

Rating: "Aaa"
See "RATING" herein.

NEW ISSUE—BOOK-ENTRY ONLY

In the opinion of Special Tax Counsel, interest on the 2015 Series AB Bonds is includable in gross income for purposes of federal income taxation. See "TAX TREATMENT AND RELATED CONSIDERATIONS" herein.



WASHINGTON STATE HOUSING FINANCE COMMISSION
\$33,810,000 Taxable Homeownership Program Refunding Bonds, 2015 Series A
\$35,560,000 Taxable Homeownership Program Refunding Bonds, 2015 Series B

Dated: Date of Initial Delivery

Due: As shown below

The Washington State Housing Finance Commission (the "Commission") provides this Official Statement in connection with the issuance of its Taxable Homeownership Program Refunding Bonds, 2015 Series A (the "2015 Series A Bonds"), and its Taxable Homeownership Program Refunding Bonds, 2015 Series B (the "2015 Series B Bonds" and, collectively with the 2015 Series A Bonds, the "2015 Series AB Bonds"). The 2015 Series A Bonds are being issued to refund the Commission's outstanding Homeownership Program Bonds, 2009 Series AC1. The 2015 Series B Bonds are being issued to refund the Commission's outstanding Homeownership Program Bonds, 2009 Series AC2.

The 2015 Series AB Bonds will accrue interest from their date of initial delivery (which is expected to be May 28, 2015), payable monthly on the first day of each month, commencing July 1, 2015, and upon redemption or maturity.

The 2015 Series AB Bonds are being issued only as fully registered bonds under a book-entry system and will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") in New York, New York, which will act as securities depository for the 2015 Series AB Bonds. Individual purchases of the 2015 Series AB Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof within a maturity. Purchasers of the 2015 Series AB Bonds will not receive actual certificates representing their interest in such Bonds. Both principal of and interest on the 2015 Series AB Bonds will be paid by Wells Fargo Bank, National Association, as Trustee, to DTC, which is obligated to remit both principal and interest when due to its participants for subsequent disbursements to Beneficial Owners (as defined in Appendix C hereto) of the 2015 Series AB Bonds. See Appendix C hereto for a description of DTC and its book-entry system.

Series	Due	Interest Rate	Price	CUSIP*
2015 Series A	September 1, 2040	3.00%	100.00%	93978XEQ9
2015 Series B	May 1, 2041	3.15%	100.00%	93978XER7

Except as described herein, the 2015 Series AB Bonds, certain outstanding bonds and any bonds and notes that may hereafter be issued under the Indenture (as defined herein) (collectively, the "Bonds"), other than subordinate lien bonds, will have an equal security interest in all Eligible Collateral and Investment Securities and other sources of payment of all Bonds. Deficiencies in funds available for deposits and payments with respect to any Series of Bonds may be made up from funds available with respect to any other Series of Bonds. See "SECURITY FOR THE BONDS."

The 2015 Series AB Bonds are subject to redemption as described under the heading "REDEMPTION PROVISIONS" herein. Revenues received in connection with other Bonds issued under the Indenture may be used to redeem certain 2015 Series AB Bonds before maturity. See "BONDHOLDER RISKS."

THE 2015 SERIES AB BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION. PAYMENT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2015 SERIES AB BONDS WILL BE A VALID CLAIM ONLY AGAINST THE SPECIAL FUND OR FUNDS OF THE COMMISSION RELATING THERETO AND WILL NOT BE AN OBLIGATION OF THE STATE OF WASHINGTON OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE OTHER THAN THE COMMISSION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2015 SERIES AB BONDS. THE 2015 SERIES AB BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR OF ANY AGENCY THEREOF OR OF GNMA, FANNIE MAE OR FREDDIE MAC AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

This cover page and the inside front cover contain certain information for quick reference only and are not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2015 Series AB Bonds are offered when, as, and if issued by the Commission and accepted by the Underwriters, subject to the delivery of the opinion of Pacifica Law Group LLP, Seattle, Washington, General Counsel to the Commission and Bond Counsel, as to the validity of the 2015 Series AB Bonds, the delivery of the opinion of Kutak Rock LLP, Omaha, Nebraska, Special Tax Counsel to the Commission, as to certain tax matters, and the delivery of the opinion of Foster Pepper PLLC, Spokane Washington, Disclosure Counsel to the Commission. It is expected that the 2015 Series AB Bonds will be available for delivery through DTC's facilities via Fast Automated Securities Transfer (FAST) on or about May 28, 2015.

RBC Capital Markets

George K. Baum & Co.

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number for the 2015 Series AB Bonds is included above for convenience of the holders and potential holders of the 2015 Series AB Bonds. No assurance can be given that the CUSIP number for the 2015 Series AB Bonds will remain the same after the date of issuance and delivery of the 2015 Series AB Bonds.

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No dealer, broker, salesman, underwriter or other person has been authorized by the Commission or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations 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 2015 Series AB 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 obtained from the Commission and other sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors of the 2015 Series AB Bonds under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information. 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 or any other parties described herein since the date as of which such information is presented.

Upon issuance, the 2015 Series AB Bonds will not be registered under the Securities Act of 1933, as amended, or under any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Commission, will pass upon the accuracy or adequacy of this Official Statement or approve the 2015 Series AB Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2015 SERIES AB BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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WASHINGTON STATE HOUSING FINANCE COMMISSION
\$33,810,000 Taxable Homeownership Program Refunding Bonds, 2015 Series A
\$35,560,000 Taxable Homeownership Program Refunding Bonds, 2015 Series B

INTRODUCTION

The purpose of this Official Statement of the Washington State Housing Finance Commission (the "Commission") is to provide certain information in connection with the issuance of its Taxable Homeownership Program Refunding Bonds, 2015 Series A (the "2015 Series A Bonds"), and its Taxable Homeownership Program Refunding Bonds, 2015 Series B (the "2015 Series B Bonds" and, collectively with the 2015 Series A Bonds, the "2015 Series AB Bonds"). Certain capitalized terms used in this Official Statement are defined in Appendix A. Reference is made to the Indenture (as defined below) for the definitions of capitalized terms used and not otherwise defined herein. This Official Statement speaks only as of its date, and the information contained herein is subject to change. The information contained under this heading "INTRODUCTION" is qualified by reference to the entire Official Statement. This introduction is only a brief description and potential investors should review the entire Official Statement, as well as the documents summarized or described herein, in order to make an informed investment decision.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

Authority for Issuance

The 2015 Series AB Bonds are issued pursuant to chapter 43.180 Revised Code of Washington (the "Act"), under a Homeownership Program General Trust Indenture dated as of December 1, 2009, as the same has been and may be supplemented and amended (the "General Indenture"), between the Commission and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and a Series Indenture dated as of May 1, 2015 (the "2015 Series AB Indenture"), between the Commission and the Trustee. See Appendix A – "Summary of the General Indenture" hereto. The General Indenture, the 2015 Series AB Indenture, any other Series Indentures, and any amendments thereto, are collectively referred to herein as the "Indenture." Resolution No. 14-81, adopted by the Commission on June 26, 2014, authorizes the issuance of the 2015 Series AB Bonds.

The Commission initially established the General Indenture for purposes of issuing single-family mortgage revenue bonds under the New Issue Bond Program HFA Initiative (the "Initiative") undertaken by the U.S. Department of Treasury pursuant to authority under the Housing and Economic Recovery Act of 2008. Pursuant to the Initiative, the Commission was allocated capacity to issue up to \$200,000,000 bonds for purchase equally by Fannie Mae and Freddie Mac. Those bonds, as well certain other single-family mortgage revenue bonds, were issued under the Indenture from December 2009 through September 2011. As of April 30, 2015, \$201,781,616 of Bonds were outstanding under the Indenture.

Security and Sources of Payment

Under the Indenture, the 2015 Series AB Bonds are being issued on a parity with each other and with previously issued Bonds. The Commission may issue additional Bonds on a parity with the 2015 Series AB Bonds, as well as Bonds that are subordinate to the 2015 Series AB Bonds ("Subordinate Bonds"). Currently, there are no Subordinate Bonds.

All Eligible Collateral, when purchased by the Trustee, will be pledged under the Indenture to the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS."

THE 2015 SERIES AB BONDS ARE LIMITED OBLIGATIONS OF THE COMMISSION. PAYMENT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2015 SERIES AB BONDS WILL BE A VALID CLAIM ONLY AGAINST THE SPECIAL FUND OR FUNDS OF THE COMMISSION RELATING THERETO AND WILL NOT BE AN OBLIGATION OF THE STATE OF WASHINGTON OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE, OTHER THAN THE COMMISSION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY MUNICIPAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR

INTEREST ON THE 2015 SERIES AB BONDS. THE 2015 SERIES AB BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR OF ANY AGENCY THEREOF OR OF GNMA, FANNIE MAE OR FREDDIE MAC AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. SEE "BONDHOLDER RISKS" AND "SECURITY FOR THE BONDS."

Acquisition and Operating Policy

Certain Commission obligations regarding the deposit of Revenues (as defined below) and application of amounts held under the Indenture that are not otherwise specified in the General Indenture or a Series Indenture are specified in the Acquisition and Operating Policy. The scope of the Acquisition and Operating Policy is set forth in the Indenture, as are terms under which the Commission may amend the Acquisition and Operating Policy from time to time. See Appendix A hereto under the heading "Acquisition and Operating Policy" for a summary of the General Indenture requirements pertaining to the Acquisition and Operating Policy. The Acquisition and Operating Policy is intended to provide the Trustee with sufficient guidance at any time to administer the Indenture for the remaining term of the Bonds, without further instruction from the Commission. However, the Commission routinely amends the Acquisition and Operating Policy to accommodate specific transactions and provides the Trustee with specific instructions permitted under the Acquisition and Operating Policy so as to permit the active management of the Indenture by the Commission. The Commission also routinely amends the Acquisition and Operating Policy when it issues each Series of Bonds or changes the terms of Eligible Collateral (as defined below) to be acquired. The Commission routinely provides instructions to the Trustee with respect to the allocation and deposit of Revenues and with respect to the application of amounts on deposit under the Indenture to redeem Bonds or acquire Eligible Collateral.

The Commission expects to amend the Acquisition and Operating Policy from time to time in the future, and to continue providing the Trustee with instructions pursuant to the Acquisition and Operating Policy. As a result, the Acquisition and Operating Policy may not reflect the Commission's evolving plans with respect to the future management of the Indenture, and does not bind the Commission to any specific plan of management. However, in the absence of any future issuance of Bonds, amendment of the Acquisition and Operating Policy, or permitted instructions from the Commission, the Trustee will operate the Indenture in conformance with the Acquisition and Operating Policy then in force. Copies of the Acquisition and Operating Policy are available from the Commission upon payment to the Commission of a charge for copying, mailing and handling. Requests for such copies should be addressed to the Commission's Senior Director of Finance.

Purpose

The 2015 Series AB Bonds are being issued by the Commission to provide the money to refund all of the Commission's Homeownership Program Bonds, 2009 Series AC1, and Homeownership Program Bonds, 2009 Series AC2, as more fully described herein. See "PLAN OF FINANCE" herein.

Eligible Collateral

Proceeds of Bonds issued under the Indenture, other than refunding Bonds and certain short-term Bonds issued as notes from time to time, are used by the Trustee to purchase pass-through mortgage-backed certificates (the "GNMA Certificates") guaranteed by the Government National Mortgage Association ("GNMA"), single-pool, mortgage pass-through securities (the "Fannie Mae Certificates") guaranteed by the Federal National Mortgage Association ("Fannie Mae") and mortgage pass-through securities (the "Freddie Mac Certificates") guaranteed by the Federal Home Loan Mortgage Corporation ("Freddie Mac"), including participations therein. The Commission also may use Bond proceeds to purchase mortgage loans ("Mortgage Loans") that are not guaranteed by GNMA, Fannie Mae or Freddie Mac ("Whole Loans"). The Commission has not yet purchased Whole Loans. The Acquisition and Operating Policy currently does not allow for the acquisition of Whole Loans, although this may change in the future. The GNMA Certificates, Fannie Mae Certificates and Freddie Mac Certificates are referred to herein as the "Certificates," and the Certificates and the Whole Loans are referred to herein as "Eligible Collateral." See "SECURITY FOR THE BONDS—Eligible Collateral" and "PLAN OF FINANCE" herein.

The Eligible Collateral purchased by the Trustee to date pursuant to the Indenture is backed by Mortgage Loans originated by participating mortgage-lending institutions (the "Mortgage Lenders") pursuant to Mortgage Origination Agreements (the "Origination Agreements") entered into with the Commission and the Servicer. See "SINGLE-FAMILY MORTGAGE PROGRAMS—The Program" for more information regarding Mortgage Lenders.

The Commission reserves the right, in connection with the refunding of Bonds issued under the Indenture, to re-allocate receipts from Eligible Collateral from a refunded issue of Bonds to the refunding issue of Bonds.

In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 (the "Regulatory Reform Act"), the Federal Housing Finance Agency (the "FHFA") was named as the conservator of both Fannie Mae and Freddie Mac on September 6, 2008. The Commission cannot predict the long-term consequences of the conservatorships of Fannie Mae and Freddie Mac, or the corresponding impacts, if any, on the Commission and the Eligible Collateral held under the Indenture.

Other Mortgage Revenue Bond Indentures

As of March 31, 2015, the Commission had \$348,590,000 of outstanding bonds issued under its Amended and Restated General Trust Indenture dated as of November 1, 2010, as amended (the "Single-Family Indenture"), and \$20,167,845 of outstanding bonds issued under its Single-Family Special Program Master Trust Indenture dated as of October 1, 2012, as amended (the "Special Program Indenture"). None of the trust estates pledged in the Single-Family Indenture and the Special Program Indenture to the owners of bonds issued under those indentures is pledged to or available for payment of the 2015 Series AB Bonds.

PLAN OF FINANCE

2015 Series A Bonds

General. The 2015 Series A Bonds are being issued to provide the money to redeem the outstanding principal balance of the Commission's Homeownership Program Bonds, 2009 Series AC1 Bonds (the "2009 Series AC1 Bonds"). The Commission will deposit into the 2015 Series AB Acquisition Account sufficient proceeds from the sale of the 2015 Series A Bonds, together with amounts held under the 2010 Series A Indenture, to pay on or about June 1, 2015, the total outstanding principal of and interest on the 2009 Series AC1 Bonds. Such proceeds will be invested in a Wells Fargo Bank money market fund pending the redemption of the 2009 Series AC1 Bonds. No new Mortgage Loans will be made in connection with the issuance and sale of the 2015 Series A Bonds.

Transfer of Certain Eligible Collateral. The 2009 Series AC1 Bonds were converted to long-term Bonds simultaneously with the issuance of the Commission's Homeownership Program Bonds, 2010 Series A Bonds (the "2010 Series A Bonds"). The proceeds of the 2009 Series AC1 Bonds and the 2010 Series A Bonds were used by the Commission to finance the origination of Mortgage Loans to eligible borrowers for single-family, owner-occupied housing in Washington State as part of the Commission's program to finance Mortgage Loans pursuant to the Indenture. When proceeds of the 2015 Series A Bonds are transferred from the 2015 Series AB Acquisition Account to the 2010 Series A Redemption Subaccount, the 2015 Series AB Acquisition Account will acquire from the 2010 Series A Acquisition Account a participation interest in the Eligible Collateral then held in the 2010 Series A Acquisition Account on account of the 2009 Series AC1 Bonds. The participation interest in each Certificate comprising such Eligible Collateral will be in the same proportion that the outstanding principal amount of the 2009 Series AC1 Bonds as of April 30, 2015 (\$35,400,000) bears to the aggregate outstanding principal amount of the 2009 Series AC1 Bonds and the 2010 Series A Bonds as of April 30, 2015 (\$52,325,000). Accordingly, a participation interest in 68% of the Eligible Collateral held in the 2010 Series A Acquisition Account will be transferred to the 2015 Series AB Acquisition Account on the date the 2009 Series AC1 Bonds are redeemed. The participation interest in Eligible Collateral transferred to the 2015 Series AB Acquisition Account from the 2010 Series A Acquisition Account, as described in this paragraph, are referred to in this Official Statement as the "2015A Eligible Collateral," the remaining interests in Eligible Collateral retained in the 2010 Series A Acquisition Account are referred to in this Official Statement as the "2010A Eligible Collateral," and the 2010A Eligible Collateral and the 2015A Eligible Collateral are collectively referred to in this Official Statement as the "2010A/2015A Eligible Collateral."

2010A/2015A Eligible Collateral. See Appendix F (Table F-3) for a schedule showing the 2010A/2015A Eligible Collateral held by the Trustee as of the date set forth in such table. Certain information regarding the 2010A/2015A Eligible Collateral, as of April 30, 2015, is summarized below:

	GNMA Certificates	Fannie Mae Certificates	Freddie Mac Certificates	Totals
Par Amount (\$) (1)	\$46,974,056	\$4,778,021	--	\$51,752,078
Par Amount (% of Total)	91%	9%	--	100%
Mortgage Rate (2)	5.15%	5.09%	--	5.14%
Pass-Through Rate (2)	4.65%	4.59%	--	4.64%
Average Remaining Term (months) (2)	299	293	--	299

(1) The 2015A Eligible Collateral consists of 68% of the par dollar amount shown.

(2) Amounts are weighted averages.

The 2010A/2015A Eligible Collateral has experienced the following cumulative prepayment rates (taking into account all prepayments made through April 30, 2015):

- (i) 212% PSA since issuance in 2010;
- (ii) 220% PSA for the twelve (12) months ending April 30, 2015;
- (iii) 182% PSA for the six (6) months ending April 30, 2015; and
- (iv) 132% PSA for the three (3) months ending April 30, 2015.

See “THE 2015 SERIES AB BONDS—Estimated Weighted Average Lives” herein for a definition of “PSA” and a discussion of certain prepayment speed assumptions.

2015 Series B Bonds

General. The 2015 Series B Bonds are being issued to provide the money to redeem the outstanding principal balance of the Commission’s Homeownership Program Bonds, 2009 Series AC2 Bonds (the “2009 Series AC2 Bonds”). The Commission will deposit into the 2015 Series AB Acquisition Account sufficient proceeds from the sale of the 2015 Series B Bonds, together with amounts held under the 2011 Series A Indenture, to pay on or about June 1, 2015, the total outstanding principal of and interest on the 2009 Series AC2 Bonds. Such proceeds will be invested in a Wells Fargo Bank money market fund pending the redemption of the 2009 Series AC2 Bonds. No new Mortgage Loans will be made in connection with the issuance and sale of the 2015 Series B Bonds.

Transfer of Certain Eligible Collateral. The 2009 Series AC2 Bonds were converted to long-term Bonds simultaneously with the issuance of the Commission’s Homeownership Program Bonds, 2011 Series A Bonds (the “2011 Series A Bonds”). The proceeds of the 2009 Series AC2 Bonds and the 2011 Series A Bonds were used by the Commission to finance the origination of Mortgage Loans to eligible borrowers for single-family, owner-occupied housing in Washington State as part of the Commission’s program to finance Mortgage Loans pursuant to the Indenture. When proceeds of the 2015 Series B Bonds are transferred from the 2015 Series AB Acquisition Account to the 2011 Series A Redemption Subaccount, the 2015 Series AB Acquisition Account will acquire from the 2011 Series A Acquisition Account a participation interest in the Eligible Collateral then held in the 2011 Series A Acquisition Account on account of the 2009 Series AC2 Bonds. The participation interest in each Certificate comprising such Eligible Collateral will be in the same proportion that the outstanding principal amount of the 2009 Series AC2 Bonds as of April 30, 2015 (\$36,500,000) bears to the aggregate outstanding principal amount of the 2009 Series AC2 Bonds and the 2011 Series A Bonds as of April 30, 2015 (\$56,835,000). Accordingly, a participation interest in 64% of the Eligible Collateral held in the 2011 Series A Acquisition Account will be transferred to the 2015 Series AB Acquisition Account on the date the 2009 Series AC2 Bonds are redeemed. The participation interest in Eligible Collateral transferred to the 2015 Series AB Acquisition Account from the 2011 Series A Acquisition Account, as described in this paragraph, are referred to in this Official Statement as the “2015B Eligible Collateral,” the remaining interests in Eligible Collateral retained in the 2011 Series A Acquisition Account are referred to in this Official Statement as the “2011A Eligible Collateral,” and the 2011A Eligible Collateral and the 2015B Eligible Collateral are collectively referred to in this Official Statement as the “2011A/2015B Eligible Collateral.”

2011A/2015B Eligible Collateral. See Appendix F (Table F-4) for a schedule showing the 2011A/2015B Eligible Collateral held by the Trustee as of the date set forth in such table. Certain information regarding the 2011A/2015B Eligible Collateral, as of April 30, 2015, is summarized below:

	GNMA Certificates	Fannie Mae Certificates	Freddie Mac Certificates	Totals
Par Amount (\$) (1)	\$51,850,341	\$4,264,470	--	\$56,114,811
Par Amount (% of Total)	92%	8%	--	100%
Mortgage Rate (2)	4.79%	4.51%	--	4.77%
Pass-Through Rate (2)	4.29%	4.01%	--	4.27%
Average Remaining Term (months) (2)	305	306	--	305

(1) The 2015B Eligible Collateral consists of 64% of the par dollar amount shown.

(2) Amounts are weighted averages.

The 2011A/2015B Eligible Collateral has experienced the following cumulative prepayment rates (taking into account all prepayments made through April 30, 2015):

- (i) 205% PSA since issuance in 2011;
- (ii) 207% PSA for the twelve (12) months ending April 30, 2015;
- (iii) 147% PSA for the six (6) months ending April 30, 2015; and
- (iv) 129% PSA for the three (3) months ending April 30, 2015.

Sources and Uses of Funds

The proceeds of the 2015 Series AB Bonds, together with other money under the Indenture, are expected to be used as follows:

Sources of Funds

Par amount of the 2015 Series A Bonds	\$ 33,810,000
Par amount of the 2015 Series B Bonds	35,560,000
Commission contribution from the Homeownership Commission Fund	629,807
Total	<u>\$ 69,999,807</u>

Uses of Funds

Redemption of the 2009 Series AC1 Bonds	\$ 33,810,000
Redemption of the 2009 Series AC2 Bonds	35,560,000
Payment of Underwriters' fee	442,094
Deposit to Cost of Issuance Fund	187,713
Total	<u>\$ 69,999,807</u>

Investment of Proceeds

Proceeds of the 2015 Series AB Bonds and money in funds and accounts established with respect to the 2015 Series AB Bonds must be invested in Permitted Investments. In the past, the Trustee has invested money in various Series Accounts and Subaccounts in Investment Agreements. In light of current yields on investment contracts, the Commission does not expect that money in the 2015 Series AB Accounts and Subaccounts will be invested in an Investment Agreement upon the issuance of the 2015 Series AB Bonds. The Trustee may invest money held in the 2015 Series AB Revenue Account, 2015 Series AB Debt Service Account, and 2015 Series AB Expense Account under one or more Investment Agreements in the future. See "BONDHOLDER RISKS-Investment Agreements" herein for a discussion of certain risks relating to Investment Agreements.

THE 2015 SERIES AB BONDS

General

Each 2015 Series AB Bond will be dated as of its date of initial delivery (which is expected to be May 28, 2015) and will bear interest from its dated date at the respective rate set forth on the cover of this Official Statement, calculated

on the basis of a 360-day year consisting of twelve 30-day months. Such interest will be payable monthly on the first day of each month (each, an "Interest Payment Date"), whether or not a Business Day. Interest also will be paid on the date such 2015 Series AB Bond matures or is redeemed. The first Interest Payment Date will be July 1, 2015. If a payment of interest, principal or redemption price of the 2015 Series AB Bonds is to be made on a day that is not a Business Day, it will be made on the next succeeding Business Day with the same force and effect as if made on the date of payment, and no interest shall accrue thereon for the period after such date.

The 2015 Series AB Bonds will be issued in denominations of \$5,000, or any integral multiple thereof within a maturity.

The 2015 Series A Bonds will mature on September 1, 2040, and the 2015 Series B Bonds will mature on May 1, 2041.

Book-Entry System

The 2015 Series AB Bonds are being issued only as fully registered bonds under a book-entry system and will be initially registered in the name of Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee for The Depository Trust Company ("DTC") in New York, New York, which will act as securities depository for the 2015 Series AB Bonds. Purchasers of the 2015 Series AB Bonds will not receive certificates representing their interest in such Bonds. Payments on the 2015 Series AB Bonds will be made by the Trustee to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC, which is obligated to remit both principal and interest when due to its participants for subsequent disbursements to Beneficial Owners of the 2015 Series AB Bonds. Beneficial ownership interests in the 2015 Series AB Bonds will be subject to transfer and exchange pursuant to DTC's operating procedures. See Appendix C hereto for a description of DTC and its book-entry system.

The Commission and the Trustee will recognize DTC or its nominee as the Bondowner for all purposes, including notices and voting. 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 that may be in effect from time to time.

Neither the Commission nor the Trustee will have any responsibility or obligation to DTC participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners of the 2015 Series AB Bonds. The Commission cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal or interest on the 2015 Series AB Bonds paid to Cede & Co., or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis, nor that DTC will act in a manner described in this Official Statement.

Estimated Weighted Average Lives

The weighted average life of a security refers to the average of the length of time that will elapse from the delivery date of such security to the date each installment of principal is paid to the investor, weighted by the amount of such installment. The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the delivery date of the bond to the related principal payment date, (ii) adding the results, and (iii) dividing the sum by the total principal paid on the bond. The weighted average lives of the 2015 Series AB Bonds will be influenced by, among other factors, the rate at which principal payments (including scheduled payments and principal prepayments) are made on the Mortgage Loans underlying the Eligible Collateral from which the 2015 Series AB Bonds are expected to be paid.

Payments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The model used in the following discussion is the Securities Industry and Financial Markets Association (formerly The Bond Market Association) prepayment standard or model (the "Standard Prepayment Model"). The Standard Prepayment Model is based upon an assumed rate of prepayment each month of then unpaid principal balance of the mortgage loans. Prepayment speeds are projected as percentages of The Standard Prepayment Model, and are referred to as Prepayment Speed Assumptions (each, a "PSA"). At 0% PSA, The Standard Prepayment Model assumes no prepayment of mortgage loans. At 100% PSA, The Standard Prepayment Model assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgages' lives and then assumes a constant prepayment rate of 6% per annum of the unpaid principal balance for the remaining life of each of the mortgage loans.

THE PSA DOES NOT PURPORT TO BE A PREDICTION OF THE ANTICIPATED RATE OF PREPAYMENTS OF THE ELIGIBLE COLLATERAL FROM WHICH THE 2015 SERIES AB BONDS ARE EXPECTED TO BE PAID. THERE IS NO ASSURANCE THAT THE PREPAYMENTS OF SUCH ELIGIBLE COLLATERAL WILL CONFORM TO ANY OF THE ASSUMED PREPAYMENT RATES. SEE "BONDHOLDER RISKS—RISK OF EARLY REDEMPTION FROM PREPAYMENT" FOR A DISCUSSION OF CERTAIN FACTORS THAT MAY AFFECT THE RATE OF PREPAYMENT OF THE ELIGIBLE COLLATERAL FROM WHICH THE 2015 SERIES AB BONDS ARE EXPECTED TO BE PAID.

The following table sets forth projected weighted average lives of the 2015 Series A Bonds. These projected weighted average lives are based on many assumptions, some of which may not reflect actual results, including: (i) the only redemptions of the 2015 Series A Bonds that will occur are of the type described under the headings "REDEMPTION PROVISIONS—Special Mandatory Redemption of 2015 Series A Bonds"; (ii) the 2015A Eligible Collateral will be transferred to the 2015 Series AB Acquisition Account on the date the 2009 Series AC1 Bonds are redeemed; (iii) the Commission will allocate on a monthly basis to the 2010 Series A Bonds, from Principal Receipts attributable to the 2015A Eligible Collateral, an amount equal to 68% of one-sixth (1/6th) of the amounts required to pay the next scheduled principal payments and sinking fund payments for the 2010 Series A Bonds; and (iv) at such time as the 2010 Series A Bonds are no longer Outstanding, the 2015 Series A Bonds will be redeemed from all available excess Revenues from the 2010A/2015A Eligible Collateral.

**Projected Weighted Average Lives (in Years)
of the 2015 Series A Bonds**

Prepayment Speed of 2010A/2015A Eligible Collateral	Projected Weighted Average Life	Prepayment Speed of 2010A/2015A Eligible Collateral	Projected Weighted Average Life
0% PSA	15.8 years	Since Certificates Issued (215% PSA)	5.7 years
25% PSA	13.7 years	Last 12 Months (239% PSA)	5.3 years
50% PSA	11.9 years	300% PSA	4.3 years
75% PSA	10.4 years	400% PSA	3.3 years
100% PSA	9.2 years	500% PSA	2.6 years
200% PSA	6.1 years		

The following table sets forth projected weighted average lives of the 2015 Series B Bonds. These projected weighted average lives are based on many assumptions, some of which may not reflect actual results, including: (i) the only redemptions of the 2015 Series B Bonds that will occur are of the type described under the headings "REDEMPTION PROVISIONS—Special Mandatory Redemption of 2015 Series B Bonds"; (ii) the 2015B Eligible Collateral will be transferred to the 2015 Series AB Acquisition Account on the date the 2009 Series AC2 Bonds are redeemed; (iii) the Commission will allocate on a monthly basis to the 2011 Series A Bonds, from Principal Receipts attributable to the 2015B Eligible Collateral, an amount equal to 64% of one-sixth (1/6th) of the amounts required to pay the next scheduled principal payments and sinking fund payments for the 2011 Series A Bonds; and (iv) at such time as the 2011 Series A Bonds are no longer Outstanding, the 2015 Series B Bonds will be redeemed from all available excess Revenues from the 2011A/2015B Eligible Collateral.

**Projected Weighted Average Lives (in Years)
of the 2015 Series B Bonds**

Prepayment Speed of 2011A/2015B Eligible Collateral	Projected Weighted Average Life	Prepayment Speed of 2011A/2015B Eligible Collateral	Projected Weighted Average Life
0% PSA	17.6 years	Since Certificates Issued (204% PSA)	6.5 years
25% PSA	15.2 years	Last 12 Months (209% PSA)	6.4 years
50% PSA	13.2 years	300% PSA	4.7 years
75% PSA	11.6 years	400% PSA	3.6 years
100% PSA	10.2 years	500% PSA	2.8 years
200% PSA	6.6 years		

REDEMPTION PROVISIONS

Optional Redemption of 2015 Series A Bonds

To the extent not otherwise redeemed pursuant to another redemption provision described under this heading, 2015 Series A Bonds may be redeemed prior to their stated maturities as a whole or in part on any date on and after April 1, 2023, at the option of the Commission, from any available money, at the price of par, together with accrued interest to the redemption date.

Covenant Regarding Sale of Eligible Collateral. The Commission at any time may direct the Trustee to sell Eligible Collateral, subject to the conditions set forth in the Indenture. By selling Eligible Collateral, the Commission can derive money with which to optionally redeem the 2015 Series A Bonds. The Commission will covenant in the 2015 Series AB Indenture not to redeem 2015 Series A Bonds from proceeds of the sale of Eligible Collateral before April 1, 2023.

Optional Redemption of 2015 Series B Bonds

To the extent not otherwise redeemed pursuant to another redemption provision described under this heading, 2015 Series B Bonds may be redeemed prior to their stated maturities as a whole or in part on any date on and after April 1, 2023, at the option of the Commission, from any available money, at the price of par, together with accrued interest to the redemption date.

Covenant Regarding Sale of Eligible Collateral. The Commission at any time may direct the Trustee to sell Eligible Collateral, subject to the conditions set forth in the Indenture. By selling Eligible Collateral, the Commission can derive money with which to optionally redeem the 2015 Series B Bonds. The Commission will covenant in the 2015 Series AB Indenture not to redeem 2015 Series B Bonds from proceeds of the sale of Eligible Collateral before April 1, 2023.

Revenue Fund Redemption

The 2015 Series AB Bonds may be redeemed prior to their stated maturities, in whole or in part on August 1, 2015, and on any date thereafter, at a price of par plus accrued interest to the date of redemption, from amounts deposited in the 2015 Series AB Redemption Subaccount from available amounts in the Revenue Fund or the Reserve Fund, in accordance with the Indenture and the then-current Acquisition and Operating Policy. Such redemptions are referred to herein as “Revenue Fund Redemptions.”

Sources of Funds for Revenue Fund Redemptions. The Commission may fund a Revenue Fund Redemption from certain Revenues that are in excess of the amounts otherwise necessary to pay debt service on the Bonds. See “SECURITY FOR THE BONDS—Revenues” herein for general discussion of the collection, allocation and use of Revenues. The deposits into the 2015 Series AB Redemption Subaccount for a Revenue Fund Redemption may be from excess amounts in the Revenue Fund or the Reserve Fund, including amounts in the various accounts and subaccounts maintained therein for the 2015 Series AB Bonds *or* for any other Series of Bonds (unless otherwise restricted by the applicable Series Indenture, the Indenture or the then-current Acquisition and Operating Policy). See “BONDHOLDER RISKS—Risk of Early Redemption from Prepayment” and “—Risk of Early Redemption from Cross-Calling” herein for a discussion regarding certain risks that the 2015 Series AB Bonds may be cross-called from Revenues allocable to other Series of Bonds. Amounts in the 2015 Series AB Revenue Account may be transferred to the 2015 Series AB Acquisition Account (*i.e.*, to acquire additional Eligible Collateral) or to the Redemption Subaccount of any other Series of Bonds (*i.e.*, to cross-call such other Bonds), subject to the certain limitations described under the heading “Creation of Funds and Accounts” in Appendix A.

See “BONDHOLDER RISKS” for a description of certain events and circumstances that could lead to the early redemption of the 2015 Series AB Bonds pursuant to a Revenue Fund Redemption.

Special Mandatory Redemption of 2015 Series A Bonds

The 2015 Series A Bonds are subject to redemption prior to maturity, in whole or in part, on each Interest Payment Date, commencing August 1, 2015, at a redemption price equal to 100% of the principal amount to be redeemed, without premium, from: (i) Principal Receipts derived from the 2015A Eligible Collateral, less 68% of one-sixth (1/6th) of the amounts required to pay the next scheduled principal payments and sinking fund payments for the 2010 Series A Bonds; and (ii) when the 2010 Series A Bonds are no longer Outstanding, 100% of the Principal Receipts derived from the 2010A/2015A Eligible Collateral. The remaining scheduled principal payments and sinking fund

payments for the Outstanding 2010 Series A Bonds are set forth in Appendix G (Table G-1) hereto. The Trustee will make the calculations relating to the above-described redemptions on a monthly basis.

Covenant Regarding Cross-Calling. The Commission will covenant in the 2015 Series AB Indenture that, for so long as the 2010 Series A Bonds and the 2015 Series A Bonds remain Outstanding, it will not use Principal Receipts derived from the 2010A/2015A Eligible Collateral to redeem any Bonds other than the 2010 Series A Bonds and the 2015 Series A Bonds.

Special Mandatory Redemption of 2015 Series B Bonds

The 2015 Series B Bonds are subject to redemption prior to maturity, in whole or in part, on each Interest Payment Date, commencing August 1, 2015, at a redemption price equal to 100% of the principal amount to be redeemed, without premium, from: (i) Principal Receipts derived from the 2015B Eligible Collateral, less 64% of one-sixth (1/6th) of the amounts required to pay the next scheduled principal payments and sinking fund payments for the 2011 Series A Bonds; and (ii) when the 2011 Series A Bonds are no longer Outstanding, 100% of the Principal Receipts derived from the 2011A/2015B Eligible Collateral. The remaining scheduled principal payments and sinking fund payments for the Outstanding 2011 Series A Bonds are set forth in Appendix G (Table G-2) hereto. The Trustee will make the calculations relating to the above-described redemptions on a monthly basis.

Covenant Regarding Cross-Calling. The Commission will covenant in the 2015 Series AB Indenture that, for so long as the 2011 Series A Bonds and the 2015 Series B Bonds remain Outstanding, it will not use Principal Receipts derived from the 2011A/2015B Eligible Collateral to redeem any Bonds other than the 2011 Series A Bonds and the 2015 Series B Bonds.

General Provisions Pertaining to Redemptions

The General Indenture sets forth certain provisions that generally pertain to the redemption of any Series of Bonds, including the 2015 Series AB Bonds. Certain of those provisions are summarized below.

Selection of 2015 Series AB Bonds for Redemption. For purposes of selecting 2015 Series AB Bonds for redemption, the Trustee will consider each \$5,000 par amount of such Bonds as a separate and distinct Bond. Any 2015 Series AB Bond may be partially redeemed in the principal amount of \$5,000 or any integral multiple thereof so long as the amount of such 2015 Series AB Bonds to remain Outstanding is not less than an Authorized Denomination for such Bond. The Trustee, in accordance with the Acquisition and Operating Policy and the 2015 Series AB Indenture, will select the maturities of such Bonds to be redeemed or purchased. In selecting which maturities of the 2015 Series AB Bonds to redeem, the Trustee will be subject to the limitations (if any) described under the headings "Special Mandatory Redemption of 2015 Series A Bonds" and "Special Mandatory Redemption of 2015 Series B Bonds."

In the event that less than all of any subseries of the 2015 Series AB Bonds is to be redeemed, the Bonds (or portions thereof) to be redeemed will be selected by the Trustee randomly within such subseries. However, for so long as the 2015 Series AB Bonds are registered in the name of DTC or its nominee, DTC will select for redemption the Beneficial Owners' interests in any 2015 Series AB Bonds that is subject to a partial redemption. Neither the Commission nor the Trustee will have any responsibility for selecting for redemption any Beneficial Owner's interest in a 2015 Series AB Bond. See Appendix C for a discussion of DTC and its book-entry system.

Notice of Redemption. The Trustee will give a written redemption notice to Cede & Co. (or any subsequent registered owner of the 2015 Series AB Bonds to be redeemed) not less than 20 days (or more than 90 days) before the scheduled redemption date of any 2015 Series AB Bonds to be redeemed. Neither the Commission nor the Trustee will have any responsibility or obligation to DTC participants, or the persons for whom they act as nominees, with respect to the providing of redemption notices to the direct participants, the indirect participants or the beneficial owners of the 2015 Series AB Bonds. The Commission cannot and does not give any assurances that DTC, its direct participants or others will distribute any redemption notices to the beneficial owners or that they will do so on a timely basis. See Appendix C for a discussion of DTC and its book-entry system.

Pursuant to the Commission's continuing disclosure undertaking, the Commission also is required to cause timely notice of material Bond redemptions to be provided to the Municipal Securities Rulemaking Board. See "CONTINUING DISCLOSURE" herein for a description of the Commission's undertaking to provide certain notices.

The notice of redemption may be conditional and rescindable. If conditional, the notice will summarize the conditions precedent to such redemption. A conditional redemption notice will be of no force and effect if such conditions have not been satisfied on or before the redemption date, and the 2015 Series AB Bonds described in such notice will not be redeemed on the specified redemption date. The Trustee is required to notify the affected Bondowners (which may not include Beneficial Owners) that the conditions to redemption were not satisfied or that the Commission has revoked the redemption and rescinds the notice.

Once notice is sent in accordance with the provisions of the General Indenture, it will be effective whether or not such notice is received by the owners of the 2015 Series AB Bonds to be redeemed.

Effect of Redemption. Once notice of redemption is duly given, and money is held by the Trustee for payment of the redemption price of and interest accrued to the redemption date on the Bonds (or portions thereof) so called for redemption, such Bonds will become due and payable on the redemption date. The Bonds so called will cease to be Outstanding, and interest on the Bonds so called for redemption will cease to accrue as of the redemption dates. All Bonds so called will cease to be entitled to any benefit or security under the Indenture as of the redemption date, and the Owners of those Bonds will have no rights in respect thereof except to receive payment of the redemption price of and accrued interest to the date of redemption and to receive Bonds for any unredeemed portion of Bonds.

SECURITY FOR THE BONDS

General

The Bonds, including the 2015 Series AB Bonds, are limited obligations and not general obligations of the Commission. The Bonds are payable solely from payments made on and secured by Eligible Collateral and Investment Securities pledged to the Trustee under the Indenture (regardless of Series), and amounts (including interest earnings thereon) held for the benefit of the Bondowners pursuant to the Indenture. The Bonds are not payable from any other revenues, funds or assets of the Commission. Payment of the principal of and interest on the Bonds will be a valid claim only against the special fund or funds of the Commission relating thereto and is not an obligation of the State of Washington (the "State") or any municipal corporation, subdivision or agency of the State, other than the Commission, and neither the full faith and credit nor the taxing power of the Commission, the State or any municipal corporation, subdivision or agency of the State is pledged to the payment of the principal of or interest on the Bonds. THE 2015 SERIES AB BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR OF ANY AGENCY THEREOF OR OF GNMA, FANNIE MAE OR FREDDIE MAC AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Pledge Under the Indenture

To secure its obligations to make payments on the Bonds and to observe the covenants in the Indenture and the Bonds, the Commission has irrevocably pledged and assigned the Trust Estate to the Trustee. The Trust Estate includes the following:

1. The Commission's right, title and interest in the Mortgage Loans or Certificates securing such Bonds, including the right to receive any sums of money receivable by the Commission under the Mortgage Loans or the Certificates; and
2. All money, contracts and securities from time to time held by the Trustee pursuant to the Indenture, including money held in all funds other than certain Series Reservation Accounts, the Rebate Fund, the Cost of Issuance Fund, the Expense Fund and the Homeownership Commission Fund.

Except with respect to certain Series Reservation Accounts, the Commission has pledged the Trust Estate for the equal and proportionate benefit and security of all present and future owners of all Bonds subject to the terms of such trusts, without preference of any Bond over any other. The Trustee is required to take all actions consistent with the Indenture that are reasonably necessary, in its judgment, to enforce the terms of the Certificates and the Mortgage Loans financed with Bond proceeds, and to protect the priority of its interest in each Certificate and the Mortgage Loans financed with Bond proceeds.

The Commission has covenanted to defend, preserve and protect (to the extent permitted by law) its pledge of the Trust Estate and all the rights of the Bondowners under the Indenture against all claims and demands of all persons whomsoever. However, the Commission is not obligated to honor such covenant using funds other than Revenues available under the Indenture.

Special Pledge of Series Reservation Accounts

The Commission has reserved the right to exclude from the Trust Estate money on deposit in any Series Reservation Account. However, the Commission must affirmatively elect to do so in the Series Indenture that establishes the particular Series Reservation Account being excluded from the Trust Estate. While the Commission has excluded certain Series Reservation Accounts from the Trust Estate in the past, no money remains in the excluded accounts. The Commission may establish an excluded Series Reservation Account in connection with one or more Series of Bonds in the future.

Revenues

The principal and Redemption Price of every Bond and the interest thereon are payable solely from Revenues and other assets pledged under the Indenture. "Revenues" include (i) all amounts received by or payable to the Trustee in connection with the Eligible Collateral (see "SECURITY FOR THE BONDS—Eligible Collateral"), (ii) all amounts received by or payable to the Trustee under the Origination Agreements or the Servicing Agreements, and (iii) all earnings derived from the investment of the various funds established pursuant to the Indenture (other than interest on amounts in the Cost of Issuance Fund, Expense Fund, Homeownership Commission Fund or Rebate Fund, or a Series Reservation Account excluded pursuant to a Series Indenture). See Appendix A hereto for a more detailed definition of "Revenues."

Nevertheless, "Revenues" do not include: (i) amounts retained by a Servicer as a Servicing Fee or other compensation; (ii) amounts to be paid to the United States Government (such as arbitrage rebate); and (iii) earnings derived from the investment of a Series Acquisition Account to the extent the applicable Series Indenture or Remarketing Indenture provides that such earnings are not to be considered as "Revenues."

See Appendix A hereto for a detailed summary of the Indenture provisions pertaining to the collection, segregation and use of Revenues.

Eligible Collateral

The Indenture defines "Eligible Collateral" to be Certificates and Whole Loans, but only if such Certificates or Whole Loans are eligible to be purchased by the Trustee in accordance with the Acquisition and Operating Policy. Currently, the Acquisition and Operating Policy provides only for the acquisition of Certificates. The Acquisition and Operating Policy does not allow for the purchase of Whole Loans, although this may change in the future.

GNMA Certificates. The Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development ("HUD"). GNMA's powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 *et seq.*).

GNMA is authorized to guarantee the timely payment of the principal of and interest on certificates ("GNMA Certificates") that represent undivided ownership interests in pools of mortgage loans that are: (i) insured by the Federal Housing Administration ("FHA") under the National Housing Act of 1934, as amended; (ii) guaranteed by the Department of Veterans Affairs ("VA") under the Servicemen's Readjustment Act of 1944, as amended; (iii) guaranteed by the Rural Housing Service ("RHS") of the U.S. Department of Agriculture pursuant to Section 502 of Title V of the Housing Act of 1949, as amended; or (iv) guaranteed by the Secretary of HUD under Section 184 of the Housing and Community Development Act of 1992, as amended and administered by the Office of Public and Indian Housing ("PIH"). The GNMA Certificates are issued by approved servicers and not by GNMA. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates. The full faith and credit of the United States is pledged to the payment of all amounts required to be paid under each such guaranty. To the extent necessary, GNMA will borrow from the United States Treasury any amounts necessary to enable GNMA to honor its guaranty of the GNMA Certificates. GNMA is required to honor its guaranty only if a servicer is unable to make the full payment on any GNMA Certificate, when due.

GNMA administers two guarantee programs—the "Ginnie Mae I MBS Program" and the "Ginnie Mae II MBS Program." The principal differences between the two programs relate to the interest rate structure of the mortgages backing the GNMA Certificates and the means by which principal and interest payments are made. These differences are not expected to affect adversely the availability of Revenues to pay principal of and interest on the Bonds.

See Appendix B for more information regarding GNMA and its mortgage-backed security program.

Fannie Mae Certificates. The Federal National Mortgage Association (“FNMA” or “Fannie Mae”) is a federally-chartered, private, stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. § 1716 *et seq.*). The Secretary of HUD exercises general regulatory power over Fannie Mae. Among other things, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Fannie Mae operates a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (“Fannie Mae Certificates”). Each Fannie Mae Certificate represents an undivided ownership interest in a specified pool of mortgage loans purchased by Fannie Mae. Generally, Fannie Mae Certificates are issued in book-entry form, representing a minimum of \$1,000 unpaid principal amount of mortgage loans. Any Fannie Mae Certificates included as Eligible Collateral will represent pools of Mortgage Loans created by the Servicer.

Fannie Mae guarantees to the registered holders of Fannie Mae Certificates that it will distribute amounts representing (i) scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by such Fannie Mae Certificates, whether or not received, and (ii) the full principal balance of any foreclosed or other finally liquidated Mortgage Loans, whether or not such principal balance is actually received. FANNIE MAE’S OBLIGATIONS UNDER THE FANNIE MAE CERTIFICATES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES OR ANY OF ITS AGENCIES OR INSTRUMENTALITIES OTHER THAN FANNIE MAE. If Fannie Mae is unable to satisfy such obligations, distributions to the Trustee, as the registered holder of Fannie Mae Certificates, would consist solely of payments and other recoveries on the underlying Mortgage Loans. Accordingly, monthly distributions to the Trustee after a Fannie Mae default could be adversely affected by delinquent payments and defaults on such Mortgage Loans.

See Appendix B for more information regarding Fannie Mae and its mortgage-backed security program.

Freddie Mac Certificates. The Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”) is a corporate instrumentality of the United States organized pursuant to the Federal Home Loan Mortgage Corporation Act (Title III of the Emergency Home Finance Act of 1970, as amended (12 U.S.C. §§ 1451-1459)).

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a pool of mortgages from approved sellers in exchange for a security issued Freddie Mac representing an undivided interest in such mortgage pool (a “Freddie Mac Certificate”). Payments by borrowers on the underlying mortgages are passed through monthly by Freddie Mac to the holders of the Freddie Mac Certificate.

Freddie Mac guarantees the payment of scheduled principal payments on the mortgages underlying each Freddie Mac Certificate, together with interest thereon at the applicable pass-through rate, in each case whether or not such principal or interest is received from the mortgagors. The obligations of Freddie Mac under such guarantees are obligations of Freddie Mac only. THE FREDDIE MAC CERTIFICATES, INCLUDING THE INTEREST THEREON, ARE NOT GUARANTEED BY THE UNITED STATES AND DO NOT CONSTITUTE DEBTS OR OBLIGATIONS OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OTHER THAN FREDDIE MAC. If Freddie Mac is unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Certificates would consist solely of payment and other recoveries on the related mortgage. Accordingly, delinquencies and defaults on the mortgages after a Freddie Mac default may adversely affect distributions on the Freddie Mac Certificates. This could adversely affect payments on the Bonds to the extent Eligible Collateral includes any Freddie Mac Certificates at the time of such a default.

See Appendix B for more information regarding Freddie Mac and its mortgage-backed security program.

Whole Loans. The Indenture defines “Whole Loans” to be Mortgage Loans (or participations therein) that are not included in a mortgage pool underlying a Certificate. A Whole Loan must be backed by a security interest in a single-family residence, but that security interest need not be a first lien. Whole Loans may be FHA-Insured, RHS-Guaranteed, VA-Guaranteed, insured by another governmental program, privately insured through mortgage insurance or mortgage pool insurance, or uninsured. If Bond proceeds are used to acquire Whole Loans, there must be provided Supplemental Mortgage Coverage of a type and in an amount sufficient for the Commission to obtain a written confirmation by the Rating Agency that the proposed use of Bond proceeds for such purpose will not reduce the rating on the Outstanding Bonds (excluding Subordinate Bonds). See Appendix A hereto for a definition of “Supplemental Mortgage Coverage.”

Reserve Accounts

The Commission does *not* expect to fund any reserve accounts with respect to the 2015 Series AB Bonds. See Appendix A hereto for a summary of the Indenture, including the provisions pertaining to the establishment of reserve accounts for the Bonds.

Outstanding Bonds

The 2015 Series AB Bonds will be issued on a parity with \$201,781,616 outstanding long-term Bonds, as of April 30, 2015. Information regarding the outstanding Bonds is set forth in Appendix F (Table F-1). It is expected that other Series of Bonds may be issued in the future. See “Additional Bonds” below. All Bonds, except Subordinate Bonds, will have an equal (“parity”) security interest in all Eligible Collateral, Investment Securities and other sources of payment of the Bonds. Currently, there are no Subordinate Bonds, but such bonds may be issued in the future. In addition, deficiencies in funds available for deposits and payments with respect to any Series may be made up from funds available with respect to any other Series.

Additional Bonds

The Commission has reserved the right to issue additional Bonds and remarket Outstanding Bonds at any time in the future. Such additional Bonds will have an equal lien on the Eligible Collateral as the lien in favor of the 2015 Series AB Bonds (unless they are issued as Subordinate Bonds, in which case they will have a lien on the Eligible Collateral that is subordinate to the lien in favor of the 2015 Series AB Bonds).

Before additional Bonds may be issued, and before Outstanding Bonds may be remarketed, the Trustee must receive, among other things, the following:

- an opinion of a nationally-recognized bond counsel to the effect that (i) the General Indenture and the applicable Series and/or Remarketing Indenture were duly adopted and are valid and binding upon the Commission, and (ii) the Bonds being issued are valid and legally binding special limited obligations of the Commission and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained in the Indenture and the applicable Series and/or Remarketing Indenture;
- a certificate signed by an authorized officer of the Commission that (i) describes the proposed issuance or remarketing and (ii) is attached to cash flow projections demonstrating that, among other things, projected Revenues will be sufficient to provide for timely payments of interest and principal on the Bonds (other than Subordinate Bonds) and that projected asset parity will always be equal to or greater than 100% (see “CASH FLOW CERTIFICATES” for a more detailed description of the requirements applicable to such certificate; also see “SINGLE-FAMILY MORTGAGE PROGRAMS—Historical Financial Results” regarding Asset Parity as of the end of the past five fiscal years); and
- a written confirmation by the Rating Agency that the proposed issuance or remarketing of Bonds will not reduce the rating on the Outstanding Bonds (excluding Subordinate Bonds) (a “Rating Confirmation”).

Subordinate Bonds

To date, the Commission has not issued Subordinate Bonds. The Indenture reserves the right for the Commission to do so in the future upon compliance with the requirements described above for issuing additional Bonds. The Indenture currently provides that money in the Revenue Fund can be transferred to funds and accounts for Subordinate Bonds only if the Commission certifies that Asset Parity will be at least 100% after such transfer. See Appendix A hereto for a more detailed definition of the phrase “Asset Parity.” The Indenture further provides that a default with respect to Subordinate Bonds will not constitute a default on the 2015 Series AB Bonds and any other Bonds issued on a parity with the 2015 Series AB Bonds.

CASH FLOW CERTIFICATES

Cash Flow Certificates and Supporting Cash Flows

Under the terms of the Indenture, the Commission must deliver a “Cash Flow Certificate” to the Trustee prior to taking certain actions, including but not limited to, the issuance of additional Bonds, long term remarketing of Outstanding Bonds, and, unless there is no adverse impact, amendment of the Acquisition and Operating Policy.

Each Cash Flow Certificate must be accompanied by "Supporting Cash Flows" prepared by a "Cash Flow Consultant," which demonstrate, under each of the scenarios included, that (1) projected Revenues will be sufficient to provide for timely payments of interest, principal on the Bonds, "Enhancement Payments" and "Expenses," and (2) projected "Asset Parity" will always be equal to or greater than 100%. See Appendix A hereto for a more detailed definitions of the phrases "Asset Parity," "Cash Flow Certificate," "Cash Flow Consultant," "Enhancement Payments," "Expenses" and "Supporting Cash Flows."

The Supporting Cash Flows attached to each Cash Flow Certificate must include each scenario included in the immediately prior Supporting Cash Flows, except that the specification of the scenarios to be included may be modified by the Rating Agency in connection with a Rating Confirmation. Supporting Cash Flows shall (1) take into account the financial position of the Trust Estate as of the stated starting date of the projection, (2) reflect all the significant transactions that have occurred in the period commencing with such starting date and ending with a date no more than 90 days prior to the date of such projections, (3) be consistent with the General Indenture, the Series Indentures and the Remarketing Indentures and (4) assume compliance with the Acquisition and Operating Policy. The scenarios required by the Rating Agency to be included in the Supporting Cash Flows reflect alternative assumptions with respect to prepayment patterns of the Eligible Collateral, levels of origination of Eligible Collateral, and rates of return on Permitted Investments. The scenarios reflect additional assumptions, among others, as to the timing of receipt of Revenues, the level of Expenses and Commission Fees, and the performance of counterparties under Enhancement Agreements and Remarketing Agreements, and Permitted Investments. The Supporting Cash Flows do not reflect (other than the transaction for which prepared) any future issuance of any additional Bonds, long term remarketing of any Outstanding Bonds, adoption of any Supplemental Indenture, or any amendment of the Acquisition and Operating Policy, even though the Commission is permitted to undertake any of the forgoing.

Because actual experience can differ significantly from hypothetical scenarios, the Commission makes no representation that any of the scenarios in any Supporting Cash Flows will reflect the actual course of events or that Revenues will be sufficient to provide for timely payments of interest and principal on the Bonds, Enhancement Payments, and Expenses.

2015 Series AB Cash Flow Certificate

As a condition to the issuance of the 2015 Series AB Bonds, the Commission will provide the Trustee with its Cash Flow Certificate in the form required by the Indenture.

BONDHOLDER RISKS

Prospective purchasers of the 2015 Series AB Bonds should carefully consider the following risk factors, as well as other information contained in this Official Statement, prior to purchasing the 2015 Series AB Bonds. The information contained under this heading is not intended to be an exhaustive discussion of all possible risks involved with owning the 2015 Series AB Bonds. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the 2015 Series AB Bonds.

Risk of Early Redemption from Prepayment

Mortgage Loans may be terminated before their final maturity. Prepayments in full or other payments in respect of early termination of Mortgage Loans financed with the proceeds of Bonds may be deposited in any Series Redemption Account of the Debt Service Fund, consistent with the Indenture and the current Acquisition and Operating Policy. That money may be used, together with certain other amounts then transferred into the Series Redemption Account, to redeem Bonds at par before their scheduled maturity. There is no completely reliable statistical base with which to predict the level of prepayment in full or other early termination of the Mortgage Loans financed with the proceeds of Bonds and the resulting effect on the average life of the Bonds. The Commission does expect prepayment of a substantial number of Mortgage Loans. It is probable that the Bonds will have a shorter life than their stated maturities or scheduled mandatory sinking payment redemptions.

Risk of Early Redemption from Cross-Calling

Certain Revenues relating to one Series of Bonds (including money received from the payment of principal of and interest on Eligible Collateral purchased with the proceeds of that Series) in excess of Revenues needed to pay principal and interest currently due on any of the Bonds, to pay Expenses, or to meet other purposes set forth in the Indenture, generally may be used at any time for a Revenue Fund Redemption of Bonds of that Series and/or Bonds

of certain other Series (subject to limitations, if any, set forth in the applicable Series Indentures). The use of Revenues in respect of one Series to redeem Bonds of another Series is known as “cross-calling.” The Series and maturities of Bonds to be “cross-called” from time to time, if any, will be determined in accordance with the applicable Series Indenture and the Acquisition and Operating Policy. The Acquisition and Operating Policy may be changed from time to time consistent with the Indenture (which among other things restricts the use of certain Series of Bonds for “cross-calling”).

The Commission may use Revenues that might otherwise be available to redeem Bonds to finance additional Mortgage Loans. See “SINGLE-FAMILY MORTGAGE PROGRAMS—Recycling” herein. Excess Revenues also may be transferred to a Subordinate Bond account or to the Homeownership Commission Fund in accordance with the Indenture. See Appendix A under the heading “Creation of Funds and Accounts—Revenue Fund” for a summary of how money in the Revenue Fund may be used.

The so-called “10-Year Rule” (Section 143(a)(2)(A)(iv) of the Internal Revenue Code of 1986, as amended (the “Code”)) generally provides that repayments of principal on Mortgage Loans must be used to redeem the Series of tax-exempt Bonds that financed such Mortgage Loans to the extent such prepayments are received more than ten years after such Series (or, with respect to refunding bonds, the original bond) was issued as a tax-exempt bond. Such repayments, when received, are considered “restricted principal receipts.” The 10-Year Rule generally limits the Commission’s ability to cross-call Bonds from restricted principal receipts. From time to time, there have been efforts to repeal the 10-Year Rule. Any repeal of the 10-Year Rule during the period the 2015 Series AB Bonds remain Outstanding may increase the risk that the 2015 Series AB Bonds would be cross-called.

Limited Security

The 2015 Series AB Bonds are limited obligations of the Commission. Payment of the principal of and premium, if any, and interest on the 2015 Series AB Bonds will be a valid claim only against the special fund or funds of the Commission relating thereto and will not be an obligation of the State or any municipal corporation, subdivision or agency of the State other than the Commission. Neither the full faith and credit nor the taxing power of the State or any municipal corporation, subdivision or agency of the State is pledged to the payment of the principal of or interest on the 2015 Series AB Bonds. Further, the 2015 Series AB Bonds do not constitute nor give rise to a pecuniary liability, general or moral obligation or a pledge of the full faith and credit or taxing power of the United States of America, HUD or any other agency thereof, GNMA, Fannie Mae or Freddie Mac. The Commission has no taxing power. See “SECURITY FOR THE BONDS” herein.

Secondary Market and Prices

It has been the Underwriters’ practice to maintain a secondary market in municipal securities that they sell. The Underwriters currently intend to engage in secondary market trading of the 2015 Series AB Bonds, subject to applicable securities laws. However, the Underwriters are not obligated to engage in secondary trading or to repurchase any of the 2015 Series AB Bonds at the request of the owners thereof. No assurance can be given that a secondary market for the 2015 Series AB Bonds will be available and no assurance can be given that the initial offering prices for the 2015 Series AB Bonds will continue for any period of time.

Enforceability of Remedies

The remedies available to the Bond owners upon an event of default under the Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy laws, the Indenture and the various related documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2015 Series AB Bonds will be qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by principles of equity.

Ratings Downgrade

The rating awarded to the 2015 Series AB Bonds by Moody’s Investors Service, Inc. (“Moody’s”), is based on various factors, including the credit of GNMA, Fannie Mae and Freddie Mac. If the rating awarded to the securities issued or guaranteed by GNMA, Fannie Mae or Freddie Mac is reduced, the rating on the 2015 Series AB Bonds may be reduced. On July 13, 2011, Moody’s indicated that ratings of credits that are directly linked to the rating of

government sponsored enterprises (e.g. GNMA, Fannie Mae and Freddie Mac), will move in lock-step with the rating of the United States government. Any reduction of the rating in effect for the 2015 Series AB Bonds may adversely affect the market price of the 2015 Series AB Bonds. See "RATING" herein.

SINGLE-FAMILY MORTGAGE PROGRAMS

The Commission has established a number of programs to help qualifying persons and families finance the costs of acquiring their primary residences within Washington State. One such program (the "Program") involves the issuance of bonds under both the Indenture and the Single-Family Indenture to finance the origination of Mortgage Loans. The Program is one of the methods by which the Commission achieves its goal of promoting the availability of single-family housing for moderate- and low-income persons and families. It complements the Commission's other single-family mortgage programs.

The Program

The Program was established in 1995. It has provided over 15,000 Mortgage Loans since funding commenced under the Single-Family Indenture. The primary source of funding for the Program has been bonds issued under the Single-Family Indenture. In certain circumstances, proceeds of Bonds issued under the Indenture and proceeds of bonds issued under the Single-Family Indenture have been used to acquire interests in the same Certificate (e.g. to finance a principal-only participation in such Certificate). The *pro rata* portions of such Certificates financed with proceeds of the Bonds will secure the Bonds, and the *pro rata* portions of such Certificates financed with proceeds of bonds issued under the Single-Family Indenture will secure bonds issued under the Indenture. There currently are no proceeds available under the Indenture that the Commission expects to use for purposes of originating new mortgage loans.

NONE OF THE TRUST ESTATE PLEDGED IN THE SINGLE-FAMILY INDENTURE TO THE OWNERS OF BONDS ISSUED UNDER THE SINGLE-FAMILY INDENTURE IS PLEDGED TO OR AVAILABLE FOR PAYMENT OF THE BONDS.

Program Expenses. The expenses of the Program are paid from various accounts and subaccounts created under the Single-Family Indenture. See the definition of "Expenses" in Appendix A hereto for examples of such expenses. See the definition of "Expenses" in Appendix A hereto for examples of such expenses. The amounts required to administer the Program are projected at the time of each series of bonds are issued. See Appendix A, under the heading "Creation of Funds and Accounts," for a summary of how money is to be deposited into the Series General Receipts Subaccount, the Series Expense Account and the Homeownership Commission Fund under the Indenture. The Series Expense Accounts, the Homeownership Commission Fund and the Cost of Issuance Fund are *not* part of the Trust Estate that has been pledged to Bond owners. See "SECURITY FOR THE BONDS—Pledge Under the Indenture" herein. Money in the various Series General Receipts Subaccounts can be transferred to the Homeownership Commission Fund and used for any Commission purpose if an Asset Parity Determination supports such transfer. The primary sources of money for deposit to the Series Expense Account and the Homeownership Commission Fund are expected to be amounts derived from mortgage payments, accumulated reserves set aside for the payment of such costs, and other available Commission funds.

Mortgage Loan Origination and Purchase. Under the Program, Mortgage Loans are originated by those mortgage lending institutions (the "Mortgage Lenders") that have entered, or are expected to enter, into a Mortgage Origination Agreement (each, an "Origination Agreement") with the Commission and the Servicer. Among other requirements, each Mortgage Lender must be approved by the FHA, Fannie Mae and Freddie Mac, or otherwise be an eligible lender in good standing for VA-, HUD- or RHS-guaranteed mortgage loans.

The Commission has imposed various restrictions on Mortgage Lenders regarding the type of loans that will qualify as Mortgage Loans. These restrictions are set forth in the Origination Agreements. Some of the restrictions are based on the federal tax law requirements described under the heading "TAX TREATMENT AND RELATED CONSIDERATIONS" herein. Others are based on policies adopted by the Commission. The Commission generally reviews each Mortgage Loan to be financed with bond proceeds to determine whether it complies with GNMA, Fannie Mae or Freddie Mac loan documentation requirements, as applicable.

Upon completion of such review, the Mortgage Loan will be purchased by the Servicer and aggregated with other Mortgage Loans into a loan pool supporting a Certificate. These Certificates are then purchased from the Servicer by either the Trustee or the provider of a "warehousing" facility (to the extent the Commission uses a warehousing facility to provide for the acquisition of Certificates at a time bond proceeds are not available for such purpose). Under the Commission's Servicing Agreements, each Servicer is responsible for remitting the principal and interest

payments scheduled to be made on the Mortgage Loans under the terms of the applicable GNMA, Fannie Mae and Freddie Mac documents. See “THE SERVICER” for more information regarding the Servicer. See Appendix B for information about the GNMA, Fannie Mae and Freddie Mac programs.

Mortgage Loan Terms. The Commission generally has used Bond proceeds to originate 30-year Mortgage Loans that have loan terms requiring borrowers to pay principal on a current basis (the “Standard Mortgage Loans”). However, at times, the Program has financed Mortgage Loans with 40-year maturities and Mortgage Loans that provide for the commencement of principal amortization after a fixed period of time (e.g. 5 or 10 years). In the future, the Commission may use proceeds of additional Bonds issued under the Indenture to finance Mortgage Loans that are not Standard Mortgage Loans.

The Commission establishes schedules of offered Mortgage Loan Interest Rates and Borrower Points from time to time, including upon issuance of each series of new-money bonds (including Bonds), by modification of the Acquisition and Operating Policy. The Commission has reserved the right in its sole discretion to increase or reduce the interest rate on such Mortgage Loans (and on the related Certificates) before their origination, in accordance with the Indenture, the Acquisition and Operating Policy and the requirements, if any, of the Rating Agency.

Other Single-Family Mortgage Loan Programs

In addition to the Program, the Commission currently provides for the origination of mortgage loans for single-family residences through its Home Advantage First Mortgage Program (“Home Advantage”). At the present time, new mortgage loans are not being originated under the programs established the Commission’s Special Program Indenture. However, it is possible the Commission could reactivate that program in the future. Home Advantage, together with the single-family mortgage loan program established under the Special Program Indenture, are briefly summarized below.

Home Advantage. As of the date of this Official Statement, the Commission considers Home Advantage to be the Commission’s primary single-family mortgage program. The Commission first implemented Home Advantage in July 2012. During the fiscal years ended June 30, 2013 and June 30, 2014, Home Advantage resulted in the origination by Mortgage Lenders of mortgage loans in the approximate aggregate amounts of \$245 million and \$426 million, respectively.

Home Advantage is available to borrowers whose annual household income is \$97,000 or less, for use to acquire single-family residences in Washington state. Home Advantage is not limited to first-time homebuyers. Through Home Advantage, Mortgage Lenders originate mortgage loans guaranteed by FHA, RHS and VA, or meeting Fannie Mae requirements, which loans are purchased by the Servicer and aggregated with other mortgage loans into a loan pool supporting a GNMA Certificate or Fannie Mae Certificate, as applicable. These certificates are then sold by the Commission to First Southwest Company pursuant to a master trade confirmation. Most borrowers under the Home Advantage program qualify for (and use) downpayment assistance in an amount of up to 4% of the amount of the first mortgage loan. This downpayment usually is structured as a deferred second mortgage loan, with no interest, that is due in 30 years (or at the time of sale, refinance or transfer of the home). However, the Commission makes other forms of downpayment assistance programs available for certain qualifying borrowers.

Single-Family Special Program. The Commission issued \$26,171,376 of bonds under the Special Program Indenture in 2012 (of which \$20,167,845 remained outstanding as of March 31, 2015) to finance mortgage loans for single-family residences. To date, there has only been one series of bonds issued under the Special Program Indenture. There currently are no proceeds available under the Special Program Indenture that the Commission expects to use for purposes of originating new mortgage loans. None of the trust estate pledged in the Special Program Indenture is pledged to or available for payment of the Bonds.

Recycling

Except to the extent it is restricted from doing so under an applicable Series Indenture, the Commission is allowed under the Indenture to use a portion of money available in the various Series Unrestricted Principal Receipts Subaccounts, Series Taxable Principal Receipts Subaccounts and Series General Receipts Subaccounts (and the corresponding accounts created under the Single-Family Indenture) to fund additional Mortgage Loans (i.e. to “recycle” such principal payments). See Appendix A under the heading “Creation of Funds and Accounts—Revenues” for a summary of how money in the various Series Unrestricted Principal Receipts Subaccounts, Series Taxable Principal Receipts Subaccounts, and Series General Receipts Subaccounts is to be applied from time to time. The Commission also has reserved the right to sell certificates acquired under the Indenture to generate money

that can be used by the Commission to fund additional Mortgage Loans, subject to tax compliance limitations and the conditions set forth in the Indenture.

Certain Program Constraints and Limitations

Federal income tax laws set forth various restrictions on the Commission's ability to originate Mortgage Loans with the proceeds of tax-exempt Bonds. These include requirements that: (1) the Commission must expect that each residence being financed will become the mortgagor's principal residence within a reasonable period of time; (2) subject to certain exceptions, the mortgagor must not have owned and occupied a principal residence within three years before the Mortgage Loan is executed; (3) the acquisition cost of the residence must not exceed the amount determined pursuant to relevant federal tax laws; (4) the mortgagor's annualized gross household income cannot exceed certain prescribed limitations; (5) except in certain limited circumstances, Bond proceeds may not be applied to acquire or replace an existing Mortgage Loan; and (6) even if provided for in the terms of a Mortgage Loan, such Mortgage Loan cannot be assumed by another mortgagor unless the requirements of (1) through (4) above are met at the time of the assumption. See "TAX TREATMENT AND RELATED CONSIDERATIONS" herein for a discussion of these federal tax constraints. The following paragraphs describe how the Commission has incorporated certain of these restrictions into the Program.

Residence Requirement. Each Mortgage Loan must finance a Single-Family Residence that is located within Washington State and is intended to be used as the Mortgagor's principal residence. While federal tax law generally defines a "single-family residence" to include multi-family housing projects that can accommodate up to four families, the Commission currently limits the Program to one-unit properties.

Income and Purchase Price Requirements. The Commission has established maximum permitted income limits for Mortgagors within each of the various counties in Washington State. Such income limits are subject to change by the Commission from time to time, subject to U.S. Treasury regulations. Similarly, the Commission has established maximum purchase prices for residences in each county of Washington State. These maximum prices are within the limits established by the U.S. Treasury Regulations promulgated under the Code. The maximum purchase prices established by the Commission are subject to change.

Monitoring Tax Law Compliance. In 1999, the Commission began reviewing Mortgage Loans for tax compliance. Prior to such time, Application Oriented Designs, of Miami, Florida, reviewed tax compliance during the Mortgage Loan origination period. The initial review of the Mortgage Loan application for compliance with Section 143 of the Code ("Section 143") will be conducted by the Mortgage Lenders. The Mortgage Lenders are required to review certain documents, such as: the Mortgage Loan application; the affidavit of the borrower including, as needed, income tax returns, leases, rent checks, and rent receipts; appraisals; and the accepted offer to purchase the residence. If a Mortgage Lender concludes that a Mortgage Loan meets the Program's requirements, it will forward to the Commission certain documents bearing on compliance with Section 143. The Commission will conduct its own review of such documents for compliance with Section 143. If the Commission concurs in the Mortgage Lender's assessment that the borrower, the Mortgage Loan, and the residence meet the requirements of Section 143, the Commission will issue a preliminary compliance approval. Upon its receipt of closing documents evidencing that no material change has occurred which would result in noncompliance with Section 143, the Commission will issue a final compliance approval. A Servicer may not purchase any Mortgage Loan prior to receipt of the Commission's final compliance approval with respect to such Mortgage Loan.

Historical Financial Results

THE FOLLOWING TABLE REFLECTS THE UNAUDITED FINANCIAL CONDITION OF THE GENERAL INDENTURE AS OF THE END OF THE FISCAL YEARS SHOWN. THE INFORMATION SET FORTH IN THE TABLE IS *NOT* PRESENTED PURSUANT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP"). INSTEAD, ASSETS AND LIABILITIES ARE VALUED AT PAR AND THE INFORMATION IS PRESENTED IN A MANNER THAT IS CONSISTENT WITH THE DEFINITION OF "ASSET PARITY" UNDER THE GENERAL INDENTURE. SEE APPENDIX A FOR THE DEFINITION OF "ASSET PARITY."

The Commission's most recent fiscal year ended on June 30, 2014. The Commission's current fiscal year ends on June 30, 2015. The information in the following table has not been updated to address changes that may have occurred since June 30, 2014. The Commission is not aware of any material adverse change in the financial position of the General Indenture since June 30, 2014. As shown in Table F-1 in Appendix F of this Official Statement, the aggregate principal amount of outstanding Bonds was \$201,781,616 as of April 30, 2015. The following table will be updated annually pursuant to the Commission's continuing disclosure undertaking.

General Indenture
Balance Sheet Information—Parity Assets and Liabilities (1)(2)
(Fiscal Years Ending June 30)

	2014	2013	2012	2011	2010
MORTGAGE-BACKED SECURITIES (FHLMC, FNMA, GNMA) Principal Balance at Par	\$241,313,662	\$297,166,123	\$331,593,392	\$240,876,746	\$96,510,130
ACCRUED INTEREST RECEIVABLES					
Investments	95	139	65,417	4,142	8,215
Mortgage-Backed Securities	810,096	1,029,789	1,207,732	868,717	423,008
<i>Total Accrued Interest Receivables</i>	810,191	1,029,925	1,273,149	872,859	431,223
CASH, CASH EQUIVALENTS & INVESTMENTS					
Acquisition Fund	224,148	73,316	19,991,846	50,354,676	155,004,533
Bond Reserve Fund	--	--	280,000	--	--
Revenue Fund	14,865,657	20,619,543	8,540,121	5,919,523	9,712,541
<i>Total Cash, Cash Equivalents & Investments</i>	15,089,805	20,692,859	28,811,967	56,274,199	164,717,074
<i>Total Assets</i>	\$257,213,658	\$318,888,907	\$361,678,508	\$298,023,804	\$261,658,427
BONDS PAYABLE (3)					
Tax-exempt bonds	225,461,853	294,230,000	351,360,000	242,620,000	150,000,000
Taxable bonds	21,732,556	21,732,556	0	50,010,000	110,000,000
Accrued Interest Payable	2,153,192	2,725,884	3,191,244	2,104,723	545,468
<i>Total Bonds Payable</i>	249,347,601	318,688,440	354,551,244	294,734,723	260,545,468
CURRENT LIABILITIES					
Accounts Payable	--	--	--	44,284	250,332
<i>Total Current Liabilities</i>	--	--	--	44,284	250,332
<i>Total Liabilities</i>	\$249,327,601	\$318,688,440	\$354,551,244	\$294,779,007	\$260,795,800
NET PARITY – Principal Assets and Liabilities	7,866,057	200,467	7,127,264	\$3,244,797	\$862,627
PARITY AS A PERCENTAGE OF ASSETS	103.15%	100.06%	102.01%	101.10%	100.33%

(1) Excludes assets held and liabilities incurred under the General Indenture.

(2) All assets and liabilities are valued in accordance with the definition “Asset Parity” under the Indenture.

(3) Excludes Subordinate Bonds, of which there are none.

Management’s Discussion and Analysis. Total assets under the Indenture, as shown in the foregoing table, decreased from \$318.8 million on June 30, 2013, to \$257.2 million on June 30, 2014, a decrease of 19.34%. Total liabilities decreased 21.76% in the fiscal year ended June 30, 2014, to \$249.3 million from \$318.6 million the year before, resulting in an increase to Net Parity from 100.06% on June 30, 2013, to 103.15% on June 30, 2014.

The decrease in total liabilities during the fiscal year ended June 30, 2014, resulted primarily from the scheduled and unscheduled redemption of \$68.76 million of existing bonds under the Indenture.

The Commission has presented financial information in a format that corresponds with the definition of “Asset Parity” under the Indenture, which does not require adjustments to reflect market value. In the Commission’s audited financial statements, on the other hand, Certificates are presented at market value in accordance with Government Accounting Standards Board (“GASB”) Statement No. 31 to conform with GAAP. There can be a significant positive or negative impact in the fiscal year’s income or loss within the Indenture, with a corresponding, cumulative impact in the net worth of the Indenture, when such Certificates are presented at market value in accordance with GASB Statement No. 31.

THE COMMISSION

The Commission was created in 1983 as a public body corporate and politic and an instrumentality of the State. The Commission is authorized to issue nonrecourse revenue bonds to make funds available at affordable rates to help provide housing in the State. The Commission’s address is 1000 Second Avenue, Suite 2700, Seattle, Washington 98104 and its telephone number is (206) 464-7139. Additional information regarding the Commission and its programs can be accessed at <http://www.wshfc.org>. However, information on the Commission’s web site is not part of this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor can it be relied upon to make investment decisions regarding the Bonds.

The Commission is authorized to purchase mortgages and mortgage loans or participations therein, to make loans to mortgage lenders so that those lenders may make mortgage loans, to pledge mortgages and mortgage loans as security for the payment of the principal of and interest on its revenue bonds, and to enter into any agreements in connection therewith. Its authority to issue mortgage revenue bonds was upheld by the Washington State Supreme Court on October 28, 1983.

Governance

There are eleven members of the Commission. Two members are State Officials, the State Treasurer and the Director of the State Department of Commerce, who serve *ex officio*. The Chair of the Commission is appointed by the Governor and serves at the pleasure of the Governor. The other members of the Commission are appointed by the Governor and serve for overlapping terms of four years.

The current members of the Commission and their principal occupations are listed below.

<u>Name</u>	<u>Principal Occupation</u>
Karen Miller, Chair.....	Former Member, Snohomish County Council; former President and current member, National Council of State Housing Boards; past Chairman, Washington State Law and Justice Planning Council; former Board member and past President of the Washington State Association of Counties; past President, Trustees Association of Community and Technical Colleges.
James L. McIntire, Secretary	State Treasurer (<i>ex officio</i> Commissioner); former professor of economics, University of Washington; former business economist, Navigant Consulting; past board Chair, Washington's Community Economic Revitalization Board; past board Chair, Common Ground (a nonprofit housing developer); fiscal policy adviser to former Governor Booth Gardner.
Elizabeth L. Baum	Manager, Enterprise Planning and Analysis, Weyerhaeuser Company; former Chair of Weyerhaeuser Foundation Sea-Tac Advisory Team.
Brian Bonlender.....	Director, State Department of Commerce (<i>ex officio</i> Commissioner).
M.A. Leonard	Vice President and Impact Market Leader for the Pacific Northwest, Enterprise Community Partners, Inc.; formerly Northwest Regional Vice President, National Equity Fund; founding director, Washington Community Development Loan Fund (now Impact Capital); developed affordable housing at the Seattle Housing Authority and the Lane County Housing and Community Services Agency (Eugene, Oregon); current member of the Board of Directors, Washington Community Reinvestment Association; current member of the Board of Directors, Common Ground.
Steven M. Moss	Retired, Chief Executive Officer, Blue Mountain Action Council; former Board President of Washington State Community Action Partnership; former Board President, Washington State Coalition for the Homeless; former Board member, Washington State Rural Development Council; former Board Treasurer, Washington Low-Income Housing Network; current Board member, Eastern Washington Partnership WorkForce Development Council; Board Treasurer, Student Health Options, Walla Walla.
Randy J. Robinson.....	Former Vice President and Team Leader, KeyBank Community Development Lending, Western Region; former Deputy Director, Washington State Community Business Center for Fannie Mae; Senior Vice President, Community Development, U.S. Bancorp; Board member, Impact Capital; Board member, Capitol Hill Housing Foundation; former Chair, 2009 Seattle Housing Levy; former Board President of the Washington Homeownership Center.
Gabriel Spencer	Skamania County Assessor; member, Skamania County Workforce Housing Committee; member, Washington State Association of County Assessors Assessment Administration and Timber Committee; current Board member, Columbia Gorge Housing Authority.

- Pamela Tietz Executive Director, Spokane Housing Authority; founding member, Clallam County Shelter Provider's Network; member, Clallam County Homelessness Task Force; former Executive Director, Peninsula Housing Authority; worked for Alaska Housing Finance Corporation (beginning in 1988), and the Bremerton Housing Authority.
- Mario Villanueva Director, Washington State Office of Rural Development; former Executive Director, Catholic Charities Housing Services of Yakima.
- Lloyd R. Weatherford Journeyman carpenter and member, Residential Carpenters Local 816; current member, Executive Board, Pacific Northwest Regional Council of Carpenters; former Financial Secretary, Residential Carpenters Locals 816 and 456; former employee representative, King County Carpenters Joint Apprenticeship Training Committee; former member, Seattle Housing Authority High Point Advisory Council; former member, Seattle Vocational Institute Pre-Apprenticeship Training Advisory Committee.

The Commission's Executive Director is Kim Herman. Mr. Herman is a native of Washington State and has served as a member of the Commission, as Washington Project Director of the United States Department of Housing and Urban Development's Rural Assistance Initiative Program, as Executive Director of the Housing Authority of the City of Yakima and as Manager of Single-Family Housing for the Portland Development Commission. Mr. Herman served on the Board of Directors of the National Council of State Housing Agencies for many years and served as the association's President from September, 2006, to October, 2008. He formerly served on the Board of Trustees for the Washington Center for Real Estate Research at Washington State University. He also has served on Fannie Mae's Western Regional Advisory Board and on the Board of the Rural Community Assistance Corporation. He currently serves on the Board of the National Rural Housing Coalition and the Boards of Impact Capital and the Washington Low Income Housing Alliance. Mr. Herman is a graduate of Washington State University (B.A. 1967).

The Commission's Deputy Director is Paul R. Edwards. Mr. Edwards joined the Commission in October of 1998 as Director of Capital Projects, and became Deputy Director on November 1, 1999. He is a graduate of Morehouse College in Atlanta, Georgia (B.A. in Economics & Business Administration), and received his Master of Science Industrial Administration (M.S.I.A.) degree from Carnegie-Mellon University in Pittsburgh, Pennsylvania. Mr. Edwards has held positions in corporate and real estate lending for more than twenty years. Prior to joining the Commission, Mr. Edwards was the Community Reinvestment Act Compliance Officer for Pacific First Bank and Manager of its Community Development Department.

The Commission's Director of Homeownership Programs is Lisa DeBrock. Ms. DeBrock has been an employee of the Commission since October 1998. She had been the Manager of the Commission's Homeownership Division since July 1999, and became the Director of Homeownership Programs on February 1, 2015. Immediately prior to joining the Commission, Ms. DeBrock worked for the City of Aurora as a housing counselor and also worked in the mortgage lending industry. Ms. DeBrock received her Speech Communications degree from the University of Washington.

The Commission's Senior Director of Finance and IT Services is Robert D. Cook. Mr. Cook joined the Commission in June 1996 with 18 years of accounting and finance experience in cooperative and nonprofit organizations. He is a graduate of the University of Missouri-Columbia (B.S., Business Administration-Accountancy) and Northern Illinois University-DeKalb (M.B.A.).

Interest Rate Swap Policy

The Commission is not entering into a Swap (as defined below) with respect to the 2015 Series AB Bonds. However, the Commission may enter into one or more Swaps in the future, whether with respect to the 2015 Series AB Bonds or any other Series of Bonds. The Commission has entered into Swaps with respect to certain variable rate bonds issued for the Program under the Single-Family Indenture.

The Commission adopted an "Interest Rate Swap Policy" on March 24, 2005, which was amended on July 26, 2007, and may be revised by the Commission at any time. Among other things, the policy currently provides that the Commission can only enter into "payment agreements" such as interest rate swaps, ceilings or floors (collectively, "Swaps") with counterparties that meet the minimum ratings requirements set forth in RCW 39.96.040. This statute requires, among other things, that any counterparty (or its guarantor) be (i) rated in at least the "double A" ratings

category by at least two nationally recognized credit rating agencies or (ii) if the counterparty (or its guarantor) is rated in the "single A" ratings category by at least two nationally recognized credit rating agencies, the counterparty must provide for the posting of eligible collateral equal to at least 102% of the net market value of the Swap under the circumstances described in the Interest Rate Swap Policy. The statute also requires that the payment agreement require a counterparty described in clause (i) of the previous sentence to meet the collateralization requirements of clause (ii) if the counterparty's rating(s) fall below the requirements of clause (i).

The Commission's Interest Rate Swap Policy provides that collateral must consist of cash, U.S. Treasury securities and U.S. agencies that are 100% guaranteed by the United States, that collateral deposited by the counterparty be equal to at least 102% of the net market value of the Swap and that such collateral be held by the Commission or its agent. The market value of the collateral shall be determined on at least a weekly basis. The Interest Rate Swap Policy also requires that each Swap executed by the Commission contain terms and conditions as set forth in the ISDA[®] Master Agreement, including the schedule, credit support annex and confirmation.

THE SERVICER

As more fully described under the heading "SINGLE-FAMILY MORTGAGE PROGRAMS" herein, the Servicer is required to purchase Mortgage Loans from Mortgage Lenders, to issue Certificates backed by such Mortgage Loans, and, with respect to those Certificates that will be acquired with Bond proceeds, to sell those Certificates to the Trustee. Once Certificates have been issued to the Trustee, the Servicer's primary duties involve the collection and distribution to the Trustee of payments received on account of the underlying Mortgage Loans. This includes payments received from GNMA, Fannie Mae and Freddie Mac with respect to defaulted Mortgage Loans.

Bank of America, N.A. ("BofA"), services Mortgage Loans underlying the Certificates funded with Bonds issued during calendar years 2009 through 2011, including the Mortgage Loans underlying the 2010A/2015A Eligible Collateral and the 2011A/2015B Eligible Collateral, under the terms of a Program Administration and Servicing Agreement effective as of March 1, 2011, among the Commission, the Trustee and BofA (as amended from time to time, the "Servicing Agreement"). The principal responsibilities of BofA include servicing the Mortgage Loans in compliance with the Servicing Agreement, the Acquisition and Operating Policy and the applicable Fannie Mae or GNMA documents. Subject to written approval by the Commission and the Trustee, the obligations and duties of BofA under the Servicing Agreement may be assigned to another firm then currently approved to act in such capacity by GNMA or Fannie Mae. BofA receives a portion of each monthly installment of interest under the Mortgage Loans and certain late charges paid by Mortgagors as compensation for its services under the Servicing Agreement.

The Alabama Housing Finance Authority, doing business as ServiSolutions[®] ("ServiSolutions"), was retained by the Commission to service the Mortgage Loans originated after December 14, 2011.

TAX TREATMENT AND RELATED CONSIDERATIONS

The following is a summary of certain material federal income tax consequences of the purchase, ownership and disposition of the 2015 Series AB Bonds for the investors described below and is based on the advice of Kutak Rock LLP, Special Tax Counsel to the Commission. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change. The discussion does not deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules, including but not limited to, partnerships or entities treated as partnerships for federal income tax purposes, pension plans and foreign investors, except as otherwise indicated. In addition, this summary is generally limited to investors that are "U.S. holders" (as defined below) who will hold the 2015 Series AB Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"). Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of 2015 Series AB Bonds. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of a 2015 Series AB Bond. A "non U.S. holder" is a holder (or beneficial owner) of a 2015 Series AB Bond that is not a U.S. person. For these purposes, a "U.S. Person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in the Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary

supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

General

Although the 2015 Series AB Bonds are issued by the Commission, interest on the 2015 Series AB Bonds (including original issue discount treated as interest) is not excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the 2015 Series AB Bonds (including original issue discount treated as interest) will be fully subject to federal income taxation. Thus, owners of the 2015 Series AB Bonds generally must include interest (including original issue discount treated as interest) on the 2015 Series AB Bonds in gross income for federal income tax purposes.

Characterization of 2015 Series AB Bonds as Indebtedness

The Commission intends for applicable tax purposes that the 2015 Series AB Bonds will be indebtedness of the Commission secured by the pledged Mortgage Loans and other assets. The owners of the 2015 Series AB Bonds, by accepting such 2015 Series AB Bonds, have agreed to treat the 2015 Series AB Bonds as indebtedness of the Commission for federal income tax purposes. The Commission intends to treat this transaction as a financing reflecting the 2015 Series AB Bonds as its indebtedness for tax and financial accounting purposes. Special Tax Counsel is of the opinion that the 2015 Series AB Bonds should be treated as indebtedness of the Commission for federal income tax purposes.

In general, the characterization of a transaction as a sale of property rather than a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized. While the IRS and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form. The Commission believes that it has retained the preponderance of the benefits and burdens associated with the pledged Mortgage Loans and other assets. Therefore, the Commission believes that it should be treated as the owner of the pledged Mortgage Loans and other assets for federal income tax purposes, and the 2015 Series AB Bonds should be treated as its indebtedness for federal income tax purposes. If, however, the IRS were to successfully assert that this transaction should not be treated as a loan secured by the pledged Mortgage Loans and other assets, the IRS could further assert that the Indenture created a separate entity for federal income tax purposes which would be the owner of the pledged Mortgage Loans and other assets and would be deemed engaged in a business. Such entity, the IRS could assert, should be characterized as an association or publicly traded partnership taxable as a corporation. In such event, the separate entity would be subject to corporate tax on income from the pledged Mortgage Loans and other assets, reduced by interest on the 2015 Series AB Bonds. Any such tax could materially reduce cash available to make payment on the 2015 Series AB Bonds.

Taxation of Interest Income of the 2015 Series AB Bonds

Payments of interest with regard to the 2015 Series AB Bonds will be includible as ordinary income when received or accrued by the holders thereof in accordance with their respective methods of accounting and applicable provisions of the Code. If the 2015 Series AB Bonds are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest (as defined in the Code) allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. Section 1272(a)(6) of the Code applies a specific method for accruing original issue discount on a debt instrument the principal payments of which may be accelerated by virtue of the prepayment of other debt instruments (such as the 2015 Series AB Bonds which are subject to acceleration by virtue of prepayment of the Mortgage Loans). Holders of the 2015 Series AB Bonds should consult their tax advisor as to the proper method of applying this provision of the Code for purposes of accruing original issue discount and the prepayment assumption to be applied to such calculation.

Payments of interest received with respect to the 2015 Series AB Bonds will also constitute investment income for purposes of certain limitations of the Code concerning the deductibility of investment interest expense. Potential holders of the 2015 Series AB Bonds should consult their own tax advisors concerning the treatment of interest payments with regard to the 2015 Series AB Bonds.

Individuals, estates or trusts owning the 2015 Series AB Bonds may be subject to the unearned income Medicare contribution tax under Section 1411 of the Code (the "Medicare Tax") with respect to interest received or accrued on the 2015 Series AB Bonds, gain realized from a sale or other disposition of the 2015 Series AB Bonds and other income realized from owning, holding or disposing of the 2015 Series AB Bonds. The Medicare Tax is imposed on individuals beginning January 1, 2013. The Medicare Tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Taxable Bonds should consult with their tax advisor concerning this Medicare Tax as it may apply to interest earned on the 2015 Series AB Bonds as well as gain on the sale of a 2015 Series AB Bond.

A purchaser (other than a person who purchases a 2015 Series AB Bond upon issuance at the issue price) who buys a 2015 Series AB Bond at a discount from its principal amount (or its adjusted issue price if issued with original issue discount greater than a specified de minimis amount) will be subject to the market discount rules of the Code. In general, the market discount rules of the Code treat principal payments and gain on disposition of a debt instrument as ordinary income to the extent of accrued market discount. Each potential investor should consult his tax advisor concerning the application of the market discount rules to the 2015 Series AB Bonds.

Sale or Exchange of the 2015 Series AB Bonds

If a Bondholder sells a 2015 Series AB Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and the Bondholder's basis in such 2015 Series AB Bond. Ordinarily, such gain or loss will be treated as a capital gain or loss. However, if a 2015 Series AB Bond was originally issued at a discount or was subsequently purchased at a market discount, a portion of such gain will be recharacterized as ordinary income.

If the terms of a 2015 Series AB Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential holder of a 2015 Series AB Bond should consult its own tax advisor concerning the circumstances in which the 2015 Series AB Bonds would be deemed reissued and the likely effects, if any, of such reissuance.

The legal defeasance of the 2015 Series AB Bonds may result in a deemed sale or exchange of such 2015 Series AB Bonds under certain circumstances. Owners of such 2015 Series AB Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

Certain purchasers may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2015 Series AB Bonds, if the purchasers, upon issuance, fail to supply the indenture trustee or their brokers with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fail to provide the indenture trustee with a certified statement, under penalty of perjury, that they are not subject to backup withholding.

Tax Treatment of Original Issue Discount

2015 Series AB Bonds that have an original yield above their interest rate constitute "Discounted Obligations." The difference between the initial public offering prices of Discounted Obligations and their stated amounts to be paid at maturity, constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

In the case of an owner of a Discounted Obligation, the amount of original issue discount which is treated as having accrued with respect to such Discounted Obligation is added to the cost basis of the owner in determining, for

federal income tax purposes, gain or loss upon disposition of a Discounted Obligation (including its sale, redemption or payment at maturity). Amounts received upon disposition of a Discounted Obligation which are attributable to accrued original issue discount will be treated as taxable interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Obligation, on days which are determined by reference to the maturity date of such Discounted Obligation. The amount treated as original issue discount on a Discounted Obligation for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discounted Obligation (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discounted Obligation at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discounted Obligation during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Obligation the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If a Discounted Obligation is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of a Discounted Obligation who purchase such Discounted Obligations after the initial offering. Owners of Discounted Obligations including purchasers of Discounted Obligations in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such obligations as of any date and with respect to the state and local tax consequences of owning a Discounted Obligation.

Tax Treatment of Bond Premium

2015 Series AB Bonds that have an original yield (or are subsequently purchased at a price that yields) below their interest rate constitute "Premium Obligations". An amount equal to the excess of the purchase price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. A purchaser of such Premium Obligation has the option to amortize any premium over such Premium Obligation's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, it offsets the interest allocable to the corresponding payment period and the purchaser's basis in such Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Obligation prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of Premium Obligations should consult with their own tax advisors with respect to the election to amortize bond premium and the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning such Premium Obligations.

State, Local or Foreign Taxation

No representations are made regarding the tax consequences of purchase, ownership or disposition of the 2015 Series AB Bonds under the tax laws of any state, locality or foreign jurisdiction. Investors considering an investment in the 2015 Series AB Bonds should consult their own tax advisors regarding such tax consequences.

Tax-Exempt Investors

In general, an entity which is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business which is not substantially related to the purpose which forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation which gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any holder of a 2015 Series AB Bond incurs acquisition indebtedness with respect to a 2015 Series AB Bond, interest paid or accrued with respect to such Bondholder may be excluded by such tax exempt Bondholder from the calculation of unrelated business taxable income. Each potential tax exempt holder of a 2015 Series AB Bond is urged to consult its own tax advisor regarding the application of these provisions.

Certain ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2015 Series AB Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2015 Series AB Bonds could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the Commission might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person” within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2015 Series AB Bonds are acquired by such plans or arrangements with respect to which the Commission is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2015 Series AB Bonds. The sale of the 2015 Series AB Bonds to a plan is in no respect a representation by the Commission that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. **Any plan proposing to invest in the 2015 Series AB Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.**

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2015 Series AB Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2015 Series AB Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2015 Series AB Bonds or the market value thereof would be impacted thereby. Purchasers of the 2015 Series AB Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

CONTINUING DISCLOSURE

Basic Undertaking to Provide Continuing Disclosure

To meet the requirements of United States Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”), as applicable to the Underwriters, the Commission has undertaken in the General Indenture, for the benefit of owners and Beneficial Owners of the Bonds, to provide or cause to be provided certain information on a continuing basis (the “Undertaking”). That undertaking will be confirmed in the 2015 Series AB Indenture. See “Compliance with Secondary Disclosure Requirements of the SEC” in Appendix A hereto for a more detailed summary of the Undertaking.

Disclosure Agent

The Indenture provides that the Trustee will act as agent (the "Disclosure Agent") of the Commission and each "Obligated Person" with respect to the Undertaking, and not in its capacity as Trustee. As Disclosure Agent, the Trustee is not obligated to independently investigate the accuracy of certificates received by it in its capacity as Trustee. For purposes of the Rule and the Undertaking, there are no "Obligated Persons" with respect to the 2015 Series AB Bonds other than the Commission.

Annual Information

With respect to the 2015 Series AB Bonds, the Commission has undertaken to provide to the Municipal Securities Rulemaking Board (the "MSRB") on an annual basis, in an electronic format as prescribed by the MSRB: (i) its audited financial statements; and (ii) financial information and operating data regarding the Program of the type included in this Official Statement in the table titled "General Indenture Balance Sheet Information-Parity Assets and Liabilities," and in Tables F-1 and F-2 included in Appendix F hereto. The financial information described in clause (ii) will be unaudited, and will be provided to the Disclosure Agent. The Disclosure Agent will provide such audited financial statements and other financial information to the MSRB (provided, that the Disclosure Agent shall not be so obligated if the Commission has notified the Disclosure Agent in writing that it has provided or caused to be provided to the MSRB such audited financial statements and financial information). In lieu of providing such audited financial statements and annual financial information, the Commission may cross-reference to other documents available to the public on the MSRB's internet web site or filed with the SEC. The audited financial statements and financial information will be provided to the Disclosure Agent before the expiration of seven months after the Commission's fiscal year, which currently ends June 30. The Commission may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB.

Material Event Notices

The Commission has undertaken to cause the Disclosure Agent to provide prompt notice of Material Events (as defined in Appendix A under the heading "Compliance with Secondary Disclosure Requirements of the SEC") to the MSRB in an electronic format as prescribed by the MSRB. The Commission and any "Obligated Person" also may cause the Disclosure Agent to file other notices from time to time with the MSRB. The Disclosure Agent is required to provide timely notice to the MSRB of any failure by the Disclosure Agent to provide to the MSRB the annual financial information or audited financial statements required to be provided on or before the due date thereof.

FINANCIAL STATEMENTS

The Commission's audited annual financial statements for each of the fiscal years ending June 30, 2010 through 2014 were filed with the MSRB. Copies of such financial statements are available on the Commission's website at <http://www.wshfc.org> (which is not incorporated into this Official Statement by reference) or from the Commission upon payment to the Commission of a charge for copying, mailing and handling. Requests for such copies should be addressed to the Commission's Senior Director of Finance and IT Services.

The audited financial statements reflect all of the Commission's programs and funds. But for certain information set forth in such financial statements that specifically refer to the "Homeownership Bond Program (NIBP)" and accompanying notes, if any, together with those portions of the auditor's letter pertaining to such information, the Commission's audited financial statements describe assets and revenues that are not available to pay any principal of or interest on the Bonds.

UNDERWRITING

RBC Capital Markets, LLC (the "Representative") and George K. Baum & Company (together, the "Underwriters") have agreed, subject to certain conditions, to purchase from the Commission the 2015 Series AB Bonds, at a price equal to par. The obligation of the Underwriters to purchase the 2015 Series AB Bonds is subject to certain terms and conditions set forth in a purchase contract between the Representative and the Commission. The fee of the Underwriters payable in connection with the initial sale of the 2015 Series AB Bonds is \$442,094. The Underwriters may offer and sell the 2015 Series AB Bonds to certain dealers and certain dealer banks at prices lower than the public offering price stated on the front cover hereof.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Commission. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Commission.

George K. Baum & Company and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, have a distribution agreement enabling Pershing LLC to obtain and distribute certain municipal securities underwritten by or allocated to George K. Baum & Company. Under the distribution agreement, George K. Baum & Company will allocate a portion of received takedowns, fees or commissions to Pershing for bonds sold under the agreement.

RATING

Moody's has assigned its rating of "Aaa" to the 2015 Series AB Bonds. The outlook is "stable." Such rating reflects only the views of Moody's at the time the rating was given, and the Commission makes no representation about the appropriateness of the rating. An explanation of the significance of such rating may be obtained only from Moody's. There is no assurance that such rating will continue for any given time or that it will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2015 Series AB Bonds.

ABSENCE OF MATERIAL LITIGATION

There is no proceeding pending or threatened to restrain or enjoin the issuance or sale of the 2015 Series AB Bonds, or in any way contesting or affecting the validity of the 2015 Series AB Bonds or any proceedings of the Commission taken with respect to the issuance or sale thereof, the pledge or application of any money or securities provided for the payment of the 2015 Series AB Bonds or the existence or powers of the Commission insofar as they relate to the authorization, sale and issuance of the 2015 Series AB Bonds or such pledge or application of money and securities.

CERTAIN LEGAL MATTERS

All legal matters in connection with the issuance of the 2015 Series AB Bonds are subject to the approval of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel and by Kutak Rock LLP, Omaha, Nebraska, Special Tax Counsel. Pacifica Law Group LLP also serves as General Counsel to the Commission. Foster Pepper PLLC, Spokane, Washington, in its capacity as the Commission's disclosure counsel with respect to the 2015 Series AB Bonds, is expected to deliver an opinion to the Commission and the Underwriters. Any such opinion will be limited in scope, and cannot be relied upon by investors without the written consent of such firm.

MISCELLANEOUS

Potential Conflicts of Interest

The Commission is aware of the following conflicts of interest various parties may have in connection with the issuance of the 2015 Series AB Bonds.

Institutions with which some of the Commission's members are associated participate from time to time in the Commission's programs or serve in positions of responsibility with respect to the Commission's programs or bond issues. Those Commission members' participation in decisions concerning such programs is governed by, and is in accordance with, State law and the Commission's regulations concerning conflicts of interest.

Some or all of the fees of the Underwriters, the Trustee, the Commission's Bond Counsel, Special Tax Counsel and disclosure counsel are contingent upon the sale of the 2015 Series AB Bonds.

From time to time Bond Counsel and Special Tax Counsel may serve as counsel to the Underwriters and to other parties involved with the 2015 Series AB Bonds and the Mortgage Loans, with respect to transactions other than the

issuance of bonds of the Commission, and Special Tax Counsel may on occasion also serve as counsel to the providers of one or more Investment Agreements. Likewise, disclosure counsel represents certain of the Underwriters and other parties involved with the Mortgage Loans in matters unrelated to the Program.

Entities that are related to the Underwriters may from time to time provide Investment Agreements for various Series of Bonds.

Summaries, Opinions and Estimates Qualified

All of the foregoing summaries or descriptions of provisions of the Indenture and other documents are made subject to all of the provisions of law and such documents and these summaries do not purport to be complete statements of such provisions. Reference is hereby made to such documents for further information in connection therewith. A copy of the aforementioned documents may be examined at the office of the Commission in Seattle, Washington. All summaries of documents and agreements are qualified in their entirety by reference to those documents and agreements, and all summaries of the 2015 Series AB Bonds and the Bonds contained in this Official Statement are qualified in their entirety by reference to the definitive forms thereof, copies of which are available for inspection at the principal corporate trust office of the Trustee.

Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact.

The agreements of the Commission with respect to the Bondowners are fully set forth in the Indenture. This Official Statement is not to be construed as a contract with the purchasers of the 2015 Series AB Bonds.

WASHINGTON STATE HOUSING FINANCE
COMMISSION

By: Karen Mellon
Chair

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**APPENDIX A:
SUMMARY OF THE GENERAL INDENTURE**

The following is a summary of certain provisions of the Homeownership General Trust Indenture dated as of December 1, 2009, between the Commission and the Trustee, as amended by the First Supplement thereto dated as of March 1, 2011, and is qualified in its entirety by reference to the Homeownership General Trust Indenture. The Homeownership General Trust Indenture is referred to in this Private Placement Memorandum as the "General Indenture." For a description of certain other provisions of the General Indenture, see "THE SERIES BONDS," "SECURITY FOR THE BONDS" and "CONTINUING DISCLOSURE."

Certain Definitions

Some of the terms defined in the General Indenture that are used in the Official Statement appear in the immediately following paragraphs. Certain of the following definitions have been condensed or otherwise modified when appropriate for purposes of the Official Statement.

"Accreted Value" means, with respect to any of the Convertible Deferred Interest Bonds, the total amount of principal thereof and interest payable thereon determined solely by reference to the Table of Accreted Values set forth in a Series Indenture or Remarketing Indenture. The Accreted Value as of any date other than those specified in the Table of Accreted Values shall be the sum of: (a) the Accreted Value as of the last Debt Service Payment Date which is prior to the date as of which the calculation is being made plus (b) interest thereon to the date as of which the calculation is being made at the interest rate per annum set forth in the applicable Series Indenture or Remarketing Indenture; provided, that the Accreted Value of each Convertible Deferred Interest Bond on or after its Full Accretion Date shall be equal to the Accreted Value as of such Full Accretion Date.

"Accretion" means, with respect to any Compound Interest Bond or Convertible Deferred Interest Bond, the amount by which the current Accreted Value exceeds the Issuance Amount of such Bond.

"Acquisition and Operating Policy" means the then currently effective document or documents certified by an Authorized Officer, specifying, among other things, the rules which govern the application of money and assets in a Series Acquisition Account and Series Reservation Account, the current rules which govern the application of Revenues, excess amounts in the Reserve Fund, and the Expense Requirement for each Series of Bonds.

"Amortized Value" means the purchase price of securities, excluding accrued interest, plus an amortization of any discount or less an amortization of any premium included in the purchase price. The premium or discount shall be amortized on an actuarial basis, so that the Amortized Value at any time equals the price at which the yield on a security equals the yield of such security as of its original purchase. In the case of an Investment Security callable at the option of the issuer thereof, the original yield and Amortized Value will be computed on the assumption that, for securities purchased at a premium, such security is called as of the first possible call date, provided that after such call date, the value of the Investment Security will be computed at par, or for securities purchased at a discount, such security is held to maturity.

"Asset Parity" means a ratio in which:

1. the numerator is the aggregate value of all assets under the Trust Estate (excluding amounts in the Rebate Fund, Cost of Issuance Fund, Expense Fund and Homeownership Commission Fund), including:
 - a. the Mortgage Value of all Certificates and all Whole Loans;
 - b. the Investment Value of all Investment Securities in the funds and accounts; and
2. the denominator is the aggregate value of all outstanding liabilities payable from the Trust Estate, including:
 - a. the Bond Value of all Outstanding Bonds other than Subordinate Bonds; plus
 - b. the aggregate amount of Enhancement Accruals; plus
 - c. the excess of the aggregate Expense Requirements over the amount on deposit in the Expense Funds; plus

d. the excess of the aggregate Rebate Requirements over the amount on deposit in the Rebate Fund.

“Asset Parity Determination” means, in connection with certain actions to be taken by the Trustee under the General Indenture, a determination by the Trustee or a certification by an Authorized Officer filed with the Trustee, that, taking into account the proposed action, Asset Parity will be equal to or greater than 100% after taking the proposed action.

“Authorized Officer” means the Chair, Vice Chair, Secretary, Treasurer, or Executive Director of the Commission, and any other officer or employee of the Commission authorized by resolution of the Commission to perform the act or sign the document in question.

“Bond” or “Bonds” means any evidence of indebtedness issued pursuant to the General Indenture and designated in the applicable Series Indenture as a “Bond,” and may include bonds, notes and other forms of long-term and short-term indebtedness.

“Bond Counsel” means a firm of nationally recognized attorneys at law, appointed by the Commission, and experienced in the financing of qualified mortgage bond programs through the issuance of tax-exempt revenue bonds under the exemptions provided under the Code.

“Bond Counsel Opinion” means an opinion of Bond Counsel.

“Bond Value” means with respect to any date, the principal amount of Current Interest Bonds, the Accreted Value with respect to Compound Interest Bonds and Convertible Deferred Interest Bonds, plus accrued interest with respect to Current Interest Bonds and Convertible Deferred Interest Bonds after the Full Accretion Date with respect thereto, provided that for the purpose of establishing the Bond Value of Bonds Outstanding in order to measure Owner approvals, consents or requests, the Bond Value for each date other than a Regular Payment Date shall be the Bond Value as of the prior Regular Payment Date.

“Bond Year” means the period for a Series of Bonds as specified in the Arbitrage and Tax Certification.

“Business Day” means a day on which banks in the city in which the principal corporate trust office of the Trustee is located or in New York, New York, are not required or authorized by law to remain closed and on which the New York Stock Exchange is not closed.

“Cash Equivalent” means a letter of credit, insurance policy, surety, guarantee or other security arrangement upon which the Commission or the Trustee may make a draw to provide funds as needed for the Reserve Fund or to provide Supplemental Mortgage Coverage.

“Cash Flow Certificate” means, in connection with certain actions to be taken by the Commission, a Certificate of an Authorized Officer filed with the Trustee which (1) describes the proposed action and (2) has the Supporting Cash Flows attached.

“Cash Flow Consultant” means the Commission, the Trustee, or an accounting, investment banking, banking, financial advisory, program consulting, or quantitative services firm that has experience in the preparation of cash flow projections of the type described in the General Indenture and is acceptable for such purposes to the Rating Agency.

“Certificates” means GNMA Certificates, Fannie Mae Certificates and Freddie Mac Certificates, and participations therein in each case representing interests in securitized Mortgage Loans.

“Code” means the Internal Revenue Code of 1986 and all subsequent tax legislation duly enacted by the Congress of the United States applicable to the Bonds. Each reference to a Section of the Code shall be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto and applicable to the Bonds or the use of the proceeds thereof.

“Commission” means the Washington State Housing Finance Commission, a public body corporate and politic established by the Act.

“Commission Fee” means, with respect to each Series of Bonds, the maximum amount as specified by formula in the Acquisition and Operating Policy that may be withdrawn from the General Receipts Account and deposited in

the Expense Fund to be paid to the Commission, other than for payment or reimbursement of the Commission's obligations to third parties.

"Commission Request" means, in connection with certain actions to be taken by the Trustee, a Certificate of an Authorized Officer filed with the Trustee which (1) describes the proposed action and (2) states that the proposed action is permitted or directed by the Acquisition and Operating Policy and provides a reference to the applicable provision therein.

"Compound Interest Bonds" means those Bonds the interest on which will not be paid until the Stated Maturity thereof, or earlier upon redemption.

"Conversion" means the adjustment of the interest rate with respect to a Series of Bonds to an alternate rate as set forth in a Series Indenture.

"Conversion Indenture" means a supplement to a Series Indenture providing for the Conversion of the interest rate on all or a portion of a Series of Bonds.

"Conventional Loans" means Mortgage Loans that are not FHA Insured, VA Guaranteed or RECDS Guaranteed.

"Convertible Deferred Interest Bond" means those Bonds, the interest on which will accrete until the Full Accretion Date, unless paid upon redemption, and after such Full Accretion Date will be paid on each Debt Service Payment Date.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the Commission and related to the authorization, sale, remarketing, resetting of the interest rate and issuance of the Bonds, which items of expense will include, but not be limited to, advertising costs, printing costs, costs of reproducing documents, filing and recording fees, initial fees, charges and expenses (including counsel's fees and expenses) of the Trustee, legal fees and charges (including Bond Counsel), professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of bonds, placement agent or underwriter's fees and expenses, Commission fees, costs and expense of refunding, and other costs, charges and fees in connection with the foregoing.

"Current Interest Bonds" means those Bonds the interest on which is paid on a current basis on each Debt Service Payment Date.

"Debt Service Payment Date" means each date on which principal and/or interest on the Bonds is to be paid, including but not limited to a Regular Payment Date and dates on which Bonds are redeemed or purchased in lieu of redemption.

"Delivery Period" means the period of time set forth in an Acquisition and Operating Policy during which Certificates or Whole Loans may be acquired from amounts in a Series Acquisition Account by the Trustee from a Servicer or a Mortgage Lender.

"DTC" means The Depository Trust Company, New York, New York.

"Eligible Collateral" means Certificates and Whole Loans which are eligible to be purchased by the Trustee in accordance with the Acquisition and Operating Policy.

"Eligible Persons and Families" means a person or persons or family or families (1) intending principally and permanently to reside as a household in a Single-Family Residence (as defined in the Origination Agreements); (2) whose total Annual Family Income (as defined in the Origination Agreements) does not exceed the appropriate Maximum Annual Family Income (as defined in the Origination Agreements); and (3) with respect to each person or persons who purchases a Single-Family Residence not located within a Targeted Area, each such person who is executing the Mortgage and occupying the Single-Family Residence is a First-Time Homebuyer (as defined in the Origination Agreements).

"Enhancement Accrual" means the accrued portion of any regular payment or receipt under an Enhancement Agreement coming due on or before the next succeeding Regular Payment Date. Unless otherwise specified in the Acquisition and Operating Policy, daily accrual of the Enhancement Accrual shall be computed on a straight-line basis over the period between payments under an Enhancement Agreement.

“Enhancement Agreement” means a contractual arrangement providing for credit enhancement, liquidity enhancement, or interest rate risk protection with respect to a Series of Bonds as specified in the applicable Series Indenture or Remarketing Indenture.

“Expense Limitation” means, with respect to each Series of Bonds, the maximum periodic amount as specified by the formula in the Acquisition and Operating Policy that may be transferred from the General Receipts Account for deposit in the Expense Fund for the payment of Expenses.

“Expense Requirement” means, with respect to each Series of Bonds as of any date of calculation, the accrued but unpaid portion of Expenses, assuming that such expenses accrue at a daily rate determined by proration of the Expense Limitation.

“Expenses” means amounts payable to the Commission or to third parties for any services or credit enhancement provided in connection with the Program, including without limitation the Commission Fee, the Trustee Expenses, the fees and expenses of Bond Counsel, the fees and expenses of any rebate analyst, the fees and expenses of any Cash Flow Consultant, fees and expenses of any Tender Agent or Remarketing Agent, any other costs relating to the payment or notification of Owners and the costs of Supplemental Mortgage Coverage.

“Fannie Mae,” as used in this Official Statement (including this Appendix A), has the same meaning as the term “FNMA” in the General Indenture, which is defined to mean the Federal National Mortgage Association.

“Fannie Mae Certificates,” as used in this Official Statement (including this Appendix A), has the same meaning as the phrase “FNMA Certificates” in the General Indenture, which is defined to mean the guaranteed mortgage securities issued by Fannie Mae, the timely payment of principal of and interest on which is guaranteed by Fannie Mae, representing the entire interest in a separate pool of mortgage loans purchased by Fannie Mae.

“Federal Mortgage Loans” means Mortgage Loans that are FHA-Insured, VA-Guaranteed or RUS Guaranteed.

“FHA” means the Federal Housing Administration of the U.S. Department of Housing and Urban Development or any successor to its functions.

“FHA Insurance” means FHA mortgage insurance issued under Section 203(b), 234(c), 203(b)(2) or 203(k) or other sections under Title I or Title II of the National Housing Act of 1934, as amended.

“FHA Insured” means insured under FHA Insurance.

“Freddie Mac,” as used in this Official Statement (including this Appendix A), has the same meaning as the term “FHLMC” in the General Indenture, which is defined to mean the Federal Home Loan Mortgage Corporation.

“Freddie Mac Certificates,” as used in this Official Statement (including this Appendix A), has the same meaning as the phrase “FHLMC Certificates” in the General Indenture, which is defined to mean the guaranteed mortgage securities issued by Freddie Mac, the timely payment of principal of and interest on which is guaranteed by Freddie Mac, representing undivided interests in groups of Mortgage Loans purchased by Freddie Mac.

“Full Accretion Date” means the date on which Convertible Deferred Interest Bonds reach the Accreted Value equal to the value at maturity and on which the accrual of interest subject to periodic payment commences.

“GNMA” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development whose powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 *et seq.*).

“GNMA Certificate” means a certificate purchased by the Trustee, issued by the Servicer and guaranteed by GNMA pursuant to GNMA’s GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based on and backed by Mortgage Loans referred to in the GNMA Guaranty Agreement, which certificate shall unconditionally obligate the Servicer to remit monthly to the holder thereof its pro-rata share of (1) principal payments and prepayments made in respect of the pool of Mortgage Loans represented by the GNMA Certificate and (2) interest received in an amount equal to the Pass-Through Rate. GNMA will guarantee to the holder of each GNMA Certificate such holder’s pro-rata share of (1) the timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Mortgage Loans represented by the GNMA Certificate and (2) the timely payment of principal in accordance with

the terms of the principal amortization schedule applicable to the Mortgage Loans represented by such GNMA Certificate.

“GNMA Guaranty Agreement” means the one or more Guaranty Agreements between the Servicer and GNMA now or hereafter in effect pursuant to which GNMA has agreed or will agree to guarantee GNMA Certificates.

“General Indenture,” as used in this Official Statement (including this Appendix A), has the same meaning as the word “Indenture,” as defined in the Homeownership General Trust Indenture dated as of December 1, 2009, between the Commission and the Trustee (*i.e.*, the Homeownership General Trust Indenture dated as of December 1, 2009, as from time to time amended or supplemented in accordance with the terms and provisions thereof).

“Government Obligations” means (1) direct obligations of or obligations fully guaranteed as to timely payment by the United States of America that may include, but are not limited to, United States currency; United States Treasury obligations; Zero Interest SLGS Separate Trading or Registered Interest and Principal of Securities (“STRIPS”) and Coupons Under Book-Entry Safekeeping (“CUBES”), provided that the underlying U.S. Treasury obligation is not callable before maturity; certificates of beneficial ownership of the Rural Housing and Community Development Service; participation certificates of the General Services Administration; guaranteed Title IX financings of the U.S. Maritime Administration; guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association other than the GNMA Certificates; local authority bonds guaranteed by the U.S. Department of Housing and Urban Development; and guaranteed transit bonds of the Washington Metropolitan Area Transit Authority and (2) interest obligations of the Resolution Funding Corporation (“REFCORP”), including, but not limited to, interest obligations of REFCORP stripped by the Federal Reserve Bank of New York.

“Homeownership Commission Fund” means the Fund so designated and established pursuant to the General Indenture.

“Initial Rate” means the interest rate or rates applicable to a series of Bonds subject to Remarketing from the dated date thereof until such Bonds are Reset, converted, remarketed on a Remarketing Date, or redeemed.

“Insurance Proceeds” means payments received with respect to Mortgage Loans under any insurance policy, guarantee or fidelity bond, including amounts available under any Supplemental Mortgage Coverage, less any expenses incurred in realizing such payments and less any reimbursement of advances due the insurer or provider of such guarantee or bond.

“Interest Commencement Date” means with respect to a Convertible Deferred Interest Bond the first Debt Service Payment Date after the Full Accretion Date.

“Interest Requirement” means, with respect to each Series of Bonds as of any date of calculation, an amount equal to the accrued but unpaid interest of the Bonds of such Series (except Compound Interest Bonds or Convertible Deferred Interest Bonds before the Full Accretion Date), plus with respect to each Enhancement Agreement, any Enhancement Accrual.

“Investment Agreement” means an agreement among the Commission, the Trustee and a financial institution or entity as specified in a Series Indenture or Remarketing Indenture, and all amendments and supplements thereto, providing for the investment of funds subject to the return of principal at the option of the Commission or pursuant to the Commission’s obligations under the General Indenture.

“Investment Securities” means Permitted Investments held by the Trustee under the General Indenture other than Certificates or Whole Loans.

“Investment Value” means, as of any date of calculation: (1) with respect to any Investment Securities held in the Bond Reserve Fund, the Amortized Value of such Investment Securities, plus accrued interest; or (2) with respect to any Investment Securities held in any other Fund, the Liquidation Value of such Investment Securities, plus accrued interest.

“Issuance Amount” means, with respect to a Compound Interest Bond or a Convertible Deferred Interest Bond, the principal amount of such Bond as of its date of issuance.

“Liquidation Proceeds” means the net amounts (other than Insurance Proceeds) received in connection with the liquidation of a defaulted Mortgage Loan, whether through foreclosure, trustee’s sale, repurchase by a Mortgage Lender, or otherwise, less any costs and expenses incurred in realizing those amounts.

“Liquidation Value” means, as of any date of calculation:

1. with respect to any Investment Agreement, repurchase agreement, time deposit, or other Investment Security providing for the return of principal at the option of the Commission or pursuant to the Commission’s obligations under the General Indenture, the principal amount invested under such Investment Security, plus accrued interest;
2. with respect to any Investment Securities with a maturity date on or before the next Regular Payment Date, the Amortized Value of such Investment Securities, plus accrued interest; and
3. with respect to any other Investment Securities, the lesser of:
 - a. the average of the bid and asked prices most recently published before the date of determination for each Investment Security the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* or, if not there, in *The New York Times*, or the average bid price as of the date of determination by any two nationally recognized government securities dealers selected by the Trustee for each Investment Security the bid and asked prices of which are not published on a regular basis as set forth above, plus accrued interest; or
 - b. for each Investment Security currently subject to call at the option of the issuer thereof, the current price at which such Investment Security would be redeemed, plus accrued interest.

“Mandatory Sinking Account Payment” means, as of any date of calculation, with respect to the Term Bonds of any Series and maturity, the principal amount required to be paid on a given date for the redemption before maturity or the purchase of such Term Bonds pursuant to a Series Indenture or Remarketing Indenture. Such amounts may be established as fixed-dollar amounts or by formula.

“Mandatory Special Redemption” means, as of any date of calculation, any redemption of Bonds which the Commission is obligated to undertake at such time pursuant to the terms of a Series Indenture or Remarketing Indenture, which may be based on the satisfaction of conditions specified in such Series Indenture or Remarketing Indenture, but excluding Mandatory Sinking Account Payments.

“Mortgage” means the written instrument securing the related Mortgage Loan and encumbering a Single-Family Residence, which instrument shall include, but not be limited to, the then-effective form required by FHA for FHA-Insured Mortgages, the form required by RUS for the RUS-Guaranteed Mortgages, the form required by VA for VA-Guaranteed Mortgages, the form required by Fannie Mae with respect to Fannie Mae Certificates, the form required by Freddie Mac with respect to Freddie Mac Certificates, the form required by GNMA with respect to GNMA Certificates, as applicable, with appropriate riders.

“Mortgage Lender” means a home mortgage lending institution or entity that has entered into an Origination Agreement.

“Mortgage Loan” means a loan made by a Mortgage Lender to an Eligible Person or Family, evidenced by a Mortgage Note secured by a related Mortgage on a Single-Family Residence located in the state of Washington, and meeting the requirements of the Acquisition and Operating Policy. Mortgage Loans may be securitized by and included in Certificates or acquired by the Trustee as Whole Loans.

“Mortgage Note” means the written note evidencing the indebtedness secured by a mortgage with respect to the financing of a Single-Family Residence.

“Mortgage Value” means, as of any date of calculation, with respect to each Certificate and each Whole Loan, 100% of the unpaid principal balance thereof (taking into account Supplemental Mortgage Coverage).

“Mortgagor” means any person who has a present ownership interest in a Single-Family Residence subject to the related Mortgage and/or executes the Mortgage (but does not include any person who executes only the Mortgage Note as a guarantor or co-signor and who does not have such a present interest or who does not execute the

Mortgage Note and although executing the Mortgage, has provided evidence satisfactory to the Mortgage Lender and Servicer that such person will not occupy the Single-Family Residence).

“Origination Agreement” means a Mortgage Origination Agreement or Agreements among the Commission, the Servicer (if applicable) and each Mortgage Lender by which the Mortgage Lender agrees to make Mortgage Loans and to sell and assign such Mortgage Loans.

“Outstanding,” when used with reference to Bonds, means, as of any date, Bonds theretofore or then being delivered under the provisions of the General Indenture, except (1) Bonds (or portions of Bonds) for the payment or redemption of which there will be held in trust by the Trustee under the General Indenture (whether at or before maturity or redemption date) (a) money equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date or (b) noncallable Investment Securities of the type described in clause (1) of the definition of “Permitted Investments” in such principal amounts, having such maturities and bearing such interest, as, together with money, if any, shall be sufficient to pay when due the principal amount or Redemption Price, as the case may be, with interest to the date of maturity or redemption date, provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in the General Indenture; (2) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to the General Indenture; and (3) Bonds deemed to have been paid as provided in the General Indenture.

“Owner” or any similar term, means the registered owner of any Outstanding Bond or Bonds.

“Pass-Through Rate” means, with respect to a Certificate, the stated rate on such Certificate and, with respect to a Whole Loan, the stated rate on such Whole Loan, less the rate at which Servicing Fees are to be computed under the Servicing Agreement.

“Permitted Investments” means such of the following as are at the time legal investments for fiduciaries under the laws of the State for money held under the General Indenture that is then proposed to be invested therein and which will mature or be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the money will be required for the purposes intended:

1. (a) Government Obligations or (b) obligations with the highest long-term rating by the Rating Agency, of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of such Government Obligations;
2. (a) notes, bonds, debentures or other obligations issued by the Student Loan Marketing Association (excluding 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), Federal Home Loan Banks, the Tennessee Valley Authority, the Farm Credit System, Freddie Mac (which guarantees full and timely payment of principal and interest), the Resolution Trust Corporation and the Small Business Administration or (b) bonds, debentures or other obligations issued by Fannie Mae, in each case (i) excluding mortgage securities which represent payments of principal only or interest only with respect to the underlying mortgage loans and (ii) with a rating by the Rating Agency at least equal to the Rating Agency’s existing Rating on the Bonds, other than Subordinate Bonds;
3. any other obligations of any agency controlled or supervised by and acting as an instrument of the United States pursuant to authority granted by the Congress of the United States, as set forth in a Series Indenture with a rating by the Rating Agency at least equal to the Rating Agency’s existing rating on the Bonds, other than Subordinate Bonds;
4. certificates of deposit, time deposits, and bankers acceptances (having maturities of not more than 365 days) of any bank (or, in the case of the principal bank in a bank holding company, debt obligations of the bank holding company) having ratings on its unsecured debt obligations determined by the Rating Agency to not adversely affect the rating on the Bonds;
5. repurchase agreements fully collateralized at 102% by obligations (held by third parties or the Trustee) which are listed in (1) above with institutions having the ratings determined by the Rating Agency to not adversely affect the rating on the Bonds;
6. investment agreements with institutions having the ratings determined by the Rating Agency to not adversely affect the rating on the Bonds;

7. direct and general obligations of or obligations guaranteed by any state, municipality or political subdivision or agency of a state or municipality, and certificates of participation in obligations of the state, which obligations may be subject to annual appropriations and are rated by the Rating Agency at least equal to the Rating Agency's existing Rating on the Bonds, other than Subordinate Bonds;
8. bonds, debentures, or other obligations (excluding 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) issued by any bank, trust company, national banking association, insurance company, corporation, government or governmental entity (foreign or domestic), provided that such bonds, debentures or other obligations are (a) payable in any coin or currency of the United States of America that at the time of payment will be legal tender for the payment of public and private debts and (b) rated by the Rating Agency at least equal to the Rating Agency's Rating on the Bonds, other than Subordinate Bonds;
9. commercial paper (having original maturities of not more than 365 days) with the highest short-term rating by the Rating Agency;
10. money market funds, bond funds and similar funds that invest their assets exclusively in obligations described in clauses (1) through (9) above and which have been rated by the Rating Agency in the highest rating category assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);
11. Federal Housing Administration debentures; and
12. any investments authorized in a Series Indenture.

The definition of "Permitted Investments" may be amended and additional obligations included by a Supplemental Indenture upon the filing of a Rating Confirmation with the Trustee. For purposes of this definition, "institution" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation of a government.

"Principal Payment" means, with respect to a Series of Bonds on any Debt Service Payment Date, the amount of principal and Accretion due and payable on the Bonds of such Series on such date, whether due at maturity or payable pursuant to a Mandatory Sinking Account Payment.

"Principal Receipts" means any payment by a mortgagor or any other recovery of principal on a Mortgage Loan, including scheduled and unscheduled installments of principal on the Mortgage Loan whether paid to the Trustee directly or through payments on or in disposition of a Certificate. Principal Receipts includes, without limitation, the portion of any Insurance Proceeds (to the extent not applied to the repair or restoration of any mortgaged premises), Liquidation Proceeds, amounts from the sale or other disposition of a Mortgage Loan (whether in the format of a Whole Loan or Certificate) or net recovery from Supplemental Mortgage Coverage to the extent not included in Insurance Proceeds, in each case representing such principal amounts.

"Principal Requirement" means, with respect to each Series of Bonds as of any date of calculation, an amount equal to: (1) the accrued portion of the Principal Payment coming due on or before the next succeeding Regular Payment Date. For such purposes, daily accrual of principal shall be computed on a straight-line basis over the period between scheduled payments of principal on the Series; or (2) the Redemption Price of any Bonds for which notice of Redemption has been issued (other than by operation of Mandatory Sinking Account Payments), but which have not been retired.

"Program" means the Commission's program of financing Mortgage Loans pursuant to the General Indenture and the Origination Agreements.

"Proportionate Basis" means when used with respect to the redemption of Bonds, that the funds available for payment of the Redemption Price, before rounding, shall be applied so that the percentage of the Bond Value of each maturity to be redeemed (in relation to the amount of Bonds of such maturity Outstanding immediately before such redemption) shall equal the same percentage for every maturity. The amount so determined for each maturity may be rounded up or down, at the discretion of the Commission, to an amount representing an integral multiple of the denomination of the Bonds of such maturity. For the purposes of the foregoing, Term Bonds shall be deemed to mature on the dates and in the amounts of then-current Mandatory Sinking Account Payments.

“Purchase Price” means, with respect to a Certificate or Whole Loan, the amount to be paid by the Trustee for its purchase expressed as a percentage of the outstanding principal amount of such Certificate or Whole Loan as set forth in the Acquisition and Operating Policy, excluding any accrued interest on such Certificate or Whole Loan to the date of purchase.

“RUS” means the Rural Utilities Service of the U.S. Department of Agriculture, or any successor to its functions.

“RUS-Guaranteed” means guaranteed as to the payment of principal and interest by RUS.

“Rating” means the rating designation assigned to the Bonds by a Rating Agency.

“Rating Agency” means a nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of the Commission.

“Rating Confirmation” means the formal written confirmation by the Rating Agency that the proposed action, including the issuance or Remarketing of Bonds, will not reduce the Rating on the Outstanding Bonds (excluding Subordinate Bonds).

“Rebate Requirement” means, as of any particular date of calculation with respect to a Series of Bonds, the amount required to be on deposit in the Rebate Fund as required by the Acquisition and Operating Policy, but which amount shall in no event be less than an amount sufficient to provide for the Payment of any Rebate Amount as specified by a Rebate Analyst.

“Record Date” means the 15th day of the calendar month next preceding any Debt Service Payment Date or, in the case of any proposed redemption of Bonds, the day preceding the date of the mailing of the notice of such redemption.

“Redemption Date” means a date on which Bonds are to be redeemed at or before their maturity.

“Redemption Price” means, with respect to any Bond, the principal amount or Accreted Value thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the General Indenture.

“Regular Payment Date” means April 1 and October 1 of each year.

“Remarketed Bonds” means the Bonds that have been subject to a Remarketing.

“Remarketed Rate” means the annual interest rates (or, with respect to Compound Interest Bonds and Convertible Deferred Interest Bonds, the yields) in effect on the Remarketed Bonds of a Series from and after a Remarketing Date.

“Remarketing” means the remarketing or refunding of all or a portion of a Series of Bonds to establish an interest rate on Mortgage Loans.

“Remarketing Agent” means an agent designated by the Commission and any successor thereto as shall be designated by the Commission authorized to remarket a Series of Bonds on behalf of the Commission.

“Remarketing Agreement” means an agreement among the Remarketing Agent, the Trustee and the Commission, providing for a Remarketing of all or a portion of a Series of Bonds to establish the interest rate on Mortgage Loans.

“Remarketing Date” means the date on which a Remarketing occurs.

“Remarketing Indenture” means a supplement to a Series Indenture providing for the Remarketing of all or a portion of a Series of Bonds.

“Reservation Fund” means the Fund so designated and established pursuant to the General Indenture.

“Reserve Requirement” means, as of any particular date of calculation, an amount equal to the sum of all amounts established as Series Reserve Requirements in the Series Indentures and/or Remarketing Indentures for all Series of Bonds Outstanding (other than Subordinate Bonds).

“Reset” means, before a Remarketing, the adjustment of the interest rate with respect to a Series of Bonds that have not been remarketed to a Reset Rate for a Reset Period.

“Reset Date” means the date established for a Reset in a Series Indenture.

“Reset Period” means the period from and including a Reset Date to but not including the date on which the Bonds are Remarketed or redeemed or the interest rate is further Reset.

“Reset Rate” means the rate for each Series of Bonds during a Reset Period with respect to Bonds of such Series that have not been remarketed.

“Revenues” means all income, revenues, proceeds and other amounts received by or payable to the Trustee from or in connection with the Certificates or Whole Loans (including without limitation Principal Receipts and interest) all amounts received by or payable to the Trustee under the Origination Agreement or Servicing Agreements, and any and all interest, profits or other income derived from the investment of amounts in any fund established pursuant to the General Indenture, but does not include any amount retained by a Servicer as a Servicing Fee or other compensation or amounts to be paid to the United States Government, or interest on amounts in the Cost of Issuance Fund, Expense Fund, Homeownership Commission Fund, or Rebate Fund, or a Series Reservation Account excluded pursuant to a Series Indenture.

“Serial Bonds” means the Bonds maturing on consecutive Debt Service Payment Dates, as set forth in a Series Indenture or Remarketing Indenture, that are not Term Bonds subject to Mandatory Sinking Account Payments.

“Series” means one or more series of Bonds issued under the General Indenture, or remarketed into the General Indenture, pursuant to a Series Indenture.

“Series Indenture” means a Supplemental Indenture authorizing the issuance of a Series of Bonds.

“Series Reserve Requirement” means an amount established by a Series Indenture or Remarketing Indenture as a component of the Reserve Requirement while Bonds of the Series are Outstanding.

“Servicer” means a lending institution who has entered into a Servicing Agreement with the Commission or its successors.

“Servicing Acquisition Fee” means the fee to be paid by a Servicer pursuant to a Servicing Agreement and the Acquisition and Operating Policy.

“Servicing Agreement” means the Program Administration and Servicing Agreement entered into among the Commission, the Trustee and a Servicer.

“Servicing Fee” means the amount payable to a servicer for servicing a Mortgage Loan.

“Single-Family Residence” means a residence meeting the requirements of the Code and the Commission.

“Stated Maturity” means, when used with respect to any Bond, the date specified in such Bond as the fixed date on which the principal or Accreted Value of such Bond is due and payable.

“Subordinate Bonds” means Bonds payable on a basis as set forth in the related Series Indenture or Remarketing Indenture with a claim to payment subordinate to the claim of Bonds that are not Subordinate Bonds.

“Supplemental Indenture” means any indenture, including a Series Indenture or Remarketing Indenture, hereafter duly authorized under and in compliance with the Act and entered into between the Commission and the Trustee, supplementing, modifying or amending the General Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized thereunder.

“Supplemental Mortgage Coverage” means the coverage, if any, whether in the form of insurance, Cash Equivalent or additional pledged funds, of losses from Mortgage Loan defaults provided in a Series Indenture or Remarketing Indenture that may supplement other mortgage insurance. Supplemental Mortgage Coverage may include any insurance, or reserve fund funded by the Commission.

“Supporting Cash Flows” means, a set of cash flow projections attached to a Cash Flow Certificate prepared by a Cash Flow Consultant which demonstrate, under each of the scenarios included, that (1) projected Revenues will be sufficient to provide for timely payments of interest, Accretion, and principal on the Bonds (other than Subordinate Bonds), Enhancement Payments, and Expenses, and (2) projected Asset Parity will always be equal to or greater

than 100%. Supporting Cash Flows shall include each scenario included in the immediately prior Supporting Cash Flows except as may be required by the Rating Agency in connection with a Rating Confirmation. The Supporting Cash Flows shall include a certification describing the action to be taken and reaching the conclusions set forth above. Supporting Cash Flows shall (1) take into account the financial position of the Trust Estate as of the stated starting date of the projection, (2) reflect all the significant transactions that have occurred in the period commencing with such starting date and ending with a date no more than ninety (90) days prior to the date of such projections, (3) be consistent with the General Indenture, the Series Indentures, any Conversion Indentures and the Remarketing Indentures and (4) assume compliance with the Acquisition and Operating Policy.

“Targeted Area” means specific areas within the state of Washington designated and approved as provided in the Code.

“Tender Agent” means the Trustee.

“Tender Price” means the amount payable upon the tender of a Bond equal to the principal amount thereof and accrued interest to a Mandatory Tender Date.

“Term Bonds” means Bonds maturing on the dates set forth in a Series Indenture or a Remarketing Indenture payable at or before their specified maturity date from Mandatory Sinking Account Payments.

“Trustee” means Wells Fargo Bank, National Association, appointed pursuant to the General Indenture to act as trustee thereunder, its successor or successors, and any other bank or trust company at any time substituted in its place pursuant to the General Indenture.

“Trust Estate” means the property, rights, money, security and other amounts pledged and assigned to the Trustee pursuant to the General Indenture.

“Underwriter” means the purchaser or placement agent with respect to a particular series of Bonds.

“VA” means the Veterans Administration, an agency of the United States of America, or any successors to its functions.

“VA-Guaranteed” means guaranteed as to the payment of principal and interest.

“Whole Loans” means Mortgage Loans or participations therein, purchased or to be purchased by the Trustee which are neither securitized nor to be securitized into a Certificate.

Creation of Funds and Accounts

The General Indenture creates a number of funds and accounts to be held by the Trustee, and the General Indenture authorizes the Trustee to create accounts and/or subaccounts within any fund. The following summarizes the funds and accounts to be used with respect to the Bonds.

Cost of Issuance Fund

The Trustee will deposit in the **Cost of Issuance Fund** (1) on each Bond Issuance Date the amount set forth in a Series Indenture and (2) on a Reset Date, a Remarketing Date or a Conversion Date, the amount set forth in a Remarketing Indenture or Conversion Indenture. Money deposited in the Cost of Issuance Fund will be used to pay Costs of Issuance, including costs of establishing a Reset Rate, Remarketing and Conversion, upon receipt by the Trustee of a requisition of the Commission stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against that Fund. If the Commission determines that money on deposit in the Cost of Issuance Fund is no longer necessary to pay Costs of Issuance, then at the request of the Commission the Trustee will pay the remaining amounts (including investment earnings thereon) to the Commission.

Acquisition Fund and Accounts Therein

1. For each Series of Bonds, the Trustee will establish a **Series Acquisition Account** within the **Acquisition Fund**. Amounts received upon the sale or made available upon the Remarketing or refunding of a Series of Bonds or other bonds remarketed or refunded into the General Indenture will be deposited into the Series Targeted Area Subaccount, the Series Non-Targeted Area Subaccount and the Series Special Acquisition Subaccount established in

the related Series Acquisition Account in the amounts, if any, provided in the applicable Series Indenture or Remarketing Indenture.

2. Amounts may be deposited in the Series Recycling Subaccount and the Series Special Acquisition Subaccount from the related Series Revenue Account as described below under the subheadings "Series Restricted Principal Receipts Subaccount" and "Series Unrestricted Principal Receipts Subaccount," but only if allowed under then-current Acquisition and Operating Policy.

3. Commitment Fees, Servicing Acquisition Fees, Extension Fees or similar Revenues to be received in connection with acquisition of Certificates or Whole Loans shall be deposited to the Acquisition Fund or the Revenue Fund in accordance with the Acquisition and Operating Policy.

4. Amounts in each Series Acquisition Account will be applied by the Trustee to finance the acquisition of Whole Loans or Certificates, including participations in such Whole Loans or Certificates or for transfer to the corresponding Series General Receipts Subaccount, in accordance with the Acquisition and Operating Policy applicable to that Series of Bonds.

5. The Trustee will transfer unexpended amounts in each Series Acquisition Account to the corresponding Series Redemption Subaccount in accordance with the Acquisition and Operating Policy applicable to that Series of Bonds.

6. The Trustee will transfer amounts in each Series Acquisition Account to the corresponding Series Debt Service Account to the extent necessary to cure a deficiency in the Series Debt Service Account on a Debt Service Payment Date.

7. The Trustee will transfer amounts in each Series Acquisition Account established with respect to Bonds refunded by refunding Bonds to the Series Acquisition Account for the refunding Bonds, if so directed by the Series Indenture with respect to the refunding Bonds.

8. Before the acquisition of Certificates or Whole Loans, amounts in each Series Acquisition Account will be invested in accordance with the provision of the applicable Series Indenture or Remarketing Indenture. Unless otherwise specified in a Series Indenture or Remarketing Indenture, earnings from such investment shall be considered as Revenues and deposited in accordance with the General Indenture.

Revenue Fund

1. For each Series of Bonds, the Trustee will establish a **Series Revenue Account** within the Revenue Fund and therein a **Series Restricted Principal Receipts Subaccount**, a **Series Unrestricted Principal Receipts Subaccount**, a **Series Taxable Principal Receipts Subaccount** and a **Series General Receipts Subaccount**. All Revenues with respect to Certificates, Whole Loans, or Investment Securities held in the Funds, Accounts, or Subaccounts established for a Series shall be deemed to "correspond" to that Series. To the extent such Revenues are allocable to the subaccounts of multiple Series of Bonds, the Revenues will be deemed to correspond to each Series on the basis of the principal amounts then allocated to such Series, unless otherwise specified in the Acquisition and Operating Policy. The General Indenture prioritizes the various types of deposits into the Revenue Fund and transfers from the Revenue Fund. The Trustee will undertake to make each type of specified deposit or transfer with respect to every Series (in the order specified in the Acquisition and Operating Policy) prior to undertaking the next specified type of deposit or transfer with respect to any other Series.

2. All Revenues (other than Commitment Fees, Servicing Acquisition Fees, Extension Fees and other similar Revenues, which may be deposited to the Acquisition Fund) received by the Trustee shall be deposited on the date of receipt to the Subaccount of the Revenue Fund to which those Revenues are allocated.

a. Prior to the deposit of Revenues representing receipts on Certificates or Whole Loans, the Trustee will determine, based on information provided by a Certificate paying agent, or the Servicer, and instructions set forth in the Acquisition and Operating Policy, (1) the one or more Series to which such Revenues correspond, (2) the portion of such Revenues that are Principal Receipts, (3) the portions of such Principal Receipts that are allocable to the Series Restricted Principal Receipts Subaccount, (4) the portion of such Principal Receipts which are allocable to the Series Unrestricted Principal Receipts Subaccount, (5) the portion of such Principal Receipts which are allocable to the Series Taxable Principal Receipts Subaccount, and (6) where such Certificates or Whole Loans are held in part in a Series Special Acquisition Subaccount,

the portion of the Revenues other than Principal Receipts which are allocable to that subaccount. With respect to each Series, the Trustee will deposit the amounts determined in (3), (4) and (5) to the Series Restricted Principal Receipts Subaccount, Series Unrestricted Principal Receipts Subaccount and Series Taxable Receipts Subaccount, respectively, and will deposit the balance of the Revenues to the Series General Receipts Subaccount.

- b. Before depositing Revenues representing receipts on Investment Securities, the Trustee will determine, based on the subaccount in which such Investment Security is held and instructions set forth in the Acquisition and Operating Policy, (1) the Series to which such Revenues correspond, and (2) the portion of such Revenues which are allocable to the Rebate Fund. With respect to each Series, the Trustee shall deposit the amount determined in (2) to the Rebate Fund, and the balance of the Revenues to the Series General Receipts Subaccount.

3. **Series Restricted Principal Receipts Subaccount.** On or before each Debt Service Payment Date for the Bonds, the Trustee will transfer all amounts in the Series Restricted Principal Receipts Subaccount to the credit of accounts and subaccounts in the following priority:

- a. to the corresponding Series Redemption Subaccount, an amount sufficient to bring the amount on deposit therein to the Principal Requirement as of such Debt Service Payment Date of the Bonds of such Series (other than Subordinate Bonds);
- b. to the corresponding Series Redemption Subaccount, an amount sufficient to pay the principal of Bonds of such Series (other than Subordinate Bonds) that are required to be redeemed pursuant to special mandatory redemption requirements set forth in the Series Indenture or Remarketing Indenture;
- c. to *any* Series Acquisition Account, *any* Series Restricted Principal Receipt Subaccount and *any* Series Bond Reserve Account the amount sufficient to repay any previous withdrawals therefrom which were required to pay principal of the Bonds but only if the Trustee receives an opinion of nationally-recognized bond counsel that such use will not adversely affect the exemption from gross income of interest on the Bonds (other than taxable bonds) for purposes of federal income taxation;
- d. to the corresponding Series Subordinate Bond Account an amount sufficient to pay the regularly scheduled principal (including Mandatory Sinking Account Payments) on such Debt Service Payment Date of such Subordinate Bonds (but only upon receipt of an Asset Parity Determination); and
- e. to the corresponding Series Redemption Subaccount to pay the Redemption Price of other Bonds of the Series and to redeem Bonds from that Series in accordance with the Acquisition and Operating Policy.

Any amounts remaining in a Series Restricted Principal Receipts Subaccount after such transfers shall remain in such Series Restricted Principal Receipts Subaccount.

4. **Series Unrestricted Principal Receipts Subaccount.** On or before each Debt Service Payment Date for the Bonds, after application of the Series Restricted Principal Receipts, the Trustee will transfer all amounts in each Series Unrestricted Principal Receipts Subaccount to the credit of accounts and subaccounts in the following priority:

- a. to the corresponding Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient, together with amounts on deposit therein, to bring the amounts on deposit therein to the Principal Requirement as of such Debt Service Payment Date of the Bonds of the Series (other than Subordinate Bonds);
- b. to the corresponding Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient, together with amounts on deposit therein, to pay the principal of Bonds of such Series (other than Subordinate Bonds) that are required to be redeemed pursuant to a Mandatory Special Redemption;
- c. to *any* other Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient, together with amounts on deposit therein, to cure any deficiencies therein related to current Principal Payments of Bonds (other than Subordinate Bonds) on such Debt Service Payment Date;
- d. to *any* Series Acquisition Account to repay any previous withdrawals that were required to pay principal of the Series Bonds;

- e. to *any* Series Restricted Principal Receipts Subaccount to repay any previous withdrawals that were required to pay principal of the Series Bonds;
- f. to *any* Bond Reserve Account an amount sufficient to cause the total amount on deposit in that account, including Cash Equivalents, to equal the Reserve Requirement allocable thereto; and
- g. to the corresponding Series Recycling Subaccount or Series Special Acquisition Subaccount, *any* Series General Receipts Subaccount, *any* Subordinate Bond Account (but only upon receipt of an Asset Parity Determination) or *any* Series Redemption Account and Series Principal Subaccount, such amounts as are determined in accordance with the Acquisition and Operating Policy.

Any amounts remaining in a Series Unrestricted Principal Receipts Subaccount after such transfers shall remain in such Series Unrestricted Principal Receipts Subaccount.

5. **Series Taxable Principal Receipts Subaccount.** On or prior to each Debt Service Payment Date for the Bonds, after application of the Series Restricted Principal Receipts and Series Unrestricted Principal Receipts, the Trustee will transfer all amounts in each Series Taxable Principal Receipts Subaccount to the credit of accounts and subaccounts in the following priority:

- a. to the corresponding Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient to bring the amounts on deposit therein to the Principal Requirement as of such Debt Service Payment Date of the Bonds of such Series (other than Subordinate Bonds);
- b. to the corresponding Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient, together with amounts on deposit therein, to pay the principal of Bonds of such Series (other than Subordinate Bonds) that are required to be redeemed pursuant to a Mandatory Special Redemption;
- c. to *any* other Series Redemption Subaccount and Series Principal Subaccount, the amounts sufficient, together with amounts on deposit therein, to cure any deficiencies therein related to the current Principal Payments of Bonds (other than Subordinate Bonds) on such Debt Service Date;
- d. to *any* Series Acquisition Account to repay any previous withdrawals which were required to pay principal of the Series Bonds;
- e. to *any* Series Restricted Principal Receipts Subaccount to repay any previous withdrawals which were required to pay principal of the Series Bonds;
- f. to *any* Series Unrestricted Principal Receipts Subaccount to repay any previous withdrawals which were required to pay principal of the Series Bonds;
- g. to *any* Bond Reserve Account, an amount sufficient to cause the total amount on deposit in that account, including Cash Equivalents, to equal the Reserve Requirement allocable thereto; and
- h. to the corresponding Series Recycling Subaccount or Series Special Acquisition Subaccount, *any* Series General Receipts Subaccount, *any* Subordinate Bond Account (but only upon receipt of an Asset Parity Determination) or *any* Series Redemption Account or Series Principal Account, such amounts are determined in accordance with the Acquisition and Operating Policy.

Any amounts remaining in a Series Taxable Principal Receipts Subaccount after such transfers shall remain in such Series Taxable Principal Receipts Subaccount.

6. **Series General Receipts Subaccount.** On or before each Debt Service Payment Date for the Bonds, the Trustee will transfer amounts in each Series General Receipts Subaccount to the credit of accounts and subaccounts in the following priority:

- a. to the corresponding Series Interest Subaccount, an amount sufficient to bring the amount on deposit therein to the Interest Requirement due and payable on that Debt Service Payment Date on such Series of Bonds;
- b. to *any* other Series Interest Subaccount (other than with respect to Subordinate Bonds), to the extent there are inadequate amounts on deposit to meet the Interest Requirement for such other Series of Bonds;

- c. to the corresponding Series Expense Account, an amount not exceeding the Expense Limitation in accordance with the Acquisition and Operating Policy;
- d. to *any* Series Acquisition Account, the amount necessary to repay any previous withdrawals which were required to pay interest on the Series Bonds;
- e. to *any* Series Unrestricted Principal Receipts Subaccount and Series Taxable Principal Receipts Subaccount, the amount necessary to repay any previous withdrawals that were required to pay interest on the Series Bonds;
- f. to the corresponding Series Bond Reserve Account, an amount sufficient to cause the total amount on deposit in that account, including Cash Equivalents, to equal the Reserve Requirement allocable thereto;
- g. to *any* other Series Bond Reserve Account, an amount sufficient to cause the total amount on deposit in that Account, including Cash Equivalents, to equal the Reserve Requirement allocable thereto;
- h. to the corresponding Series Recycling Subaccount, corresponding Series Special Acquisition Subaccount, *any* Series Interest Reserve Account, *any* Subordinate Bond Account (but only upon receipt of an Asset Parity Determination) or the Homeownership Commission Fund (but only upon receipt of an Asset Parity Determination), such amounts as may be specified in the Acquisition and Operating Policy; and
- i. to *any* Series Redemption Subaccount and Series Principal Subaccount, an amount to pay on such Debt Service Payment Date the principal of Bonds as specified in the Acquisition and Operating Policy or a Commission Request.

Any amounts remaining the Series General Receipts Subaccount after such transfers shall remain in such Subaccount.

7. In accordance with the Acquisition and Operating Policy, the Trustee, at any time and without regard to a Debt Service Payment Date, will apply amounts in a **Series General Receipts Subaccount**:

- a. to pay the accrued interest portion of the cost of acquiring any Whole Loan or Certificate;
- b. to make required deposits to the corresponding Series Rebate Account;
- c. to pay the accrued interest in connection with the redemption of Bonds; or
- d. to transfer to the corresponding Expense Account amounts pay Expenses (up to the applicable Expense Limitation) that are due and payable before the next succeeding Debt Service Payment Date, in accordance with the Acquisition and Operating Policy.

Debt Service Fund

1. For each Series of Bonds, the Trustee will establish a **Series Debt Service Account** within the **Debt Service Fund** and therein a **Series Interest Subaccount**, a **Series Principal Subaccount** and a **Series Redemption Subaccount**.

2. On each Debt Service Payment Date, the Trustee will (i) withdraw from each Series Interest Subaccount amounts to pay interest on the Series of Bonds (other than Subordinate Bonds) and amounts due under any Enhancement Agreement, and (ii) withdraw from each Series Principal Subaccount amounts for the Principal Payment on the Series of Bonds (other than Subordinate Bonds).

3. On each redemption date, the Trustee will withdraw from each Series Redemption Subaccount and Series Principal Subaccount amounts to pay the Redemption Price of the Series of Bonds.

4. Except as otherwise provided in a Series Indenture, the Trustee may at any time apply money expected to be available in a Series Redemption Subaccount as of the Purchase Date for the purchase or redemption of Bonds as follows:

- a. The Trustee, upon Commission Request in accordance with the Acquisition and Operating Policy or accompanied by a Cash Flow Certificate, will attempt to purchase, Bonds or portions of Bonds then

Outstanding, whether or not such Bonds or portions of Bonds shall then be subject to redemption, at a price not to exceed the Redemption Price (plus accrued interest, if any, to the date of redemption) which would be payable on the next redemption date to the Owners of such Bonds if such Bonds or portions of Bonds should be called for redemption. The interest accrued on such Bonds to the date of settlement will be paid from the Series Interest Subaccount or a Series General Receipts Subaccount, (or, after redemption notice for such Bonds has been given, from money set aside in the Series Redemption Subaccount or other account established for the redemption of such Bonds).

- b. The Trustee, upon Commission Request in accordance with the Acquisition and Operating Policy or accompanied by a Cash Flow Certificate, will call Bonds of a Series for redemption, on the earliest practicable date on which those Bonds are subject to redemption, from money in the Series Redemption Subaccount. The interest on such Bonds upon redemption will be payable from the Series Interest Subaccount or the Series General Receipts Subaccount.
5. Amounts on deposit in the Debt Service Fund to the credit of any Subordinate Bond accounts pursuant to the General Indenture will be applied as provided in the Series Indenture authorizing those Subordinate Bonds.

Investment earnings allocable to each Series Debt Service Account will be deposited into the corresponding Series General Receipts Subaccount upon receipt.

Interest Reserve Fund

The General Indenture creates an Interest Reserve Fund and directs the Trustee to establish a **Series Interest Reserve Account** therein for each Series of Bonds. The Trustee will deposit amounts in the Series Interest Reserve Account if so directed in the applicable Series Indenture, or the Acquisition and Operating Policy. The Trustee will transfer money held in the Series Interest Reserve Account to the Interest Subaccount in accordance with the Series Indenture, Remarketing Indenture and Acquisition and Operating Policy to provide for negative arbitrage, payment lags and similar predictable shortfalls in Revenues to meet interest payments when due. Investment earnings allocable to each Series Interest Reserve Account will be deposited into the corresponding Series General Receipts Subaccount upon receipt.

Bond Reserve Fund

The General Indenture creates a Bond Reserve Fund and directs the Trustee to establish a **Series Bond Reserve Account** therein for each Series of Bonds. The Commission will deposit amounts in the Series Bond Reserve Account, if so provided in the Series Indenture or Remarketing Indenture. A Series Indenture may provide that the Reserve Requirement with respect to the applicable Series of Bonds may be funded in whole or in part through Cash Equivalents. The Trustee will transfer money held in the Series Bond Reserve Account in the event of a shortfall of funds required to make payments of principal of and interest on the Bonds (other than Subordinate Bonds). Amounts held in a Series Bond Reserve Account that are in excess of the Reserve Requirement, taking into account any Cash Equivalents in the Reserve Fund, will be transferred to the Series Unrestricted Principal Receipts Subaccount and Series Taxable Principal Receipts Subaccount in accordance with the most recent Acquisition and Operating Policy.

Investment earnings allowable to each Series Bond Reserve Account will be deposited into the corresponding Series General Receipts Subaccount upon receipt.

Expense Fund

The General Indenture creates an Expense Fund and directs the Trustee to establish a **Series Expense Account** therein for each Series of Bonds. The Trustee will deposit from the Series General Receipts Subaccount pursuant to the General Indenture into the Series Expense Account amounts to provide for the payment of Expenses up to the Expense Limitation specified in the current Acquisition and Operating Policy. The Trustee shall use amounts in each Series Expense Account for payment of Expenses.

Reservation Fund

The General Indenture creates a Reservation Fund and directs the Trustee to establish a **Series Reservation Account** therein for each Series of Bonds that is subject to Remarketing. A Series Reservation Account may be pledged in a Series Indenture to a specific Series of Bonds. Amounts specified in a Series Indenture which are received upon the sale of a Series of Bonds will be deposited into the Series Reservation Account. Money deposited

in that Fund will be invested in accordance with the Series Indenture and the Acquisition and Operating Policy. Interest earnings on the Series Reservation Account will be retained in such Series Reservation Account.

In the event of a Remarketing, the Trustee will transfer all or a portion of the amounts in the Series Reservation Account to the Series Acquisition Account in accordance with the Remarketing Indenture. In the event of a Mandatory Special Redemption or a redemption at the direction of the Commission of Bonds subject to Remarketing, the Trustee will transfer from the Series Reservation Account to the Series Redemption Subaccount the amounts, if any, necessary for such redemption. In the event of a failed Remarketing, the Trustee will transfer from the Series Reservation Account to the Tender Agent an amount sufficient to provide for payment of the Tender Price upon receiving: (a) a Commission Request; (b) an opinion of nationally-recognized bond counsel to the effect that the proposed action will not adversely affect the exemption from gross income of interest on the Bonds for purposes of federal income taxation; and (c) a Cash Flow Certificate.

Rebate Fund

The General Indenture creates a Rebate Fund and directs the Trustee to establish a **Series Rebate Account** therein for each Series of Bonds. Money deposited and held in the Rebate Fund, including investment earnings thereon, if any, are not subject to the pledge of the General Indenture and will not be held for the benefit of the Bondowners. Money in the Rebate Fund will be disbursed by the Trustee periodically to the United States of America or to a Series General Receipts Subaccount, at the Commission's request.

Homeownership Commission Fund

The General Indenture creates a Homeownership Commission Fund. Upon receipt of a Commission Request and an Asset Parity Determination, the Trustee will transfer amounts from a Series General Receipts Subaccount to the Homeownership Commission Fund. Such amounts may either be remitted to the Commission or remain deposited in the Homeownership Commission Fund. The Commission may deposit other money into the Homeownership Commission Fund at any time. The Commission may withdraw amounts in the Homeownership Commission Fund at any time free and clear of the pledge and lien of the General Indenture. Alternatively, the Commission can apply amounts in the Homeownership Commission Fund at any time for purposes of the General Indenture. Earnings from investments of amounts in the Homeownership Commission Fund will be retained in the Homeownership Commission Fund.

Deficiencies in Series Debt Service Accounts

Deficiency of Interest If amounts in a Series Interest Subaccount are insufficient on any Debt Service Payment Date to pay the interest on the respective Series Bonds due and unpaid on such date or to make any payment due under an Enhancement Agreement, the Trustee will withdraw amounts from the following funds, accounts and subaccounts in the following order or priority to the extent necessary to eliminate such deficiency:

1. the Series General Receipts Subaccount;
2. the Series Interest Reserve Account;
3. any other Series General Receipts Subaccount in accordance with the Acquisition and Operating Policy;
4. the Series Bond Reserve Account;
5. the Series Acquisition Account and the Series Reservation Account; and
6. other funds, accounts and subaccounts (including Acquisition Accounts, Unrestricted Principal Receipts Subaccounts, Taxable Principal Receipts Subaccounts, Restricted Principal Receipts Subaccounts (with an opinion of Bond Counsel) and Bond Reserve Accounts) in accordance with the Acquisition and Operating Policy.

Principal Deficiency. If amounts in a Series Redemption Subaccount or Series Principal Subaccount are insufficient on any Debt Service Payment Debt to pay the principal of the respective Series Bonds (but not Subordinate Bonds) or Redemption Price due and unpaid on such date, whether at the Stated Maturity or by the retirement of such Bonds in satisfaction of the Mandatory Sinking Account Payments, the Trustee will withdraw amounts from the following funds, accounts and subaccounts in the following order or priority to the extent necessary to eliminate such deficiency:

1. the Series Restricted Principal Receipts Subaccount;
2. the Series Unrestricted Principal Receipts Subaccount;
3. the Series Taxable Principal Receipts Subaccount;
4. the Series Bond Reserve Account;
5. the Series General Receipts Subaccount;
6. the Series Interest Reserve Account;
7. the Series Acquisition Account and the Series Reservation Account; and
8. other funds, accounts and subaccounts (including Acquisition Accounts, Series Unrestricted Principal Receipts Subaccounts, Taxable Principal Receipts Subaccount, Restricted Principal Receipts Subaccounts (with an opinion of Bond Counsel and Bond Reserve Accounts) in accordance with the Acquisition and Operating Policy.

No amounts being held to pay the Redemption Price of Bonds called for redemption or purchase may be used to make up a deficiency to the extent that such amounts have been set aside for the payment of Bonds which have been identified for purchase or called for redemption, and no amounts on deposit in any Series Acquisition Account will be used for such purpose to the extent that the Commission is contractually obligated to finance or originate identified Mortgage Loans acceptable for financing or acquire Certificates backed by such identified Mortgage Loans or Whole Loans with amounts on deposit in such Series Acquisition Account.

Disposition of Fund Balances upon Retirement of Bonds

When all Bonds of a Series are fully retired, the Trustee will transfer any remaining amounts in the corresponding Series Accounts and Subaccounts to any Fund, Account or Subaccount that the Commission specifies.

Investment of Funds

Money in all funds and accounts established under the General Indenture will be invested in Investment Securities. Money in all funds and accounts (other than money in the Cost of Issuance Fund and the Homeownership Commission Fund) will be invested in Investment Securities paying interest and maturing (or redeemable at par) not later than the dates on which it is estimated that such money will be required by the Trustee. Investments in all funds and accounts may be commingled for purposes of making investments, and all gains or losses shall be allocated pro rata.

All interest and other profit derived from such investments (unless otherwise provided in the section of the General Indenture creating the respective fund) will be deposited when received in the applicable Series Revenue Account. Investment Securities acquired as an investment of money in any fund or account established under the General Indenture will be credited to that fund or account. For the purpose of determining the amount in any fund or account, the amount of any obligation allocable to that fund or account shall mean the Investment Value of the relevant Investment Security.

The Trustee

The Trustee may at any time resign and be discharged from the duties and obligations created by the General Indenture by giving not less than 60 days' written notice to the Commission specifying the date when such resignation is expected to take effect, and such resignation will only take effect upon the day specified in such notice unless previously a successor shall have been appointed, in which event such resignation shall take effect immediately on the appointment of such successor. Such resignation will not be effective until a successor Trustee satisfying the requirements of the General Indenture is appointed.

The Trustee shall be removed by the Commission following an event of default if so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Commission, and signed by the Owners of a majority in Bond Value of Bonds then Outstanding. In addition, the Commission may remove the Trustee at any time, except during the existence of an Event of Default under the General Indenture, in the sole discretion of the Commission by filing with the Trustee an instrument signed by an Authorized Officer of the Commission.

In case at any time the Trustee resigns or is removed or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the Commission will notify the Owners and appoint a successor Trustee. The Commission will cause the new Trustee to mail notice of any such appointment to the Owners at their addresses appearing on the registration books of the Commission, such notice to be given promptly after such appointment.

If within 45 days of the resignation or removal of the Trustee no successor Trustee has been appointed and has accepted appointment, the resigning or removed Trustee or the Owners of a majority in aggregate Bond Value of Bonds then Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee appointed under the General Indenture will be a bank or trust company organized under the laws of the State or a national banking association and having a capital and surplus aggregating at least \$50 million, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Indenture.

The Trustee will be entitled to payment of its fees in accordance with the General Indenture, but solely from the sources specified in the General Indenture. Upon an event of default caused by a failure of payment of principal or interest on the Bonds, but only upon such an event of default, the Trustee will then have a lien upon the Trust Estate with right of payment before payment on account of principal of and interest on any Bond for the foregoing fees, charges and expenses incurred by it, but subordinate to the lien required for payment of the Rebate Amount.

The Trustee is required to provide the Commission with certain reports pursuant to the General Indenture. The Trustee will be under no obligation to perform any act that would involve it in expenses or liability or to initiate or defend any suit, or to advance any of its own funds, unless properly indemnified. The Trustee is not liable in connection with the performance of its duties under the General Indenture except for its own negligence or willful default.

Certain Tax Covenants

The Commission has covenanted that it will not permit the use of any proceeds of the Bonds or any other funds of the Commission which would cause the Bonds (other than taxable Bonds) to be "arbitrage bonds" within the meaning of the Code and applicable regulations promulgated thereunder.

The General Indenture further contains a covenant of the Commission to attempt, in good faith, to meet all applicable requirements of the Code, and to establish reasonable procedures in accordance with Sections 148 and 143(g) of the Code.

Acquisition and Operating Policy

Upon the issuance or remarketing of each Series of Bonds, the Commission will develop and deliver to the Trustee an Acquisition and Operating Policy, setting forth the Commission's instructions to the Trustee with respect to the application of money and assets in a Series Acquisition Account, and Series Reservation Account, and instructions with respect to the following:

1. the security which may be provided for each Mortgage Loan;
2. the purchase price of Whole Loans and of Mortgage Loans securitized into Certificates;
3. the principal and interest payment provisions for Whole Loans and Mortgage Loans securitized into Certificates;
4. the maximum term to maturity and final maturity of Whole Loans and Mortgage Loans securitized into Certificates;
5. the Pass-Through Rate, Purchase Price and final maturity of any Certificates or Whole Loans;
6. the Delivery Period;

7. the nature of the residence to which the Whole Loans and the Mortgage Loans securitized into Certificates relate and limitations on who may be a mortgagor;
8. for Whole Loans required credit standards and other terms of primary mortgage insurance or other credit support, if any, and the levels of coverage and applicable loan to value ratios, if appropriate;
9. required Supplemental Mortgage Coverage, if any;
10. the Servicing Acquisition Fee;
11. Commitment Fees;
12. the period during which Mortgage Loans may be delivered to a Servicer;
13. the amount and duration of any setasides for Targeted Area origination or other limitations with respect to Mortgage Loans;
14. Extension Fees;
15. how Revenues will be deposited and used;
16. how amounts on deposit in the Reserve Fund in excess of the Reserve Requirement will be used;
17. the priority of transfers between accounts and subaccounts consistent with the General Indenture in order to meet deficiencies in the Series Debt Service Accounts;
18. which Bonds will be called in accordance with redemptions;
19. under what circumstances Principal Receipts will be deposited in a Series Acquisition Subaccount;
20. such other information that is essential to a Cash Flow Certificate and which will direct the Trustee with respect to the use of amounts in the Acquisition Fund and Reservation Fund; and
21. such other matters as may be useful in providing guidance to the Trustee in the management of the Trust Estate.

The Acquisition and Operating Policy may be amended only if (1) (a) a Cash Flow Certificate is delivered to the Trustee and the Rating Agency, and (b) an opinion of a nationally-recognized bond counsel is delivered to the Trustee and the Rating Agency to the effect that such amendment will not affect the exemption of interest on the Bonds from the gross income of the Owners for purposes of the Code, or (2) the Trustee receives a certificate of the Commission stating that the then current Cash Flow Certificate under which the General Indenture is operated will not be adversely affected. No Acquisition and Operating Policy may amend the terms and conditions of the General Indenture, the rights of the Owners, or the obligations of the Trustee and Commission except if it qualifies as a "Supplemental Indenture" under the General Indenture. The Acquisition and Operating Policy is available for inspection at the office of the Trustee and Bondowners may obtain a copy of the current policy from the Trustee at the Bondowner's expense.

Supplemental Indentures

Except as provided below, the Commission and the Trustee may, without the consent of or notice to any of the Bondowners, enter into indentures supplemental to the General Indenture, for any one or more of the following purposes:

1. to add additional covenants and agreements of the Commission for the purpose of further securing the payment on the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Commission contained in the General Indenture;
2. to surrender any right, power or privilege reserved to or conferred upon the Commission by the terms of the General Indenture;

3. to confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of the General Indenture of the Revenues and other money, securities, funds and property pledged in the manner and to the extent provided in the General Indenture;
4. to cure any ambiguity or defect or inconsistent provision in the General Indenture or to insert such provisions clarifying matters or questions arising under the General Indenture as are necessary or desirable so long as any such modifications are not contrary to or inconsistent with the General Indenture as theretofore in effect;
5. to provide a correction to any provision of the General Indenture that will be determined in a Bond Counsel's Opinion to be necessary to preserve the exclusion of interest on the Bonds from gross income pursuant to the Code; however, no such correction will impair in any material manner the rights or remedies of Owners or the security for the Bonds afforded by the General Indenture;
6. to conform to the requirements of the Rating Agency to maintain the rating on the Bonds or to make changes pursuant to the General Indenture;
7. to enter into a Series Indenture;
8. to enter into a Remarketing Indenture upon a Remarketing of some or all of a Series of Bonds under the General Indenture;
9. to modify any of the provisions of the General Indenture in any respect whatever not otherwise described in the General Indenture, provided (a) such modification must apply only to Series of Bonds issued after the effective date of the Supplemental Indenture and may not materially adversely affect the interests of the owners of Bonds of any Series Outstanding on the effective date of the Supplemental Indenture or (b)(i) such modification must be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding and (ii) such Supplemental Indenture must be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange for, or in place of, such Bonds;
10. to modify, amend or supplement the General Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification of the General Indenture and any Supplemental Indenture under the Trust Indenture Act of 1939 or any similar federal statute then in effect or any state Blue Sky Law;
11. to add to the definition of "Permitted Investments";
12. to modify, amend or supplement the General Indenture or any Supplemental Indenture in such manner as to permit a trustee (other than the Trustee) with respect to any Subordinate Bonds issued under the General Indenture;
13. to comply with the disclosure requirements of state or federal law; or
14. to make any other change that, in the judgment of the Trustee, does not materially adversely affect the interests of the Bondowners;

The General Indenture also may be modified in other ways by a Supplemental Indenture upon the Trustee's receipt of a Rating Confirmation and approval by (1) the Owners of greater than two-thirds in aggregate Bond Value of Outstanding Bonds; (2) if less than all of the Outstanding Bonds are affected, of the Owners of greater than two-thirds in Bond Value of Bonds so affected then Outstanding; and (3) in case the terms of any Mandatory Sinking Account Requirements are changed, the Owners of greater than two-thirds in Bond Value of the Outstanding Bonds of the particular Series and maturity entitled to such Mandatory Sinking Account Requirements. However, without the consent of all adversely affected Owners, no Supplemental Indenture may (1) change the terms of redemption or of the maturity of the principal of or the interest on any Bond; (2) reduce the Accreted Value of any Bond or the redemption premium or the rate of interest on it; (3) create or grant a pledge, assignment, lien or security interest of the Pledged Property, or any part of it, other than as created or permitted by the General Indenture without the Supplemental Indenture; (4) create a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as may be permitted by the General Indenture; (5) reduce the aggregate Bond Value or classes of the Bonds required for consent to such Supplemental Indenture; or (6) eliminate the requirement that each amendment to the General Indenture requires a Rating Confirmation. If any such modification, supplement or amendment will by its

terms not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Owners of those Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds required in connection with an amendment to the General Indenture. A Series will be deemed to be affected by a modification or amendment if it adversely affects or diminishes the rights of the Owners of Bonds of that Series. The Trustee may in its discretion determine whether Bonds of any particular Series and maturity would be affected by any modification, supplement or amendment of the General Indenture or a Supplemental Indenture, and any such determination will be binding and conclusive on the Commission and all Owners.

Notice of proposed adoption of a Supplemental Indenture will be given as described in the General Indenture. If the required number of Owners at the time of its adoption have consented to and approved its adoption, no Owner will have any right to object to the execution of such Supplemental Indenture, to object to any of the terms and provisions contained in it or its operation, in any manner to question the propriety of its adoption, or to enjoin or restrain the Trustee or the Commission from adopting it or from taking any action pursuant to its provisions.

Defaults and Remedies

Definition of "Event of Default". Each of the following events constitutes an "event of default" under the General Indenture:

1. default by the Commission in (i) the due and punctual payment of the principal amount or Accreted Value or Redemption Price of any Bond (other than a Subordinate Bond) when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, (ii) the redemption from any Mandatory Sinking Account Payment of any Term Bonds (other than a Subordinate Bond) in the amounts at the times provided therefor, or (iii) the due and punctual payment of any installment of interest on any Bond (other than a Subordinate Bond) when and as such interest installment shall become due and payable;
2. default in the performance or observance of any other of the covenants, agreements or conditions on the Commission's part contained in the General Indenture or any Supplemental Indenture, or in the Bonds, and continuance of such default for 90 days after written notice thereof to the Commission by the Trustee or by the Owners of not less than 25% in aggregate Bond Value of the Outstanding Bonds;
3. the State limits or alters the rights of the Commission, as in force on the date of the General Indenture, to fulfill the terms of any agreements made with the Bondowners or in any way impairs the rights and remedies of the Bondowners while any Bonds are Outstanding; provided, however, that such an event of default will not be deemed to exist unless notice of such default is given to the Commission by the Trustee or by the Owners of not less than 25% in aggregate Bond Value of the Outstanding Bonds; or
4. unless otherwise provided in a Series Indenture, default by the Commission in (i) the due and punctual payment of the principal amount and Accreted Value or Redemption Price of any Subordinate Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, (ii) the redemption from any Mandatory Sinking Account Payment of any Subordinate Bonds which are Term Bonds in the amounts at the times provided therefor, or (iii) the due and punctual payment of any installment of interest on any Subordinate Bond when and as such interest installment shall become due and payable.

The failure to make a payment of principal of or interest on a Subordinate Bond is an "event of default" only with respect to Subordinate Bonds and is not an event of default with respect to other Bonds issued under the General Indenture. In the event of such limited event of default, the Trustee may take actions in accordance with the General Indenture that relate exclusively to the Subordinate Bonds and which do not prejudice the rights of the Owners of other Bonds.

Remedies Upon Default. Upon any event of default described above, the Trustee may proceed, and upon the written request of the Owners of not less than 25% in aggregate Bond Value of Outstanding of Bonds, the Trustee must proceed, in its own name and after receiving indemnity and such security satisfactory to it with respect to any costs and expenses that may be incurred, to protect and enforce its rights and the rights of the Bondowners by such of the following remedies as the Trustee, being advised by counsel, will deem most effective to protect and enforce such rights:

1. by suit, action or proceeding in accordance with the laws of the State, enforce all rights of the Bondowners;
2. by bringing suit upon the relevant Bonds;
3. by action or suit, to require the Commission to act as if it were the trustee of an express trust for the Bondowners;
4. by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowners; and
5. upon notice in writing to the Commission, to declare the principal and Accreted Value of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the General Indenture or in the Bonds contained to the contrary notwithstanding.

Any declaration described in (5) above is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the money due is obtained or entered, the Commission has deposited with the Trustee a sum sufficient to pay the principal amount or Redemption Price of and Accretion and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal amount or Redemption Price of and Accretion and interest on the Bonds due and payable solely by reason of such declaration) have been cured to the satisfaction of the Trustee (or provision deemed by the Trustee to be adequate is made therefor), then, and in every such case, the Owners of not less than a majority in aggregate Bond Value of the Bonds then Outstanding, by written notice to the Commission and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default, but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any light or power consequent thereon.

However, the Trustee is not required to declare the Bonds due and payable pursuant to clause (5) above unless it receives the written consent of the Owners of not less than 25% in aggregate Bond Value of Outstanding Bonds, and if the default is the result of a nonmonetary default or a State impairment of Commission rights or a default with respect to Subordinate Bonds, the Trustee will not declare the Bonds due and payable pursuant to clause (5) above unless it shall have received the written consent of the Owners of not less than 100% in aggregate Bond Value of Outstanding Bonds (excluding Subordinate Bonds).

In enforcing any remedy under the General Indenture, the Trustee is entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming and any time remaining due from the Commission for principal, Redemption Price, interest or otherwise, under any provision of the General Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest payable on the Bonds before maturity, together with any and all costs and expenses of collection and of all proceedings under the General Indenture and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce judgment or decree against the Commission (but solely from Revenues) for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any money available for such purpose, in any manner provided by law, the money adjudged or decreed to be payable.

Priority of Payments After Default. In the event that the funds held by the Trustee shall be insufficient for the payment of interest and principal or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other money received or collected by the Trustee acting pursuant to the General Indenture will be applied to the payments of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under the General Indenture, and then shall be applied in the following order:

- A. Unless the principal of all of the Bonds shall have become or have been declared due and payable:
First, to the payment of all installments (except interest on overdue principal) of interest on Bonds, other than Subordinate Bonds, then accrued and unpaid in the chronological order in which such installments of interest accrued and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, on Bonds other than Subordinate

Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, (other than Subordinate Bonds);

Second, to the payment of the unpaid principal and Accretion of any of the Bonds, other than Subordinate Bonds, which have become due and payable (except Bonds other than Subordinate Bonds called for redemption for the payment of which money is held pursuant to the provisions of the General Indenture) in the order of their stated payment dates, with interest on the principal amount of such Bonds, other than Subordinate Bonds, at the respective rates specified in such Bonds from the respective dates upon which such Bonds, other than Subordinate Bonds, became due and payable and, if the amount available is not sufficient to pay in full the principal of the Bonds, other than Subordinate Bonds, by their stated terms due and payable on any particular date together with such interest, then (a) to the payment first of such interest, ratably, according to the amount of such interest due on such date, and (b) to the payment of such principal, ratably, according to the amount of such principal due on such date, of Bonds, other than Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, (other than Subordinate Bonds);

Third, to the payment of the interest on and the principal and Accretion of the Bonds, other than Subordinate Bonds, to the purchase and retirement of Bonds, other than Subordinate Bonds, and to the redemption of the Bonds (other than Subordinate Bonds);

Fourth, to the payment of interest (except interest on overdue principal) on Subordinate Bonds then accrued and unpaid in the chronological order in which such installments of interest accrued and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, of Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds;

Fifth, to the payment of the unpaid principal of any of the Subordinate Bonds which has become due and payable (except Subordinate Bonds called for redemption for the payment of which money is held pursuant to the provisions of the General Indenture) in the order of their stated payment dates, with interest on the principal amount of such Subordinate Bonds at the respective rates specified in such Subordinate Bonds from the respective dates upon which such Subordinate Bonds became due and payable and, if the amount available is not sufficient to pay in full the principal of the Subordinate Bonds by their stated terms due and payable on any particular date together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date on such Subordinate Bonds, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, of Subordinate Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Bonds; or

Sixth, to the payment of the interest on and the principal of the Subordinate Bonds, to the purchase and retirement of Subordinate Bonds and to the redemption of Subordinate Bonds.

B. If the principal of all the Bonds has become or has been declared due and payable, all such money will be applied first to the payment of the principal and premium, if any, and interest then accrued and unpaid upon the Bonds that are not Subordinate Bonds, without preference or priority of principal over interest or of interest over principal, or of any daily accrual of interest over any other daily accrual of interest, or of any Bond which is not a Subordinate Bond over any other Bond which is not a Subordinate Bond, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to the respective rates of interest specified in the Bonds which are not Subordinated Bonds, and second, to the payment of the principal and premium, if any, and interest then accrued and unpaid upon the Subordinate Bonds, without preference or priority of principal over interest or of interest over principal, or of any daily accrual of interest over any other daily accrual of interest, or of any Subordinate Bond over any other Subordinate Bond, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to the respective rates of interest specified in the Subordinate Bonds.

C. If the principal of all the Bonds has been declared due and payable and if such declaration has been rescinded and annulled, then, subject to the provisions of paragraph B. above, if the principal of all the Bonds later becomes or is declared to be due and payable, the money remaining in and later accruing to the Debt Service Fund, together with any other money held by the Trustee under the General Indenture, will be applied in accordance with the order of priority described in paragraph A. above.

Default Proceedings. If any proceeding taken by the Trustee on account or any event of default is discontinued or abandoned for any reason, then the Commission, the Trustee and the Owners will be restored to their former positions and rights under the General Indenture, and all rights, remedies, powers and duties of the Trustee will continue as though no such proceeding had been taken.

The Owners of the majority in aggregate principal amount and Accreted Value or the Bonds then Outstanding will have the right, by written instruments delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the General Indenture, provided that such direction must not be otherwise than in accordance with law or the General Indenture. The Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

No Owner of any Bond will have any right to institute any suit, action or other proceeding under the General Indenture, or for the protection or enforcement of any right under the General Indenture or any right under law, unless: (i) such Owner gives to the Trustee written notice of the event of default or breach of duty on account of which such suit, action, or proceeding is to be taken, (ii) the Owners of not less than 25% in aggregate principal amount and Accreted Value of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the General Indenture or under the law or to institute such action, suit or proceeding in its name; and (iii) the Trustee is offered security satisfactory to the Trustee and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee refuses or neglects to comply with such request within a reasonable time. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of the powers under the General Indenture or for any other remedy under the General Indenture or law. No Owners of any Bonds will have any right to affect, disturb or prejudice the security of the General Indenture or to enforce any right under the General Indenture or law with respect to the Bonds or the General Indenture, except in the manner summarized herein, and all proceedings shall be instituted and maintained for the benefit of all Owners of the Outstanding Bonds.

Each Owner of any Bond by his acceptance thereof, will be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the General Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorney fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant, but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Owner or group of Owners holding at least 25% aggregate Bond Value of the Bonds Outstanding, or to any suit instituted by any Owner for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Compliance with Secondary Disclosure Requirements of the SEC

Section 12.13 of the General Indenture sets forth the Commission's undertaking (the "Undertaking") for the benefit of owners and beneficial owners of the Bonds required by Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule").

Obligated Person Responsibility. Upon the issuance and/or Remarketing of Bonds, the Commission will identify or describe in the applicable Series Indenture each "Obligated Person," if any, within the meaning of the Rule with respect to the Series of Bonds issued or Remarketed thereunder. Each such Obligated Person shall undertake by separate contract with the Commission and the Trustee to provide: (i) Annual Financial Information; and (ii) Audited Financial Statements, if any.

Each Obligated Person must, while any Bonds with respect to which it is an Obligated Person are Outstanding or so long as it is an Obligated Person with respect to such Bonds, provide Annual Financial Information to the Trustee, in its capacity as agent of the Commission and each Obligated Person (the "Disclosure Agent"), on or before August 15 of each year (the "Submission Date"), beginning in 1996. The Disclosure Agent will provide to the Commission and to the MSRB such Annual Financial Information on or before September 1 of each year (the "Report Date") or, if such Annual Financial Information is not received by the Disclosure Agent by the Submission Date, then within five Business Days of its receipt by the Disclosure Agent. The Obligated Person must include with each submission of Annual Financial Information to the Disclosure Agent a written representation addressed to the Disclosure Agent to the effect that the Annual Financial Information is the Annual Financial Information required

by its contractual obligations to the Commission and the Trustee and that such Annual Financial Information complies with the applicable requirements of its contractual obligations to the Commission and the Trustee. The Obligated Person may adjust the Submission Date and the Report Date if the Obligated Person or the Commission changes its fiscal year by providing written notice of the change of fiscal year and the new Submission Date and Report Date to the Disclosure Agent, the Commission and the MSRB; provided, that (i) the new Report Date must be no later than two months after the end of the new fiscal year, (ii) the new Submission Date must be 15 days prior to the Report Date, and (iii) the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year must not exceed one year in duration. It will be sufficient if the Obligated Person provides to the Disclosure Agent and the Commission, and the Disclosure Agent provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB's internet web site or filed with the SEC.

If not provided as part of the Annual Financial Information, the Obligated Person must provide its Audited Financial Statements to the Disclosure Agent, when and if available and the Disclosure Agent will then promptly provide the Commission and the MSRB with such Audited Financial Statements.

Commission Responsibility. For Bonds issued that are sold in a primary offering that is subject to the Rule (unless otherwise specified in the applicable Series Indenture or Remarketing Indenture), the Commission will provide (i) its Audited Financial Statements which include information regarding funds held under the General Indenture and (ii) financial information and operating data regarding the Program, on an annual basis, of the type included in the final official statement for such Bonds and identified with language in substantially the form of: "The following [table][paragraph] will be updated annually pursuant to the Commission's continuing disclosure undertaking." Such financial information will be unaudited and will be provided to the Disclosure Agent. The Disclosure Agent will then promptly provide the MSRB with such Audited Financial Statements and such financial information. Such Audited Financial Statements and financial information will be provided to the Trustee before the expiration of seven months after the Commission's fiscal year. The Commission may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such Audited Financial Statements and annual financial information the Commission may cross-reference to other documents available to the public on the MSRB's internet web site or filed with the SEC, and if such document is a final official statement within the meaning of the Rule, available from the MSRB.

The undertaking described in this paragraph is solely for the benefit of the Owners or Beneficial Owners of Bonds issued before December 1, 2010. If the Commission identifies an occurrence (except as described below) that, if material, would be a Material Event while any Bonds are Outstanding, the Commission will provide a Material Event Notice to the Disclosure Agent in a timely manner and the Disclosure Agent will promptly provide such Material Event Notice to the MSRB.

The undertaking described in this paragraph is solely for the benefit of the Owners or Beneficial Owners of Bonds issued after December 1, 2010. If the Commission identifies an occurrence (except as described below) that would be a Material Event while any Bonds are Outstanding, the Commission immediately will provide a Material Event Notice to the Disclosure Agent, and the Disclosure Agent, will provide to the MSRB, in no case later than ten Business Days after the occurrence of the Material Event, such Material Event Notice.

Trustee Responsibility. The Disclosure Agent will promptly advise the Commission whenever, in the course of performing its duties as Trustee, under the General Indenture, the Trustee, as the Trustee, identifies an occurrence which would be a Material Event and, unless the Commission determines within a reasonable period of time after discussion with the Trustee that such occurrence is not a Material Event for which a Material Event Notice must be given, then the Trustee will promptly (and in no case later than ten Business Days after the occurrence of the Material Event with respect to Bonds issued after December 1, 2010) provide a Material Event Notice to the MSRB. The failure of the Disclosure Agent to advise the Commission or the MSRB will not constitute a default on the Bonds or a breach by the Trustee, as the Trustee, of any of its duties and responsibilities under the General Indenture.

The Disclosure Agent will, without further direction or instruction from any Obligated Person or the Commission, provide in a timely manner to the MSRB notice of any failure while any Bonds are Outstanding by the Disclosure Agent to provide to the MSRB Annual Financial Information, financial information or Audited Financial Statements required to be provided on or before the Report Date (whether caused by failure of the Obligated Person or the Commission to provide such information to the Disclosure Agent by the Submission Date or for any other reason). For the purposes of determining whether information received from the Obligated Person is Annual Financial

Information, the Disclosure Agent will be entitled conclusively to rely on the Obligated Person's written representations.

If an Obligated Person or the Commission provides to the Disclosure Agent information relating to the Obligated Person or the Bonds, which information is not designated as a Material Event Notice, and directs the Disclosure Agent to provide such information to information repositories, the Disclosure Agent will provide such information in a timely manner to the Commission (if provided by an Obligated Person) and the MSRB.

The Disclosure Agent will determine by reference to a Series Indenture if an entity is an Obligated Person and will notify each Obligated Person no later than 30 days prior to a Submission Date of its obligation to provide information in accordance with the Undertaking under its separate contract with the Commission and the Trustee, if such submission has not yet been made. Failure of the Disclosure Agent to provide such notice will not waive any obligations of an Obligated Person.

Definitions for Purposes of Undertaking. The following are the definitions of the capitalized terms used in the Undertaking and not otherwise defined in the General Indenture.

"Annual Financial Information" means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")), or operating data with respect to the Obligated Person, provided at least annually, of the type included in the final official statement with respect to the Bonds and specified in a Series Indenture, which Annual Financial Information may, but is not required to, include Audited Financial Statements.

"Audited Financial Statements" means annual financial statements, prepared substantially in accordance with GAAP, which financial statements will have been audited by a firm of independent certified public accountants.

"Beneficial Owner" means the beneficial owner of Bonds held in fully immobilized form.

"Material Event" means: (A) any of the following events, if material, with respect to the Bonds issued or Remarketed before December 1, 2010: (i) Principal and interest payment delinquencies; (ii) Non-payment related defaults; (iii) Unscheduled draws on debt service reserves reflecting financial difficulties; (iv) Unscheduled draws on credit enhancements reflecting financial difficulties; (v) Substitution of credit or liquidity providers, or their failure to perform; (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds; (vii) Modifications to rights of Bondowners; (viii) Bond calls; (ix) Defeasances; (x) Release, substitution, or sale of property securing repayment of the Bonds; and (xi) Rating changes; and (B) any of the following events with respect to the Bonds issued or Remarketed after December 1, 2010: (i) Principal and interest payment delinquencies; (ii) Non-payment related defaults, if material; (iii) Unscheduled draws on debt service reserves reflecting financial difficulties; (iv) Unscheduled draws on credit enhancements reflecting financial difficulties; (v) Substitution of credit or liquidity providers, or their failure to perform; (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (vii) Modifications to rights of Bondowners, if material; (viii) Bond calls, if material, and tender offers; (ix) Defeasances; (x) Release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) Rating changes; (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) Appointment of a successor or additional trustee or the change of a name of a trustee, if material. The Disclosure Agent will presume that the occurrence of any of the events in items (A)(i) through (A)(xi), and (B)(ii), (B)(vi), (B)(vii), (B)(x), (B)(xiii) and (B)(xiv) are material, unless the Commission informs the Disclosure Agent that such event is not material.

"Material Event Notice" means written or electronic notice of a Material Event.

"MSRB" means the Municipal Securities Rulemaking Board.

Termination of Undertaking. The continuing obligation of the Commission or an Obligated Person to provide Annual Financial Information, financial information and Audited Financial Statements to the Disclosure Agent pursuant to the Undertaking will terminate immediately once the Bonds (with respect to which the Obligated Person has been designated) are no longer Outstanding or the respective obligations of the Obligated Party or the Commission are otherwise terminated. The Undertaking, or any provision thereof, will be null and void in the event that an Obligated Person or the Commission delivers to the Disclosure Agent (with a copy to the Commission if submitted on behalf of an Obligated Person) an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require certain Obligated Persons or the Commission to undertake responsibilities under the Undertaking, or any such provisions, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided, that the Disclosure Agent will have provided notice of such delivery and the cancellation of the Undertaking to the MSRB.

Amendment of Undertaking. The Commission, as it deems necessary and with written notice to each Obligated Person, or, at the request of an Obligated Person, may amend the Undertaking, and any provision of the undertaking may be waived, provided that the following conditions are satisfied:

- (i) If the amendment or waiver relates to the provisions of summarized above under the subheadings “Obligated Person Responsibility” or “Commission Responsibility,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, or change in law, interpretation of law by the SEC, or change in the identity, nature or status of an Obligated Person or the Commission with respect to the Bonds, or the type of business conducted or in connection with Bonds that have not been issued or remarketed as of the date the amendment or waiver takes effect;
- (ii) The Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the General Indenture for amendments to the General Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Undertaking, an Obligated Person or the Commission, as applicable, will describe such amendment in the next Annual Financial Information or Audited Financial Statement, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Obligated Person or the Commission. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Material Event, and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Agency Described. For purposes of the Undertaking, the Trustee will act as agent of the Commission and the Obligated Person and not in its capacity as Trustee. As Disclosure Agent, the Trustee is not obligated to independently investigate the accuracy of certificates received by it in its capacity as Trustee.

Failure to Comply with Undertaking. The Disclosure Agent covenants to comply with and carry out all of the provisions of the Undertaking. Notwithstanding any other provision of the General Indenture, failure of the Obligated Person, the Commission or the Disclosure Agent to comply with the Undertaking will not be considered an Event of Default; however, the Disclosure Agent may (and, at the request of the Owners or Beneficial Owners of at least 25% in aggregate principal amount of the Bonds Outstanding, will) or any Bondowner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Obligated Person, the Commission or the Disclosure Agent to comply with its obligations under the Undertaking.

Format of filings with MSRB. All filings with the MSRB made pursuant to the Undertaking shall be made in an electronic format, as prescribed by the MSRB from time to time, and shall be accompanied by such identifying information as may be prescribed by the MSRB from time to time.

**APPENDIX B:
GNMA, FANNIE MAE AND FREDDIE MAC PROGRAMS**

GNMA and the GNMA Certificates

The summary and explanation of the Government National Mortgage Association (“GNMA” or “Ginnie Mae”), GNMA’s mortgage-backed securities program and the other documents referred to herein do not purport to be complete. Reference is made to the *Ginnie Mae Mortgage-Backed Securities Guide* (HUD Handbook 5500.3) (the “GNMA Guide”) and to said documents for full and complete statements of their provisions. At the time of printing this Official Statement, the GNMA Guide and general information regarding GNMA can be accessed at <http://www.ginniemae.gov>. The Commission makes no representation regarding the content, accuracy or availability of the GNMA Guide or any information provided at such web site. Such web site is not part of this Official Statement. Further, the procedures and fees described below and in the GNMA Guide are those currently in effect and are subject to change at any time by GNMA.

GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”), with its principal office in Washington, D.C. GNMA’s powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716 *et seq.*).

GNMA is authorized by Section 306(g) of the National Housing Act to guarantee the timely payment of the principal of and interest on securities (“GNMA Certificates”) that represent undivided ownership interests in pools of mortgage loans that are: (i) insured by the Federal Housing Administration (“FHA”) under the National Housing Act of 1934, as amended; (ii) guaranteed by the Department of Veterans Affairs under the Servicemen’s Readjustment Act of 1944, as amended; (iii) guaranteed by the Rural Housing Service (“RHS”) of the U.S. Department of Agriculture pursuant to Section 502 of Title V of the Housing Act of 1949, as amended; or (iv) guaranteed by the Secretary of HUD under Section 184 of the Housing and Community Development Act of 1992, as amended and administered by the Office of Public and Indian Housing (“PIH”). The GNMA Certificates are issued by approved servicers and not by GNMA. GNMA guarantees the timely payment of principal of and interest on the GNMA Certificates.

Section 306(g) of the National Housing Act further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated December 12, 1969, of an Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed securities (which are set forth in “GNMA Guaranty Agreements”) are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.”

In its corporate capacity under Section 306(d) of Title III of the Housing Act, GNMA may issue its general obligations to the United States Treasury Department (the “Treasury”) in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Certificate. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement GNMA’s guaranty. GNMA has covenanted to borrow from the United States Treasury any amounts necessary to enable GNMA to honor its guaranty of the GNMA Certificates.

GNMA administers two guarantee programs—the “Ginnie Mae I MBS Program” and the “Ginnie Mae II MBS Program.” The principal differences between the two programs relate to the interest rate structure of the mortgages backing the GNMA Certificates and the means by which principal and interest payments are made. These differences are not expected to affect adversely the availability of Revenues to pay principal of and interest on the Bonds. While the Commission may permit Mortgage Lenders to issue GNMA Certificates under either GNMA program, proceeds of the Bonds are expected to be used to purchase GNMA Certificates under the Ginnie Mae I MBS Program.

To issue GNMA Certificates, the Servicer must apply for and receive GNMA’s commitment to guarantee mortgage-backed securities (“commitment authority”). The Servicer is obligated to pay GNMA commitment fees. GNMA’s commitment authority permits the Servicer to issue GNMA Certificates up to an approved dollar amount. Commitment authority expires in one year for single-family pools.

Each GNMA Certificate is to be backed by a separate mortgage pool consisting of qualified mortgages in a minimum aggregate amount of \$25,000. Under the Ginnie Mae I MBS Program, the Servicer will be required to pay to the Trustee, as the holder of the GNMA Certificates issued by the Servicer, the regular monthly installments of principal and interest on the Mortgage Loans that back those GNMA Certificates (less the Servicer’s servicing fee,

which includes a GNMA guaranty fee). Under the Ginnie Mae II MBS Program, the Servicer will be required to pay such amounts to the Paying and Transfer Agent for the Ginnie Mae II MBS Program (the "CPTA"), and the CPTA will be required to pay to the Trustee, as the holder of the GNMA Certificate, the regular monthly installments of principal and interest on the Mortgage Loans backing such GNMA Certificate.

Payment of interest and principal on each GNMA Certificate is required to be made in monthly installments by the 15th day of each month under the Ginnie Mae I MBS Program and by the 20th day of each month under the Ginnie Mae II MBS Program, commencing the month following the date of issue of the GNMA Certificate. In addition, each payment is required to include prepayments on Mortgage Loans underlying the GNMA Certificate that were received during the preceding calendar month.

Mortgage Loans underlying a particular GNMA Certificate issued pursuant to the Ginnie Mae I MBS Program must have the same annual interest rate. The annual Pass-Through Rate on each GNMA Certificate under the Ginnie Mae I MBS Program is 0.5% less than the annual interest rate on the Mortgage Loans included in the Mortgage pool backing that GNMA Certificate. Each Mortgage Loan in a Ginnie Mae II pool issued on or after July 1, 2003, must have a fixed interest rate that is at least 0.25% (but not more than 0.75%) higher than the interest rate on the related GNMA Certificate.

The Servicer is required to pay a monthly guaranty fee to GNMA for each GNMA Certificate for which the Servicer is the issuer of record. GNMA's monthly guaranty fee is computed based on the aggregate principal balance of the guaranteed securities outstanding at the beginning of the monthly reporting period. The monthly rate used to compute the fee is 0.06% (which may be reduced under GNMA's Targeted Lending Initiative) divided by 12.

Under the GNMA program, the Servicer is responsible for servicing each pooled Mortgage Loans and is entitled to a servicing fee for each such loan. The servicing fee is based on and payable only from the interest portion of each monthly installment of principal and interest actually collected by the Servicer on the Mortgage Loan. The fee is equal to the difference between the interest rate on the Mortgage Loan and the interest rate on the GNMA Certificate for which it serves as collateral, computed on the same principal amount and for the same period as the interest portion of the installment. With respect to Ginnie Mae II MBS pools issued on and after July 1, 2003, the Servicer must ensure that the minimum servicing fee is at least 0.19% (which fee may be increased under GNMA's Targeted Lending Initiative).

It is expected that interest and principal payments on the Mortgage Loans received by the Servicer will be the source of payments on the GNMA Certificates. If those payments are less than what is due, the Servicer will be obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Certificates. GNMA guarantees such timely payment in the event of the failure of the Servicer to pay an amount equal to the scheduled payment (whether or not made by the Mortgagors).

If the Servicer defaults on its obligations as an issuer of the GNMA Certificates (including loan servicing and certificate payment obligations), GNMA has the right to extinguish the Servicer's interest in the Mortgage Loans underlying such GNMA Certificates, in which case such Mortgage Loans will become the absolute property of GNMA (subject only to the unsatisfied rights of the Trustee, as holder of the GNMA Certificates).

Fannie Mae and the Fannie Mae Certificates

The summary and explanation of the Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Fannie Mae's mortgage-backed securities program and the other documents referred to herein do not purport to be complete. Reference is made to said documents for full and complete statements of their provisions. Said documents and the MBS Program are subject to change at any time by Fannie Mae. At the time of printing this Official Statement, general information regarding Fannie Mae (including, but not limited to, its financial condition and the status of its conservatorship) can be accessed at <http://www.fanniemae.com>. The Commission makes no representations regarding the content or accuracy of the information provided at such web site, and such web site is not part of this Official Statement.

In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 (the "Regulatory Reform Act"), the Federal Housing Finance Agency (the "FHFA") was named as the conservator of Fannie Mae on September 6, 2008. The Commission cannot predict the long-term consequences of the conservatorship of the Fannie Mae and the corresponding impacts, if any, on the Commission and the Fannie Mae Certificates held under the Indenture.

On March 31, 2003, Fannie Mae registered its common stock with the Securities and Exchange Commission ("SEC"). As a result of this action, Fannie Mae is required to file periodic financial disclosures with the SEC under the Securities Exchange Act of 1934, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be

read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a web site (<http://www.sec.gov>) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Commission makes no representations regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae with the SEC, any information provided at the SEC's web site, or how long Fannie Mae will continue to file reports with the SEC. The SEC's web site is not part of this Official Statement.

Fannie Mae is a federally-chartered, private stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (the "Charter Act," 12 U.S.C. § 1716 *et seq.*). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. It was transformed into a stockholder-owned, privately managed corporation in 1968. The Secretary of HUD exercises general regulatory power over Fannie Mae.

Fannie Mae operates in the secondary mortgage market by purchasing mortgages and mortgage-related securities, including Fannie Mae mortgage-related securities, from primary market institutions, such as commercial banks, savings and loan associations, mortgage companies, securities dealers and other investors. Fannie Mae provides additional liquidity in the secondary mortgage market by issuing and guaranteeing mortgage-related securities. Fannie Mae also offers fee-based services to its customers, such as issuing and administering a variety of mortgage-related securities, providing credit enhancements and offering technology products to aid in originating and underwriting mortgage loans.

Fannie Mae operates various mortgage-backed securities programs pursuant to which Fannie Mae issues securities backed by pools of mortgage loans. The Fannie Mae Certificates described in this Official Statement represent beneficial ownership interests in pools of Mortgage Loans held in trust by Fannie Mae for the benefit of the Trustee, as holder of the Fannie Mae Certificates. The Fannie Mae Certificates are issued by Fannie Mae pursuant to a trust indenture and supplements thereto (generally for certificates issued before June 1, 2007) or a trust agreement and supplements thereto (generally for certificates issued since June 1, 2007).

Information regarding the Fannie Mae Certificates is contained in a prospectus (each, a "Single-Family MBS Prospectus") and a prospectus supplement. Each Single-Family MBS Prospectus contains general information about pools issued during its effective period including, but not limited to, the nature of the guaranty, yield considerations, and the mortgage purchase programs. Each prospectus supplement includes information about the pooled Mortgage Loans backing a particular issue of Fannie Mae Certificates and about the certificates themselves. Copies of Single-Family MBS Prospectuses and prospectus supplements are available at Fannie Mae's offices located at 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016. At the time of printing this Official Statement, these documents can be accessed at <http://www.fanniemae.com>. The Commission makes no representation regarding the content, accuracy or availability of any such prospectus or supplement thereto, or any information provided at such web site. Fannie Mae's web site is not part of this Official Statement.

Payments on a Fannie Mae Certificate are required to be made to the Trustee on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or if such 25th day is not a Business Day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae generally is required to distribute to the Trustee an amount equal to the total of (1) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month before the month of such distribution and ending on the first day of such month of distribution (each, a "due period"), (2) the stated principal balance of any Mortgage Loan that was prepaid in full during the month preceding the month of such distribution (including as prepaid for this purpose any Mortgage Loans repurchased by Fannie Mae because of Fannie Mae's election to repurchase the Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive monthly installments (or eight consecutive bi-weekly installments) of principal and interest or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances as permitted by Fannie Mae's trust indenture or trust agreement), (3) the amount of any partial prepayment of a Mortgage Loan received in the month preceding the month of distribution, and (4) one month's interest, at the fixed pass-through rate, on the principal balance of the Fannie Mae Certificate immediately prior to the distribution date.

Fannie Mae guarantees to holders of the Fannie Mae Certificates, on each distribution date, an amount equal to the borrowers' scheduled principal payments for the related due period, whether or not received, plus an amount equal to one month's interest on the Fannie Mae Certificates at the fixed pass-through rate stated in the prospectus supplement for such certificates. In addition, Fannie Mae guarantees the full and final payment of the unpaid principal balance of the Fannie Mae Certificates on the distribution date in the month of the maturity date specified in the prospectus supplement for the Fannie Mae Certificates. Fannie Mae's guaranty covers any interest shortfalls

on the Fannie Mae Certificates arising from reductions in the interest rate of a Mortgage Loan due to application of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and similar state laws.

Neither the Fannie Mae Certificates nor payments of principal and interest thereon are guaranteed by the United States government. The Fannie Mae Certificates do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae. Fannie Mae alone is responsible for making payments on its guaranty.

If Fannie Mae was unable to perform its guaranty obligations, the Trustee would receive only the payments that borrowers actually made and any other recoveries on the Mortgage Loans in the pool from sources such as insurance, condemnation and foreclosure proceeds. If that were to happen, delinquencies and defaults on the Mortgage Loans would directly affect the amount of principal and interest that the Trustee would receive each month.

Fannie Mae establishes eligibility criteria and policies for the mortgage loans it purchases, for the sellers from whom it purchases loans, and for the servicers who service Fannie Mae's mortgage loans. Fannie Mae's eligibility criteria and policies are set forth in Fannie Mae's Selling and Servicing Guides (the "Fannie Mae Guides") and updates and amendments to such guides. Fannie Mae amends its Fannie Mae Guides and its eligibility criteria and policies from time to time.

The Charter Act requires that Fannie Mae establish maximum original principal balance dollar limitations for the conventional loans that it purchases. These limitations (referred to as conforming loan limits) typically are adjusted annually. Fannie Mae's conforming loan limit for mortgage loans secured by subordinate liens on single-unit residences is 50% of the amount for first lien loans. In addition, the aggregate original principal balance of all the mortgage loans owned by Fannie Mae that are secured by the same residence cannot exceed the amount of the first lien conforming loan limit.

The maximum loan-to-value ratio for FHA-insured and VA-guaranteed mortgage loans Fannie Mae purchases is the maximum established by the FHA or VA for the particular program under which the mortgage was insured or guaranteed. The maximum loan-to-value ratio for HUD guaranteed "Section 184" mortgage loans and RHS guaranteed mortgage loans Fannie Mae purchases is 100%. The Charter Act requires that Fannie Mae obtain credit enhancement whenever it purchases a conventional mortgage loan secured by a single-family residence with a loan-to-value ratio over 80%. The credit enhancement may take several forms, including mortgage insurance issued by an insurer acceptable to Fannie Mae covering the amount in excess of 80%, repurchase arrangements with the seller of the mortgage loans, and seller-retained participation interests. Fannie Mae may impose credit enhancement requirements that are more restrictive than those of the Charter Act.

Fannie Mae is responsible for servicing and administering the mortgage loans it purchases. Fannie Mae may contract with other entities to perform those functions under Fannie Mae's supervision and on Fannie Mae's behalf. The entity with whom Fannie Mae contracts may be the seller that sold the loans to Fannie Mae. Duties generally performed by the servicer include general loan servicing responsibilities, collection and remittance of payments on the mortgage loans, administration of mortgage escrow accounts, collection of insurance claims and foreclosure, if necessary. Fannie Mae remains responsible to certificateholders for all the servicing and administrative functions related to the mortgage loans, even if it hires a servicer. Servicers are required to meet the eligibility standards and performance obligations in the Fannie Mae Guides. Fannie Mae may remove any servicer at any time Fannie Mae considers its removal to be in the certificateholders' best interest.

Freddie Mac and the Freddie Mac Certificates

The following summary of the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), the Freddie Mac Guarantor Program, the Freddie Mac Certificates and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's current Mortgage Participation Certificates Offering Circular, any applicable Offering Circular and Pool Supplements, Freddie Mac's current Mortgage Participation Certificates Agreement, as amended, Freddie Mac's Information Statement, any Information Statement Supplements and any other documents made available by Freddie Mac. Copies of these documents can be obtained from Freddie Mac at 8200 Jones Branch Drive, McLean, Virginia 22102. At the time of printing this Official Statement, the documents mentioned above and general information regarding Freddie Mac (including, but not limited to, its financial condition and the status of its conservatorship) can be accessed at <http://www.freddiemac.com>. However, the Commission makes no representation regarding the content, accuracy or availability of any such document or any information provided at such web site. Such web site is not part of this Official Statement.

On July 18, 2008, Freddie Mac voluntarily registered its common stock with the SEC, thereby subjecting Freddie Mac to reporting requirements applicable to registered securities. In addition, pursuant to the Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac, Freddie Mac is required to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. See "INTRODUCTION—Federal Housing Finance Agency Actions" for information regarding Senior Preferred Stock Purchase Agreement. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a web site (<http://www.sec.gov>) that contains reports, proxy statements and other information that Freddie Mac has filed with the SEC. The Commission makes no representations regarding the content, accuracy or availability of any such reports or information filed by Freddie Mac with the SEC, any information provided at on the SEC's web site, or how long Freddie Mac will continue to file reports with the SEC. The SEC's web site is not part of this Official Statement.

In accordance with the Regulatory Reform Act, the FHFA was named as the conservator of Freddie Mac on September 6, 2008. The Commission cannot predict the long-term consequences of the conservatorship of the Freddie Mac and the corresponding impacts, if any, on the Commission and the Freddie Mac Certificates held under the Indenture.

Freddie Mac is a shareholder-owned, government-sponsored enterprise chartered on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act (Title III of the Emergency Home Finance Act of 1970, as amended (12 U.S.C. §§ 1451-1459) (the "Freddie Mac Act").

Freddie Mac purchases and guarantees a variety of single-family mortgages. Most of these mortgages are conventional mortgages that are not guaranteed or insured by the United States or any of its agencies or instrumentalities. However, Freddie Mac purchases some mortgages that are fully insured by the Federal Housing Administration ("FHA") or guaranteed, in part, by the Department of Veterans Affairs ("VA") (collectively, "FHA/VA mortgages"). Freddie Mac operates a program in which purchases and pools single-family mortgages for the purpose of issuing mortgage participation certificates (including any Freddie Mac Certificates that may be purchased by the Trustee). These mortgage participation certificates represent beneficial ownership interests in pools of mortgages that Freddie Mac has purchased.

Freddie Mac is required to pay principal to the holders of its fixed-rate mortgage participation certificates on the 15th of each month (or, if the 15th is not a business day, the next business day), beginning in the month after the certificate is issued (each, a "Payment Date"). The principal balance of the mortgage pool underlying the certificate may differ from the aggregate principal balance of the underlying mortgages due to delays or errors in processing mortgage information, such as a servicer's failure to file an accurate or timely report of its collections of principal or its having filed a report that cannot be processed. Freddie Mac is required to account for any differences as soon as practicable.

The aggregate principal payment in any month on a fixed-rate mortgage participation certificate reflects: (i) the scheduled principal payments due on the mortgages in the related mortgage pool for the monthly reporting period ending in the current month; (ii) prepayments on the related mortgages as reported by servicers for the monthly reporting period ending in the previous month; and (iii) any adjustments necessary to reconcile the principal balance of the mortgage pool with the aggregate balance of the related mortgages reported to Freddie Mac by servicers. Freddie Mac is required to calculate the scheduled principal due on the related mortgages based upon the actual principal balance, interest rate and remaining term to maturity of each mortgage in the mortgage pool. Its calculation of scheduled principal may not reflect actual payments on the mortgages.

Interest will accrue on each Freddie Mac during the calendar month preceding the month of the Payment Date at the interest rate specified for the mortgage participation certificate. The interest rate is set at the time of issuance and does not change. Interest accrues on the principal amount of a certificate as determined by its "pool factor" for the month preceding the month of the Payment Date.

Freddie Mac guarantees to each holder of each mortgage participation certificate (i) the timely payment of interest at the applicable interest rate for the certificate; (ii) the timely payment of scheduled principal on the underlying mortgages; and (iii) the full and final payment of principal on the underlying mortgages by the Payment Date that falls in the latest month in which Freddie Mac reduces the related "pool factor" to zero.

The obligations of Freddie Mac under its guarantees of mortgage participation certificates are obligations of Freddie Mac only. Such certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the mortgage participation certificate would consist solely of payment and other recoveries

on the related mortgage. accordingly, delinquencies and defaults on the mortgages would affect distributions on the certificates.

The Freddie Mac Act limits the maximum original principal amount of single-family mortgages that Freddie Mac may purchase. These limits are referred to as "conforming loan limits." The conforming loan limit for second-lien mortgages is 50 percent of the limit for first-lien mortgages on one-family dwellings. When Freddie Mac purchases both the first-lien and second-lien mortgage on the same property, the Freddie Mac Act provides that the total amount Freddie Mac may purchase may not exceed the applicable conforming loan limit.

The Freddie Mac Act also prohibits Freddie Mac from purchasing first-lien conventional single-family mortgages if the outstanding principal balance at the time of purchase exceeds 80 percent of the value of the real property securing the mortgage unless Freddie Mac have a level of credit protection (such as mortgage insurance from an approved mortgage insurer, a seller's agreement to repurchase or replace any mortgage that has defaulted) or the retention of at least a 10 percent participation interest in the mortgages by the seller. This requirement does not apply to FHA/VA mortgages.

The single-family mortgages purchased and guaranteed by Freddie Mac generally are subject to the credit, appraisal, underwriting and other purchase policies and guidelines set forth in Freddie Mac's *Single-Family Seller/Servicer Guide*. Freddie Mac may modify these guidelines or grant waivers for certain mortgages that it purchases.

Freddie Mac services or supervises the servicing of the mortgages it purchases. In performing its servicing responsibilities, Freddie Mac may employ servicing agents or independent contractors. Each such servicer generally is required to perform all activities concerning the calculation, collection and processing of mortgage payments and related borrower inquiries, as well as all mortgage administrative responsibilities, including claims collection, workouts, foreclosures and reports. Servicers service mortgages, either directly or through approved subservicers, and receive fees for their services. Freddie Mac monitors a servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations.

The interest rates of the mortgages in a mortgage pool underlying a fixed-rate mortgage participation certificate are within a range from (i) the certificate interest rate plus any minimum required servicing fee through (ii) 2.5% above the certificate interest rate. Subject to certain adjustments, Freddie Mac will retain from monthly interest payments on each mortgage a management and guarantee fee, which equals any interest received by Freddie Mac from the servicer over the amount of interest payable to holders of the certificate.

**APPENDIX C:
DTC AND THE BOOK-ENTRY SYSTEM**

The information in this Appendix concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC. Neither the Underwriters nor the Commission take responsibility for the accuracy or completeness thereof, or for any material changes in such information subsequent to the date hereof, or for any information provided at the web sites referenced below. Beneficial Owners should confirm the following with DTC or the Direct Participants (as hereinafter defined). So long as Cede & Co. is the Registered Owner of the 2015 Series AB Bonds, as nominee of DTC, references in the Official Statement to the Bondowners or Registered Owners of the 2015 Series AB Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2015 Series AB Bonds.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.
2. DTC, the world's largest securities 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. 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 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, trust companies, and clearing corporations 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.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest SOL of each actual purchaser of each Security ("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 are, however, 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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.
5. 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. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to

the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 SOL corresponding detail information from Issuer or Agent, on payable 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 such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. [Omitted.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX D:
FORM OPINION OF BOND COUNSEL**

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May __, 2015

Washington State Housing Finance Commission
Seattle, Washington

RBC Capital Markets, LLC
San Francisco, California

Wells Fargo Bank, National Association
Minneapolis, Minnesota

Moody's Investors Service
New York, New York

Re: Washington State Housing Finance Commission
Taxable Homeownership Program Refunding Bonds, 2015 Series A
Taxable Homeownership Program Refunding Bonds, 2015 Series B

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Washington (the "State") and a certified transcript of the proceedings taken by the Washington State Housing Finance Commission (the "Commission"), a public body corporate and politic organized and existing under the laws of the State, in the matter of the issuance and sale by the Commission of the Taxable Homeownership Program Refunding Bonds, 2015 Series A in the principal amount of \$33,810,000 (the "2015 Series A Bonds") and the Taxable Homeownership Program Refunding Bonds, 2015 Series B in the principal amount of \$35,560,000 (the "2015 Series B Bonds" and together with the 2015 Series A Bonds, the "Series Bonds") for the purpose of providing funds to refund certain outstanding bonds issued by the Commission to acquire mortgage backed securities of the Federal National Mortgage Association and the Government National Mortgage Association (together, the "Certificates"). The Certificates evidence the guarantee of the timely payment of principal of and interest on qualifying mortgage loans (the "Mortgage Loans") originated pursuant to Mortgage Origination Agreements (the "Origination Agreements") among certain lending institutions doing business in the state of Washington, a servicer, and the Commission, and serviced by the servicer under the Program Administration and Servicing Agreement dated as of March 1, 2011 entered into among the Commission, Wells Fargo Bank, National Association (the "Trustee") and Bank of America, N.A., or the Amended and Restated Program Administration and Servicing Agreement dated as of April 23, 2015 entered into among the Commission, the Trustee and the Alabama Housing Finance Authority (together, the "Servicing Agreements").

The Series Bonds are issued under the Homeownership General Trust Indenture dated as of December 1, 2009, as amended, and the 2015 Series AB Series Indenture, dated as of May 1, 2015, by and between the Commission and the Trustee (together, the "Indenture"). The issuance of the Series Bonds has been authorized pursuant to Chapter 161, Laws of Washington, 1983, as amended, and Resolution Nos. 14-81, adopted by the Commission on June 26, 2014 (the "Resolution").

Capitalized terms used herein and not otherwise defined shall have the same definitions as in the Indenture.

The 2015 Series A Bonds are dated May 28, 2015 and pay interest monthly, commencing on July 1, 2015, at the rate set forth in the Indenture, and mature on September 1, 2040. The 2015 Series B Bonds are dated May 28, 2015 and pay interest monthly, commencing on July 1, 2015, at the rate set forth in the Indenture, and mature on May 1, 2041. The Series Bonds are fully registered, bear interest from their date, as provided therein and in the Indenture and may be exchanged or transferred as provided in the Indenture.

The Series Bonds are subject to special, mandatory and optional redemption as provided in the Indenture.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of officers of the Commission furnished to us without undertaking to verify the same by independent investigation. Furthermore, we have examined executed counterparts of the Servicing Agreement, the Indenture and

such other documents, rules, regulations or other matters as we have deemed relevant in arriving at the opinions stated below.

From our examination, it is our opinion that:

1. The Commission has been duly created as a public body corporate and politic constituting an instrumentality of the State with lawful authority to adopt the Resolution, to enter into the Indenture, the Origination Agreements and the Servicing Agreement, to issue and deliver the Series Bonds and to perform its obligations under the Resolution, the Indenture, the Origination Agreements and the Servicing Agreement and to carry out the transactions contemplated thereby.

2. The Commission has duly adopted the Resolution and has duly authorized and executed the Indenture, the Origination Agreements and the Servicing Agreement, and the Indenture, the Origination Agreements and the Servicing Agreement constitute the legal, valid and binding obligations of the Commission enforceable in accordance with their terms.

3. The Series Bonds have been duly authorized, executed and delivered, constitute legal, valid and binding special obligations of the Commission enforceable in accordance with their terms and are entitled to the benefits and security provided by the Indenture.

4. The Indenture creates the valid pledge of and lien which it purports to create on the Revenues, Eligible Collateral and other funds held by the Trustee under the Indenture to secure the payment of the principal of, redemption premium, if any, and interest on the Series Bonds, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

5. The Series Bonds are limited obligations of the Commission and are payable solely out of the Revenues, Eligible Collateral and other funds held under the Indenture. The Series Bonds are not a debt of the State or of any political subdivision of the State or of any municipal corporation or other subdivision of the State other than the Commission. Neither the State nor any municipal corporation or other subdivision of the State other than the Commission is liable on the Series Bonds. The Series Bonds are not a debt, indebtedness or the borrowing of money within the meaning of any limitation or restriction on the issuance of bonds contained in the Constitution of the State.

With respect to the opinions expressed herein, the enforceability of rights and obligations under the Series Bonds, the Indenture, the Resolution, the Servicing Agreement and the Origination Agreements and against the assets pledged by the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter enacted to the extent constitutionally applicable and subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

PACIFICA LAW GROUP LLP

**APPENDIX E:
FORM OPINION OF SPECIAL TAX COUNSEL**

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May __, 2015

Washington State Housing Finance Commission
Suite 2700
1000 Second Avenue
Seattle, WA 98104-1046

Washington State Housing Finance Commission
Taxable Homeownership Program Refunding Bonds, 2015 Series A
Taxable Homeownership Program Refunding Bonds, 2015 Series B

Ladies and Gentlemen:

We have acted as Special Tax Counsel in connection with the issuance and sale by the Washington State Housing Finance Commission (the "Commission") of the \$33,810,000 aggregate principal amount Taxable Homeownership Program Refunding Bonds, 2015 Series A (the "2015 Series A Bonds") and \$35,560,000 aggregate principal amount Taxable Homeownership Program Refunding Bonds, 2015 Series B (the "2015 Series B Bonds," and together with the 2015 Series A Bonds, the "2015 Series AB Bonds"). The 2015 Series AB Bonds will be issued pursuant to the Homeownership General Trust Indenture dated as of December 1, 2009, as amended (the "General Indenture") and a Series 2015 AB Series Indenture dated as of May 1, 2015 (the "2015 Series AB Indenture"), each by and between the Commission and Wells Fargo Bank, National Association, as trustee (the "Trustee"), authorizing the issuance of the 2015 Series AB Bonds. Capitalized terms not otherwise defined herein are used as defined in the General Indenture and the 2015 Series AB Indenture.

In connection with the issuance of the 2015 Series AB Bonds, we have examined the General Indenture, the 2015 Series AB Indenture and such other opinions, documents, certificates and letters as we deem relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that interest on the 2015 Series AB Bonds is includable in gross income for Federal income tax purposes. Additionally, we are of the opinion that the 2015 Series AB Bonds should be treated as indebtedness of the Commission for federal income tax purposes.

Any federal tax advice contained in this opinion was written to support the marketing of the 2015 Series AB Bonds and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code of 1986. All taxpayers should seek advice based on such taxpayer's particular circumstances from an independent tax advisor.

We express no opinion regarding any other consequences affecting the federal income tax liability of a recipient of interest on the 2015 Series AB Bonds.

The opinions expressed herein are rendered in reliance upon the opinion of Pacifica Law Group LLP, Bond Counsel, as to the validity of the 2015 Series AB Bonds under the Constitution and laws of the State of Washington.

Very truly yours,

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**APPENDIX F:
CERTAIN FINANCIAL TABLES**

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Table F-1
Washington State Housing Finance Commission Homeownership Program Bonds
Outstanding Principal Amounts as of April 30, 2015

The following table will be updated annually pursuant to the Commission's continuing disclosure undertaking.

<u>Series</u>	<u>Dated Date</u>	<u>Type</u>	<u>Maturity</u>	<u>Coupon</u>	<u>Original Par Amount</u>	<u>Outstanding Par Amount</u>
2009 Series B1	12/23/2009	Non-AMT Serials	4/11/2012	0.900%	\$405,000	-
	"	Non-AMT Serials	10/1/2011	1.000	410,000	-
	"	Non-AMT Serials	4/1/2012	1.400	415,000	-
	"	Non-AMT Serials	10/1/2012	1.500	420,000	-
	"	Non-AMT Serials	4/1/2013	1.850	425,000	-
	"	Non-AMT Serials	10/1/2013	1.950	430,000	-
	"	Non-AMT Serials	4/1/2014	2.200	440,000	-
	"	Non-AMT Serials	10/1/2014	2.300	445,000	-
	"	Non-AMT Serials	4/1/2015	2.600	455,000	-
	"	Non-AMT Serials	10/1/2015	2.700	465,000	\$205,000
	"	Non-AMT Serials	4/1/2016	2.950	470,000	205,000
	"	Non-AMT Serials	10/1/2016	3.050	480,000	205,000
	"	Non-AMT Serials	4/1/2017	3.300	490,000	215,000
	"	Non-AMT Serials	10/1/2017	3.350	505,000	230,000
	"	Non-AMT Serials	4/1/2018	3.700	515,000	220,000
	"	Non-AMT Serials	10/1/2018	3.700	530,000	230,000
	"	Non-AMT Serials	4/1/2019	3.900	540,000	235,000
	"	Non-AMT Serials	10/1/2019	3.900	555,000	240,000
	"	Non-AMT Serials	4/1/2020	4.000	570,000	250,000
	"	Non-AMT Serials	10/1/2020	4.000	580,000	255,000
	"	Non-AMT Serials	4/1/2021	4.125	595,000	260,000
"	Non-AMT Serials	10/1/2021	4.125	620,000	265,000	
"	Non-AMT Term	10/1/2025	4.550	5,605,000	2,445,000	
"	Non-AMT Term	4/1/2028	4.750	3,635,000	1,590,000	
					\$20,000,000	\$7,050,000
2010 Series A	6/29/2010	Non-AMT Serials	4/11/2012	0.650%	\$265,000	-
	"	Non-AMT Serials	10/1/2011	0.750	855,000	-
	"	Non-AMT Serials	4/1/2012	1.000	860,000	-
	"	Non-AMT Serials	10/1/2012	1.125	870,000	-
	"	Non-AMT Serials	4/1/2013	1.500	875,000	-
	"	Non-AMT Serials	10/1/2013	1.650	885,000	-
	"	Non-AMT Serials	4/1/2014	2.000	895,000	-
	"	Non-AMT Serials	10/1/2014	2.100	910,000	-
	"	Non-AMT Serials	4/1/2015	2.400	920,000	-
	"	Non-AMT Serials	10/1/2015	2.500	935,000	\$530,000
	"	Non-AMT Serials	4/1/2016	3.000	950,000	525,000
	"	Non-AMT Serials	10/1/2016	3.000	970,000	540,000
	"	Non-AMT Serials	4/1/2017	3.250	985,000	540,000
	"	Non-AMT Serials	10/1/2017	3.300	1,005,000	575,000
	"	Non-AMT Serials	4/1/2018	3.450	1,025,000	565,000
	"	Non-AMT Serials	10/1/2018	3.500	1,050,000	590,000
	"	Non-AMT Serials	4/1/2019	3.750	1,070,000	595,000
	"	Non-AMT Serials	10/1/2019	3.750	1,095,000	600,000
	"	Non-AMT Serials	4/1/2020	3.875	700,000	405,000
	"	Non-AMT Serials	10/1/2020	3.875	715,000	400,000
	"	Non-AMT Serials	4/1/2021	4.000	730,000	405,000
"	Non-AMT Serials	10/1/2021	4.000	750,000	415,000	
"	Non-AMT Serials	4/1/2022	4.125	770,000	425,000	
"	Non-AMT Serials	10/1/2022	4.125	790,000	445,000	

Series	Dated Date	Type	Maturity	Coupon	Original Par Amount	Outstanding Par Amount
	"	Non-AMT Term	10/1/2026	4.350	7,125,000	3,950,000
	"	Non-AMT Term	10/1/2028	4.700	12,000,000	5,420,000
					\$40,000,000	\$16,925,000
2009 Series AC1*	6/29/2010	Non-AMT Term	10/1/2041	3.810%	\$60,000,000	\$35,400,000
					\$60,000,000	\$35,400,000
2011 Series A	3/24/2011	Non-AMT Serials	10/1/2011	0.700%	\$310,000	-
	"	Non-AMT Serials	4/1/2012	0.850	585,000	-
	"	Non-AMT Serials	10/1/2012	1.050	730,000	-
	"	Non-AMT Serials	4/1/2013	1.375	740,000	-
	"	Non-AMT Serials	10/1/2013	1.500	750,000	-
	"	Non-AMT Serials	4/1/2014	1.875	710,000	-
	"	Non-AMT Serials	10/1/2014	2.000	725,000	-
	"	Non-AMT Serials	4/1/2015	2.450	735,000	-
	"	Non-AMT Serials	10/1/2015	2.550	755,000	\$465,000
	"	Non-AMT Serials	4/1/2016	2.800	720,000	445,000
	"	Non-AMT Serials	10/1/2016	2.900	735,000	445,000
	"	Non-AMT Serials	4/1/2017	3.125	705,000	440,000
	"	Non-AMT Serials	10/1/2017	3.250	725,000	450,000
	"	Non-AMT Serials	4/1/2018	3.500	745,000	460,000
	"	Non-AMT Serials	10/1/2018	3.600	770,000	465,000
	"	Non-AMT Serials	4/1/2019	3.875	745,000	475,000
	"	Non-AMT Serials	10/1/2019	3.950	770,000	475,000
	"	Non-AMT Serials	4/1/2020	4.125	800,000	495,000
	"	Non-AMT Serials	10/1/2020	4.125	825,000	510,000
	"	Non-AMT Serials	4/1/2021	4.375	705,000	430,000
	"	Non-AMT Serials	10/1/2021	4.375	745,000	465,000
	"	Non-AMT Serials	4/1/2022	4.550	775,000	470,000
	"	Non-AMT Serials	10/1/2022	4.550	805,000	510,000
	"	Non-AMT Term	10/1/2026	5.100	7,675,000	4,720,000
	"	Non-AMT Term	10/1/2028	5.300	4,415,000	2,485,000
	"	Non-AMT Term	4/1/2029	4.500	11,300,000	6,130,000
					\$40,000,000	\$20,335,000
2009 Series AC2*	3/24/2011	Non-AMT Term	10/1/2041	3.550%	\$59,990,000	\$36,500,000
					\$59,990,000	\$36,500,000
2011 Series B	9/29/2011	Non-AMT Serials	10/1/2012	0.350%	\$940,000	-
	"	Non-AMT Serials	4/1/2013	0.600	915,000	-
	"	Non-AMT Serials	10/1/2013	0.700	925,000	-
	"	Non-AMT Serials	4/1/2014	1.000	935,000	-
	"	Non-AMT Serials	10/1/2014	1.100	950,000	-
	"	Non-AMT Serials	4/1/2015	1.300	960,000	-
	"	Non-AMT Serials	10/1/2015	1.400	975,000	\$570,000
	"	Non-AMT Serials	4/1/2016	1.850	990,000	585,000
	"	Non-AMT Serials	10/1/2016	5.000	1,005,000	1,005,000
	"	Non-AMT Serials	4/1/2017	2.250	1,040,000	610,000
	"	Non-AMT Serials	10/1/2017	5.000	1,060,000	1,060,000
	"	Non-AMT Serials	4/1/2018	2.600	1,095,000	645,000
	"	Non-AMT Serials	10/1/2018	5.000	1,120,000	1,120,000
	"	Non-AMT Serials	4/1/2019	2.900	725,000	415,000
	"	Non-AMT Serials	10/1/2019	4.500	745,000	745,000
	"	Non-AMT Serials	4/1/2020	3.100	775,000	455,000

* The proceeds of the 2015 Series A Bonds, if issued, combined with funds available under the 2010 Series A Indenture, will be used to redeem all of the outstanding 2009 Series AC1 Bonds.

* The proceeds of the 2015 Series B Bonds, if issued, combined with funds available under the 2011 Series A Indenture, will be used to redeem all of the outstanding 2009 Series AC2 Bonds.

Series	Dated Date	Type	Maturity	Coupon	Original Par Amount	Outstanding Par Amount
	"	Non-AMT Serials	10/1/2020	3.125	270,000	160,000
	"	Non-AMT Serials	10/1/2020	5.000	620,000	620,000
	"	Non-AMT Serials	4/1/2021	3.300	815,000	470,000
	"	Non-AMT Serials	10/1/2021	3.300	835,000	495,000
	"	Non-AMT Serials	4/1/2022	3.500	860,000	500,000
	"	Non-AMT Serials	10/1/2022	3.500	875,000	510,000
	"	Non-AMT Serials	4/1/2023	2.700	215,000	120,000
	"	Non-AMT Term	10/1/2025	4.000	5,695,000	3,330,000
	"	Non-AMT Term	10/1/2031	4.500	15,140,000	8,855,000
	"	Non-AMT Term	10/1/2032	4.250	17,675,000	10,945,000
	"	Non-AMT Term	10/1/2041	4.600	8,275,000	4,830,000
					\$66,430,000	\$38,045,000
2009 Series AC3	9/29/2011	Non-AMT Term	10/1/2041	2.480%	\$50,010,000	\$31,790,000
					\$50,010,000	\$31,790,000
2013 Series A	1/30/2013	Taxable	3/1/2040	2.450%	\$23,675,203	\$15,736,616
					\$23,675,203	\$15,736,616
					\$360,105,203	\$201,781,616

Table F-2
Washington State Housing Finance Commission Homeownership Program Bonds
Historical Usage of Bond Proceeds
(as of May 1, 2015) (1)

The following table will be updated annually pursuant to the Commission's continuing disclosure undertaking (but only with respect to Bonds for which the origination period has expired).

Bond Series	House Key No.	Date of Issue or, if later, Release Date	Proceeds Available to Purchase Eligible Collateral (2)	30-Year Standard Mortgage Loan Interest Rates (3)	Proceeds Used to Purchase Eligible Collateral (3)		Unexpended Proceeds Redemptions
					Amount	Percent	
2009 Series AC1	10-A	06/29/10	\$60,000,000	4.75 to 6.0%	60,000,000	100.0	--
2009 Series AC2	11-A	03/24/11	59,990,000	3.75 to 5.5%	59,990,000	100.0	--
2009 Series AC3	11-B	09/29/11	50,010,000	3.75 to 5.5%	50,010,000	100.0	--
2009 Series B	09-B	12/23/09	50,000,000	5.0 to 6.0%	50,000,000	100.0	--
2010 Series A	10-A	06/29/10	40,741,600	4.75 to 6.0%	40,740,238	100.0	--
2011 Series A	11-A	03/24/11	40,462,283	3.75 to 5.5%	40,462,283	100.0	--
2011 Series B	11-B	09/29/11	68,492,005	3.75 to 5.5%	68,492,005	100.0	--
Totals			\$369,695,888		\$369,694,526	100.0%	--

- (1) This table does not reflect origination history with respect to bonds issued under the Single-Family Indenture.
- (2) Represents initial principal proceeds plus original issue premium, if any.
- (3) A portion of the proceeds of the Bonds were used to acquire principal-only participations in Certificates.

Table F-3
Washington State Housing Finance Commission
2010A/2015A Eligible Collateral—Mortgage-Backed Security (MBS) Pool Information
(Reflecting April 2015 factors published on April 7, 2015)

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2010A Eligible Collateral (%)	Principal Allocable to 2010A Eligible Collateral (\$)	Principal Allocable to 2015A Eligible Collateral (%)	Principal Allocable to 2015A Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
31418SPP8	FNCL	\$882,879	\$808,761	32.000%	\$258,803	68.000%	\$549,957	5.00%	4.50%
31418SPQ6	FNCL	309,112	84,047	32.000%	26,895	68.000%	57,152	5.50	5.00
31418SPR4	FNCL	194,247	174,115	32.000%	55,717	68.000%	118,398	5.00	4.50
31418SPU7	FNCL	618,772	570,817	32.000%	182,662	68.000%	388,156	5.25	4.75
31418SPV5	FNCL	204,323	188,906	32.000%	60,450	68.000%	128,456	5.50	5.00
31418VAX0	FNCL	108,100	99,791	32.000%	31,933	68.000%	67,858	5.25	4.75
31418VBX9	FNCL	326,559	213,908	32.000%	68,451	68.000%	145,458	5.50	5.00
31418VBZ4	FNCL	324,117	215,997	32.000%	69,119	68.000%	146,878	5.25	4.75
31418XT32	FNCL	298,928	169,318	32.000%	54,182	68.000%	115,136	5.00	4.50
31418XT40	FNCL	342,319	229,697	32.000%	73,503	68.000%	156,194	5.25	4.75
31418XT65	FNCL	354,650	324,672	32.000%	103,895	68.000%	220,777	4.75	4.25
31418XT73	FNCL	443,382	400,530	32.000%	128,170	68.000%	272,361	5.25	4.75
31418XT81	FNCL	312,173	210,206	32.000%	67,266	68.000%	142,940	4.75	4.25
31418XUN6	FNCL	69,745	8,117	32.000%	2,597	68.000%	5,519	5.00	4.50
31418XUV8	FNCL	438,584	363,898	32.000%	116,447	68.000%	247,450	4.75	4.25
31418XUW6	FNCL	77,008	70,037	32.000%	22,412	68.000%	47,625	5.00	4.50
31418XUX4	FNCL	188,282	173,222	32.000%	55,431	68.000%	117,791	4.75	4.25
31418XUY2	FNCL	44,945	41,459	32.000%	13,267	68.000%	28,192	5.00	4.50
31418XUZ9	FNCL	100,784	93,426	32.000%	29,896	68.000%	63,529	5.25	4.75
3620AFW45	G2SF	1,876,464	1,064,516	32.000%	340,645	68.000%	723,871	5.50	5.00
3620AFW52	G2SF	3,309,592	502,887	32.000%	160,924	68.000%	341,963	5.75	5.25
3620AFWQ6	G2SF	6,543,557	4,554,316	32.000%	1,457,381	68.000%	3,096,935	5.00	4.50
3620AFWR4	G2SF	5,784,358	2,753,128	32.000%	881,001	68.000%	1,872,127	5.25	4.75
3620AFWS2	G2SF	741,971	540,145	32.000%	172,846	68.000%	367,298	5.50	5.00
3620AFWT0	G2SF	3,168,908	1,755,405	32.000%	561,730	68.000%	1,193,675	5.25	4.75
3620AFXC6	G2SF	2,762,265	1,257,577	32.000%	402,425	68.000%	855,152	5.00	4.50
3620AFXD4	G2SF	1,928,778	1,126,448	32.000%	360,463	68.000%	765,985	5.25	4.75
3620AFXM4	G2SF	1,364,266	470,345	32.000%	150,510	68.000%	319,835	5.50	5.00

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2010A Eligible Collateral (%)	Principal Allocable to 2010A Eligible Collateral (\$)	Principal Allocable to 2015A Eligible Collateral (%)	Principal Allocable to 2015A Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
3620AFXN2	G2SF	601,200	366,566	32.000%	117,301	68.000%	249,265	4.75	4.25
3620AFXP7	G2SF	2,758,915	1,247,977	32.000%	399,352	68.000%	848,624	5.25	4.75
3620AFXQ5	G2SF	2,435,628	1,155,773	32.000%	369,847	68.000%	785,926	5.00	4.50
3620AFXR3	G2SF	546,937	504,736	32.000%	161,515	68.000%	343,220	5.50	5.00
3620AFXX0	G2SF	1,154,273	438,472	32.000%	140,311	68.000%	298,161	5.00	4.50
3620AFX Y8	G2SF	1,078,679	210,839	32.000%	67,469	68.000%	143,371	5.25	4.75
3620AFXZ5	G2SF	720,680	656,775	32.000%	210,168	68.000%	446,607	5.00	4.50
3620AWLK4	G2SF	457,901	224,602	32.000%	71,873	68.000%	152,729	4.75	4.25
3620AWLL2	G2SF	396,456	140,783	32.000%	45,051	68.000%	95,733	6.00	5.50
3620AWLM0	G2SF	512,374	130,242	32.000%	41,678	68.000%	88,565	5.50	5.00
3620AWLR9	G2SF	927,893	496,314	32.000%	158,821	68.000%	337,494	5.00	4.50
3620AWLS7	G2SF	1,704,385	1,259,894	32.000%	403,166	68.000%	856,728	5.25	4.75
3620AWMH0	G2SF	3,724,643	2,219,733	32.000%	710,315	68.000%	1,509,419	5.00	4.50
3620AWMJ6	G2SF	652,507	198,231	32.000%	63,434	68.000%	134,797	4.75	4.25
3620AWMT4	G2SF	948,566	374,652	32.000%	119,889	68.000%	254,764	5.00	4.50
3620AWQ29	G2SF	3,024,979	1,182,634	32.000%	378,443	68.000%	804,191	5.25	4.75
3620AWQ86	G2SF	146,626	134,887	32.000%	43,164	68.000%	91,723	4.75	4.25
3620AWQ94	G2SF	1,766,411	931,098	32.000%	297,951	68.000%	633,146	5.00	4.50
3620AWQA1	G2SF	1,739,795	988,700	32.000%	316,384	68.000%	672,316	5.25	4.75
3620AWQB9	G2SF	2,099,778	318,632	32.000%	101,962	68.000%	216,670	5.00	4.50
3620AWQJ2	G2SF	4,043,637	2,930,393	32.000%	937,726	68.000%	1,992,668	5.00	4.50
3620AWQK9	G2SF	3,002,679	874,629	32.000%	279,881	68.000%	594,748	5.25	4.75
3620AWQL7	G2SF	411,382	185,605	32.000%	59,394	68.000%	126,212	5.00	4.50
3620AWQZ6	G2SF	2,988,131	1,512,775	32.000%	484,088	68.000%	1,028,687	5.00	4.50
3620AWRA0	G2SF	1,901,358	519,710	32.000%	166,307	68.000%	353,403	5.25	4.75
3620AWVJ6	G2SF	1,562,253	819,808	32.000%	262,339	68.000%	557,469	5.00	4.50
3620AWVK3	G2SF	5,191,273	2,474,022	32.000%	791,687	68.000%	1,682,335	5.25	4.75
3620AWVX5	G2SF	1,063,971	219,146	32.000%	70,127	68.000%	149,019	5.50	5.00
3620AWVY3	G2SF	1,906,734	840,751	32.000%	269,040	68.000%	571,711	5.25	4.75
3620CIDD5	G2SF	3,331,360	1,611,863	32.000%	515,796	68.000%	1,096,067	5.00	4.50
3620CIDE3	G2SF	3,762,957	2,339,046	32.000%	748,495	68.000%	1,590,551	5.25	4.75
3620CIDF0	G2SF	722,129	387,210	32.000%	123,907	68.000%	263,303	5.50	5.00
3620CIDG8	G2SF	866,594	629,986	32.000%	201,595	68.000%	428,390	4.75	4.25

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2010A Eligible Collateral (%)	Principal Allocable to 2010A Eligible Collateral (\$)	Principal Allocable to 2015A Eligible Collateral (%)	Principal Allocable to 2015A Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
3620C1DH6	G2SF	274,216	252,707	32.000%	80,866	68.000%	171,840	5.00	4.50
31419CHA4*	FNCL	469,924	435,864	16.000%	69,738	34.000%	148,194	5.25	4.75
31419CHB2*	FNCL	92,262	51,769	16.000%	8,283	34.000%	17,601	5.00	4.50
31419CHC0*	FNCL	202,245	186,563	16.000%	29,850	34.000%	63,431	4.75	4.25
3620C43M0*	G2SF	129,235	120,604	16.000%	19,297	34.000%	41,005	5.75	5.25
3620C43N8*	G2SF	532,231	137,718	16.000%	22,035	34.000%	46,824	5.50	5.00
3620C43P3*	G2SF	7,902,358	4,730,394	16.000%	756,863	34.000%	1,608,334	5.25	4.75
3620C43Q1*	G2SF	5,509,666	2,819,508	16.000%	451,121	34.000%	958,633	5.00	4.50
3620C43R9*	G2SF	607,103	356,224	16.000%	56,996	34.000%	121,116	5.00	4.50
36230LYQ6*	G2SF	191,693	175,748	16.000%	28,120	34.000%	59,754	5.25	4.75
TOTALS/WEIGHTED AVERAGE:					<u>\$16,560,665</u>		<u>\$35,191,413</u>	<u>5.14%</u>	<u>4.64%</u>

* None (0%) of the interest paid with respect to such Certificates will be allocable to the payment of the 2010 Series A Bonds or the 2015 Series A Bonds.

Table F-4
Washington State Housing Finance Commission
2011A/2015B Eligible Collateral—Mortgage-Backed Security (MBS) Pool Information
(Reflecting April 2015 factors published on April 7, 2015)

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2011A Eligible Collateral (%)	Principal Allocable to 2011A Eligible Collateral (\$)	Principal Allocable to 2015B Eligible Collateral (%)	Principal Allocable to 2015B Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
3138A1RX1	FNCL	\$119,711	\$107,983	36.000%	\$38,874	64.000%	\$69,109	5.00%	4.50%
3138A2KG3	FNCL	196,604	182,755	36.000%	65,792	64.000%	116,963	5.00	4.50
3138A4G25	FNCL	89,703	83,772	36.000%	30,158	64.000%	53,614	5.50	5.00
3138A4J55	FNCL	179,377	167,453	36.000%	60,283	64.000%	107,170	5.25	4.75
3138A5EH1	FNCL	105,464	96,914	36.000%	34,889	64.000%	62,025	4.50	4.00
3138A5EJ7	FNCL	320,707	295,649	36.000%	106,434	64.000%	189,215	4.25	3.75
3138A5EK4	FNCL	120,469	111,061	36.000%	39,982	64.000%	71,079	4.50	4.00
3138A5HH8	FNCL	159,199	146,307	36.000%	52,671	64.000%	93,637	4.00	3.50
3138A7J74	FNCL	314,705	292,390	36.000%	105,260	64.000%	187,129	5.00	4.50
3138A7J82	FNCL	110,417	102,809	36.000%	37,011	64.000%	65,797	5.25	4.75
3138A7J90	FNCL	135,641	123,961	36.000%	44,626	64.000%	79,335	4.50	4.00
3138A7JN9	FNCL	184,489	166,786	36.000%	60,043	64.000%	106,743	4.00	3.50
3138A7K98	FNCL	231,225	210,335	36.000%	75,720	64.000%	134,614	3.75	3.25
3138A7KA5	FNCL	212,367	194,886	36.000%	70,159	64.000%	124,727	3.75	3.25
3138A7KC1	FNCL	176,832	163,922	36.000%	59,012	64.000%	104,910	4.50	4.00
3138A8KB1	FNCL	216,452	200,727	36.000%	72,262	64.000%	128,465	4.75	4.25
3138A8KC9	FNCL	117,200	108,950	36.000%	39,222	64.000%	69,728	4.75	4.25
3138A9AN4	FNCL	106,119	98,509	36.000%	35,463	64.000%	63,046	4.50	4.00
3138A9CG7	FNCL	338,737	180,803	36.000%	65,089	64.000%	115,714	5.00	4.50
3138ABKL2	FNCL	274,953	86,346	36.000%	31,084	64.000%	55,261	4.00	3.50
3138ABKM0	FNCL	104,500	97,690	36.000%	35,168	64.000%	62,522	5.00	4.50
3138ADCT0	FNCL	204,957	190,412	36.000%	68,548	64.000%	121,864	4.50	4.00
3138ADCU7	FNCL	275,887	256,735	36.000%	92,425	64.000%	164,310	4.75	4.25
3138ADCV5	FNCL	161,772	150,478	36.000%	54,172	64.000%	96,306	4.50	4.00
3138ADCX1	FNCL	211,414	196,053	36.000%	70,579	64.000%	125,474	4.25	3.75
3138ADCY9	FNCL	277,875	250,783	36.000%	90,282	64.000%	160,501	3.75	3.25
36176DCK7	GNSF	206,353	189,819	36.000%	68,335	64.000%	121,484	4.00	3.50
36176DCX9	GNSF	638,667	118,914	36.000%	42,809	64.000%	76,105	4.75	4.25
36176DCZ4	GNSF	303,936	279,860	36.000%	100,750	64.000%	179,111	4.25	3.75

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2011A Eligible Collateral (%)	Principal Allocable to 2011A Eligible Collateral (\$)	Principal Allocable to 2015B Eligible Collateral (%)	Principal Allocable to 2015B Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
36176DD26	GNSF	245,808	81,253	36.000%	29,251	64.000%	52,002	3.75	3.25
36176DDW0	GNSF	1,584,728	1,012,261	36.000%	364,414	64.000%	647,847	4.50	4.00
36176DDX8	GNSF	2,783,741	1,118,379	36.000%	402,616	64.000%	715,762	4.75	4.25
36176DDY6	GNSF	261,859	241,415	36.000%	86,909	64.000%	154,506	4.00	3.50
36176DLS0	GNSF	1,845,534	956,703	36.000%	344,413	64.000%	612,290	4.50	4.00
36176DLT8	GNSF	2,303,780	1,616,911	36.000%	582,088	64.000%	1,034,823	4.75	4.25
36176DLU5	GNSF	142,620	131,265	36.000%	47,255	64.000%	84,009	3.75	3.25
36176DLV3	GNSF	78,647	73,398	36.000%	26,423	64.000%	46,975	5.00	4.50
36176DLW1	GNSF	875,250	805,835	36.000%	290,101	64.000%	515,734	4.00	3.50
36176DNQ2	GNSF	928,430	445,505	36.000%	160,382	64.000%	285,123	4.25	3.75
36176DNR0	GNSF	338,507	157,447	36.000%	56,681	64.000%	100,766	4.50	4.00
36176DNS8	GNSF	1,080,717	547,178	36.000%	196,984	64.000%	350,194	4.50	4.00
36176DNU3	GNSF	194,661	180,587	36.000%	65,011	64.000%	115,576	4.25	3.75
36176DNV1	GNSF	1,564,862	416,387	36.000%	149,899	64.000%	266,488	4.75	4.25
36176DNW9	GNSF	384,270	356,348	36.000%	128,285	64.000%	228,063	4.25	3.75
36176DNY5	GNSF	876,438	568,836	36.000%	204,781	64.000%	364,055	4.75	4.25
36176DNZ2	GNSF	643,709	342,544	36.000%	123,316	64.000%	219,228	5.00	4.50
36176DR21	GNSF	374,994	78,440	36.000%	28,238	64.000%	50,201	5.50	5.00
36176DR39	GNSF	261,615	130,174	36.000%	46,863	64.000%	83,311	5.25	4.75
36176DR96	GNSF	1,287,893	1,014,947	36.000%	365,381	64.000%	649,566	5.00	4.50
36176DRX3	GNSF	474,486	292,366	36.000%	105,252	64.000%	187,114	5.00	4.50
36176DRY1	GNSF	559,690	267,125	36.000%	96,165	64.000%	170,960	4.75	4.25
36176DRZ8	GNSF	711,433	308,950	36.000%	111,222	64.000%	197,728	4.75	4.25
36176DUU5	GNSF	179,004	156,153	36.000%	56,215	64.000%	99,938	3.75	3.25
3620C44L1	G2SF	2,262,651	1,032,651	36.000%	371,754	64.000%	660,896	5.00	4.50
3620C44M9	G2SF	8,458,494	2,730,916	36.000%	983,130	64.000%	1,747,786	5.25	4.75
36230L4D8	G2SF	967,864	597,506	36.000%	215,102	64.000%	382,404	5.00	4.50
36230L4E6	G2SF	2,811,172	1,671,793	36.000%	601,845	64.000%	1,069,947	5.25	4.75
36230L4J5	G2SF	284,075	259,871	36.000%	93,553	64.000%	166,317	4.00	3.50
36230L6N4	G2SF	2,455,157	1,262,939	36.000%	454,658	64.000%	808,281	5.00	4.50
36230L6P9	G2SF	3,748,191	2,333,313	36.000%	839,993	64.000%	1,493,320	5.25	4.75
36230L6S3	G2SF	167,277	153,736	36.000%	55,345	64.000%	98,391	4.25	3.75
36230L6T1	G2SF	309,752	159,688	36.000%	57,488	64.000%	102,200	4.75	4.25

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2011A Eligible Collateral (%)	Principal Allocable to 2011A Eligible Collateral (\$)	Principal Allocable to 2015B Eligible Collateral (%)	Principal Allocable to 2015B Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
36230L6U8	G2SF	196,362	179,206	36.000%	64,514	64.000%	114,692	5.00	4.50
36230L6V6	G2SF	199,304	183,813	36.000%	66,173	64.000%	117,640	4.50	4.00
36230L6W4	G2SF	585,367	227,291	36.000%	81,825	64.000%	145,466	4.75	4.25
36230LW96	G2SF	592,138	214,641	36.000%	77,271	64.000%	137,370	5.00	4.50
36230LYL7	G2SF	3,555,370	2,039,661	36.000%	734,278	64.000%	1,305,383	5.00	4.50
36230LYP8	G2SF	256,909	237,956	36.000%	85,664	64.000%	152,292	5.00	4.50
36230MAJ6	G2SF	1,385,434	795,210	36.000%	286,276	64.000%	508,934	5.00	4.50
36230MAK3	G2SF	1,485,415	1,059,258	36.000%	381,333	64.000%	677,925	5.25	4.75
36230MAP2	G2SF	151,514	138,617	36.000%	49,902	64.000%	88,715	4.00	3.50
36230MAQ0	G2SF	211,800	195,731	36.000%	70,463	64.000%	125,268	4.75	4.25
36230R4R4	GNSF	2,431,727	1,013,943	36.000%	365,019	64.000%	648,923	5.25	4.75
36230R4S2	GNSF	221,755	206,325	36.000%	74,277	64.000%	132,048	5.25	4.75
36230R4U7	GNSF	2,861,150	1,118,727	36.000%	402,742	64.000%	715,985	4.75	4.25
36230R6U5	GNSF	2,118,591	1,515,708	36.000%	545,655	64.000%	970,053	5.00	4.50
36230R6V3	GNSF	351,495	73,149	36.000%	26,334	64.000%	46,815	5.50	5.00
36230R6W1	GNSF	212,542	195,020	36.000%	70,207	64.000%	124,813	4.00	3.50
36230R6X9	GNSF	1,937,113	1,225,591	36.000%	441,213	64.000%	784,378	4.50	4.00
36230R6Y7	GNSF	207,050	191,188	36.000%	68,828	64.000%	122,360	4.50	4.00
36230R6Z4	GNSF	850,741	696,713	36.000%	250,817	64.000%	445,896	5.25	4.75
36230R7A8	GNSF	95,855	88,871	36.000%	31,993	64.000%	56,877	4.75	4.25
36230R7B6	GNSF	1,277,547	819,457	36.000%	295,004	64.000%	524,452	4.75	4.25
36230R7C4	GNSF	226,562	205,463	36.000%	73,967	64.000%	131,496	4.25	3.75
36230R7D2	GNSF	286,719	260,823	36.000%	93,896	64.000%	166,927	4.00	3.50
36230UJ34	GNSF	839,865	597,477	36.000%	215,092	64.000%	382,385	4.50	4.00
36230UJ42	GNSF	1,591,809	981,659	36.000%	353,397	64.000%	628,262	4.75	4.25
36230UJ59	GNSF	108,125	99,363	36.000%	35,771	64.000%	63,592	4.00	3.50
36230UJ67	GNSF	398,750	208,613	36.000%	75,101	64.000%	133,512	4.50	4.00
36230UJ75	GNSF	727,732	665,895	36.000%	239,722	64.000%	426,173	3.75	3.25
36230UJ83	GNSF	92,633	86,426	36.000%	31,113	64.000%	55,313	5.00	4.50
36230UMR7	GNSF	2,409,408	713,021	36.000%	256,688	64.000%	456,334	4.50	4.00
36230UMS5	GNSF	2,503,405	1,216,526	36.000%	437,949	64.000%	778,577	4.75	4.25
36230UMU0	GNSF	83,668	78,029	36.000%	28,090	64.000%	49,938	5.00	4.50
36230UPN3	GNSF	590,318	451,621	36.000%	162,583	64.000%	289,037	5.00	4.50

CUSIP	Pool Type	Original Principal Balance	Principal Outstanding	Principal Allocable to 2011A Eligible Collateral (%)	Principal Allocable to 2011A Eligible Collateral (\$)	Principal Allocable to 2015B Eligible Collateral (%)	Principal Allocable to 2015B Eligible Collateral (\$)	Mortgage Loan Rate	Pass-Through Interest Rate
36230UPP8	GNSF	1,330,812	660,078	36.000%	237,628	64.000%	422,450	5.25	4.75
36230UPQ6	GNSF	1,001,777	833,837	36.000%	300,181	64.000%	533,656	4.50	4.00
36230UPR4	GNSF	3,878,797	2,072,306	36.000%	746,030	64.000%	1,326,276	4.75	4.25
36230UPS2	GNSF	454,010	415,365	36.000%	149,531	64.000%	265,833	4.00	3.50
36230UST7	GNSF	464,768	362,418	36.000%	130,470	64.000%	231,948	4.25	3.75
36230USU4	GNSF	1,016,124	571,224	36.000%	205,641	64.000%	365,583	5.00	4.50
36230USV2	GNSF	3,431,606	2,055,814	36.000%	740,093	64.000%	1,315,721	4.75	4.25
36230USW0	GNSF	2,510,870	1,691,575	36.000%	608,967	64.000%	1,082,608	4.50	4.00
36230UTT6	GNSF	330,952	139,557	36.000%	50,240	64.000%	89,316	5.00	4.50
36230UTU3	GNSF	981,859	687,504	36.000%	247,501	64.000%	440,002	5.25	4.75
36230UTV1	GNSF	1,749,368	1,100,586	36.000%	396,211	64.000%	704,375	4.50	4.00
36230UTW9	GNSF	1,482,983	737,538	36.000%	265,514	64.000%	472,024	4.75	4.25
36230UTX7	GNSF	327,525	305,320	36.000%	109,915	64.000%	195,405	5.00	4.50
36230UTY5	GNSF	157,675	144,821	36.000%	52,135	64.000%	92,685	4.25	3.75
TOTALS/WEIGHTED AVERAGE:					<u>\$20,201,332</u>		<u>\$35,913,479</u>	<u>4.77%</u>	<u>4.27%</u>