TEXAS HFC

PARTNERSHIP PROGRAM

2026 Volume Cap Assignments

Unlocking Value from Your Volume Cap

Executive Summary

- Your Volume Cap is a limited resource intended to support homeownership in your community.
- If not used, it may be reallocated elsewhere in the state.
- TDHCA provides a turnkey program to deploy your allocation locally.
- No operational burden or financial liability to your HFC
- Generates ongoing revenue through a 4.75 basis point annual fee.

Volume Cap Assignments

Allow Housing Finance Corporations (HFCs) to use their tax-exempt bond authority through a partnership with TDHCA to fund homebuyer mortgages.

The HFC provides its volume cap, and TDHCA uses its established program to issue bonds and deliver mortgage loans in the local market.

Unreserved Volume Cap may be reallocated elsewhere in the State.

Authorized under Texas Local Government Code Chapter 394 (HFC authority), Texas Government Code Chapter 1372 (volume cap), and Chapter 2306 (TDHCA authority), along with applicable federal tax law.

Volume Cap Assignments

- **Turn Allocation into Local Impact**

Converts volume cap into mortgage production in your community

- **Below-Market-Rate Financing & DPA**

Expands access to affordable homeownership for local borrowers

- **Strategic Partnership with TDHCA**

Align with TDHCA to co-market and expand homebuyer programs locally

- **Expand Access for Local Borrowers**

  Increase reach without building a standalone program

- **Keep Volume Cap Local**

Ensures your allocation is deployed within your community, not elsewhere

- **Ongoing Revenue Stream**

Generates 4.75 basis points annually on outstanding loan balances

- **Leverage an Established Platform**

Utilizes TDHCA's turnkey infrastructure and statewide networks

- **Operational Simplicity & Risk Reduction**

TDHCA manages bond issuance, legal, compliance, lender network, and program administration

Proven Scale, Capacity & Execution

TDHCA Indentures

Assets	$3.94 Billion
Liabilities	$3.76 Billion
Parity Ratio	104.68%
Ratings	Moody's Aa1 S&P AA+

Annual Program Impact

Bond Issuance	$800,000,000
Loans & MCC Funded	$1,315,189,171
DPA Funded	$45 Million
Families Assisted	5,549

City of McKinney HFC

City of McKinney HFC Loans

Since January 2025

Total Loan Count	6
Total Loan Amount	$2.5 M
Average Purchase Price	$425,725
Average Loan Amount	$418,008
Average DPA	$14,594
Average Interest Rate	6.04%
Average FICO Score	674
Average Household Income	$100,448
Average Household Size	3
Average Borrower Age	36

City of McKinney HFC Loan AMI

Under 50%	15%
50% to 60%	0%
60% to 70%	0%
70% to 80%	0%
80% to 90%	35%
90% to 100%	32%
Over 100%	18%

City of McKinney HFC

2026 Proposed Assignment

Based on recent lending activity and projected demand
we recommend an assignment of

$6 million

This assignment is expected to help

14 households

achieve homeownership.

TDHCA anticipates providing

$209,475 in DPA

in the City of McKinney through this assignment.

TDHCA
HOMEBUYER PROGRAM

TDHCA Bond Rates

Unassisted	5.625%
3% DPA	5.875%
4% DPA	6.000%

MORTGAGE CREDIT CERTIFICATES

Mortgage Credit Certificates (MCC) provide a dollar-for-dollar federal tax credit equal to 15% of annual mortgage interest. MCCs can be used alone or with My Choice Texas Home, remain in place for the life of the loan. Standalone MCC has no minimum credit score requirement, expanding access to homeownership.

MY FIRST TEXAS HOME

Eligibility

First-time homebuyers and qualified veterans

Mortgage Rates

30-Year, below-market fixed-rate mortgage rate published and updated daily.

Down Payment Assistance

Up to 5%, 0% interest, deferred, repayable 2nd lien. No monthly payment required.

Loan Types

FHA, VA, & USDA eligible. All 30-year fixed rate terms.

Income & Price Limits

Must meet income and purchase price limits varying by county and household size

Programs Powering Partnership

TDHCA
HOMEBUYER PROGRAM

Statewide Lender Network

TDHCA maintains a network of approved lenders serving all 254 Texas counties.

Buyer Eligibility Tool

Buyers connect instantly with approved and credentialed lenders via the Eligibility Quick Check tool.

Loan Reservation Portal

Lender Portal provides real-time loan reservations, auto-generated documents, and daily rate updates.

Compliance & Reporting

TDHCA manages all IRS and bond compliance, including MCC issuance, recertifications, and program updates—eliminating all compliance, reporting, and program administration burden for your HFC

TDHCA
HOMEBUYER PROGRAM

TDHCA BORROWER AREA MEDIAN INCOME

AMI Range	Percentage of TDHCA Loans	Income Range
Under 50%	37%	< $48,000
50% to 60%	20%	to $57,600
60% to 70%	16%	to $67,200
70% to 80%	13%	to $76,800
80% to 90%	8%	to $86,400
90% to 100%	5%	to $96,900
Over 100%	1%	> $97,000

TEXAS MEDIAN SALARIES BY OCCUPATION

Administrative Assistant	$45,000
Community Health Worker	$49,000
Correctional Officer	$50,000
Dental Assistant	$44,000
Firefighter	$60,000
Librarian	$64,000
Mail Carrier	$54,000
Medical Assistant	$38,000
Paramedic	$48,000
Police Officer	$67,000
Probation Officer	$53,000
Registered Nurse	$82,000
School Counselor	$68,000
School Nurse	$63,000
Teacher	$61,000

Source: US Bureau of Labor Statistics

Serving the households that sustain your community.

MHFC GIFT FUNDS

($5,000 per Homebuyer)

TDHCA
HOMEBUYER PROGRAM

Bridge the Gap to Closing

Even with 5% DPA, closing costs can still derail qualified buyers.
HFC gift funds bridge the gap – turning approvals into closed loans.

Expand Your Eligible Buyer Pool

Reduces upfront cash requirements and improves affordability.

Targeted Area Multiplier

Targeted census tracts allow higher income and price limits.
Adding HFC gift funds amplifies community impact.

Quantifiable Impact

Quarterly reporting demonstrates your HFC's community impact.

Programs Powering Partnership

Marketing | Training | Digital Resources

1 Introductory Marketing Meeting

After execution, TDHCA will meet with your team to align on boundaries, objectives, and co-branding

2 Jurisdiction-Specific Strategy

TDHCA aligns with your HFC on boundaries and tailors outreach to your service area

3 Co-Branded Landing Page

Your HFC is featured on TDHCA's Partnerships page with shared links and buyer resources

4 Events & REALTOR® Outreach

TDHCA promotes events and programs to reach REALTORS® and lenders in your area.

5 Digital Marketing

TDHCA delivers digital marketing that connects qualified buyers with approved lenders in your area.

6 Lender Training & Credentialing

TDHCA trains and credentials lenders and connects buyers to approved lenders through the Eligibility Quick Check tool.

Quarterly Reporting

- **Original Assignment Amount**

  Volume Cap assigned to Program
- **Percentage Utilized to Date**

  Real-time Utilization of Volume Cap
- **Loan Detail Report**

  Loan Count, Loan Amount, City, Zip Code
- **Demographic Data**

  Age, Ethnicity, AMI Distribution
- **Lender Report**

  Top Lenders in your area
- **Fees Earned by HFC**

  YTD Fees Earned (4.75 bps paid annually)
- **Custom Board Reporting**

  Available upon request

A Simple Process

Three Steps to Partnership

1

Board Authorization (by July 30th)

- HFC Resolution Authorizing Filing Application for Volume Cap with BRB
- HFC Resolution Delegating Volume Cap to TDHCA

2

Complete Assignment Agreement (by July 30th)

- HFC executes and submits to TDHCA by July 30, 2026
- TDHCA countersigns at August TDHCA Board Meeting

3

Sponsor Authorization (by November 30th)

- Sponsor Resolution Approving Delegation of Volume Cap to TDHCA

TDHCA pays all Bond Review Board fees and coordinates with your financial advisor and counsel throughout the process.

Document Links

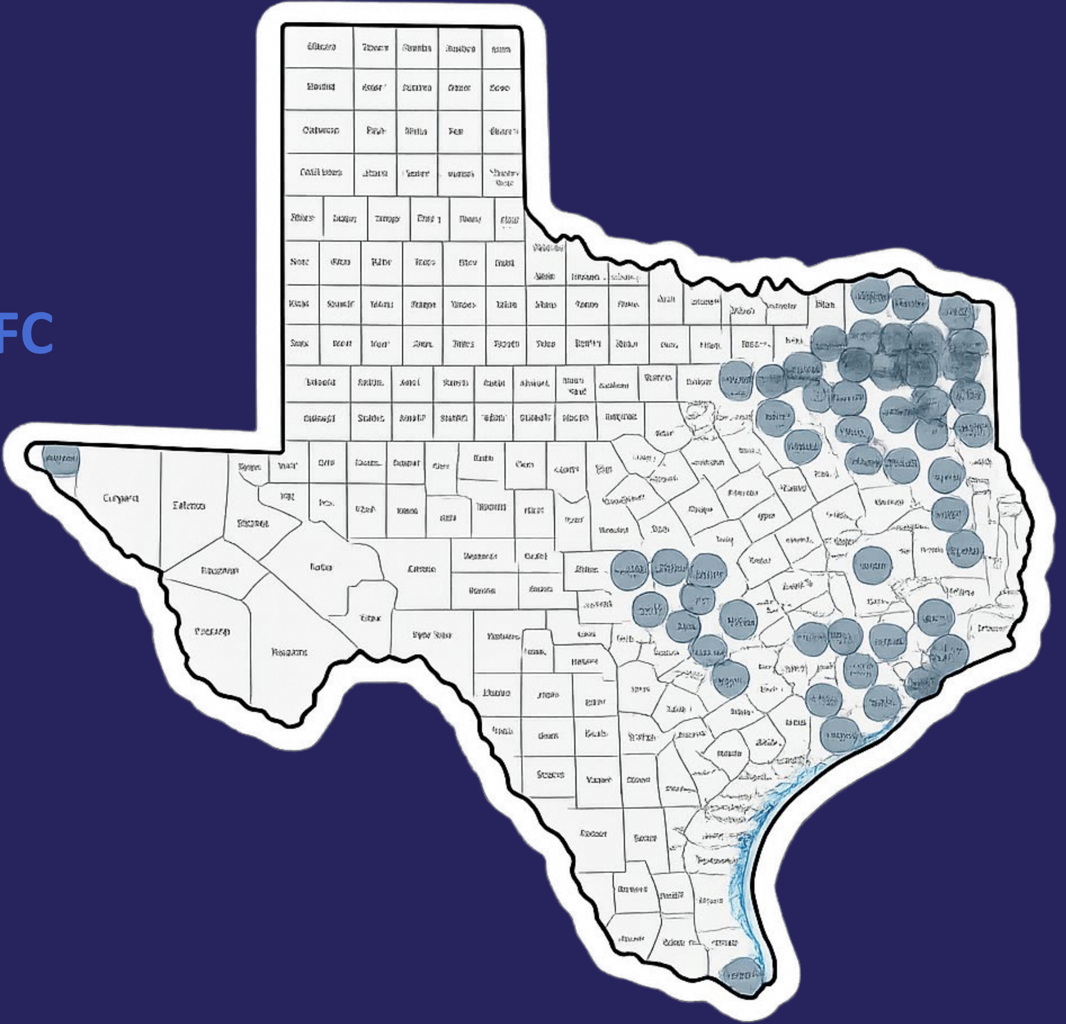
- Authorizing Filing App
- Delegating Volume Cap
- Assignment Agreement
- Sponsor Resolution

Proven Partnerships

HFC PARTNERS

City of Arlington HFC
City of El Paso HFC
City of McKinney HFC
Capital Area HFC
East Texas HFC
Harris County HFC
North Central Texas HFC
Tarrant County HFC

City of Dallas HFC
City of Rowlett HFC
City of Grand Prairie HFC
Cameron County HFC
Fort Bend County HFC
Houston HFC
Northeast Texas HFC
Travis County HFC
Southeast Texas HFC



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Thank you for your Partnership

Statewide demand for TDHCA's homeownership programs exceeds our annual Volume Cap allocation.

Partnerships with local Housing Finance Corporations significantly expand capacity and ensure Volume Cap is put to work in the communities it was intended to serve.

Your participation makes this possible