivalent to FHA debenture interest covering the period of time from the date of default on the mortgage loan to the date the insurance settlement occurs. From the aggregate of the foregoing amounts is deducted the total of (a) any amount received by the mortgagee on account of the mortgage loan after the date of default and (b) the sum of (i) any balance of the mortgage loan not advanced to the mortgagor, (ii) any cash of the mortgagor held by the mortgagee and not applied to reduction of the mortgage loan, (iii) all funds held by the mortgagee for the mortgagor pursuant to any other agreement, and (iv) an amount equivalent to 1% of the mortgage loan advanced to the mortgagor and not repaid as of the date of default, except that all or part of the 1% may be waived by FHA, if, at its request and in lieu of foreclosure, the mortgaged property and the mortgage loan are assigned to the Secretary of HUD.

When any property to be conveyed to FHA has been damaged by fire, earthquake, flood or tornado, it is generally required as a condition to payment of an insurance claim that such property be repaired by the mortgagee prior to such conveyance. Each mortgagor is required under the terms of the mortgage to maintain adequate property insurance with fire and extended coverage and flood insurance, where applicable.

Section 223(a)(7) permits the refinancing of FHA-insured mortgage loans only. The amount of the mortgage loan may not exceed the original principal amount of the mortgage loan being refinanced. Underwriting review is simplified and minimal if the refinancing involves simply an interest rate reduction. Other than the refinancing aspects of Section 223(a)(7), a Section 223(a)(7) insured mortgage loan continues to be governed by the FHA program under which the original mortgage loan was insured.

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APPENDIX C

**PROJECTS AND MORTGAGE LOANS EXPECTED
TO BE REFINANCED BY THE OFFERED BONDS**

The following Projects and Mortgage Loans are expected to be refinanced by the Offered Bonds:

**FHA Risk-Sharing Program Project
Originally Financed by 2003 Series 1 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of June 1, 2013	Originally Projected Total Costs
Pevely Square Apartments	Pevely Square, L.P.	Pevely, Missouri	60 1Bdr./1 bath 50 2 Bdr./1 bath 10 3 Bdr./1.5 bath	\$2,217,172	249 months	\$10,317,776

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an interest rate of 6.0%, which is eligible, at the option of the Borrower, to be modified to 5.125%, plus an insurance premium of 0.50% annually. In the event the Borrower shall exercise its option to modify the interest rate, amortization of the remaining principal of such Mortgage Loan will be based upon level debt service commencing August 1, 2013, or such later date as shall be the first day of the month immediately subsequent to the effective date of the modified interest rate, for the remaining term of the remaining loan amount specified above at the modified interest rate thereof.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by 2003 Series 2 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of June 1, 2013	Originally Projected Total Costs
Parkview Place Apartments	Parkview Place Apartments, L.P.	University City, Missouri	115 1Bdr./1 bath 39 Efficiency 1 Bdr./1 bath 2 Employee units	\$3,658,989	255 months	\$10,070,717

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an interest rate of 6.0%, which is eligible at the option of the applicable Borrower, to be modified to 5.125%, plus an insurance premium of 0.50% annually. In the event the Borrower shall exercise its option to modify the interest rate, amortization of the remaining principal of such Mortgage Loan is based upon level debt service commencing on August 1, 2013, or such later date as shall be the first day of the month immediately subsequent to the effective date of the modified interest rate, for the remaining term of the remaining loan amount specified above at the modified interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by 2003 Series 3 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of June 1, 2013	Originally Projected Total Costs
Hyder Elderly Apartments	Hyder Development Group, L.P.	Jefferson City, Missouri	116 1 Bdr./1 bath	\$3,479,826	319	\$7,621,504

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 35 years, plus the construction period, with an interest rate of 6.10%, which is eligible, at the option of the Borrower, to be modified to 5.125%, plus an insurance premium of 0.50% annually. In the event the Borrower shall exercise its option to modify the interest rate, amortization of the remaining principal of such Mortgage Loan is based upon level debt service commencing August 1, 2013, or such later date as shall be the first day of the month immediately subsequent to the effective date of the modified interest rate, for the remaining term of the remaining loan amount specified above at the modified interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Project
Originally Financed by 2003 Series 4 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of June 1, 2013	Originally Projected Total Costs
Ridge Crest Apartments	Ridge Crest Apartments, L.P.	St. Louis, Missouri	6 1 Bdr./1 bath 51 2 Bdr./1 bath 26 3 Bdr./1 bath	\$2,060,072	256	\$7,450,202

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an interest rate of 6.25%, which is eligible, at the option of the Borrower, to be modified to 5.125%, plus an insurance premium of 0.50% annually. In the event the Borrower shall exercise its option to modify the interest rate, amortization of the remaining principal of such Mortgage Loan is based upon level debt service commencing August 1, 2013, or such later date as shall be the first day of the month immediately subsequent to the effective date of the modified interest rate, for the remaining term of the remaining loan amount specified above at the modified interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

**FHA Risk-Sharing Program Projects
Originally Financed by 2003 Series 7 Bonds**

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount to be Refinanced	Remaining Term of Mortgage Loan as of June 1, 2013	Originally Projected Total Costs
Autumn House Apartments	SY Autumn House Investors, L.P.	Maryville, Missouri	50 1 Bdr/1 bath	\$956,426	256	\$2,176,251
Jefferson Manor Townhomes	SY Jefferson Manor Investors, L.P.	Kansas City, Missouri	63 2 Bdr/1 bath 24 3 Bdr/2 bath	\$2,982,311	256	\$6,053,735

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an interest rate of 6.25%, which is eligible, at the option of the Borrower, to be modified to 5.125%, plus an insurance premium of 0.50% annually. In the event the Borrower shall exercise its option to modify the interest rate, amortization of the remaining principal of each Mortgage Loans is based upon level debt service, commencing August 1, 2013, or such later date as shall be the first day of the month immediately subsequent to the effective date of the modified interest rate, for the remaining term of the remaining loan amount specified above at the modified interest rate thereof. Each of the Mortgage Loans can be optionally prepaid by the mortgagor on or after December 1, 2013.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

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APPENDIX D

PROJECTS AND MORTGAGE LOANS FINANCED BY PREVIOUSLY ISSUED BONDS

2000 SERIES 1 BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2000 Series 1 Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA Risk-Sharing Program Projects

Project	Borrower ¹	Location	No./Type of Units ²	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Glenwood Manor	Glenwood Manor Associates, L.P.	Springfield	41 1 Bdr., 64 2 Bdr, 14 3 Bdr.; F	\$1,919,969	224 months	\$5,265,232
Country Club Village I	Country Club Village Associates, L.P.	Springfield	28 1 Bdr., 34 2 Bdr, 8 3 Bdr.; F	1,102,637	224 months	3,451,781
Colony Plaza	Colony Plaza Associates, L.P.	Excelsior Springs	111 1 Bdr.; E	2,103,356	217 months	4,855,889
Deerfield Village	Deerfield Village Associates, L.P.	Carthage	10 1 Bdr.; 34 2 Bdr. & 16 3 Bdr.; F	1,065,701	217 months	2,043,633
Highland Meadows	Highland Meadows Associates, L.P.	Carthage	44 1 Bdr.; E	641,023	217 months	1,527,705
Village Meadows	Village Meadows Associates, L.P.	Boonville	52 1 Bdr.; E	853,361	217 months	2,132,498
Rocktree Apartments	Rocktree Apartments Associates, L.P.	Fulton	64 1 Bdr.; E	1,201,919	217 months	2,978,639

¹The general partner of each partnership is NEF Properties, Inc., an affiliate of National Equity Fund, Inc.

²E = Elderly units; F = Family units.

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an original interest rate of 6.33%, which was modified to 4.75% effective as of November 1, 2012, plus an insurance premium

of 0.50% annually. Amortization of the remaining principal of each such Mortgage Loan as of November 1, 2012 was based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time.

NEF Assignment Corporation, as nominee, an affiliate of National Equity Fund, Inc., purchased the initial 99.99% legal interest, and NEF Support Corporation, as nominee, also an affiliate of National Equity Fund, Inc., purchased the initial 99.99% equitable interest, in each owner limited partnership to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2001 SERIES 1A BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2001 Series 1A Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
University Commons	SY University Commons Investors L.P.	St. Louis County	40 1 Bdr./1 bath	\$1,837,102	239 months	\$7,849,821
			40 2 Bdr./1 bath	310,286	53 months	
			32 3 Bdr./1 bath			
			12 3 Bdr./1.5 bath			
			9 4 Bdr./1.5 bath			
Oakridge Apartments	St. Joseph Housing, L.P.	Buchanan County	14 1 Bdr./1 bath	1,999,742	238 months	\$6,432,777
			20 2 Bdr./1 bath			
			50 3 Bdr./1 bath			
			14 4 Bdr./1.5 bath			

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an original interest rate of 6.00%, which was modified to 4.75% effective as of November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of the Mortgage Loan relating to University Commons as of November 1, 2012 was based upon (1) level debt service for the remaining 239-month term of the remaining loan amount of \$1,837,102 at the applicable interest rate thereof plus (2) level debt service for the remaining 53-month term of the remaining loan amount of \$310,286 at the applicable interest rate thereof. Amortization of the remaining principal of the Mortgage Loan relating to Oakridge Apartments as of November 1, 2012 was based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time. The Commission currently receives Section 236 Interest Reduction Payments with respect to University Commons; approximately 60% of such Payments (\$83,000 annually) will be applied (but are not pledged) to the debt service payments due on the related Mortgage Loan. Such Payments expire on December 1, 2017.

Related Capital purchased the initial 99.99% legal interest in SY University Commons Investors L.P., and National Corporate Tax Credit Fund XIII and Missouri Equity Partners purchased the initial 99.99% equitable interest in St. Joseph Housing, L.P., to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2001 SERIES 2A BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2001 Series 2A Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA 223(a)(7) Projects

Project	Borrower¹	Location	No./Type of Units	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Country Club II	Country Club Village II Associates, L.P.	Greene County	14 1 Bdr. 14 2 Bdr.	\$236,929	222 months	\$1,510,007
Crestview Village	Crestview Village Associates, L.P.	Clay County	18 1 Bdr. 20 2 Bdr. 10 3 Bdr.	560,688	227 months	2,615,717
Houston Plaza	Houston Plaza Associates, L.P.	Bates County	34 1 Bdr.	134,077	227 months	1,158,489
Highland Acres	Highland Acres Associates, L.P.	Jasper County	35 1 Bdr.	296,596	227 months	1,115,883
Monroe Estates	Monroe Estates Associates, L.P.	Laclede County	46 1 Bdr. 20 2 Bdr. 8 3 Bdr.	515,955	227 months	2,790,295
Maplewood Manor	Maplewood Manor Associates, L.P.	Jasper County	8 1 Bdr. 44 2 Bdr. 14 3 Bdr.	934,481	227 months	2,620,296
Prairie Plains	Prairie Plains Associates, L.P.	Barton County	20 1 Bdr. 20 2 Bdr. 10 3 Bdr.	268,155	227 months	2,002,270

¹The general partner of each partnership is NEF Properties, Inc., an affiliate of National Equity Fund, Inc.

Each of the above-described Mortgage Loans is FHA Insured under Section 223(a)(7) with an original term of 30 years, plus the construction period, with an original interest rate of 6.00%, which was modified to 4.75% effective as of November 1, 2012, plus an insurance premium of .50% annually. Amortization of the remaining principal of each such Mortgage Loan as of November 1, 2012 was based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. Each of such Mortgage Loans can be optionally prepaid by the mortgagor at any time.

Effective as of September 13, 2001, NEF Missouri Properties 7, L.P., a Missouri limited partnership, purchased a 99.99% interest in each owner limited partnership to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2002 SERIES 1 BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2002 Series 1 Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Bavarian Towers/Bevo Place Apartments	Spartina, L.P.	St. Louis, Missouri	267 1Bdr/1 bath 6 2 Bdr/1 bath	\$11,175,423	309 months	\$22,870,250

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 35 years, plus the construction period, with an original interest rate of 6.00%, which was modified to 4.75% as of November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan as of November 1, 2012 was based upon level debt service for the remaining term of the loan at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

SunAmerica Housing Fund 1036 purchased the initial 99.99% legal interest in the above-described Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2002 SERIES 2 BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2002 Series 2 Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Columbia Square Townhomes	SY Columbia Square Investors, L. P.	Columbia, Missouri	64 2 Bdr./1 bath	\$2,896,548	256 months	\$9,095,000
			64 3 Bdr./1.5 bath	13,685	4 months	

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an original interest rate of 6.00%, which was modified to 4.75% effective as of November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of such Mortgage Loan as of November 1, 2012 was based upon (1) level debt service for the remaining 256-month term of the remaining loan amount of \$2,896,548 at the applicable interest rate thereof plus (2) level debt service for the remaining four-month term of the remaining loan amount of \$13,685 at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time. The Commission currently receives Section 236 Interest Reduction Payments with respect to Columbia Square Townhomes; approximately 47% of such Payments (\$42,500 annually) will be applied (but are not pledged) to the debt service payments due on the Mortgage Loan. Such Payments expire on March 1, 2013.

RCC Credit Facility, LLC, a Delaware limited liability company, purchased the initial 99.98% legal interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2002 SERIES 4 BONDS/2012 SERIES 1 BONDS

The following Projects and Mortgage Loans were originally financed by the 2002 Series 4 Bonds and refinanced by the 2012 Series 1 Bonds in November, 2012:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount Refinanced	Remaining Term of Mortgage Loan as of November 1, 2012	Originally Projected Total Costs
Hawthorne Place Apartments	Hawthorne Associates, L.P.	Independence, Missouri	112 1Bdr./1 bath 139 2 Bdr./1 bath 218 2 Bdr./1.5 bath -TH 276 3 Bdr./1.5 bath - TH	\$12,271,151	259 months	\$42,413,290

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with an original term of 30 years, plus the construction period, with an original interest rate of 5.75%, which was modified to 4.75% effective as of November 1, 2012, plus an insurance premium of 0.50% annually. Amortization of the remaining principal of such Mortgage Loan as of November 1, 2012 was based upon level debt service for remaining term of the loan at the applicable interest rate thereof. The Mortgage Loan can be optionally prepaid by the mortgagor at any time.

Lend Lease Hawthorne LLC purchased the initial 99.9% legal interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Kensington Heights Apartments	Agent Kensington LP	Kansas City, Missouri	122 1 Bdr./1 bath 3 2 Bdr./1 bath 1 Employee unit	\$4,900,000	\$8,804,844

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$4,900,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

BCP/Kensington, LLC, a Delaware limited liability company, purchased the initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Missouri Tax Partners IV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Historic Ellison Apartments	Historic Ellison, L.P.	Kansas City, Missouri	56 1Bdr./1 bath 12 2 Bdr./1 bath	\$5,200,000	\$9,146,262

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,165,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,035,000 on February 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 14 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Banc of America Housing Fund IVB Limited Partnership, LLLP, a Delaware limited liability limited partnership, purchased the initial 99.97% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and certain federal historic tax credits, an affiliate of Allegiant Bank, a Missouri state bank, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and an affiliate of Enhanced Historic Credit Partners, L.L.C., a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of certain state historic tax credits.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 8 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 8 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Stratford Commons Apartments	Stratford Commons, L.P.	Pine Lawn, Missouri	28 2 Bdr. 29 3 Bdr. 2 4 Bdr. 1 3 Bdr. accessible 3 2 Bdr. accessible 3 2 Bdr. garden	\$4,300,000	\$8,878,393

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,200,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,100,000 on April 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

RCC Credit Facility, LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project and certain federal historic tax credits, and Missouri Tax Partners IV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of state low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2003 SERIES 9 BONDS

The following Projects and Mortgage Loans were financed by the 2003 Series 9 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Apple Court Apartments	Warrensburg Housing Associates, L.P.	Warrensburg, Missouri	4 1 Bdr. 16 2 Bdr. 4 3 Bdr.	\$665,000	\$1,362,030
Apple Plaza Apartments	Plattsburg Properties, L.P.	Plattsburg, Missouri	4 1 Bdr. 12 2 Bdr.	\$420,000	\$752,685
Bell City Apartments	Bell City Properties, L.P.	Bell City, Missouri	24 1 Bdr.	\$510,000	\$857,311
Dexter II Apartments	Dexter Housing Associates, L.P.	Dexter, Missouri	10 1 Bdr. 12 2 Bdr. 6 3 Bdr.	\$650,000	\$1,398,114
Licking I Apartments	Licking Properties, L.P.	Licking, Missouri	10 2 Bdr. 6 3 Bdr.	\$530,000	\$893,517
Montgomery City II Apartments	Montgomery City Associates, L.P.	Montgomery City, Missouri	12 1 Bdr. 14 2 Bdr. 6 3 Bdr.	\$1,190,000	\$2,099,233
Mountain Grove I Apartments	Mountain Grove Properties, L.P.	Mountain Grove, Missouri	12 1 Bdr. 24 2 Bdr. 2 3 Bdr.	\$1,135,000	\$2,020,134
Parma Apartments	Parma Properties, L.P.	Parma, Missouri	12 1 Bdr. 12 2 Bdr. 6 3 Bdr.	\$790,000	\$1,454,743
Scott City I Apartments	Scott City Properties, L.P.	Scott City, Missouri	40 1 Bdr.	\$740,000	\$1,671,912
Senath Apartments	Senath Housing Partners, L.P.	Senath, Missouri	24 1 Bdr. 16 2 Bdr. 8 3 Bdr.	\$1,155,000	\$2,312,505
Sikeston I Apartments	Sikeston Housing Associates, L.P.	Sikeston, Missouri	32 1 Bdr.	\$665,000	\$1,389,296

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loans is based upon level debt service for 30-year loans in the aggregate amount of \$3,500,000 at the interest rate thereof. The mortgagors are required to make additional principal payments in the aggregate amount of \$4,950,000 on June 1, 2004; such additional principal payments are expected to be funded at such time by equity payments required of the limited partners of each mortgagor described below. The construction period for the rehabilitation of the Projects is 6 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loans can be optionally prepaid by the mortgagors on or after December 1, 2013.

Capital Partners Series XVIII, L.P., a Missouri limited partnership, purchased an initial 23.99% limited partner interest in each Borrower, and upon receipt of certain required HUD approvals expects to purchase an additional 75.99% limited partnership interest in each Borrower (for a total limited partner interest of 99.98% in each Borrower), in order to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects. In addition, Missouri Affordable Housing Fund XIV, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in each Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2003 SERIES 10 BONDS

The following Project and Mortgage Loan were financed by the 2003 Series 10 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hidden Valley Apartments	JT Hidden Valley, LP	Wentzville, Missouri	92 2 Bdr./1 bath 96 3 Bdr./1 bath 12 4 Bdr./1.5 bath	\$10,500,000	\$19,218,315

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.125%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$10,500,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Raymond James Tax Credit Fund XXII L.L.C., a Delaware limited liability company (the "Fund"), purchased all of the limited partnership interests in the Borrower in order to obtain the benefits of 99.99% of the federal low-income housing tax credits and 100% of the Missouri low-income housing tax credits available with respect to the acquisition and rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hickory Townhomes	Hickory Townhomes, L.P.	St. Louis, Missouri	6 2 Bdr 46 3 Bdr 12 4 Bdr.	\$3,050,000	\$6,523,060

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,050,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.99% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and Missouri Tax Credit Fund LP, a Missouri limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 100% of the Missouri low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Winter Garden Apartments	Winter Garden Preservation, L.P.	St. Louis, Missouri	94 1Bdr. 18 2 Bdr.	\$4,050,000	\$8,399,637

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$4,050,000 at the interest rate thereof. The construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

AIMCO Capital Tax Credit Fund II, a Delaware limited liability company, purchased the initial 99.99% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and AIMCO Winter Garden, LLC, a Delaware limited liability company, purchased an initial 0.01% general partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 3 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Woodlen Place Apartments	Woodlen Place Associates, L.P.	Kansas City, Missouri	14 1 Bdr 31 2 Bdr 15 3 Bdr	\$1,750,000	\$3,620,454

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$450,000 on March 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 8 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 94% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Alliant Capital Ltd., a Florida limited partnership, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Missouri Tax Credit Fund LP, a Missouri limited partnership, purchased an initial 0.01% limited partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Festus Gardens Apartments	Festus Associates I, L.P.	Festus, Missouri	72 1 Bdr. 80 2 Bdr. 8 3 Bdr.	\$5,830,000	\$11,910,859

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$4,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,530,000 on October 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 15 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2013.

Raymond James Tax Credit Fund VI, L.L.C., a Delaware limited liability company, purchased all of the limited partnership interests in the Borrower to obtain the benefits of the federal low-income housing tax credits and the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
FP-San Remo Apartments	FP-San Remo Development, L.P.	St. Louis, Missouri	18 1 Bdr. 37 2 Bdr. 13 3 Bdr. 7 4 Bdr.	\$3,700,000	\$6,995,415

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.0%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,400,000 on September 1, 2005; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2014.

St. Louis Equity Fund 2004 LLC, a Missouri limited liability company, purchased all of the limited partnership interests in the Borrower in order to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2004 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2004 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Allen Market Lane Apartments	Allen Market Lane Properties, L.P.	St. Louis, Missouri	93 1 Bdr. 7 2 Bdr.	\$6,600,000	\$11,848,000

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.25%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,530,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,070,000 on February 1, 2006; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 16 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2014.

Alliant Credit Facility, Ltd., a Florida limited partnership, is the investor limited partner of the Borrower and purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 99.98% of the federal historic tax credits and 100% of the state historic tax credits relating to the Project; Alliant Credit Facility ALP, LLC, a Florida limited liability company, is the administrative limited partner of the Borrower and purchased an initial 0.005% limited partnership interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project; MBS Alliant GP, Inc., a Missouri corporation, is the managing general partner of the Borrower and purchased an initial 0.01% general partner interest in the Borrower, thereby obtaining the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.01% of the federal historic tax credits relating to the Project; and Allen Market AGP, Inc., a Florida corporation, is the administrative general partner of the Borrower and purchased an initial 0.005% general partner interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
St. Louis Brewery Apartments	St. Louis Brewery Apartments, L.P.	St. Louis, Missouri	4 Studio 62 1 Bdr. 62 2 Bdr. 12 3 Bdr./2 Bath TH	\$8,000,000	\$15,851,183

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,350,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$4,650,000 on June 1, 2006; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 16 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2014.

Alliant Credit Facility, Ltd., a Florida limited partnership, is the investor limited partner of the Borrower and purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 99.98% of the federal historic tax credits and 100% of the state historic tax credits relating to the Project; Alliant Credit Facility ALP, LLC, a Florida limited liability company, is the administrative limited partner of the Borrower and purchased an initial 0.005% limited partnership interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project; MBS Alliant GP, Inc., a Missouri corporation, is the managing general partner of the Borrower and purchased an initial 0.01% general partner interest in the Borrower, thereby obtaining the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.01% of the federal historic tax credits relating to the Project; and St. Louis Brewery AGP, Inc., a Florida corporation, is the administrative general partner of the Borrower and purchased an initial 0.005% general partner interest in the Borrower, thereby obtaining the benefits of 0.005% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and 0.005% of the federal historic tax credits relating to the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Meadowglen Apartments	Meadowglen Apartments, L.P.	St. Louis, Missouri	208 1 Bdr.	\$8,300,000	\$15,920,549

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$6,775,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,525,000 on March 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The construction period for the rehabilitation of the Project is 22 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2014.

RCC Meadowglen Associates LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 3 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Olde Oak Tree Apartments	SY Old Oak Tree Investors, L.P.	Independence, Missouri	124 1 Bdr./1 bath 1 Employee Unit	\$4,050,000	\$7,693,805
Landmark Towers Apartments	SY Landmark Investors, L.P.	Liberty, Missouri	64 1 Bdr/1 bath 1 Employee Unit	\$2,250,000	\$4,299,463

Each of the above-described Mortgage Loans is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of each Mortgage Loan is based upon level debt service for a 30-year loan in the amount of \$3,900,000 with respect to the Olde Oak Tree Apartments Project and in the amount of \$2,000,000 with respect to the Landmark Towers Apartments Project, at the interest rates thereof. SY Old Oak Tree Investors, L.P. is required to make an additional principal payment of \$150,000 on June 1, 2006, and SY Landmark Investors, L.P. is required to make an additional principal payment of \$250,000 on March 1, 2006; such additional principal payments are expected to be funded at such time by equity payments required of the respective limited partners described below. The construction period for the rehabilitation of the Olde Oak Tree Apartments Project is 13 months, and the construction period for the rehabilitation of the Landmark Towers Apartments Project is 10 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loans can be optionally prepaid by the respective mortgagors on or after June 1, 2015.

RCC Credit Facility, L.L.C., a Delaware limited liability company, is the investor limited partner of each Borrower and purchased an initial 99.98% limited partner interest in each Borrower to obtain the benefits of 99.98% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects; Related Direct SLP LLC, a Delaware limited liability company, is the special limited partner of each Borrower and purchased an initial 0.01% limited partnership interest in each Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the rehabilitation of the respective Projects; SY Old Oak Tree Associates, Inc. is the general partner of SY Old Oak Tree Investors, L.P. and purchased an initial 0.01% partner interest in SY Old Oak Tree Investors, L.P. to obtain the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Olde Oak Tree Apartments Project; and SY Landmark Associates, Inc. is the general partner of SY Landmark Investors, L.P. and purchased an initial 0.01% partner interest in SY Landmark Investors, L.P. to obtain the benefits of 0.01% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Landmark Apartments Project. SY Old Oak Tree STC Investors, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner

interest in SY Old Oak Tree Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Olde Oak Tree Apartments Project, and SY Landmark STC Investors, L.P., a Missouri limited partnership, purchased an initial 0.01% limited partner interest in SY Landmark Investors, L.P. to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Landmark Towers Apartments Project.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the applicable Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2005 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Park Place Apartments	Park Place Preservation, L.P.	St. Louis, Missouri	242 1 Bdr.	\$10,000,000	\$18,527,742

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$10,000,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2015.

AIMCO Capital Tax Credit Fund V, LLC, a Delaware limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Hawkins Village Apartments	Hawkins Village Preservation, L.P.	St. Louis County, Missouri	106 2 Bdr. 33 3 Bdr. 1 Mgmt. Unit	\$5,150,000	\$9,702,483

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 5.50%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$5,150,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 9 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2015.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.99% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2005 SERIES 6 BONDS

The following Project and Mortgage Loan were financed by the 2005 Series 6 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Ivanhoe Gardens Apartments	Ivanhoe Gardens Apartments, LP	Kansas City, Missouri	25 1 Bdr. 41 2 Bdr. 14 3 Bdr.	\$4,110,000	\$9,078,976

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,500,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$1,610,000 on March 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 14 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Meadow Ridge Townhouses	The Villas at Blue River, L.P.	Blue Springs, Missouri	58 2 Bdr. 79 3 Bdr. 13 4 Bdr.	\$6,170,000	\$12,857,455

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with a projected interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon (1) level debt service for a 30-year loan of \$2,490,000 at the interest rate thereof plus (2) level debt service for a 65-month loan of \$685,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,995,000 on October 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015. The Commission currently receives Section 236 Interest Reduction Payments with respect to the Meadow Ridge Townhouses; for a period of 66 months commencing October 1, 2007, such Payments will be applied (but are not pledged) to the debt service payments due on the Mortgage Loan.

U.S. Bancorp Community Development Corporation, a Minnesota corporation, and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund IV, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% limited partner interest in the Borrower to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Ashley Park Apartments	Ashley Park Recap Associates I, L.P.	Kansas City, Missouri	8 Studio 79 1 Bdr. 96 2 Bdr. 1 Employee Unit	\$7,000,000	\$13,020,758

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$6,300,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$700,000 on April 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2015.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

The above-described Mortgage Loan is in default due to the failure of the mortgagor to make mortgage principal and interest payments when due. The Commission has provided notice to the Trustee that (i) the Mortgage Loan is in default because the Borrower failed to make the December 1, 2012 and subsequent mortgage principal and interest payments and (ii) the Commission has filed with the U.S. Department of Housing and Urban Development the required notice of mortgage default, which is the initial filing to commence an FHA insurance claim with respect to the Mortgage Loan.

2006 SERIES 3 BONDS

The following Projects and Mortgage Loans were financed by the 2006 Series 3 Bonds:

FHA Risk-Sharing Program Projects

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Eureka Apartments	Chaffee Properties, L.P.	Chaffee, Missouri	50 1 Bdr./1 bath	\$890,000	\$1,675,769
Wendell Apartments	Sikeston Properties II, L.P.	Sikeston, Missouri	75 1 Bdr./1 bath 1 Employee Unit	\$2,140,000	\$3,438,454

Each of the above-described Mortgage Loans are insured under the FHA Risk-Sharing Program with a projected term of 40 years, plus the construction period, with a projected interest rate of 6.00%, plus an insurance premium of 0.50% annually. Amortization of principal of each Mortgage Loan is based upon level debt service for a 40-year loan in the amount of \$890,000 with respect to the Eureka Apartments Project and in the amount of \$2,140,000 with respect to the Wendell Apartments Project, at the interest rates thereof. The construction period for the rehabilitation of each of the Eureka Apartments Project and the Wendell Apartments Project is 7 months. In underwriting the Mortgage Loans for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loans can be optionally prepaid by the respective mortgagors on or after December 1, 2015.

Capital Partner Series XXI, L.P., a Missouri limited partnership, purchased a 99.98% limited partner interest in each Borrower in order to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects. In addition, Missouri Affordable Housing Fund XVIII, a Missouri limited partnership, purchased an initial 0.01% limited partner interest in each Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the respective Projects.

Each Borrower agreed to set aside at least 40% of the units in the applicable Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Projects may impose more restrictive income requirements for tenants.

2006 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Justin Place Apartments	Justin Partners, L.P.	Kansas City, Missouri	8 1 Bdr. 70 2 Bdr. 22 3 Bdr.	\$5,580,000	\$10,888,629

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 35 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 35-year loan of \$2,230,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$3,350,000 on July 1, 2007; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2016.

NEF Assignment Corporation, an Illinois not-for-profit corporation, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Horizon Asset Management, LLC, a Missouri limited liability company, and Missouri Tax Credit Fund, L.P., a Missouri limited partnership, purchased limited partnership interests in the Borrower in order to obtain the benefits of 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2006 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2006 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Metropolitan Village Apartments	Metropolitan Village Apartments, L.P.	St. Louis, Missouri	141 1 Bdr. 6 2 Bdr.	\$5,720,000	\$12,279,091

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 6.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$5,720,000 at the interest rate thereof. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2016.

Alliant Credit Facility, Ltd., a Florida limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.98% of the federal low-income housing tax credits and 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2007 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2007 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Linden Campus Apartments	Linden Elderly Housing Development Group, L.P.	Jefferson City, Missouri	91 1 Bdr.	\$3,900,000	\$6,422,221

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 40 years, plus the construction period, with an interest rate of 6.15%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 40-year loan of \$1,900,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$2,000,000 on July 1, 2008; such additional principal payment is expected to be funded at such time by equity payments required of the limited partner described below. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2017.

U.S.A. Institutional Tax Credit Fund LIX, L.P., a Delaware limited partnership, purchased a limited partnership interest in the Borrower in order to obtain the benefits of 99.8% of the federal low-income housing tax credits and Linden Elderly State Partners, LLC, a Missouri limited liability company, purchased a limited partnership interest in the Borrower to obtain the benefits of 100% of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2009 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2009 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Courthouse Apartments	Courthouse Apartments, LLC	Kansas City, Missouri	109 1 Bdr./1 bath 38 2 Bdr./1 bath 6 2 Bdr./1.5 bath 23 2 Bdr./2 bath	\$19,000,000	\$40,061,154

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.8% until January 1, 2012 and an interest rate of 5.375% thereafter, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$5,835,000 at the interest rate thereof. The mortgagor is required to make an additional principal payment of \$13,165,000 on or before January 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the members described below pursuant to the terms and conditions of the Borrower's operating agreement. The projected construction period for the rehabilitation of the Project is 18 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2019.

US Bancorp Community Development Corporation, a Minnesota corporation ("USBCDC"), and U.S. Bancorp Missouri Low-Income Housing Tax Credit Fund III, L.L.C., a Missouri limited liability company, purchased, in the aggregate, an initial 99.9% membership interest in the Borrower in order to obtain the benefits of the federal and state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project and certain federal historic tax credits. An affiliate of USBCDC purchased certain state historic tax credits allocated to the managing member of the Borrower.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 1 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 1 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Basie Court Apartments	Basie Court Redevelopment Investors, L.P.	Kansas City, Missouri	9 1 Bdr./1 bath 22 2 Bdr./1.5 bath 45 2 Bdr./2 bath 6 2 Bdr./2.5 bath 6 3 Bdr./2.5 bath	\$4,970,000	\$10,230,534

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.00%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,500,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$3,470,000 on or before December 1, 2011; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after June 1, 2020.

Basie Court Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Court State TCF, LLC, a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 2 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 2 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Samantha Heights Apartments	Samantha Heights, LP	Independence, Missouri	125 1 Bdr./1 bath	\$8,400,000	\$13,832,173

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.60%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$6,100,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,300,000 on or before May 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 15 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

M&I Community Development Corporation, a Wisconsin corporation, purchased an initial 99.98% limited partner interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and SCS Samantha, LLC, a Missouri limited liability company, purchased an initial 0.01% limited partner interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 3 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 3 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Wesley Senior Towers Apartments	Wesley St. Joe, LP	St. Joseph, Missouri	110 1 Bdr./1 bath	\$5,350,000	\$9,517,498

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.95%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$2,850,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,500,000 on or before August 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 17 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Wesley Towers Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and State TC Fund V, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 4 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 4 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Lucas Heights Apartments	Metropolitan Redevelopment Investors, LP	St. Louis, Missouri	96 1 Bdr./1 bath 96 2 Bdr/1 bath	\$8,100,000	\$15,762,074

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.80%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$3,500,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$4,600,000 on or before May 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 12 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 93% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Lucas Heights Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project, and Lucas Heights State TCF, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of rehabilitation of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

2010 SERIES 5 BONDS

The following Project and Mortgage Loan were financed by the 2010 Series 5 Bonds:

FHA Risk-Sharing Program Project

Project	Borrower	Location	No./Type of Units	Mortgage Loan Amount	Projected Total Costs
Grandview Estates	Independence Housing Associates, L.P.	Independence, Missouri	32 2 Bdr./2 bath	\$3,500,000	\$7,125,149

The above-described Mortgage Loan is insured under the FHA Risk-Sharing Program with a projected term of 30 years, plus the construction period, with an interest rate of 5.90%, plus a mortgage insurance premium of 0.50% annually. Amortization of principal of such Mortgage Loan is based upon level debt service for a 30-year loan of \$1,000,000 at the interest rate thereof. The Borrower is required to make an additional principal payment of \$2,500,000 on or before March 1, 2012; such additional principal payment is expected to be funded at such time by equity payments required of the limited partners described below pursuant to the terms and conditions of the Borrower's limited partnership agreement. The projected construction period for the rehabilitation of the Project is 11 months. In underwriting the Mortgage Loan for FHA Risk-Share Insurance, the Commission assumed an occupancy rate of 95% following completion of construction. The Mortgage Loan can be optionally prepaid by the mortgagor on or after December 1, 2020.

Grandview Tax Credit Fund, LLC, a Missouri limited liability company, purchased an initial 99.99% partnership interest in the Borrower to obtain the benefits of the federal low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project, and Grandview State TCF, LLC, a Missouri limited liability company, purchased an initial 0.10% capital only partnership interest in the Borrower to obtain the benefits of the state low-income housing tax credits over the first 10 years after completion of the construction and equipping of the Project.

The Borrower agreed to set aside at least 40% of the units in the Project for persons making 60% or less of the area median income for a minimum of 15 years, beginning on the first date on which 50% of the units in the Project were occupied, in accordance with the federal rules applicable to tax-exempt private activity bonds. The providers of other sources of funds for the Project may impose more restrictive income requirements for tenants.

APPENDIX E

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[Closing Date]

MISSOURI HOUSING DEVELOPMENT COMMISSION

UMB BANK & TRUST, N.A.,
formerly known as State Street Bank and Trust Company of Missouri, N.A., as Trustee

Re: \$15,560,000 Missouri Housing Development Commission
Taxable Multifamily Housing Refunding Revenue Bonds, 2013 Series 2

Ladies and Gentlemen:

WE HEREBY CERTIFY that we have acted as Co-Bond Counsel in connection with the authorization and issuance by the Missouri Housing Development Commission (the "Commission") of the above-referenced 2013 Series 2 Bonds (collectively, the "2013 Series 2 Bonds").

The 2013 Series 2 Bonds have been authorized and issued pursuant to the Constitution and statutes of the State of Missouri, particularly Sections 215.010 to 215.250, and Appendix B(1), RSMo. 2000, as amended (collectively, the "Act"), Resolution No. 1031 duly adopted by the Commission (the "Resolution"), and the Trust Indenture, dated as of June 1, 2000, as supplemented by the 2013 Series 2 Supplemental Trust Indenture, dated as of June 1, 2013 (as supplemented, the "Indenture") between the Commission and UMB Bank & Trust, N.A., formerly known as State Street Bank and Trust Company of Missouri, N.A., St. Louis, Missouri (the "Trustee").

In the capacity of Co-Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings relating to the authorization and issuance of the 2013 Series 2 Bonds. We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the 2013 Series 2 Bonds.

Based upon such examination, we are of the opinion, as of the date hereof, that:

1. The Commission is a body corporate and politic and a governmental instrumentality of the State of Missouri. The Commission, pursuant to the Act, has the power and authority to adopt the Resolution, to enter into the Indenture, to perform its obligations thereunder, to issue and deliver the 2013 Series 2 Bonds and to apply the proceeds thereof in the manner and for the purposes set forth in the Resolution and the Indenture.

2. The Resolution has been duly adopted by the Commission and the Indenture has been duly entered into by the Commission and constitutes a valid and binding obligation of the Commission enforceable upon the Commission in accordance with its terms.

3. The Commission has duly authorized the issuance, execution and delivery of the 2013 Series 2 Bonds, and the 2013 Series 2 Bonds have been duly issued, executed and delivered. The 2013 Series 2 Bonds constitute legal, valid and binding obligations of the Commission as provided in the Resolution and the Indenture, payable in accordance with their terms, and the owners thereof are entitled to the benefit and security of the Indenture.

4. The 2013 Series 2 Bonds, together with the interest thereon, are limited obligations of the Commission payable solely from, and are entitled to the benefit of a valid lien against, the revenues and funds pledged under the Indenture. Neither the 2013 Series 2 Bonds nor any of the Commission's agreements or obligations under the Indenture shall be a debt of the State of Missouri or any political subdivision thereof and neither the State of Missouri nor any political subdivision thereof shall be liable thereon. The 2013 Series 2 Bonds shall not constitute an indebtedness of any of the foregoing within the meaning of any constitutional, statutory or charter debt limitation.

5. Interest on the 2013 Series 2 Bonds is exempt from income taxation by the State of Missouri. We express no opinion as to whether such interest is exempt from the tax imposed by Chapter 148, RSMo. 1985, as amended.

The rights of the holders of the 2013 Series 2 Bonds and the enforceability the 2013 Series 2 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered in law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,