

National Federation of Municipal Analysts

Recommended Best Practices in Disclosure for Housing Revenue Bond Issues

The National Federation of Municipal Analysts (NFMA) is an organization of over 1,000 members, primarily research analysts, who evaluate credit and other risks of municipal securities. These individuals represent, among others, mutual funds, insurance companies, broker/dealers, bond insurers, and rating agencies.

One of the main initiatives of the NFMA is to promote timely and complete disclosure of the financial and operating information needed to assess the credit quality and risk of a municipal debt issue. The NFMA's efforts have ranged from global disclosure-related issues to more detailed, sector-specific work such as these Recommended Best Practices in Disclosure. For further information on the NFMA's continuing work in the area of disclosure, please see the "disclosure guidelines" and "position statements" pages of the organization's web site at www.nfma.org

In order to develop our Recommended Best Practices in Disclosure, diverse groups of NFMA analysts worked with non-analyst professionals in each sector to develop "best practices" guidelines for certain market sectors. These Recommended Best Practices are descriptions of the sector-specific financial and operating information needed to help analysts do their jobs. The NFMA believes that the best practice in disclosure will always be the one that provides a steady flow of timely information from borrowers to the market. Initial drafts of our Recommended Best Practices in Disclosure were widely circulated, and an industry comment period was used to seek input from interested parties. Subsequent to the comment period, the papers were revised. For certain sectors, Comment and Response papers were drafted; these papers are available on the NFMA web site, providing additional information on the comments received.

Following is the most recent version of the Recommended Best Practices in Disclosure for this sector. This document is not intended to supplant the amendments to SEC Rule 15c2-12, but to be used in conjunction with the guidance provided in those amendments. It is important to note that the NFMA's disclosure efforts are a continuing process. These guidelines are not static documents, and will be revisited and changed as market conditions warrant. We encourage interested parties to submit comments at any time to lgood.nfma@worldnet.att.net, so that they can be considered in the development of future versions of these Recommended Best Practices in Disclosure.

The NFMA Recommended Best Practices in Disclosure are not intended to be "one size fits all" recommendations, and all the information requested may not apply to every transaction in the sector. We encourage the providers of information to indicate when a specific item requested in the Recommended Best Practices is not applicable to a specific transaction.

THE RATIONALE BEHIND THE NEED FOR BETTER HOUSING BOND DISCLOSURE

Due to the foresight of several NFMA members, and with the cooperation of the National Council of State Housing Agencies (“NCSHA”) and other industry groups, there has been substantial progress in the evolution of housing disclosure since 1994.

While these efforts have greatly improved the quality and availability of information in the market, further disclosure enhancements should be implemented. The need for better disclosure is not caused by a lack of cooperation from most participants in the process, but rather due to such external factors as changes in federal laws and regulations (e.g., Universal Cap and the Ten-Year Rule). In many instances, corresponding changes in bond indentures not only have improved the cash flow management capabilities of issuers, they have also increased the complexity of investment analysis and the requisite technical capability to analyze bond cash flows.

The objective of investors is to maximize their return on investment while minimizing risk. While an issuer may be concerned with timely payment of interest and principal on their loans, investors must also be concerned with variations in actual or perceived credit quality. We must be aware of issues which could potentially change the pricing and liquidity of our investments. This drives our need to anticipate trends in portfolio or project performance well in advance of any imminent credit difficulties.

For example, pricing risk is a key concern in analyzing Single Family bonds. These bonds are unique in the municipal industry, as one of the few bond types whose pricing performance is highly correlated with the timing of the underlying cash flow. They are also unique due to the generally high credit quality of the assets securing the bonds.

To analyze the risk of a Single Family issue, an analyst must understand credit characteristics such as the structure of the deal, the history of bond calls, the ability and willingness of homeowners to refinance, and indenture features which could impact a specific bond (e.g., through cross-calling, sale of mortgages, or cash flow surpluses). Most larger issuers will have this relevant information readily available internally, which we believe can be made available externally to investors without undertaking too great an effort or expense.

Multi-Family bonds, on the other hand, are generally subject to more direct credit risk from the underlying asset(s) securing the bonds. In that respect, they are similar to other bonds in the municipal market. But, like other sectors, they do have unique issues. These include security features, the pooling of multiple projects, and the varying level of sophistication of issuers, project developers and owners.

The different types of security enhancements commonly seen in Multi-Family transactions are a significant factor in our analysis and in the kind of data we need. No one would dispute that there are major differences between the risk of a Section 8 project, a tax-credit project, a GNMA enhanced project, and a pool of 50 developments spread throughout a state. Each will have unique risks that can affect the value and redemption characteristics of the bonds. To do our job properly, however, we must be able to identify and quantify those risks -- and for that, we need detailed, on-going disclosure relevant to the credit.

We believe that the availability of better disclosure will greatly enhance the ability of investors to assess credit and redemption risks and to differentiate between bonds as well as among specific issuers. This improvement, depending upon an issuer's general redemption policies, could well be reflected in the future demand for that issuer's bonds, rewarding issuers who make the necessary information available in a complete and timely fashion.

It may be helpful for HFAs to compare their disclosure efforts to that used in the taxable market or with other tax-exempt issuers. For instance, the Commercial Real Estate Secondary Market and Securitization Association (CSSA) has developed a standardized format for providing information to the market for CMBS issues. The CSSA website is www.CSSACMBS.org. The website of the Texas Department of Housing and Community Affairs (www.tdhca.state.tx.us/hf.htm) is also a good example of thorough, well-organized disclosure from a housing issuer.

Finally, we recognize that information requirements will vary between issuers. A type of information that is highly relevant to analysis of one issuer may have no bearing at all on analysis of another. Our intent is to define the overall generic needs within the industry, not to specify a rigid reporting format. We understand, and expect, that there will be differences in the availability and relevance of information from one issuer to the next.

GENERAL COMMENTS

- ◆ We have organized this sector's Recommendations into four parts: Part 1--Items Applying to Both Single Family and Multi-Family Housing Bonds; Part 2--Recommended Best Practices in New Issue and Continuing Disclosure for Single Family Housing Bonds; Part 3-A, Recommended Best Practices in New Issue Disclosure for Multi-Family Housing Bonds; and Part 3-B--Recommended Best Practices in Continuing Disclosure for Multi-Family Housing Bonds. There is also a useful sample "Local HFA Bond Surveillance Report" which we recommend to local issuers of Single Family bonds, included as Appendix I. Since many programs do not prepare audited reports, this sample form should be of assistance to those issuers concerned with learning investor preferences about what information the prototypical disclosure document should contain.
- ◆ In general, the type of information requested is data that will be generated in the ordinary course of business by most issuers and/or owners. For Single Family bonds, this information includes a calculation of the estimated average life for the program at the time of issuance, details concerning bond calls, and balance sheets and income statements. Important information for Multi-Family programs include key financial and operating information, and details on any bond calls.
- ◆ In those cases where issuers finance pools of Multi-Family loans and the credit strength of the bond issue is derived largely from cross-collateralization, the project-level detail recommended in the best practices section may be addressed with some discretion, through summaries of key statistics, management discussion, etc.

- ◆ We encourage issuers to make information directly available to bondholders without cost (on the issuer's own web site, for example). Currently, most disclosure information is sent to the NRMSIRs. However, the NRMSIRs are generally oriented towards only annual financial statement disclosure. Housing disclosure is -- or should be -- submitted at least quarterly or semi-annually, and fits into none of their three basic categories (i.e., OS, financial statement, or material event). The NRMSIRs have not figured out how to adjust their system to easily track this data or to make it available.
- ◆ The NFMA has long supported any and all attempts to produce housing disclosure, especially in the secondary market, in an electronic format. However, because bond calls can be irregular and complex, and because bond calls in the municipal market do not always predictably coincide with sinking fund redemption schedules, electronic and mortgage market electronic dissemination systems may have to be supplemented by printed information provided to the NRMSIRs (or investors and potential investors, upon request).
- ◆ When disclosure information is made available electronically from an issuer's web site, we particularly recommend that the data be in a format which allows it to be downloaded directly (e.g., HTML, Excel, etc.) rather than an image of a report. This helps facilitate analysis without having to retype everything. Also, the MSRB has been testing an electronic disclosure program. Many issuers have been participating by electronically sending their quarterly disclosure to the Board. The Board has then been forwarding this disclosure to the market.
- ◆ The NFMA is committed to reviewing its best practices on an ongoing basis. Consequently, these guidelines may be subject to continuing revisions over time. The NFMA web site (www.nfma.org) will always contain the latest version.

This paper is available on the NFMA website at www.nfma.org.

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NFMA constituent societies, individual members, or their firms may not agree with all provisions of these Recommended Best Practices. The NFMA is not a regulatory agency and compliance with the practices advocated herein does not constitute a “safe harbor” from any State or Federal rules or regulations. Nothing in this paper is to be construed as an offer or recommendation to buy or sell any security or class of securities.

PART 1

ITEMS APPLYING TO BOTH SINGLE FAMILY AND MULTI-FAMILY HOUSING BONDS

- Management Discussion & Analysis (MD&A). There are many items relevant to the value of a bond which are neither specific GAAP items nor Material Events. Examples would be a change in the nature of the relationship with the state legislature (e.g., the possibility of state use of, or reduced support for, HFA funds), internal discussions which have a significant likelihood of leading to a change in cross-calling patterns, or the initiation of re-capitalization discussions with multi-family property owners. Like all forward-looking statements, it is understood that the information in the MD&A is subject to change. We are merely looking for a good-faith discussion of items which management believes may be relevant to bondholders (including potential bondholders) or to the HFA.
- Issuers should always provide separate annual financial statements for each housing bond indenture outstanding. Combined financial information from issuers may be appropriate in annual financial reports, which are disseminated to an audience wider than bond investors. However, detailed financial information on each indenture or program should be made available to investors either in the footnotes to the annual report or in some other document if necessary.
- Official statements and all ongoing disclosure documents should *always* contain at least one investor contact (with name, title, phone number, and e-mail and mail address). This could be the issuer's financial officer, investor relations staff, the development/management company contact, or bank trustee officer, for example.
- Issuers should ensure that market participants (both bondholders and *potential* bondholders) have access to required information. In cases where the HFA itself is not the information provider, the HFA should give advance approval for others to provide relevant information. For instance, the trustee, servicer, HUD, project manager, etc. should all be informed of the need to provide information to the market. This is not for the purpose of second-guessing or end-running the HFA, but to improve the flow of information into the market place and, therefore, the liquidity of the bonds.
- Those bond trustees who provide program information to the market should recognize that many bonds are registered in "street" name. Those trustees concerned with the *bona fides* of an investor calling to obtain information should recognize that investors are usually willing to sign a form (or provide a letter) indicating that the party requesting such information is indeed the "beneficial" owner/investor of the bonds or its agent. The trustee should also recognize the caller may be a *prospective* purchaser of the bonds and that, barring special circumstances, the information should be provided to everyone equally upon request.
- The list of material events that will be reported to a NRMSIR should include the reporting of a multi-family mortgage loan default, in addition to a bond default. Since the mortgage loan default takes place prior to a par bond call, such an event can affect the market value of the specific bond issue. This notice would be in addition to the reporting of other material events as required under the SEC's 1994 Amendments to Rule 15c2-12.

PART 2

RECOMMENDED BEST PRACTICES IN NEW ISSUE AND CONTINUING DISCLOSURE FOR SINGLE FAMILY HOUSING BONDS

For Multiple Series or Parity Series Debt

- Financial statements should be provided at the relevant level determined by the type of security provided. For instance, if a bond series is a general obligation of the HFA, then the financial statements of the HFA are relevant. However, if the bonds are secured by a particular indenture, then the financial statements of that indenture are relevant.
- Information on fund investments (e.g., Revenue Fund, Acquisition Fund, Redemption Fund, Reserve Fund, etc.) or a discussion of investment policy should be made available for each bond series. This may or may not be part of the relevant financial statements.
- Tax Law (Ten-Year Rule, Universal Cap, etc.) issues have had an increasingly important impact on issuer financing strategies as well as on the call risk associated with a given bond series. This information is critical to investment analysis of the bonds. (Note: Much of this information would be appropriate for a discussion in the Management Discussion and Analysis (MD&A) section described in Part 1). For example:
 - Issuers need to disclose the potential bond redemption effects on a new bond issue of the Ten-Year Rule.
 - Issuers need to disclose the potential bond redemption effects on a new bond issue of the Universal Cap Rule.
 - Issuers need to disclose their current and anticipated practice of (and method for) cross-calling bonds.
 - Issuers need to disclose their current and anticipated practice of recycling program funds. This should also include any pending restrictions on recycling (e.g., Ten-Year Rule impact).
- Key mortgage portfolio characteristics, including loan information, insurance profile, delinquency numbers, loan servicers, mortgage rates, & amount of unused proceeds.
- Key bond redemption characteristics, including bond series debt called (by maturity date) and according to major sources of funds (unused, scheduled, surplus & cross-calls). Frequency of calls allowed (e.g., monthly, semi-annually, etc.) should be disclosed.
- The expected average life of each maturity (under a range of prepayment speed assumptions) should be provided at the time of issuance.
- Issuers who periodically generate updated cash flows for their programs and, therefore, might have revised average life calculations available for their outstanding bond issues are strongly encouraged to include such information in their continuing disclosure documents.

For Single Series Debt and Local HFA Debt (No Parity Debt)

- For guaranteed bond issues, each program should at least have a Trustee-prepared semi-annual balance sheet which shows Program fund balances, the asset balance, the loan pool numbers, bond redemption history (by maturity date) and according to major sources of funds (unused, scheduled, surplus, etc.), the amount of debt issued & outstanding (by maturity), and the amount of unused proceeds.
- Non-guaranteed programs (rated below AAA) should disclose :
 - Key mortgage portfolio characteristics, including loan information, insurance profile, delinquency numbers, loan servicers, mortgage rates, & unused proceeds
 - Key bond redemption characteristics, including bond series debt called (by maturity date) and according to major sources of funds (unused, scheduled, surplus, etc.)
 - A Trustee-prepared semi-annual balance sheet which shows program fund balances (including the current balance and availability of mortgage insurance policies or similar credit enhancement features) the asset balance, the amount of debt issued & outstanding (by maturity), and the amount of unused proceeds. An example of a good format for reporting information, in particular for local agency issues, is included as Appendix I to this document.
- The expected average life of each maturity (under a range of prepayment speed assumptions) should be provided at the time of issuance.
- Issuers who periodically generate updated cash flows for their programs and, therefore, might have revised average life calculations available for their outstanding bond issues are strongly encouraged to include such information in their continuing disclosure documents.

PART 3-A

RECOMMENDED BEST PRACTICES IN NEW ISSUE DISCLOSURE FOR MULTI-FAMILY HOUSING BONDS

The following is the suggested *minimum* type of information that Issuers and Underwriters should be disclosing as a matter of course in newly issued Multi-Family revenue bond financings.

	CREDIT ENHANCED Bonds that finance a project or projects, the debt service on which is guaranteed by a third-party credit enhancer; or the loan is fully credit enhanced (by FHA, e.g.)	ASSISTED OR SUBSIDIZED Bonds that are secured solely or primarily by projects whose credit is largely derived from some form of subsidy or financial assistance (such as Sect. 8, state loan guarantees, etc.)	UNASSISTED/UNENHANCED Bonds that are secured solely or primarily by revenues from the project(s); could include rated "affordable" housing bonds as well as non-rated issues
FINANCIAL	<ul style="list-style-type: none"> • Pro-forma debt service coverage for first years • Summary of previous three years of finances (if applicable) • Give details (such as interest, maturity, etc.) about all parity loans under this indenture (if applicable) • Describe expected construction/capital expenditures • Describe any subordinate debt, tax credits, abatements, or other subsidies • Detailed sources & uses • Describe how funds held under the indenture will be invested 	<ul style="list-style-type: none"> • Pro-forma debt service coverage for first years • Summary of previous three years of finances (if applicable) • Give details (such as interest, maturity, etc.) about all parity loans under this indenture (if applicable) • Describe any subordinate debt, tax credits, abatements, or other subsidies • Describe expected construction/capital expenditures • Detailed sources & uses • Describe how funds held under the indenture will be invested 	<ul style="list-style-type: none"> • Pro-forma debt service coverage for first 5-10 years • Pro-forma operating budget with revenues and expenses by detailed category • Financial statements for previous three years (if applicable) • Project market study and/or appraisal • Describe any subordinate debt, tax credits, abatements, or other subsidies • Describe expected construction/capital expenditures • Detailed sources & uses • Describe how funds held under the indenture will be invested
OPERATING	<ul style="list-style-type: none"> • Describe expected rent levels by unit type • Occupancy history for past three years (if applicable) • Describe reserve & replacement requirements • Contact information for Owner Management on/offsite Trustee Local HUD office 	<ul style="list-style-type: none"> • Describe expected rent levels by unit & tenant type • Occupancy history for past three years (if applicable) • Describe reserve & replacement requirements • Contact information for Owner Management on/offsite Trustee Sect. 8 Contract Admin. Local HUD office Public Admin. Entity • Describe property status w/ HUD (FMR's or comps, HAP contract expiration date, rent increases, etc.) if appropriate 	<ul style="list-style-type: none"> • Describe expected rent levels by unit type • Occupancy history for past three years (if applicable) • Describe reserve & replacement requirements • Contact information for Owner Management on/offsite Trustee

PART 3-A
RECOMMENDED BEST PRACTICES IN NEW ISSUE DISCLOSURE FOR MULTI-FAMILY HOUSING BONDS
 (continued)

	CREDIT ENHANCED	ASSISTED OR SUBSIDIZED	UNASSISTED/UNENHANCED
PROPERTY DESCRIPTION	<ul style="list-style-type: none"> Describe property name, location, age, size, type, etc. 	<ul style="list-style-type: none"> Describe property name, location, age, size, type, etc. Provide copy of any HUD inspection reports 	<ul style="list-style-type: none"> Describe property name, location, age, size, type, etc. Provide copy of any physical inspection, engineering, and/or environmental reports
REDEMPTION PRACTICES	<ul style="list-style-type: none"> Describe any risk of a substantial (i.e., greater than 5% of outstanding bonds) early bond call before the Optional call date, due to prepayments, cross-calling, mortgage sales or Issuer practices or policies Describe the Issuer's previous redemption practices concerning parity debt where substantial par calls were made prior to any Optional redemption dates 	<ul style="list-style-type: none"> Describe any risk of a substantial (i.e., greater than 5% of outstanding bonds) early bond call before the Optional call date, due to prepayments, cross-calling, mortgage sales or Issuer practices or policies Describe the Issuer's previous redemption practices concerning parity debt where substantial par calls were made prior to any Optional redemption dates 	<ul style="list-style-type: none"> Describe any risk of a substantial (i.e., greater than 5% of outstanding bonds) early bond call before the Optional call date, due to prepayments, cross-calling, mortgage sales or Issuer practices or policies Describe the Issuer's previous redemption practices concerning parity debt where substantial par calls were made prior to any Optional redemption dates
LEGAL	<ul style="list-style-type: none"> Ideally, copies of the key bond documents (including the indenture and loan agreement) should be included as part of the Official Statement 	<ul style="list-style-type: none"> Ideally, copies of the key bond documents (including the indenture and loan agreement) should be included as part of the Official Statement 	<ul style="list-style-type: none"> Ideally, copies of the key bond documents (including the indenture and loan agreement) should be included as part of the Official Statement

PART 3-B

RECOMMENDED BEST PRACTICES IN CONTINUING DISCLOSURE FOR MULTI-FAMILY HOUSING BONDS

The following is the suggested *minimum* type of information that Issuers should be disclosing as a matter of course on a continuing basis for Multi-Family revenue bond financings.

	CREDIT ENHANCED	ASSISTED OR SUBSIDIZED	UNASSISTED/UNENHANCED
	Bonds that finance a project or projects, the debt service on which is guaranteed by a third-party credit enhancer; or the loan is fully credit enhanced (by FHA, e.g.)	Bonds that are secured solely or primarily by projects whose credit is largely derived from some form of subsidy or financial assistance (such as Sect. 8, state loan guarantees, etc.)	Bonds that are secured solely or primarily by revenues from the project(s); could include rated "affordable" housing bonds as well as non-rated issues
FINANCIAL	<ul style="list-style-type: none"> • Annual audited financials for credit enhancer (or reference how to obtain them) • Summary of key financial information about the project (or projects) such as occupancy rate, coverage, etc. • For any project with below 1.1x coverage, an explanation of reasons • Summary of additional credit supports under the indenture, if any • Trust estate account balances, with information on how invested 	<ul style="list-style-type: none"> • Annual audited financials for the obligor (if single project) or indenture (if for pools of loans); AND for any non-conduit type issuer • Annual HUD financial report form, if applicable • Schedule of debt service paid in the fiscal year, by bond series or security level (e.g., senior and subordinated series) if applicable • For any project with below 1.1x coverage, an explanation of reasons • Describe any changes in project assistance or subsidy from prior year, if applicable • Describe the current status of any subordinate debt or loans, grants, subsidies, tax abatements, tax credits, or other types of assistance to the project(s) or financing. • If additional debt was issued under the indenture, list details about the new bonds (coupon, maturity, etc.) and projects (subsidy type, mortgage rate, etc.) • Trust estate account balances, with information on how invested 	<ul style="list-style-type: none"> • Annual audited financials for the obligor • Schedule of debt service paid in the fiscal year, by bond series or security level (e.g., senior and subordinated) if applicable • For any project with below 1.1x coverage, an explanation of reasons • Income statements with explanations of variances from budget; preferably provided on a monthly basis but no less frequently than quarterly • Budget provided annually; revenues and expenses by detailed category • Capital expenditures by type and funding source • Trust estate account balances, with information on how invested

PART 3-B

RECOMMENDED BEST PRACTICES IN CONTINUING DISCLOSURE FOR MULTI-FAMILY HOUSING BONDS

(Continued)

	CREDIT ENHANCED	ASSISTED/SUBSIDIZED	UNASSISTED/UNENHANCED
OPERATING	<ul style="list-style-type: none"> • Current contact information for: Owner Management on/offsite Trustee • Rents by unit type • Occupancy rates • Status of repair/replacement reserve 	<ul style="list-style-type: none"> • Current contact information for: Owner Management on/offsite Trustee Mortgage Servicer. Sect. 8 Contract Admin.. Local HUD office Public Admin. Entity • Occupancy rates • Rent levels by unit type, with tenant type and distribution • Appropriate HUD FMR's or market comps, if applicable • Status of requests for rent increases from HUD, if applicable • HAP Contract expiration date, if applicable • Status of repair/replacement reserve 	<ul style="list-style-type: none"> • Current contact information for: Owner Management on/offsite Trustee • Rents by unit type • Occupancy rates • Details on rent concessions, if any • Status of repair/replacement reserve
PROPERTY CONDITION	<ul style="list-style-type: none"> • List expected capital needs • Management discussion of property condition 	<ul style="list-style-type: none"> • Provide copy of any physical inspection, engineering or environmental reports • Annual HUD inspection report, if applicable • List expected capital needs • Management discussion of property condition 	<ul style="list-style-type: none"> • Provide copy of any physical inspection, engineering or environmental reports • List expected capital needs • Management discussion of property condition
LEGAL	<ul style="list-style-type: none"> • Describe any bond document modifications • List key covenants and describe compliance with each 	<ul style="list-style-type: none"> • Describe any bond document modifications • List key covenants and describe compliance with each • If consultant was retained, provide report, contact info. 	<ul style="list-style-type: none"> • Describe any bond document modifications • List key covenants and describe compliance with each • If consultant was retained, provide report, contact info.
REDEMPTION	<ul style="list-style-type: none"> • Redemptions by source of funds, type, and bond maturity • Describe any changes in issuer policy concerning prepayments, cross calling, recycling loan proceeds, etc. 	<ul style="list-style-type: none"> • Redemptions by source of funds, type, and bond maturity • List current owner(s) prepayment rights including dates, conditions, etc. • Describe any announced intention of owner(s) to prepay • Describe any changes in issuer policy (or, if applicable, any changes in HUD regulations) concerning prepayments, cross calling, recycling loan proceeds, etc. 	<ul style="list-style-type: none"> • Redemptions by source of funds, type, and bond maturity

APPENDIX I

We have provided this sample as an illustration of what kind of information is needed for Local HFA Single Family bond analysis, although formats may differ. Also, this is not intended to discourage the use or availability of audited financial statements. However, you may note from this sample report that audits typically do not include all the information requested.

Local HFA Bond Surveillance Reports

Issuer: _____
Series: _____
As Of: _____

Statement of Balances

	BALANCE	INVESTMENT TYPE (GIC, Treasuries, etc.) & PROVIDER	MATURITY DATE	RATE
ASSETS				
Mortgages Originated				
GNMA/FNMA Balance				
Acquisition Fund*				
Bond Fund*				
Revenue Fund*				
Debt Service Reserve Fund*				
Accrued Interest				
Other				
TOTAL ASSETS				
LIABILITIES				
Serials				
Terms				
CABs				
Accrued Interest				
Other (e.g., accrued trustee fees)				
TOTAL LIABILITIES				

*Note: These are representative Funds. Please provide data using actual Fund names.

What is status of commitments of monies (if any) in the Acquisition Fund?

Was the acquisition period ever extended? If yes, until what date?

Was there an unexpended bond proceeds call? If so, when and how much?

The current expected average life of each maturity, in each series, should be provided.

Provide Pool Numbers for GNMA/FNMA pools:

List four largest servicers:

1. _____
2. _____
3. _____
4. _____

Have you ever had any problems with any of the servicers? If so, describe.

Is there a Master Servicer or administrator?

Name of Master Servicer/Administrator: _____

Contact: _____

Phone/Fax/e-mail: _____

Trustee: _____

Contact: _____

Phone/Fax/e-mail: _____

Prior Bond Calls

Please provide the following information (from the date of issuance to the present):

- Date of the call
- \$ amount called, per maturity
- Maturity date of each bond called
- Note the source of funds used (e.g., unused proceeds, mortgage prepayments, cash flow surpluses, etc.)

Sample:

<u>Amount</u> (\$000)	<u>Rate</u>	<u>Maturity</u>	<u>Source</u>	<u>Date Called</u>					<u>Current Expected Average Life</u>
				<u>1/1/94</u> U	<u>3/1/94</u> S	<u>7/1/94</u> P	<u>1/1/95</u> P	<u>7/1/95</u> P	
\$ 110	4.10%	1/1/94							0
\$ 115	4.10%	7/1/94		5	5				0
\$ 125	4.20%	1/1/95		5	5				0
\$ 450	5.35%	1/1/09		15	20	10	70		3.47 years
\$ 3,250	5.75%	7/1/13		50	110	125	100	475	6.63 years
\$15,000	6.15%	1/1/24		400	880	1000	800	3500	12.47 years

U = Unused Proceeds Call

S = Surplus call

P = Mortgage Prepayments

Notes:

- 1) This chart is included as guidance for the kind of detailed information that is relevant to investors. Actual disclosure information may be in a different format.
- 2) The calculation of "current expected average life" is something many issuers do not prepare on a continuing basis. If it is available, however, then please disclose it.

We would generally expect this information to come from the Bond Trustee (since most Local HFAs are not staffed for this function). Issuers should instruct Trustees (at time of bond issuance) to make this information available to all who request it, whether or not they currently are bondholders.