



SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

December 7, 2009

Mayor Matthew T. Doyle  
City of Texas City  
1801 9<sup>th</sup> Avenue  
Texas City, TX 77590

Re: The Southeast Texas Housing Finance Corporation's  
Single Family Mortgage Revenue Bond Program  
Series 2009A

Dear Mayor Doyle:

The Local Housing Finance Agencies have been unable to issue tax-exempt Mortgage Revenue Bonds for the past two years because of the absence of investors due to the financial market crisis. As you are aware, The Southeast Texas Housing Finance Corporation (SETH) has a very successful history in providing first-time homebuyers with competitive mortgage rates and down payment assistance for almost 28 years.

As part of the Homeowner Affordability and Stability Plan announced by the Federal Government in February of this year, a program to support state and local housing finance agencies (HFA's) began October 19, 2009. After taking eight (8) months to roll-out the program, we are caught in a time-crunch to complete the actions necessary to secure that the U.S. Treasury through Fannie Mae, Freddie Mac and the Federal Housing Finance Agency will purchase the tax-exempt bonds to make our program a reality because the authority for the Treasury Department to implement this program expires 12/31/09.

The U.S. Treasury Department has allocated to SETH an amount of \$24,549,050 to issue tax-exempt bonds for the 2009 Single Family Mortgage Revenue Bond Program. In order to meet the deadlines set by the Federal Government, SETH (and most agencies across the nation) must issue taxable bonds before December 23, 2009 and convert those to tax-exempt bonds in January 2010. It is a most difficult program to accomplish within the timelines, but a very needed program to assist our moderate income first-time homebuyers with the ability to make their dream of homeownership come true.

Therefore, please find enclosed **four (4)** copies of the **General and No Litigation Certificate** which must be completed and returned to office **as soon as possible, but no later than December 21, 2009**. I know this time period is very short, but it is necessary in order for SETH to complete the transaction and it be approved by the Texas Attorney General's Office.

I will be very happy to discuss this very difficult program with you or answer any questions you or your staff have about the program. Do not hesitate to contact either myself or Neil Turk in our office. Please let us know of your ability to meet the timeline if there is difficulty.

Sincerely,

Ron Williams  
Executive Director

XC: Gary Meyer, board member