NEW ISSUE - Book-Entry Only

In the opinion of Sherman & Howard L.L.C., Bond Counsel, the interest on the 2017 Series A/B Bonds is included in gross income for federal income tax purposes pursuant to the Tax Code. The 2017 Series A/B Bonds and the income therefrom are free from taxation by the State of Colorado under Colorado laws in effect as of the date of delivery of the 2017 Series A/B Bonds. See "Part I – TAX MATTERS."

COLORADO HOUSING AND FINANCE AUTHORITY
Federally Taxable Single Family Mortgage Bonds

$52,000,000 **Class I 2017 Series A** **(GNMA MBS Pass-Through Program)**	**$10,000,000** **Class II Adjustable Rate Bonds** **2017 Series B-1**	**$10,895,000** **Class II Fixed Rate Bonds** **2017 Series B-2**

Dated: Date of Delivery **Due: As shown on inside front cover**

The Colorado Housing and Finance Authority (the "**Authority**") is offering $72,895,000 aggregate principal amount of its Federally Taxable Single Family Mortgage Bonds in the series and subseries shown above (the "**2017 Series A Bonds,**" the "**2017 Series B-1 Bonds**" and the "**2017 Series B-2 Bonds**" and, collectively, the "**2017 Series B Bonds**" and, together with the 2017 Series A Bonds, the "**2017 Series A/B Bonds**"). The 2017 Series A/B Bonds are being issued by the Authority pursuant to a Master Indenture of Trust (the "**Master Indenture**") and a 2017 Series A/B Indenture (together with the Master Indenture, the "**Indenture**"), each between the Authority and Zions Bank, A Division of ZB, National Association, as Trustee. Proceeds of the 2017 Series A/B Bonds, together with other available funds, will be used to (i) finance mortgage loans indirectly through the acquisition of certain portfolios of mortgage-backed securities guaranteed by the Government National Mortgage Association (as further described herein, and the mortgage-backed securities financed with proceeds of the 2017 Series A Bonds being referred to as the "**2017A GNMA MBS Portfolio**"), (ii) redeem certain bonds outstanding under the Master Indenture, the proceeds of which were used to acquire mortgage loans made to finance single family residences in the State of Colorado, (iii) fund a deposit to the respective subaccounts of the revenue fund held under the Indenture, and (iv) pay costs of issuance in accordance with the Indenture. Proceeds of the 2017 Series B Bonds, together with other available funds, will also be used to fund a deposit to the 2017 Series B subaccount of the debt service reserve fund held under the Indenture.

The 2017 Series A Bonds will be issued in denominations of $1.00 or any integral multiple thereof. The 2017 Series B-1 Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess of $100,000. The 2017 Series B-2 Bonds will be issued in denominations of $5,000 or any integral multiples thereof.

The 2017 Series A Bonds and the 2017 Series B-2 Bonds will bear interest at the fixed interest rates shown on the inside front cover. The 2017 Series B-1 Bonds will be variable rate bonds, bearing interest at a weekly rate determined on each Tuesday by RBC Capital Markets, LLC, in its capacity as Remarketing Agent, to be effective from and including each Wednesday to and including the following Tuesday, commencing on July 19, 2017. The interest rate mode of the 2017 Series B-1 Bonds may be adjusted at the election of the Authority to a different interest rate mode, as described herein. Interest on the 2017 Series A Bonds will be payable on the first day of each month, commencing on September 1, 2017, on any redemption date (as applicable) and at maturity. Interest on the 2017 Series B Bonds will be payable on each May 1 and November 1, commencing on November 1, 2017, on any redemption date (as applicable) and at maturity. Principal of the 2017 Series A/B Bonds is payable in the amounts and on the dates shown on the inside front cover, subject to prior redemption.

While any of the 2017 Series B-1 Bonds are in a weekly mode period, owners of any such 2017 Series B-1 Bonds have the right to tender their 2017 Series B-1 Bonds for purchase and are also required to tender their 2017 Series B-1 Bonds for purchase at the times and subject to the conditions set forth in the Indenture. Following July 19, 2017, payment of the purchase price for 2017 Series B-1 Bonds tendered for purchase and not remarketed or for which remarketing proceeds are not available will be supported by a Standby Bond Purchase Agreement (referred to herein as the "**2017B-1 Liquidity Facility**"), dated as of July 1, 2017, among the Authority, Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281 (the "**2017B-1 Liquidity Facility Provider**") and Zions Bank, a Division of ZB, National Association, as Trustee and Tender Agent.

Subject to certain limitations and conditions described in this Official Statement, an alternative liquidity facility may be substituted for the 2017B-1 Liquidity Facility. Coverage under the 2017B-1 Liquidity Facility, unless extended or earlier terminated, is stated to expire on August 1, 2019. **Under certain circumstances described in Appendix C hereto, the obligation of the 2017B-1 Liquidity Facility Provider under the 2017B-1 Liquidity Facility to purchase 2017 Series B-1 Bonds tendered for purchase or subject to mandatory tender may be terminated or suspended and, in some of such circumstances, the termination or suspension of such obligation will be immediate and automatic and without notice to the owners of such 2017 Series B-1 Bonds. In such event, sufficient funds may not be available to purchase such 2017 Series B-1 Bonds. Neither the Authority nor the Remarketing Agent is obligated to purchase 2017 Series B-1 Bonds tendered by the owners of such 2017 Series B-1 Bonds or subject to mandatory tender if remarketing proceeds and payments under the 2017B-1 Liquidity Facility are insufficient or unavailable to pay the purchase price of such 2017 Series B-1 Bonds.**

The 2017 Series A/B Bonds, when issued, will be registered in the name of Cede & Co., as holder of the 2017 Series A/B Bonds and nominee of The Depository Trust Company, New York, New York. One fully registered bond equal to the principal amount of the 2017 Series A/B Bonds of each maturity will be registered in the name of Cede & Co. Individual purchases of 2017 Series A/B Bonds will be made in book-entry form only, and beneficial owners of the 2017 Series A/B Bonds will not receive physical delivery of bond certificates representing their interest in the 2017 Series A/B Bonds, except as described herein. Upon receipt of payments of principal and interest, DTC is to remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the 2017 Series A/B Bonds. Payments of principal of and interest on the 2017 Series A/B Bonds will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the sole registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners of the 2017 Series A/B Bonds is the responsibility of the DTC participants and the indirect participants, as more fully described herein.

SEE MATURITY SCHEDULES ON INSIDE FRONT COVER

The 2017 Series A Bonds are subject to special mandatory redemption prior to maturity on the first day of each month, without premium or notice, in the principal amount equal to all repayments and prepayments of mortgage principal from the Mortgage Loans backing the 2017A GNMA MBS Portfolio. The 2017 Series A Bonds are also subject to optional redemption prior to maturity. The 2017 Series B Bonds are subject to special, optional and mandatory sinking fund redemption. The 2017 Series B-1 Bonds are also subject to optional and mandatory tender for purchase. For further details, see "Part I – TERMS OF THE 2017 SERIES A/B BONDS."

The Master Indenture provides for four classes of Bonds or Auxiliary Obligations thereunder – Class I, Class II, Class III and Class IV Obligations. The 2017 Series A Bonds are being issued as Class I Bonds which are special, limited obligations of the Authority payable solely from the revenues, assets and moneys pledged under the Master Indenture as described herein on an equal and ratable basis with all other Class I Obligations now or hereafter outstanding under the Master Indenture. The 2017 Series B Bonds are being issued as Class II Bonds which are special, limited obligations of the Authority payable solely from the revenues, assets and moneys pledged under the Master Indenture as described herein on an equal and ratable basis with all other Class II Obligations now or hereafter outstanding under the Master Indenture, on a basis subordinate to the Class I Obligations. Additional Bonds or Auxiliary Obligations may be issued or incurred by the Authority under the Master Indenture in each of the four Classes and as general obligations of the Authority upon delivery of a Cash Flow Certificate and satisfaction of certain other conditions as set forth in the Master Indenture. **In no event shall the 2017 Series A/B Bonds constitute an obligation or liability of the State of Colorado or any political subdivision thereof other than the Authority. The Authority has no taxing power nor does it have the power to pledge the general credit or taxing power of the State of Colorado or any political subdivision thereof (other than the general credit of the Authority, which general credit is not being pledged for the payment of the 2017 Series A/B Bonds).**

This cover page contains certain information for quick reference only. It is not a summary of the 2017 Series A/B Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2017 Series A/B Bonds are offered when, as and if issued and delivered, subject to the approval of legality by Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority by Charles K. Knight, Esq., its General Counsel; and by Hogan Lovells US LLP, Denver, Colorado, Disclosure Counsel to the Authority. The Underwriters are being represented in connection with their purchase of the 2017 Series A/B Bonds by their counsel, Dorsey & Whitney LLP. The 2017B-1 Liquidity Provider is being represented by Kutak Rock LLP. CSG Advisors Incorporated is serving as municipal advisor to the Authority in connection with the offering of the 2017 Series A/B Bonds. Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the 2017 Series A/B Bonds. For details of the Underwriters' compensation, see "Part I – UNDERWRITING" herein. It is expected that the 2017 Series A/B Bonds will be delivered (through DTC) in New York, New York on or about July 19, 2017.

RBC Capital Markets†	**Barclays**
BofA Merrill Lynch	**George K. Baum & Company**
Stifel	**Wells Fargo Securities**

This Official Statement is dated June 27, 2017.

† Remarketing Agent for the 2017 Series B-1 Bonds.

MATURITY SCHEDULES

COLORADO HOUSING AND FINANCE AUTHORITY
Federally Taxable Single Family Mortgage Bonds
(CUSIP six digit issuer no. 196479†)

$52,000,000
Class I 2017 Series A
(GNMA MBS Pass-Through Program)

$52,000,000 of 3.000% Class I Bonds, 2017 Series A due August 1, 2047 - Price: 100%; CUSIP†: A58

$10,000,000
Class II Adjustable Rate Bonds
2017 Series B-1

$10,000,000 of Class II Adjustable Rate Bonds, 2017 Series B-1 due May 1, 2034 - Price: 100%; CUSIP†: A33

(The initial interest rate on the 2017 Series B-1 Bonds will be set forth in a Certificate of the Remarketing Agent delivered to the Trustee at closing.)

$10,895,000
Class II Fixed Rate Bonds
2017 Series B-2

$5,535,000 Serial Bonds (Price of each Maturity: 100%)

Maturity (May 1)	Principal Amount	Interest Rate	CUSIP†	Maturity (November 1)	Principal Amount	Interest Rate	CUSIP†
2018	$500,000	1.700%	A66	2018	$500,000	1.800%	A74
2019	500,000	1.875	A82	2019	500,000	2.000	A90
2020	500,000	2.150	B24	2020	505,000	2.250	B32
2021	505,000	2.350	B40	2021	505,000	2.450	B57
2022	505,000	2.550	B65	2022	505,000	2.650	B73
2023	510,000	2.720	B81	--	--	--	--

$5,360,000 of 3.050% Term Bonds due November 1, 2044 - Price: 100%; CUSIP†: B99 (the "**PAC Bonds**")

† Neither the Authority nor the Underwriters take any responsibility for the accuracy of the CUSIP numbers, which are being provided solely for the convenience of the owners of the 2017 Series A/B Bonds. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2017 Series A/B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

No dealer, broker, salesman or other person has been authorized by the Colorado Housing and Finance Authority or by 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. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder, under any circumstances, creates any implication that there has been no change in the affairs of the Authority or otherwise since the date hereof. 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 2017 Series A/B 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 in this Official Statement has been furnished by the Authority and obtained from other sources believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information, and it is not to be construed as the promise or guarantee of the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

All information for investors regarding the Authority and the 2017 Series A/B Bonds is contained in this Official Statement. While the Authority maintains an Internet website for various purposes, none of the information on this website is intended to assist investors in making any investment decision or to provide any continuing information (except in the case of the limited information provided in the section entitled "For Investors") with respect to the 2017 Series A/B Bonds, the Mortgage Loans, the MBS or any other bonds or obligations of the Authority.

THE PRICE AT WHICH THE 2017 SERIES A/B BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELD RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE INSIDE FRONT COVER HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2017 SERIES A/B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The 2017 Series A/B Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the commission or any state securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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This Official Statement is comprised of the front cover page, inside front cover page, Parts I and II and the Appendices.

PART I
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This Official Statement is comprised of the front cover page, inside front cover page, Parts I and II and the Appendices.

APPENDICES

OFFICIAL STATEMENT

COLORADO HOUSING AND FINANCE AUTHORITY
Federally Taxable Single Family Mortgage Bonds

$52,000,000 **Class I 2017 Series A** **(GNMA MBS Pass-Through Program)**	**$10,000,000** **Class II Adjustable Rate Bonds** **2017 Series B-1**	**$10,895,000** **Class II Fixed Rate Bonds** **2017 Series B-2**

PART I

INTRODUCTION

This Official Statement, which includes the front cover page, inside front cover page, this Part I, Part II and the Appendices hereto, provides certain information concerning the Colorado Housing and Finance Authority (the "**Authority**") and otherwise in connection with the offer and sale by the Authority of its Federally Taxable Single Family Mortgage Bonds in the series and subseries shown above (the "**2017 Series A Bonds**," the "**2017 Series B-1 Bonds**" and the "**2017 Series B-2 Bonds**" and collectively, the "**2017 Series B Bonds**" and, together with the 2017 Series A Bonds, the "**2017 Series A/B Bonds**"). The 2017 Series A/B Bonds are being issued pursuant to the Master Indenture of Trust dated as of October 1, 2001, as amended (the "**Master Indenture**"), and the 2017 Series A/B Indenture dated as of July 1, 2017 (the "**2017 Series A/B Indenture**," and together with the Master Indenture, the "**Indenture**"), each between the Authority and Zions Bank, A Division of ZB, National Association, as Trustee (the "**Trustee**"). Capitalized terms used herein and not defined have the meanings specified in the Indenture. See "FORMS OF THE INDENTURE" in **Appendix A** to this Official Statement.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by the information contained in, the entire Official Statement, including the front cover page, inside front cover page, this Part I, Part II hereof and the Appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of 2017 Series A/B Bonds to potential investors is made only by means of this entire Official Statement. This Official Statement does not constitute a contract between the Authority or the Underwriters, and any one or more owners of the 2017 Series A/B Bonds.

Colorado Housing and Finance Authority

The Authority is a body corporate and political subdivision of the State of Colorado (the "**State**") established by the Colorado General Assembly for the purposes, among others, of increasing the supply of decent, safe and sanitary housing for low and moderate income families and promoting economic growth and development in the State. In order to achieve its authorized purposes, the Authority currently operates numerous housing, rental and business finance programs. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Programs to Date." The Authority is governed by a Board of Directors and is authorized to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes. The 2017 Series A/B Bonds are being issued to provide funds to redeem and pay bonds the proceeds of which were used to acquire Mortgage Loans under the Authority's Single Family Mortgage Program and to finance Mortgage Loans indirectly through the acquisition of certain mortgage-backed securities as further described herein. Proceeds of the 2017 Series A/B Bonds may not be used to finance any activities of the Authority other than related to the Single Family Mortgage

Program. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." *For financial information concerning the Authority, see "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Selected Financial Information" and the financial statements of the Authority attached as* ***Appendix G*** *hereto.*

Authority for Issuance

The 2017 Series A/B Bonds are authorized to be issued pursuant to the Colorado Housing and Finance Authority Act, being Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "**Act**") and the Supplemental Public Securities Act, being Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes. The 2017 Series A/B Bonds are being issued and secured under the Indenture.

Purposes of the 2017 Series A/B Bonds

Proceeds of the 2017 Series A/B Bonds, together with other available funds, will be used to (i) finance Mortgage Loans indirectly through the acquisition of certain portfolios of mortgage-backed securities guaranteed by the Government National Mortgage Association (as further described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Acquisition of 2017 GNMA MBS Portfolios," referred to as the "**2017A GNMA MBS Portfolio**" and the "**2017B GNMA MBS Portfolio**," and collectively, the "**2017 GNMA MBS Portfolios**"), (ii) redeem certain bonds of the Authority outstanding under the Master Indenture (as further described in "Part I – PLAN OF FINANCE – The Refunding," the "**Refunded Bonds**"), (iii) fund a deposit to the respective 2017A and 2017B subaccounts of the Revenue Fund, and (iv) pay costs of issuance in accordance with the 2017 Series A/B Indenture. Proceeds of the 2017 Series B Bonds, together with other available funds, will also be used to fund a deposit to the 2017 Series B subaccount of the Debt Service Reserve Fund. See "Part I – PLAN OF FINANCE."

Upon the redemption and payment of the Refunded Bonds, certain of the Mortgage Loans made with the proceeds of Refunded Bonds (the "**Transferred 2017B Mortgage Loans**") under the 2007 Series B Indenture dated as of October 1, 2007 (the "**2007B Indenture**") will be transferred to the 2017 Series B subaccount of the Acquisition Account. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Transfer of Transferred 2017B Mortgage Loans."

Description of the 2017 Series A/B Bonds

Authorized Denominations

The 2017 Series A Bonds will be issued in denominations of $1.00 or any integral multiple thereof. The 2017 Series B-1 Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess of $100,000. The 2017 Series B-2 Bonds will be issued in denominations of $5,000 or any integral multiples thereof.

Interest Rates and Payments

The 2017 Series A Bonds and the 2017 Series B-2 Bonds will bear interest at the fixed interest rates shown on the inside front cover hereof. The 2017 Series B-1 Bonds will be variable rate bonds, bearing interest at a weekly rate determined on each Tuesday by RBC Capital Markets, LLC, in its capacity as Remarketing Agent, to be effective from and including each Wednesday to and including the following Tuesday, commencing on July 19, 2017. The interest rate mode of the 2017 Series B-1 Bonds may be adjusted at the election of the Authority to a different interest rate mode, as described herein. Interest on the 2017 Series A Bonds will be payable on the first day of each month, commencing on

September 1, 2017, on any redemption date (as applicable) and at maturity. Interest on the 2017 Series B Bonds will be payable on each May 1 and November 1, commencing on November 1, 2017, on any redemption date and at maturity. Interest on the 2017 Series A Bonds and on the 2017 Series B-2 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the 2017 Series B-1 Bonds will be calculated on the basis of a 365/366 day year for the actual number of days elapsed. Principal of the 2017 Series A/B Bonds is payable in the amounts and on the dates as shown on the inside front cover hereof, subject to prior redemption.

Redemption and Tender

The 2017 Series A Bonds are subject to special mandatory redemption prior to maturity on the first day of each month, without premium or notice, in the principal amount equal to all repayments and prepayments of Mortgage Loans backing the 2017A GNMA MBS Portfolio (the "**2017A Mortgage Loans**"). The 2017 Series A Bonds are also subject to optional redemption prior to maturity. The 2017 Series B Bonds are subject to special, optional and mandatory sinking fund redemption prior to maturity. See "Part I – TERMS OF THE 2017 SERIES A/B BONDS." See also "Part II – CERTAIN BONDOWNERS' RISKS – Considerations Regarding Redemption at Par." The 2017 Series B-1 Bonds are also subject to optional and mandatory tender for purchase as described under "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series B-1 Bonds – Tender and Purchase of 2017 Series B-1 Bonds."

For a more complete description of the 2017 Series A/B Bonds and the Indenture pursuant to which such 2017 Series A/B Bonds are being issued, see "Part I – TERMS OF THE 2017 SERIES A/B BONDS" and Appendix A – "FORMS OF THE INDENTURE."

Security and Sources of Payment

All Bonds and Auxiliary Obligations outstanding under the Master Indenture (other than Auxiliary Obligations which are General Obligations of the Authority) will be secured by and payable from all of the Authority's rights and interests in and to the revenues, assets and moneys pledged under the Master Indenture, in particular the Revenues, the Mortgage Loans and the MBS (collectively, the "**Trust Estate**"). See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Characteristics of the 2017 GNMA MBS Portfolios," "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS" and **Appendix B-2** – "THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES." In accordance with the Master Indenture, any Bonds or Auxiliary Obligations may be outstanding as Class I, Class II, Class III or Class IV Obligations, and may also be designated as General Obligations of the Authority. As of May 1, 2017, Bonds issued under the Master Indenture were outstanding in an aggregate principal amount of $603,305,000, including $553,095,000 for the Class I Bonds and $50,210,000 for the Class II Bonds. No Class III Bonds or Class IV Bonds were outstanding under the Master Indenture as of such date. See "Part I – PLAN OF FINANCE," "Part I – CERTAIN PROGRAM ASSUMPTIONS" and **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS."

The 2017 Series A Bonds are being issued as Class I Obligations pursuant to the Indenture and will be payable and secured by the Trust Estate as described herein. The 2017 Series B Bonds are being issued as Class II Obligations pursuant to the Indenture and will be payable and secured by the Trust Estate as described herein, on a basis subordinate to the Class I Obligations. None of the 2017 Series A/B Bonds are being issued as Class III or Class IV Obligations. The 2017 Series A/B Bonds are not being designated as General Obligations of the Authority. As part of the Trust Estate, the 2017 Series A/B Bonds will be secured by the Debt Service Reserve Fund established under the Master Indenture. The Debt Service Reserve Fund Requirement for the 2017 Series B Bonds shall initially be satisfied by the transfer of certain Investment Securities and cash in the 2007 Series B subaccount of the Debt Service Reserve Fund to the 2017 Series B subaccount of the Debt Service Reserve Fund. There will be no Debt Service Reserve Fund Requirement for the 2017 Series A Bonds. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement." See "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." **In no event shall the 2017 Series A/B Bonds constitute an obligation or liability of the State or any political subdivision thereof other than the Authority. The Authority has no taxing power nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof (other than the general credit of the Authority, which general credit is <u>not</u> being pledged for payment of the 2017 Series A/B Bonds).**

Following July 19, 2017, payment of the purchase price for 2017 Series B-1 Bonds tendered for purchase and not remarketed or for which remarketing proceeds are not available will be supported by a Standby Bond Purchase Agreement (referred to herein as the "**2017B-1 Liquidity Facility**"), dated as of July 1, 2017, among the Authority, Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281 (the "**2017B-1 Liquidity Facility Provider**") and Zions Bank, a Division of ZB, National Association, as Trustee and Tender Agent. Subject to certain limitations and conditions described in this Official Statement, an alternative liquidity facility may be substituted for the 2017B-1 Liquidity Facility. Coverage under the 2017B-1 Liquidity Facility, unless extended or earlier terminated, is stated to expire on August 1, 2019. **Under certain circumstances described herein, the obligation of the 2017B-1 Liquidity Facility Provider under the 2017B-1 Liquidity Facility to purchase 2017 Series B-1 Bonds tendered for purchase or subject to mandatory tender may be terminated or suspended and, in some of such circumstances, the termination or suspension of such obligation will be immediate and automatic and without notice to the owners of such 2017 Series B-1 Bonds. In such event, sufficient funds may not be available to purchase such 2017 Series B-1 Bonds. Neither the Authority nor the Remarketing Agent is obligated to purchase 2017 Series B-1 Bonds tendered by the owners of such 2017 Series B-1 Bonds or subject to mandatory tender if remarketing proceeds and payments under the 2017B-1 Liquidity Facility are insufficient or unavailable to pay the purchase price of such 2017 Series B-1 Bonds.** See "Part II – CERTAIN BONDOWNERS' RISKS – Risks Related to the Liquidity Facility Providers and the Liquidity Facilities." See **Appendix C** – "SUMMARY OF CERTAIN PROVISIONS OF THE 2017B-1 LIQUIDITY FACILITY" and **Appendix D** – "CERTAIN INFORMATION CONCERNING THE 2017B-1 LIQUIDITY FACILITY PROVIDER."

Professionals Involved in the Offering

In connection with the issuance and sale of the 2017 Series A/B Bonds, Sherman & Howard L.L.C., as Bond Counsel to the Authority, will deliver an opinion in the form included as **Appendix E** hereto. Certain legal matters will be passed upon for the Authority by its General Counsel, Charles K. Knight, Esq., and by its Disclosure Counsel, Hogan Lovells US LLP. The 2017B-1 Liquidity Facility Provider is being represented by Kutak Rock LLP. CSG Advisors Incorporated is serving as municipal advisor to the Authority in connection with the offering of the 2017 Series A/B Bonds. The Underwriters are being represented in connection with their purchase of the 2017 Series A/B Bonds by their counsel, Dorsey & Whitney LLP. See "Part I – LEGAL MATTERS."

Availability of Continuing Information

In connection with the issuance of the 2017 Series A/B Bonds, the Authority will deliver a Continuing Disclosure Undertaking, in the form attached as **Appendix J** hereto, by which the Authority will agree to make available, in compliance with Rule 15c2-12 of the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), certain annual financial information and audited financial statements commencing with the fiscal year ending December 31, 2017 and notice of certain material events. See "Part I – AVAILABILITY OF CONTINUING INFORMATION."

Investment Considerations

The purchase and ownership of the 2017 Series A/B Bonds involve investment risks. Prospective purchasers of the 2017 Series A/B Bonds being offered by this Official Statement are urged to read this Official Statement in its entirety. For a discussion of certain such risks relating to the 2017 Series A/B Bonds, see "Part II – CERTAIN BONDOWNERS' RISKS."

Additional Information

Additional information may be requested from the Authority by the Authority's Chief Financial Officer at 1981 Blake Street, Denver, Colorado 80202, phone: (303) 297-2432.

TERMS OF THE 2017 SERIES A/B BONDS

General Terms

Principal Payments

Principal of the 2017 Series A/B Bonds is payable in the amounts and on the dates shown on the inside front cover, subject to prior redemption.

Book-Entry System

DTC will act as securities depository for the 2017 Series A/B Bonds. The ownership of one fully registered 2017 Series A/B Bond for each maturity as set forth on the inside front cover, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. The principal or redemption price of the 2017 Series A/B Bonds is payable to Cede & Co. Information concerning the book-entry system provided by DTC is set forth in **Appendix H – "BOOK-ENTRY SYSTEM." So long as the 2017 Series A/B Bonds are registered in the DTC book-entry form described in Appendix H hereto, each Beneficial Owner of a 2017 Series A/B Bond should make arrangements with a Participant in DTC to receive notices or communications with respect to matters concerning the 2017 Series A/B Bonds.**

Defeasance and Discharge

The Indenture provides the Authority with the right to discharge the pledge and lien created by the Indenture with respect to any 2017 Series A/B Bonds by depositing with the Trustee or the Paying Agent sufficient moneys or Defeasance Securities to pay when due the principal or Redemption Price of, if applicable, and interest due and to become due on such 2017 Series A/B Bonds on and prior to the maturity or redemption thereof. See **Appendix A** – "FORMS OF THE INDENTURE – Defeasance."

Cross Calls or Recycling

Pursuant to the Master Indenture, the Authority may, by delivery of an Authority Request to the Trustee, instruct the Trustee to transfer moneys on deposit in any subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied to the redemption of the same Class of Bonds of a different Series. In addition, the Master Indenture permits the Authority, by delivery of an Authority Request to the Trustee at any time prior to the giving of notice of redemption, to instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be used to make or purchase Mortgage Loans as permitted by the Master Indenture. See **Appendix A** – "FORMS OF THE INDENTURE – Master Indenture – Redemption Fund." **However, cross calls of the 2017 Series A Bonds with Revenues on Mortgage Loans allocated to any Series of Bonds other than the 2017 Series A Bonds and cross calls of any Series of Bonds other than the 2017 Series A Bonds with Revenues of the 2017A Mortgage Loans are expressly prohibited by the 2017 Series A/B Indenture.** Cross calls of any Related Class II Series of Bonds, including the 2017 Series B Bonds, with Revenues of Mortgage Loans underlying the 2017B GNMA MBS Portfolio (the "**2017B MBS Mortgage Loans**") and the Transferred 2017B Mortgage Loans (collectively with the 2017B MBS Mortgage Loans, the "**2017B Mortgage Loans**") are permitted by the Indenture. Cross calls of the 2017 Series B Bonds with Revenues on Mortgage Loans allocated to any Class II Series of Bonds other than the 2017 Series B Bonds are permitted except that no such Revenues may be applied to the redemption of the PAC Bonds so as to reduce the Aggregate Principal Amount of the Outstanding PAC Bonds below the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "**100% SIFMA Outstanding Balance**") for the applicable semiannual period as set forth in the table in "Terms of the 2017 Series B-2 Bonds – Prior Redemption – Special Redemption of 2017 Series B Bonds" under this caption.

Cancellation in Lieu of Redemption

Subject to the terms and conditions set forth in the Indenture and prior to the mailing by the Bond Registrar of a notice of redemption with respect to 2017 Series B Bonds, the Authority may direct the Trustee or the Paying Agent to purchase such 2017 Series B Bonds with available moneys under the Indenture for cancellation in lieu of redemption. The Trustee and the Paying Agent shall apply available moneys in accordance with the Indenture from the Funds and Accounts specified in the Indenture to purchase such 2017 Series B Bonds. See **Appendix A** – "FORMS OF THE INDENTURE."

Terms of the 2017 Series A Bonds

Authorized Denominations

The 2017 Series A Bonds will be issued in denominations of $1.00 or any integral multiple thereof.

Interest

The 2017 Series A Bonds will bear interest at the rate shown on the inside front cover of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. Interest on the 2017 Series A Bonds will be payable on the first day of each month commencing on September 1, 2017, on any redemption date (as applicable) and at maturity.

Prior Redemption

<u>Mandatory Special Redemption</u>. Commencing September 1, 2017, the 2017 Series A Bonds are subject to mandatory special redemption, in whole or in part, on the first day of each month, without premium, in the principal amount equal to all repayments and prepayments of mortgage principal from the 2017A Mortgage Loans received by or on behalf of the Authority in the immediately preceding calendar month. If the 2017 Series A Bonds are to be redeemed in part upon any such mandatory redemption, each of the 2017 Series A Bonds then outstanding shall be redeemed in part, pro rata, in

proportion to the outstanding principal amount of such 2017 Series A Bonds to the outstanding aggregate principal amount of all outstanding 2017 Series A Bonds, notwithstanding any provisions of the Master Indenture requiring selection of Bonds by lot. To effect this pro rata redemption while the 2017 Series A Bonds are held in the DTC book-entry-only system, such mandatory redemption is to be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC. See **Appendix H** – "BOOK-ENTRY SYSTEM" for a general description of the DTC book-entry system.

Notwithstanding the provisions of the Master Indenture to the contrary, no notice of redemption will be given to any Owners of the 2017 Series A Bonds of the date or amount of the mandatory redemption of any 2017 Series A Bonds.

Optional Redemption. The 2017 Series A Bonds shall be subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any date on or after November 1, 2026, at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption.

When any 2017 Series A Bonds are to be so optionally redeemed, the Bond Registrar is to cause notice of such redemption to be mailed by first class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, not more than 60 days nor less than 25 days prior to the redemption date, to the Owner of each 2017 Series A Bond to be redeemed at such owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar. However, failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any 2017 Series A Bond with respect to which no such failure or defect has occurred.

Terms of the 2017 Series B-1 Bonds

Authorized Denominations

The 2017 Series B-1 Bonds in a Weekly Rate Mode will be issued in denominations of $100,000 or integral multiples of $5,000 in excess of $100,000.

Interest

Generally. The 2017 Series B-1 Bonds initially bear interest at a Weekly Rate to be determined by the Remarketing Agent on each Tuesday, to be effective from and including each Wednesday to and including the following Tuesday, in accordance with the Indenture. The Authority may elect at any time to adjust the interest rate on the 2017 Series B-1 Bonds or any portion thereof to a Daily Rate or Term Rate, or may convert such 2017 Series B-1 Bonds to bear interest at Fixed Rates until their respective maturities or prior redemption or purchase, as described in "Change in Mode Period; Conversion" under this caption. While the 2017 Series B-1 Bonds bear interest at a Weekly Rate, interest is payable on each May 1 and November 1, on any redemption date or Mandatory Purchase Date and on the maturity date and is to be calculated on the basis of a 365/366 day year for the actual number of days elapsed.

This Official Statement describes the 2017 Series B-1 Bonds only while bearing interest at a Weekly Rate. If any of the 2017 Series B-1 Bonds are converted to a Mode other than a Weekly Rate Mode, a reoffering document will be prepared in connection with such Conversion or change in Mode.

Conversion of the interest rate on the 2017 Series B-1 Bonds such that all of the 2017 Series B-1 Bonds bear interest at an Interest Rate other than a Weekly Rate would result in a termination of the 2017B-1

Liquidity Facility. See ***Appendix C*** *– "SUMMARY OF CERTAIN PROVISIONS OF THE 2017B-1 LIQUIDITY FACILITY."*

Determination of Interest Rates. The interest rate for any 2017 Series B-1 Bond in the Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of such Bond on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued and unpaid interest, if any. During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 4:00 p.m., New York City time, on each Rate Determination Date. The Weekly Rate shall be in effect (i) initially, from and including the first day the 2017 Series B-1 Bonds become subject to the Weekly Mode to and including the following Tuesday and (ii) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) after 4:00 p.m., New York City time, on the Rate Determination Date by telephone to any Owner or Notice Party requesting such rate and (ii) by Electronic Means to the Paying Agent on the Rate Determination Date. The Paying Agent shall give notice of such interest rates to the Trustee by Electronic Means not later than 4:00 p.m., New York City time, on the second Business Day immediately succeeding the Rate Determination Date. In no event shall the interest rate borne by such 2017 Series B-1 Bonds exceed the lesser of 12% per annum (or such other rate as may be provided in the 2017B-1 Liquidity Facility) or the maximum rate of interest permitted by applicable law, which is the maximum rate (the "**Maximum Rate**").

The determination by the Remarketing Agent of the interest rate to be borne by the 2017 Series B-1 Bonds (other than 2017 Series B-1 Bonds that are held by the 2017B-1 Liquidity Facility Provider, which, in accordance with the 2017B-1 Liquidity Facility, shall bear interest at the Bank Rate) shall be conclusive and binding on the Owners of such 2017 Series B-1 Bonds and the other Notice Parties except as otherwise provided in the 2017 Series A/B Indenture. Failure by the Remarketing Agent or the Trustee to give any notice required under the Indenture, or any defect in such notice, shall not affect the interest rate borne by the 2017 Series B-1 Bonds or the rights of the Owners thereof.

In the event (a) the Remarketing Agent fails or is unable to determine the interest rate or Interest Period with respect to any 2017 Series B-1 Bond, or (b) the method of determining the interest rate or Interest Period with respect to a 2017 Series B-1 Bond shall be held to be unenforceable by a court of law of competent jurisdiction, such Bond shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered a Counsel's Opinion to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Mode in effect for such Bond.

Change in Mode Period; Conversion. From time to time, by written notice to the Notice Parties as required under the Indenture, the Authority may designate an alternate Mode Period with respect to all or any portion of the 2017 Series B-1 Bonds. The Trustee is to give written notice to Owners of such Mode Change 15 days prior to a change to a Daily Mode in accordance with the Indenture. The interest rate for any 2017 Series B-1 Bond in the Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of such Bond on the Rate Date at a price equal to the principal amount thereof, plus accrued and unpaid interest, if any; provided, however, that no Bond shall bear interest at a rate higher than the Maximum Rate. **This Official Statement describes the 2017 Series B-1 Bonds only while bearing interest in a Weekly Mode.**

The 2017 Series A/B Indenture provides that the Authority has the option to convert all or a portion of the 2017 Series B-1 Bonds on any Effective Rate Date to Fixed Rate Bonds bearing Fixed Rates, in accordance with the Indenture. Upon such conversion, a Fixed Rate Mode shall be in effect until the applicable Maturity Date, or acceleration thereof prior to such Maturity Date, and may not be changed to any other Mode.

Prior Redemption

Special Redemption. The 2017 Series B Bonds (including the 2017 Series B-1 Bonds) shall be subject to special redemption as described in "Terms of the 2017 Series B-2 Bonds – Prior Redemption – Special Redemption of 2017 Series B Bonds" under this caption.

Optional Redemption. The 2017 Series B-1 Bonds in the Weekly Mode shall be subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any date, at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption.

Mandatory Sinking Fund Redemption. The 2017 Series B-1 Bonds shall be redeemed prior to their maturity, in part, by payment of 2017 Series B Class II Sinking Fund Installments, upon notice as provided in the Indenture and described in "Notice of Redemption" under this caption, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of the 2017 Series B-1 Bonds or portions thereof to be redeemed as follows:

2017 Series B-1 Bonds

Year (May 1)	Class II Sinking Fund Installment	Year (November 1)	Class II Sinking Fund Installment
--	$ --	2023	$465,000
2024	465,000	2024	465,000
2025	465,000	2025	465,000
2026	465,000	2026	465,000
2027	470,000	2027	465,000
2028	465,000	2028	465,000
2029	460,000	2029	460,000
2030	460,000	2030	460,000
2031	455,000	2031	455,000
2032	455,000	2032	450,000
2033	450,000	2033	450,000
2034(1)	325,000	--	--

(1) Maturity Date

Upon any purchase pursuant to the Indenture or redemption (other than mandatory sinking fund redemption) of the 2017 Series B-1 Bonds for which 2017 Series B Class II Sinking Fund Installments have been established, there shall be credited toward each 2017 Series B Class II Sinking Fund Installment thereafter to become for such 2017 Series B-1 Bonds due an amount bearing the same ratio to such 2017 Series B Class II Sinking Fund Installment as (i) the total principal amount of such 2017 Series B-1 Bonds so purchased or redeemed bears to (ii) the aggregate principal amount of such 2017 Series B-1 Bonds Outstanding prior to such redemption or purchase. If, however, there shall be filed with the Trustee an Authority Request specifying a different method for crediting 2017 Series B Class II Sinking Fund Installments upon any such purchase or redemption of such 2017 Series B-1 Bonds and certifying that such request is consistent with the most recently filed Cash Flow Statement Related to the 2017 Series B-1 Bonds, then such 2017 Series B Class II Sinking Fund Installments shall be so credited as shall be provided in such Authority Request.

Notice of Redemption. When any 2017 Series B-1 Bonds are to be redeemed, the Bond Registrar is to cause notice of such redemption to be mailed by first class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, not more than 30 days nor less than 15 days prior to the redemption date, to the Owner of each 2017 Series B-1 Bond to be redeemed at such owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar. However, failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any 2017 Series B-1 Bond with respect to which no such failure or defect has occurred.

Tender and Purchase of 2017 Series B-1 Bonds

Owner's Election to Tender. Subject to the mandatory purchase provisions described below, Owners of the 2017 Series B-1 Bonds in a Weekly Mode may elect to have their Bonds (or portions of those Bonds in amounts equal to an Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Paying Agent, not later than 4:00 p.m., New York City time, on a Business Day not less than seven days before any Business Day selected by the owner of such Bond pursuant to the 2017 Series A/B Indenture (the "**Purchase Date**") specified by the Owner in such notice. Such notices of tender shall state the CUSIP number, Bond number and the principal amount of such Bond and that such Bond shall be purchased on the Purchase Date specified above. The Bond shall be delivered (with all necessary endorsements) at or before 12:00 noon, New York City time, on the Purchase Date to the Remarketing Agent, provided, however, that payment of the Purchase Price shall be made pursuant to this the 2017 Series A/B Indenture only if the Bond so delivered to the Remarketing Agent conforms in all respects to the description thereof in the notice described in the 2017 Series A/B Indenture. Payment of the Purchase Price with respect to purchases under the 2017 Series A/B Indenture shall be made to the Owners of tendered Bonds by wire transfer in immediately available funds by the Paying Agent by the close of business on the Purchase Date. An Owner who gives the notice of tender as set forth above may repurchase the Bonds so tendered on such Purchase Date if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner, the delivery requirements set forth above shall be waived.

Holders of 2017 Series B-1 Bonds may not elect to tender their Bonds from and after a failure by the 2017B-1 Liquidity Facility Provider to purchase any 2017 Series B-1 Bonds tendered or deemed tendered for purchase by the Owners thereof to and until the earlier of the related maturity date, redemption date, a date on which any of the 2017 Series B-1 Bonds are subject to mandatory purchase pursuant to the 2017 A/B Indenture (the "**Mandatory Purchase Date**"), the date on which such failure is cured or the date of delivery of an Alternate Liquidity Facility.

Mandatory Tender and Purchase.

Mandatory Tender on Mode Change Dates. 2017 Series B-1 Bonds to be changed from one Mode to another Mode will be subject to mandatory tender for purchase on each day on which a new Mode for such 2017 Series B-1 Bonds begins (the "**Mode Change Date**") at a purchase price equal to 100% of the principal amount of any 2017 Series B-1 Bonds tendered for purchase plus accrued interest, if any, to the Purchase Date (the "**Purchase Price**"). Bonds purchased shall be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the proposed Mode Change Date and payment of the Purchase Price shall be made by wire transfer of immediately available funds by the close of business on such date. The Trustee shall give notice of such mandatory purchase by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of such 2017 Series B-1 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. Such notice is to state the Mandatory Purchase Date, the Purchase Price, the numbers of the 2017 Series B-1 Bonds to be purchased if less than all of the 2017 Series B-1 Bonds owned by such Owner are to be purchased and that interest on such 2017 Series B-1 Bonds subject to mandatory purchase will cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which such notice was mailed. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. **So long as the 2017 Series B-1 Bonds are registered in the DTC book-entry system described in Appendix H to this Official Statement, such notices will be sent only to DTC's nominee.**

Mandatory Purchase upon Termination, Replacement or Expiration of 2017B-1 Liquidity Facility. If at any time the Trustee receives notice from the Authority or the 2017B-1 Liquidity Facility Provider that 2017 Series B-1 Bonds having the benefit of the 2017B-1 Liquidity Facility tendered for purchase shall, on the date specified in such notice, cease to be subject to purchase pursuant to such 2017B-1 Liquidity Facility then in effect as a result of (i) the termination, replacement or expiration of the term, as extended, of the 2017B-1 Liquidity Facility, including but not limited to termination at the option of the Authority in accordance with the terms of such 2017B-1 Liquidity Facility, or (ii) the occurrence and continuance of certain specified events under such 2017B-1 Liquidity Facility (i.e., on a Notice of Termination Date as defined in the 2017B-1 Liquidity Facility), then such 2017 Series B-1 Bonds shall be purchased or deemed purchased at the Purchase Price.

Any purchase of the 2017 Series B-1 Bonds pursuant to the Indenture shall occur: (1) on the fifth Business Day preceding any expiration or termination of the 2017B-1 Liquidity Facility without replacement by an Alternate Liquidity Facility, or on the fifth Business Day preceding the effective date of any termination of the 2017B-1 Liquidity Facility as set forth in a Notice of Termination Date delivered to the Trustee as described in clause (ii) of the preceding paragraph; and (2) on the proposed date of the replacement of the 2017B-1 Liquidity Facility in any case where an Alternate Liquidity Facility has been delivered to the Trustee pursuant to the Indenture.

The Trustee shall give notice of mandatory purchase pursuant to the Indenture by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2017 Series B-1 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date (or in connection with a Mandatory Purchase Date described in clause (ii) of the next preceding paragraph, not less than 3 days prior to the Mandatory Purchase Date). The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2017 Series B-1 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which notice was so transmitted. Any notice transmitted as described will be conclusively presumed to have been given, whether or not actually received by any Owner. 2017 Series B-1 Bonds purchased pursuant to the Indenture are to be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2017 Series B-1 Bonds is to be made by wire transfer in immediately available funds by the Paying Agent by the close of business on such Mandatory Purchase Date.

Mandatory Purchase at the Direction of the Authority. When the Weekly Mode is in effect, and prior to any termination or expiration of the 2017B-1 Liquidity Facility, the 2017 Series B-1 Bonds are subject to mandatory tender for purchase on any Business Day designated by the Authority, by written notice delivered as described below, with the consent of the Remarketing Agent and the 2017B-1 Liquidity Facility Provider, at the Purchase Price, payable in immediately available funds. The Trustee is to give notice of mandatory purchase pursuant to the Indenture by first-class mail, or transmitted in such other manner (such as by readily available Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2017 Series B-1 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2017 Series B-1 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which notice was so transmitted. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. 2017 Series B-1 Bonds purchased pursuant to the Indenture are to be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2017 Series B-1 Bonds is to be made by wire transfer in immediately available funds by the Paying Agent by the close of business on such Mandatory Purchase Date.

Inadequate Funds to Pay Purchase Price. If sufficient funds are not available for the purchase of all 2017 Series B-1 Bonds tendered or deemed tendered and required to be purchased on any Purchase Date or Mandatory Purchase Date, all such 2017 Series B-1 Bonds shall bear interest at the applicable Alternate Rate from the date of such failed purchase until all such 2017 Series B-1 Bonds are purchased as required in accordance with the 2017 Series A/B Indenture, and all tendered 2017 Series B-1 Bonds shall be returned to their respective Owners. Notwithstanding any other provision of the 2017 Series A/B Indenture, such failed purchase and return shall not constitute an Event of Default.

Payment of Tendered 2017 Series B-1 Bonds. 2017 Series B-1 Bonds that are tendered or deemed tendered under the terms of the 2017 Series A/B Indenture are to be purchased by the Tender Agent upon surrender of such 2017 Series B-1 Bonds, but only from the sources listed below, from the Owners thereof by 4:30 p.m., New York City time, on the date such 2017 Series B-1 Bonds are required to be purchased at the Purchase Price. Funds for the payment of such Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of 2017 Series B-1 Bonds furnished to the Remarketing Agent by the purchasers thereof pursuant to the 2017 Series A/B Indenture; and

(b) moneys furnished to the Tender Agent pursuant to the 2017 Series A/B Indenture, representing the proceeds of a draw under the respective 2017B-1 Liquidity Facility.

On any Purchase Date, the Remarketing Agent is to offer for sale and use its best efforts to sell all such 2017 Series B-1 Bonds tendered or deemed tendered at a price equal to 100% of the principal amount thereof plus accrued interest. The 2017 Series B-1 Bonds so sold shall bear interest from the date of sale at the Effective Rate. The Remarketing Agent shall, not later than 4:00 p.m., New York City time, on the day prior to any Purchase Date provide notice to the Tender Agent in accordance with the Remarketing Agreement of the aggregate principal amount of the 2017 Series B-1 Bonds that have been sold and the aggregate principal amount of 2017 Series B-1 Bonds that will be tendered but have not been sold.

On each Purchase Date on which the 2017 Series B-1 Bonds are to be purchased pursuant to a tender, the Tender Agent shall direct the Trustee, by no later than 10:30 a.m., New York City time, to draw upon the 2017B-1 Liquidity Facility in an amount sufficient, together with any remarketing proceeds that the Paying Agent has on hand at the time of such draw (including all remarketing proceeds received from the Remarketing Agent), to enable the Paying Agent to pay the Purchase Price of the 2017 Series B-1 Bonds to be purchased on such Purchase Date. The Paying Agent shall direct the Trustee to make any drawing so required in accordance with the terms of such 2017B-1 Liquidity Facility and deposit such moneys to the Bond Purchase Fund so that immediately available funds will be available to the Paying Agent to pay the Purchase Price due on a Purchase Date by 3:00 p.m., New York City time, on the Purchase Date. See **Appendix C –** "SUMMARY OF CERTAIN PROVISIONS OF THE 2017B-1 LIQUIDITY FACILITY."

UNDER CERTAIN CIRCUMSTANCES THE OBLIGATION OF THE 2017B-1 LIQUIDITY FACILITY PROVIDER TO PURCHASE 2017 SERIES B-1 BONDS TENDERED BY THE OWNERS THEREOF OR SUBJECT TO MANDATORY TENDER MAY BE TERMINATED OR SUSPENDED AND, IN SOME OF SUCH CIRCUMSTANCES, THE TERMINATION OR SUSPENSION OF SUCH OBLIGATION WILL BE IMMEDIATE, AUTOMATIC AND WITHOUT NOTICE TO SUCH OWNERS. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE 2017 SERIES B-1 BONDS TENDERED BY THE OWNERS OF THE 2017 SERIES B-1 BONDS OR SUBJECT TO MANDATORY TENDER.

Failure of 2017B-1 Liquidity Facility Provider to Purchase 2017 Series B-1 Bonds. Under the terms and provisions of the Remarketing Agreement and the 2017B-1 Liquidity Facility, the purchase price of 2017 Series B-1 Bonds in an amount equal to the principal amount thereof and accrued interest, if any, thereon will be payable from moneys furnished in connection with remarketing of the 2017 Series B-1 Bonds or from the 2017B-1 Liquidity Facility Provider. The Authority is not responsible for any failure by the 2017B-1 Liquidity Facility Provider to purchase 2017 Series B-1 Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to the 2017 Series A/B Indenture. Failure to purchase a 2017 Series B-1 Bond tendered at the option of the Owner or subject to mandatory tender for purchase as described above and in accordance with the 2017 Series A/B Indenture does not constitute an Event of Default under the Indenture. See "Determination of Interest Rates" under this caption.

No Tender or Mandatory Purchase upon Immediate Termination Event. Notwithstanding anything in the Indenture to the contrary, no tender or mandatory purchase of the 2017 Series B-1 Bonds shall be available after the occurrence of an Immediate Termination Event (as defined in the 2017B-1 Liquidity Facility and described in **Appendix C**).

Terms of the 2017 Series B-2 Bonds

Authorized Denominations

The 2017 Series B-2 Bonds will be issued in denominations of $5,000 or any integral multiples thereof.

Interest

The 2017 Series B-2 Bonds will bear interest at the rates shown on the inside front cover of this Official Statement. Interest on the 2017 Series B-2 Bonds will be computed on the basis of a 360-day year of twelve 30-day months and will be payable each May 1 and November 1, commencing November 1, 2017, on any redemption date and at maturity.

Prior Redemption

Special Redemption of 2017 Series B Bonds. The 2017 Series B Bonds, including the 2017 Series B-1 Bonds and the 2017 Series B-2 Bonds, are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption, without premium, on any date, from amounts deposited in the 2017 Series B subaccount of the Class II Redemption Account pursuant to the Indenture.

Moneys deposited in or transferred to the 2017 Series B subaccount of the Class II Special Redemption Account shall be applied to redeem 2017 Series B Bonds as follows:

FIRST: such amounts shall be applied to redeem the PAC Bonds until the Aggregate Principal Amount of the Outstanding PAC Bonds is equal to the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "**100% SIFMA Outstanding Balance**") for the applicable semiannual period as set forth in the table below;

SECOND: after applying the amounts as described in clause FIRST above, any remaining amounts may be applied to the redemption of 2017 Series B Bonds other than PAC Bonds, of such maturities and in such amounts as directed by the Authority (or, in the absence of such direction, on a pro rata by maturity basis) until the Aggregate Principal Amount of the 2017 Series B Bonds Outstanding is equal to the amount shown in the column "400% SIFMA Outstanding Balance of 2017 Series B Bonds" (the "**400% SIFMA Outstanding Balance**") for the applicable semiannual period as set forth in the table below; and

THIRD: after applying the amounts as described in clauses FIRST and SECOND above, any remaining amounts may be applied to the redemption of any 2017 Series B Bonds, including the PAC Bonds; provided that the percentage of such remaining amounts so applied to redeem PAC Bonds may not exceed the ratio of the Aggregate Principal Amount of Outstanding PAC Bonds to the Aggregate Principal Amount of Outstanding 2017 Series B Bonds prior to such redemption.

Such redemptions may occur at such times and with such frequency as the Authority elects; provided that any redemptions described in clause FIRST above must occur at least once during each semiannual period commencing with the semiannual period ending on November 1, 2017 to the extent moneys in the 2017 Series B subaccount of the Class II Special Redemption Account are legally available therefor. To the extent PAC Bonds are to be redeemed on a date that is not a Stated Interest Payment Date, the 100% SIFMA Outstanding Balance of PAC Bonds and the 400% SIFMA Outstanding Balance of 2017 Series B Bonds as set forth in the table below shall be deemed to be the respective amounts determined by interpolating such respective Outstanding Balances, using the straight line method, by reference to the respective Outstanding Balances for the Semi-Annual Period Ending dates listed in the table below which are immediately prior to and immediately subsequent to such redemption date, and the number of calendar days elapsed since the Semi-Annual Period Ending date which is immediately prior to such redemption date.

Semi-Annual Period Ending	100% SIFMA Outstanding Balance of PAC Bonds	400% SIFMA Outstanding Balance of 2017 Series B Bonds
Closing Date	$5,360,000	$20,895,000
November 1, 2017	5,230,000	19,890,000
May 1, 2018	4,750,000	17,505,000
November 1, 2018	3,860,000	14,760,000
May 1, 2019	3,325,000	12,565,000
November 1, 2019	2,825,000	10,570,000
May 1, 2020	2,365,000	8,770,000
November 1, 2020	1,955,000	7,200,000
May 1, 2021	1,575,000	5,845,000
November 1, 2021	1,230,000	4,670,000
May 1, 2022	915,000	3,670,000
November 1, 2022	630,000	2,805,000
May 1, 2023	370,000	2,055,000
November 1, 2023	105,000	1,415,000
May 1, 2024	--	855,000
November 1, 2024	--	375,000
May 1, 2025	--	--

Prior to each special redemption date for the 2017 Series B Bonds, the Trustee shall notify the Paying Agent and Bond Registrar of the estimated amounts of moneys available for special redemption in order to allow the Bond Registrar sufficient time to select 2017 Series B Bonds for redemption and to mail redemption notices within the time periods required by the Indenture.

It is anticipated that moneys will be available to redeem 2017 Series B-2 Bonds without premium in accordance with the preceding paragraph. General information concerning prepayments on mortgage loans relating to outstanding bonds of the Authority (including the Bonds) has been filed by the Authority with and is available from EMMA (as defined herein). See "Part II – CERTAIN BONDOWNERS' RISKS – Considerations Regarding Redemption at Par." See also "General Terms – Cross Calls or Recycling" under this caption.

Mandatory Sinking Fund Redemption for PAC Bonds. The PAC Bonds shall be redeemed prior to their maturity, in part, by payment of 2017 Series B Class II Sinking Fund Installments, upon notice as provided in the Indenture and described in "Notice of Redemption" under this caption, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of such PAC Bonds or portions thereof to be redeemed as follows:

2017 Series B-2 Bonds maturing on November 1, 2044 (PAC Bonds)

Year (May 1)	Class II Sinking Fund Installment	Year (November 1)	Class II Sinking Fund Installment
2034	$125,000	2034	$455,000
2035	455,000	2035	455,000
2036	460,000	2036	460,000
2037	460,000	2037	425,000
2038	170,000	2038	150,000
2039	150,000	2039	155,000
2040	150,000	2040	155,000
2041	155,000	2041	155,000
2042	155,000	2042	155,000
2043	155,000	2043	155,000
2044	150,000	2044(1)	55,000

(1) Maturity Date

Pursuant to the Master Indenture, upon any purchase pursuant to the Indenture or redemption (other than mandatory sinking fund redemption) of the 2017 Series B-2 Bonds for which 2017 Series B Class II Sinking Fund Installments have been established, there shall be credited toward each 2017 Series B Class II Sinking Fund Installment thereafter to become for such 2017 Series B-2 Bonds due an amount bearing the same ratio to such 2017 Series B Class II Sinking Fund Installment as (i) the total principal amount of such 2017 Series B-2 Bonds so purchased or redeemed bears to (ii) the aggregate principal amount of such 2017 Series B-2 Bonds Outstanding prior to such redemption or purchase. If, however, there shall be filed with the Trustee an Authority Request specifying a different method for crediting 2017 Series B Class II Sinking Fund Installments upon any such purchase or redemption of such 2017 Series B-2 Bonds and certifying that such request is consistent with the most recently filed Cash Flow Statement Related to the 2017 Series B-2 Bonds, then such 2017 Series B Class II Sinking Fund Installments shall be so credited as shall be provided in such Authority Request.

Optional Redemption – PAC Bonds. The 2017 Series B-2 Bonds maturing on November 1, 2044 shall be subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any date on or after November 1, 2026, at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption.

Selection of 2017 Series B Bonds for Partial Redemption. In the event of a partial redemption of 2017 Series B Bonds, the Authority shall direct (subject to the 2017 Series A/B Indenture) the series, maturity or maturities, and the amounts thereof, so to be redeemed. If less than all of the 2017 Series B Bonds of like series and maturity are to be redeemed on any one date, the particular 2017 Series B Bonds or the respective portions thereof to be redeemed are to be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate (except that Bank Bonds shall be redeemed prior to any other 2017 Series B-1 Bonds).

Notice of Redemption. When any 2017 Series B-2 Bonds are to be redeemed, the Bond Registrar is to cause notice of such redemption to be mailed by first class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, not more than 60 days nor less than 25 days prior to the redemption date, to the Owner of each 2017 Series B Bond to be redeemed at such owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar. However, failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any 2017 Series B Bond with respect to which no such failure or defect has occurred.

If DTC or its nominee is the registered owner of any 2017 Series B Bonds to be redeemed, notice of redemption will only be given to DTC or its nominee as the registered owner of such 2017 Series B Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any 2017 Series B Bond to be redeemed shall not affect the validity of the redemption of such 2017 Series B Bond. Redemption notices shall be sent to DTC. If less than all of the 2017 Series B Bonds are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed. See Appendix H – "BOOK-ENTRY SYSTEM."

Projected Weighted Average Life – PAC Bonds

The following information is provided to allow potential investors to evaluate the PAC Bonds which are the subject of special redemption described in "Prior Redemption – Special Redemption" under this caption. The weighted average life of a bond refers to the average length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid weighted by the principal amount of such installment. The weighted average life of the PAC Bonds will be influenced by, among other things, the rate at which principal payments (including scheduled payments and principal prepayments) are made on the 2017B Mortgage Loans. An investor owning less than all of the PAC Bonds may experience redemption at a rate that varies from the average life of the PAC Bonds.

Levels of prepayment on mortgage loans are commonly measured relative to a prepayment standard or model. The standard used in this Official Statement is The Standard Prepayment Model of The Securities Industry and Financial Markets Association, formerly The Bond Market Association and prior thereto the Public Securities Association (the "**PSA Prepayment Model**"). The PSA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of mortgage loans. The PSA Prepayment Model does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including 2017B Mortgage Loans. For information about the historical prepayment experience of the Transferred 2017B Mortgage Loans, see "Part I – CERTAIN PROGRAM ASSUMPTIONS – Characteristics of Transferred 2017B Mortgage Loans." "**100% PSA**" assumes prepayment rates of 0.2 percent per year of the then-unpaid balance of the pool of mortgage loans in the first month of the life of the pool of mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, 100% PSA assumes a constant prepayment rate of 6 percent per year. Multiples will be calculated from this prepayment rate standard, e.g. "**200% PSA**" assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12 percent per year in month thirty and remaining constant at 12 percent per year thereafter. "**0% PSA**" assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The following table entitled "Projected Weighted Average Life – PAC Bonds" assumes, among other things, that (i) the 2017B Mortgage Loans prepay at the indicated percentages of the PSA Prepayment Model, (ii) all scheduled principal and interest payments or prepayments on 2017B Mortgage Loans are received thirty days after the date on which such payments are due or assumed to be made, (iii) the PAC Bonds are not redeemed pursuant to optional redemption, and (iv) redemptions from amounts on deposit in the 2017 Series B subaccount of the Class II Special Redemption Account occur semiannually on each May 1 and November 1. Based solely on such assumptions, some or all of which are unlikely to reflect actual experience, the following table provides projected weighted average life information for the PAC Bonds.

Projected Weighted Average Life – PAC Bonds

PSA Prepayment	PAC Bonds Weighted Average Life (years)
0%	12.4
25	8.2
50	5.2
75	3.6
100	3.0
150	3.0
200	3.0
300	3.0
400	3.0
500	2.7

No assurance can be given that prepayments of principal of the 2017B Mortgage Loans will conform to any level of a particular prepayment projection, schedule or model or that prepayments will be available to be applied to redemptions of any of the 2017 Series B Bonds, including the PAC Bonds. The rates of principal prepayments on Mortgage Loans are generally influenced by a variety of economic, geographical, social and other factors, including servicing decisions, changing property values, prevailing interest rates and the time within which Mortgage Loans are originated. In general, if prevailing interest rates fall significantly below the interest rates on the 2017B Mortgage Loans, such 2017B Mortgage Loans may be likely to prepay at higher rates than if prevailing interest rates remain at or above the interest rates on the 2017B Mortgage Loans. Conversely, if prevailing interest rates rise above the interest rates on the 2017B Mortgage Loans, the rate of prepayments might be expected to decrease. Foreclosures or repurchases of 2017B Mortgage Loans will also affect the expected special redemption schedules. The Authority cannot predict the number of 2017B Mortgage Loans that may become delinquent, repurchased or foreclosed. For these reasons, the Authority cannot offer any assurances as to the overall rate at which the 2017B Mortgage Loans will prepay and offers no assurance that the scheduled amounts will, in fact, be available to effect any redemptions described herein.

PLAN OF FINANCE

Sources and Uses of Funds

The following are the estimated sources and uses of funds relating to the 2017 Series A/B Bonds.

	Estimated Amounts
SOURCES OF FUNDS:	
Par amount of 2017 Series A Bonds	$ 52,000,000
Par amount of 2017 Series B-1 Bonds	10,000,000
Par amount of 2017 Series B-2 Bonds	10,895,000
Investments and cash on deposit in 2007 Series B subaccount of Debt Service Reserve Fund	5,940,000
Other available funds [1]	29,685,000
TOTAL SOURCES OF FUNDS	$108,520,000
USES OF FUNDS:	
For payment of Refunded Bonds [2]	$ 49,610,000
For deposit to 2017 Series A subaccount of Acquisition Fund [3][5]	52,000,000
For deposit to 2017 Series B subaccount of Acquisition Fund [3]	4,380,000
For deposit to 2017 Series B subaccount of Debt Service Reserve Fund [4]	1,560,000
For deposit to 2017 Series A subaccounts of Debt Service Fund and Revenue Fund [5]	150,000
For deposit to 2017 Series B subaccounts of Class II Debt Service Fund and Revenue Fund [5]	10,000
For costs of issuance and Underwriters' compensation [6]	810,000
TOTAL USES OF FUNDS	$108,520,000

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(1) Represents certain amounts on deposit in the 2007 Series B subaccount of the Revenue Fund and amounts on deposit in the Surplus Fund under the Master Indenture.

(2) See "The Refunding" under this caption.

(3) Certain proceeds of the 2017 Series A Bonds and amounts on deposit in the 2007 Series B subaccount of the Debt Service Reserve Fund will be transferred and deposited to the 2017 Series A and/or 2017 Series B subaccounts of the Acquisition Fund to acquire the 2017 GNMA MBS Portfolios and in connection with transfer of the Transferred 2017B Mortgage Loans.

(4) See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Debt Service Reserve Fund Requirement" and "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – Debt Service Reserve Fund." Certain Investment Securities and cash held in the 2007 Series B subaccount of the Debt Service Reserve Fund will be transferred and deposited to the 2017 Series B subaccount of the Debt Service Reserve Fund at the time of the refunding of the Refunded Bonds to satisfy the Debt Service Reserve Fund Requirement for the 2017 Series B Bonds. Under the Indenture, the Authority may at any time replace such deposit with a Qualified Surety Bond to satisfy the Debt Service Reserve Fund Requirement.

(5) Certain cash on deposit in the 2007 Series B subaccount of the Revenue Fund and the Surplus Fund under the Master Indenture will be transferred and deposited to the 2017 Series A subaccount of the Revenue Fund, the 2017 Series B subaccount of the Revenue Fund, the 2017 Series B subaccount of the Class II Debt Service Fund and the 2017 Series A subaccount of the Acquisition Fund to acquire the 2017A GNMA MBS Portfolio.

(6) Certain cash on deposit in the Surplus Fund under the Indenture will be deposited to the 2017 Series A and/or 2017 Series B subaccounts of the Revenue Fund as well as 2017 Series A/B subaccount of the Costs of Issuance Account in the Program Fund and used to pay costs of issuance and Underwriters' compensation relating to the 2017 Series A/B Bonds. See "Part I – UNDERWRITING."

The Refunding

On the date of delivery of the 2017 Series A/B Bonds, certain proceeds of the 2017 Series A/B Bonds and amounts in the 2007 Series B subaccount of the Revenue Fund will be deposited to the 2017 Series A Refunding Account and the 2017 Series B Refunding Account in the Program Fund and transferred to the 2007 Series B subaccounts of the Class I Special Redemption Account and of the Class II Special Redemption Account, respectively, to redeem and pay the Authority's Taxable Single Family Mortgage Class I Adjustable Rate Bonds, 2007 Series B-1, outstanding in the aggregate principal amount of $24,610,000, and the Authority's Single Family Mortgage Class II Adjustable Rate Bonds, 2007 Series B-3, outstanding in the aggregate principal amount of $25,000,000 (collectively, the "**Refunded Bonds**").

Upon such redemption of the Refunded Bonds on the closing date, the Transferred 2007B Mortgage Loans will be transferred to the 2017 Series B subaccount of the Acquisition Account as described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Transfer of Transferred 2017B Mortgage Loans," and cash will be transferred from certain funds held under the 2007B Indenture to the 2017 Series A subaccount and 2017 Series B subaccount of the Acquisition Account and used to acquire the 2017 GNMA MBS Portfolios. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Acquisition of 2017 GNMA MBS Portfolios." In addition, in connection with the redemption and payment of the Refunded Bonds, the Liquidity Facility and Remarketing Agreement relating thereto shall be terminated. See **Appendix B-1 –** "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Liquidity Facilities."

CERTAIN PROGRAM ASSUMPTIONS

Generally

The Bonds (including the 2017 Series A/B Bonds) and Auxiliary Obligations outstanding under the Master Indenture (other than Auxiliary Obligations which are General Obligations of the Authority) will be secured by, among other moneys, rights and interests, the Revenues derived from the Mortgage Loans and MBS, including the 2017B Mortgage Loans and the 2017A Mortgage Loans. Payments on Mortgage Loans, whether from scheduled monthly installments or from Prepayments, together with Revenues generated as investment income on the funds held under the Indenture, and invested under the investment agreements, are assumed to be the primary source of Revenues. See "Transfer of Transferred 2017B Mortgage Loans" and "Acquisition of 2017 GNMA MBS Portfolios" under this caption and **Appendix B-2** – "THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES." See "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." Such Revenues are expected by the Authority (based on certain assumptions some of which are described under this caption) to be sufficient to pay the debt service on the Bonds, including the 2017 Series A/B Bonds.

As required by the Master Indenture and at the request of the Authority, CSG Advisors Inc. has prepared certain cash flow projections giving effect to the issuance of the 2017 Series A/B Bonds (the "**Cash Flow Statement**") which indicates that, after such issuance, the amounts expected to be available in the Trust Estate will be sufficient to pay principal of and interest on the Outstanding Bonds, when due. The Cash Flow Statement uses numerous assumptions, including assumptions discussed under this caption, to illustrate the expected receipt of Revenues in the Trust Estate and the expected expenditures to be incurred in connection with the Outstanding Bonds and the Mortgage Loans held under the Master Indenture. There can be no assurance that any or all of the assumptions made will apply to the Mortgage Loans included in the Trust Estate, or that the Mortgage Loans will perform as assumed in the Cash Flow Statement. To the extent that these assumptions are not met, for example, Mortgage Loans or Ginnie Mae Certificates in the 2017 GNMA MBS Portfolios are not paid on a timely basis in accordance with their terms, the moneys available may be insufficient for the payment of debt service on the Outstanding Bonds and operating expenses of the Program.

Acquisition of 2017 GNMA MBS Portfolios

Concurrently with issuance of the 2017 Series A/B Bonds, proceeds of the 2017 Series A/B Bonds, together with other available amounts, will be used to finance the 2017A Mortgage Loans and the 2017B MBS Mortgage Loans indirectly through the purchase of the fully modified mortgaged-backed, pass-through securities guaranteed as to timely payment by the GNMA described in "Characteristics of 2017 GNMA MBS Portfolios" under this caption (defined as the "**2017A GNMA MBS Portfolio**" and the "**2017B GNMA MBS Portfolio**," respectively). The payments on the 2017A Mortgage Loans will be applied to redeem the 2017 Series A Bonds as described in "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series A Bonds – Prior Redemption – Mandatory Special Redemption." The payments on the 2017B MBS Mortgage Loans will be applied to redeem the 2017 Series B Bonds as described in "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series B-2 Bonds – Prior Redemption – Special Redemption of 2017 Series B Bonds."

Characteristics of 2017 GNMA MBS Portfolios

The Authority has an existing pipeline of Mortgage Loans for which it expects to pool certain Mortgage Loans into mortgage-backed securities guaranteed by the Government National Mortgage Association. The 2017A GNMA MBS Portfolio is expected to consist of an outstanding aggregate balance of approximately $52,000,000 of 2017A Mortgage Loans with a weighted average mortgage rate of 4.50% pooled into one or more GNMAs with an MBS pass-through rate of 4.00% and a remaining term of 359 months. The 2017B GNMA MBS Portfolio is expected to consist of an outstanding aggregate balance of approximately $4,380,000 of 2017B MBS Mortgage Loans with a weighted average mortgage rate of 4.48% pooled into one or more GNMAs with an MBS pass-through rate of 4.00% and a remaining term of 359 months.

Transfer of Transferred 2017B Mortgage Loans

Proceeds of the 2017 Series A/B Bonds, together with other available funds as described in "Part I – PLAN OF FINANCING – The Refunding," will be used to redeem the Refunded Bonds. Following the redemption of the Refunded Bonds, certain Mortgage Loans (referred to herein as the "**Transferred 2017B Mortgage Loans**") will be transferred from the 2007 Series B subaccount of the Acquisition Account to the 2017 Series B subaccount of the Acquisition Account. Accordingly, all payments, Mortgage Repayments, Prepayments and moneys in any Fund or Account related to such Transferred 2017B Mortgage Loans shall be applied to the payment and prepayment of 2017 Series B Bonds as provided in the Indenture and described in "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series B-2 Bonds – Prior Redemption – Special Redemption of 2017 Series B Bonds." See also "Characteristics of Transferred 2017B Mortgage Loans" under this caption.

Characteristics of Transferred 2017B Mortgage Loans

The Transferred 2017B Mortgage Loans will consist of certain (but not all) of the Mortgage Loans from the 2007 Series B subaccount of the Acquisition Account, which will be transferred to the 2017 Series B subaccount of the Acquisition Account as described in "Transfer of Transferred 2017B Mortgage Loans" under this caption. As of the expected date of delivery of the 2017 Series B Bonds, the Transferred 2017B Mortgage Loans are expected to have an outstanding aggregate balance of First Mortgage Loans of approximately $15,525,000 with a weighted average coupon of 5.28% and a weighted average maturity of 20.8 years. For additional information regarding the Transferred 2017B Mortgage

Loans, see the 2007 Series B summary in the tables shown in **Appendix B-2**. The payments on the Transferred 2017B Mortgage Loans will be allocated to the 2017 Series B Bonds following redemption and payment of the Refunded Bonds. As of May 1, 2017, the prepayment experience of the Transferred 2017B Mortgage Loans was as follows (in PSA Prepayment %s):

Historical Prepayment Experience – Transferred 2017B Mortgage Loans
(As of May 1, 2017) (1)

Since Issuance	3-Month	6-Month	12-Month
303%	197%	233%	340%

(1) No assurance can be given that the future prepayments of principal of the Transferred 2017B Mortgage Loans will be the same as or similar to this historical prepayment experience. See "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series B-2 Bonds – Projected Weighted Average Life – PAC Bonds."

Debt Service Reserve Fund Requirement

The Debt Service Reserve Fund Requirement for the 2017 Series B Bonds will be, as of any date of determination, an amount equal to 5% of the Aggregate Principal Amount of all 2017 Series B Bonds then Outstanding. Certain Investment Securities and cash currently on deposit in the 2007 Series B subaccount of the Debt Service Reserve Fund will be transferred and deposited to the 2017 Series B subaccount of the Debt Service Reserve Fund to fund the Debt Service Reserve Fund Requirement for the 2017 Series B Bonds as described in "Part I – PLAN OF FINANCE – Sources and Uses of Funds." See also "Part II – SECURITY FOR THE OBLIGATIONS – Debt Service Reserve Fund." There will be no Debt Service Reserve Fund Requirement for the 2017 Series A Bonds.

Related Interest Rate Contracts and Liquidity Facility

In connection with the refunding of the Refunded Bonds, the 2007B-1 and 2007B-3 Interest Rate Contracts outstanding related to such Refunded Bonds will be allocated to the surplus assets subaccount of the Acquisition Account under the Indenture until the optional termination date of such Interest Rate Contracts on November 1, 2017. In addition, the Liquidity Facility relating to the Refunded Bonds will be terminated. For information concerning the Interest Rate Contracts, the Liquidity Facilities and other Auxiliary Obligations currently Outstanding under the Master Indenture, see **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS."

TAX MATTERS

IN THE OPINION OF BOND COUNSEL, THE INTEREST ON THE 2017 SERIES A/B BONDS IS INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES PURSUANT TO THE TAX CODE. THE 2017 SERIES A/B BONDS AND THE INCOME THEREFROM ARE FREE FROM TAXATION BY THE STATE OF COLORADO UNDER COLORADO LAWS IN EFFECT AS OF THE DATE OF DELIVERY OF THE 2017 SERIES A/B BONDS.

Bond Counsel will express no other opinion as to any tax consequences regarding the 2017 Series A/B Bonds. Owners of the 2017 Series A/B Bonds should consult with their own tax advisors as to the tax consequences pertaining to the 2017 Series A/B Bonds, such as the consequences of a sale, transfer, redemption or other disposition of the 2017 Series A/B Bonds prior to stated maturity, and as to other applications of federal, state, local or foreign tax laws.

Any tax advice concerning the 2017 Series A/B Bonds, interest on the 2017 Series A/B Bonds or any other federal income tax issues associated with the 2017 Series A/B Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

REMARKETING AGENTS

Remarketing Agreement for 2017 Series B-1 Bonds

RBC Capital Markets, LLC and the Authority have entered into a Master Remarketing Agreement dated November 1, 2009, as amended, and the Amendment to the Master Agreement relating to the 2017 Series B-1 Bonds (collectively, the "**Remarketing Agreement**"). If 2017 Series B-1 Bonds are tendered or deemed tendered for purchase as described under the caption "Part I – TERMS OF THE 2017 SERIES B-1 BONDS – Terms of the 2017 Series B-1 Bonds – Tender and Purchase of 2017 Series B-1 Bonds," RBC Capital Markets, LLC is required to use its best efforts to remarket such 2017 Series B-1 Bonds in accordance with the terms of the Indenture and the Remarketing Agreement at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the applicable purchase date. RBC Capital Markets, LLC is also responsible for determining the rate of interest for such 2017 Series B-1 Bonds in accordance with the 2017 Series A/B Indenture. RBC Capital Markets, LLC is to transfer any proceeds of remarketing of the 2017 Series B-1 Bonds it receives to the Paying Agent for deposit in accordance with the 2017 Series A/B Indenture.

RBC Capital Markets, LLC may at any time resign and be discharged of its duties and obligations with respect to the 2017 Series B-1 Bonds under the Remarketing Agreement by providing the Authority, the Trustee, the Paying Agent and the 2017B-1 Liquidity Facility Provider with thirty (30) days' prior written notice, except that such resignation shall not take effect until the appointment of a successor remarketing agent under the 2017 Series A/B Indenture; provided that, if a successor remarketing agent has not been appointed by the end of such thirty (30) days' notice period, such resignation shall not take effect until the earlier of (i) the appointment of a successor remarketing agent or (ii) sixty (60) additional days have passed. RBC Capital Markets, LLC may be removed with respect to the 2017 Series B-1 Bonds at any time, at the direction of the Authority by at least thirty (30) days' written notice to the Remarketing Agent, except that the Authority shall not remove RBC Capital Markets, LLC until the appointment of a successor remarketing agent under the 2017 Series A/B Indenture. The appointment of any successor remarketing agent shall be subject to the prior written consent of the 2017B-1 Liquidity Facility Provider. Upon the resignation or removal of RBC Capital Markets, LLC, as Remarketing Agent, the Authority is to promptly cause the Paying Agent to give notice thereof by mail to all Owners and to any rating agency which has assigned a rating to the 2017 Series B-1 Bonds. RBC Capital Markets, LLC shall pay over, deliver and assign any monies and 2017 Series B-1 Bonds held by it in such capacity to its successor.

Remarketing Agents for Adjustable Rate Bonds

In connection with the Adjustable Rate Bonds outstanding under the Master Indenture, the Authority has entered into remarketing agreements with the respective remarketing agents (including the Remarketing Agreement with RBC Capital Markets, LLC relating to the 2017 Series B-1 Bonds) set forth in the following table (the "**Remarketing Agents**"):

Remarketing Agents under Master Indenture
as of May 1, 2017

Series of Bonds	Remarketing Agent
2001 Series AA-2	Stifel, Nicolaus & Company, Inc.
2001 Series AA-3	Stifel, Nicolaus & Company, Inc.
2002 Series A-3	George K. Baum & Company
2002 Series B-3	Merrill Lynch, Pierce, Fenner & Smith Incorporated
2002 Series C-3	Merrill Lynch, Pierce, Fenner & Smith Incorporated
2006 Series A-2	D.A. Davidson & Co.
2006 Series A-3	George K. Baum & Company
2006 Series B-2	RBC Capital Markets, LLC
2006 Series B-3	RBC Capital Markets, LLC
2007 Series A-2	Loop Capital Markets, LLC
2007 Series B-2	RBC Capital Markets, LLC
2007 Series B-3*	RBC Capital Markets, LLC
2013 Series B	RBC Capital Markets, LLC

* To be refunded.

The Remarketing Agents are Paid by the Authority

The Remarketing Agents' responsibilities include determining the interest rate from time to time and remarketing the Bonds that are optionally tendered by the owners thereof, all as further described in the Official Statement. The Remarketing Agents are appointed by the Authority and are paid by the Authority for their services. As a result, the interests of the Remarketing Agents may differ from those of existing holders and potential purchasers of Bonds.

The Remarketing Agents May Purchase Bonds for their Own Account

The Remarketing Agents are permitted, but not obligated, to purchase the tendered Bonds for their own account. The Remarketing Agents, in their sole discretion, may acquire tendered Bonds for their own inventory in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agents are not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agents may also make a market in the Bonds by purchasing and selling such Bonds other than in connection with an optional tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Bonds. If the Remarketing Agents purchase Bonds for their own account, they may offer those Bonds at a discount to par to some investors. The Remarketing Agents may also sell any Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may reduce the supply of Bonds that may be tendered in a remarketing.

Bonds may be Offered at Different Prices on any Date

The Remarketing Agents are required to determine on the rate determination date the applicable rate of interest that, in their judgment, is the lowest rate that would permit the sale of the respective Bonds at par plus accrued interest, if any, on the date the rate becomes effective (the "**Effective Date**"). The interest rate will reflect, among other factors, the level of market demand for such Bonds (including whether the Remarketing Agents are willing to purchase such Bonds for their own account). The Remarketing Agreements require that the Remarketing Agents use their best efforts to sell respective tendered Bonds at par, plus accrued interest. There may or may not be Bonds tendered and remarketed on a rate determination date or an Effective Date, a Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and a Remarketing Agent may sell such Bond at varying prices to different investors on such date or any other date. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Bonds at the remarketing price.

The Ability to Sell Bonds other than through Tender Process may be Limited

While the Remarketing Agents may buy and sell the Bonds, they are not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

UNDERWRITING

The 2017 Series A/B Bonds are to be purchased from the Authority by the underwriters listed on the front cover page of this Official Statement (the "**Underwriters**"). The Underwriters have agreed, subject to certain conditions, to purchase all but not less than all of the 2017 Series A/B Bonds at a price equal to $72,895,000 (representing 100% of the aggregate principal amount of the 2017 Series A/B Bonds). The Underwriters will be paid a fee of $491,271.39 (including reimbursement of certain expenses) in connection with the underwriting of the 2017 Series A/B Bonds. The initial public offering prices of the 2017 Series A/B Bonds may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the underwriters and their affiliates may have certain creditor and/or other rights against the Authority and its affiliates in connection with such activities. In the various course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to the clients that they should acquire, long and/or short positions in such assets, securities and instruments.

George K. Baum & Company, also one of the Underwriters of the 2017 Series A/B Bonds, and Pershing LLC ("**Pershing**") a subsidiary of The Bank of New York Mellon Corporation, have a distribution agreement enabling Pershing 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 2017 Series A/B Bonds sold under the agreement.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("**WFBNA**"), one of the underwriters of the Bonds, has entered into an agreement (the "**WFA Distribution Agreement**") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "**Wells Fargo Advisors**") ("**WFA**"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "**WFSLLC Distribution Agreement**") with its affiliate Wells Fargo Securities, LLC ("**WFSLLC**"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

LITIGATION

At the time of the delivery of and payment for the 2017 Series A/B Bonds, the Authority will deliver an opinion of its General Counsel, Charles K. Knight, Esq., to the effect that no litigation before any court is pending or, to his knowledge, threatened against the Authority in any way affecting the existence of the Authority or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2017 Series A/B Bonds, or which would materially adversely affect the financial condition of the Authority, or in any way contesting or affecting the validity or enforceability of the 2017 Series A/B Bonds or the Indenture.

FORWARD-LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," "project," "budget," "plan" and similar expressions identify forward-looking statements.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

RATINGS

Moody's Investors Service ("**Moody's**") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**S&P**"), have assigned the 2017 Series A Bonds ratings of "Aaa" and "AAA," respectively. Moody's and S&P have assigned the 2017 Series B-1 Bonds ratings of "Aa2/VMIG1" and "AA/A-1+," respectively, based (in the case of the short-term ratings for the 2017 Series B-1 Bonds) on the delivery of the 2017B-1 Liquidity Facility by the 2017B-1 Liquidity Facility Provider. Moody's and S&P have assigned the 2017 Series B-2 Bonds ratings of "Aa2" and "AA," respectively. Such ratings reflect only the views of Moody's and S&P, respectively, at the time such ratings are given, and are not a recommendation to buy, sell or hold the 2017 Series A/B Bonds. The Authority makes no representation as to the appropriateness of such ratings. An explanation of the significance of the ratings given by Moody's and S&P, respectively, may be obtained from Moody's and S&P, respectively. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward, suspended or withdrawn entirely by Moody's or S&P, respectively, if, in the judgment of the issuing rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal of any such rating may have an adverse effect on the marketability or market price of the 2017 Series A/B Bonds. The Authority has no obligation to oppose any such revision, suspension or withdrawal of a rating.

CERTAIN RELATIONSHIPS OF PARTIES

RBC Capital Markets, LLC, a subsidiary of Royal Bank of Canada, is acting as one of the Co-Senior Managers for the 2017 Series A/B Bonds and the Remarketing Agent for the 2017 Series B-1 Bonds. RBC Capital Markets, LLC also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "Part I – REMARKETING AGENTS." Royal Bank of Canada, the parent company of RBC Capital Markets, LLC, is acting as a counterparty to the Authority under a certain Interest Rate Contract as described in **Appendix B-1** hereto and under agreements described in footnote (8) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto. Royal Bank of Canada has also entered into an investment agreement with the Trustee in connection with the 2006 Series B subaccount of the Debt Service Reserve Fund, and is the provider of several Liquidity Facilities in connection with the Bonds as described in **Appendix B-1** hereto.

Barclays Capital Inc., one of the Underwriters for the 2017 Series A/B Bonds, also acts as the remarketing agent for other Bonds under the Master Indenture, as described "Part I – REMARKETING AGENTS." Barclays Bank PLC (an affiliate of Barclays Capital Inc.) is acting as a counterparty to the Authority under certain Interest Rate Contracts as described in **Appendix B-1** hereto.

Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated which is an Underwriter for the 2017 Series A/B Bonds, is the provider of Liquidity Facilities and is acting as a counterparty for certain Interest Rate Contracts as described in **Appendix B-1** hereto. Merrill Lynch, Pierce Fenner & Smith Incorporated also acts as the remarketing agent for other Bonds under the Master Indenture, as described in "Part I – REMARKETING AGENTS."

George K. Baum & Company, also an Underwriter for the 2017 Series A/B Bonds, acts as the remarketing agent for other Bonds under the Master Indenture, as described in "Part I – REMARKETING AGENTS."

Stifel, Nicolaus & Company, Inc., is acting as an Underwriter for the 2017 Series A/B Bonds and also acts as a remarketing agent for other Bonds under the Master Indenture, as described in "Part I – REMARKETING AGENTS."

Wells Fargo Bank, National Association, which is acting as an Underwriter for the 2017 Series A/B Bonds, also acts as a counterparty to the Authority for certain Interest Rate Contracts as described in **Appendix B-1** hereto.

MUNICIPAL ADVISOR

The Authority has retained CSG Advisors Incorporated as its municipal advisor (the "**Municipal Advisor**") in connection with the offering of the 2017 Series A/B Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor will act as an independent advisory firm and will not be engaged in the business of underwriting, trading or distributing the 2017 Series A/B Bonds.

LEGAL MATTERS

In connection with the issuance and sale of the 2017 Series A/B Bonds, Sherman & Howard L.L.C., as Bond Counsel to the Authority, will deliver the opinion included as **Appendix E** hereto. Hogan Lovells US LLP will pass upon certain legal matters relating to the 2017 Series A/B Bonds as Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Charles K. Knight, Esq., its General Counsel. Dorsey & Whitney LLP will pass upon certain matters for the Underwriters. The 2017B-1 Liquidity Facility Provider is being represented by Kutak Rock LLP.

Neither Sherman & Howard L.L.C., Hogan Lovells US LLP nor Dorsey & Whitney LLP have participated in any independent verification of the information concerning the financial condition or capabilities of the Authority contained in this Official Statement.

AVAILABILITY OF CONTINUING INFORMATION

In connection with the issuance of the 2017 Series A/B Bonds, the Authority will deliver a Continuing Disclosure Undertaking, in the form attached as **Appendix J** hereto, by which the Authority will agree to make available by filing with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("**EMMA**"), in compliance with Rule 15c2-12, certain annual financial information and audited financial statements, commencing with the fiscal year ending December 31, 2017, and notice of certain events.

The Authority discovered in 2013 that certain fiscal year 2012 annual financial information filings to be made by the Authority on behalf of a non-housing conduit borrower for bonds issued by the Authority were not made on a timely basis. Such filings have been made with EMMA and subsequent filings have been made by the Authority on a timely basis. Such filings for future years are expected to be timely filed with EMMA as required by the related continuing disclosure agreement.

The Authority also discovered that a filing to be made for the fiscal year ended December 31, 2011 under its NIBP Master Indenture had not been timely made, although filings for the fiscal years ended following such fiscal year had been made as required by the related continuing disclosure agreements. The fiscal year 2011 filing and subsequent filings have been made with EMMA and for future years the Authority expects to make timely filings with EMMA as required by the related continuing disclosure agreements.

(End of Part I)

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PART II

COLORADO HOUSING AND FINANCE AUTHORITY

Background

In 1973, upon a finding that there existed in the State a shortage of decent, safe and sanitary housing available within the financial capabilities of low and moderate income families, the Colorado General Assembly established the Colorado Housing Finance Authority, since renamed the Colorado Housing and Finance Authority, as a body corporate and a political subdivision of the State for the purpose of increasing the supply of decent, safe and sanitary housing for such families. The Act authorizes the Authority, among other things, to make loans to individuals and sponsors to finance the construction, reconstruction, rehabilitation or purchase of housing facilities for low and moderate income families and to purchase mortgage loans from, and lend moneys to, qualified Mortgage Lenders under terms and conditions which provide for loans to finance housing facilities for low and moderate income families. The Act was amended in 1982 to authorize the Authority to finance project and working capital loans to commercial and industrial enterprises of small and moderate size. The Act was amended again in 1987 to create an economic development fund to enable the Authority to finance projects or provide capital for business purposes.

In order to achieve its authorized purposes, the Authority currently operates both Qualified (tax-exempt) and Non-Qualified (taxable) Single Family Mortgage Programs and various rental and business finance programs. The Act authorizes the Authority to issue its bonds, notes and other obligations in order to provide sufficient funds to achieve its purposes as set forth in the Act.

Board of Directors and Management

The Board of Directors of the Authority consists of the Colorado State Auditor, a member of the Colorado General Assembly appointed jointly by the Speaker of the House and the Majority Leader in the Senate, an executive director of a principal department of State government appointed by the Governor of Colorado and eight public members appointed by the Governor with the consent of the Senate. Members of the Board of Directors continue to serve after the end of their respective terms until a successor has been duly appointed and confirmed. The present members of the Board of Directors of the Authority are as follows:

Present Board of Directors of the Authority

Name	Affiliation	End of Current Term
Paul Washington, Chair [(1)]	Market Director, Rocky Mountain Region, Jones Lang LaSalle, Inc.; Denver, Colorado	July 1, 2017*
Steven Hutt, Chair, pro tem [(2)]	Executive Director, Denver Employees Retirement Plan; Denver, Colorado	July 1, 2017*
Max Tyler, Secretary/Treasurer [(3)]	Retired; Lakewood, Colorado	July 1, 2019
Julie Brewen	Executive Director; Fort Collins Housing Authority dba Housing Catalyst; Fort Collins, Colorado	July 1, 2019
James M. Hahn	Principal, JMH Consulting, LLC; Denver, Colorado	July 1, 2017
Irving Halter	Executive Director, Colorado Department of Local Affairs; Denver, Colorado	At the pleasure of the Governor
Chris Holbert	State Senate Majority Leader; Parker, Colorado	December 31, 2018
Jody Kole	Executive Director, Grand Junction Housing Authority; Grand Junction, Colorado	July 1, 2017*
David J. Myler, Esq.	Partner, The Myler Law Firm, P.C.; Basalt, Colorado	July 1, 2017
Dianne Ray	Colorado State Auditor; Denver, Colorado	Standing
Cecilia Sanchez de Ortiz	Retired; Denver, Colorado	July 1, 2019

(1) This Board member was elected as Chair of the Board effective March 23, 2017.
(2) This Board member was elected as Chair, pro tem, of the Board effective March 23, 2017.
(3) This Board member was appointed as Secretary/Treasurer of the Board effective March 23, 2017.
* Eligible for reappointment by the Governor to serve a second consecutive four-year term.

The Authority employs a staff of approximately 169 persons, including persons who have experience and responsibilities in the areas of finance, accounting, law, mortgage loan underwriting, loan servicing, housing development, market analysis, construction, marketing, government relations and asset management. The executive officers and select senior staff of the Authority are as follows:

Cris A. White, **Executive Director**, was appointed as Executive Director in March 2010, after serving as Chief Operating Officer since February 2002. Mr. White joined the staff in 1988 and served in various capacities until January 1996. He rejoined the staff in September of 1996 as the Director of Asset Management, after serving in the interim as a business development executive with an international equipment and real estate mortgage lender. On February 1, 2001, Mr. White was appointed Deputy Executive Director for Asset Management and Business Support Services and served until his present appointment. He also continued to serve as Director of Asset Management until December 10, 2001. Mr. White has a Bachelor's Degree in Business Administration from Regis College.

Jaime G. Gomez, **Deputy Executive Director and Chief Operating Officer**, joined the staff in August 1999. Prior to his appointment as Chief Operating Officer in March 2010, Mr. Gomez served as the Director of Commercial Lending following a corporate reorganization in July 2003 which merged the Authority's Business Finance and Rental Finance Divisions, forming the Commercial Lending Division (now referred to as the Community Development Division). Prior to that position, Mr. Gomez served as the Director of Business Finance. Mr. Gomez is a graduate of the University of Colorado with a degree in Finance. Mr. Gomez has prior experience working in both the public and private sector, including five-and-a-half years as director of finance and business development for the Colorado Office of Economic Development. Mr. Gomez was also designated as a certified bank examiner by the Federal Reserve Board of Governors in February of 1991. Mr. Gomez was appointed as Deputy Executive Director on January 31, 2017.

Charles K. Knight, **General Counsel** and **Assistant Secretary**, joined the staff in April 2016, following a nationwide search. Prior to joining the Authority, Mr. Knight served as the founder of Venture Law Advisors, LLC ("**Venture**") a law firm representing emerging growth companies. Prior to forming Venture, Mr. Knight served as President and Chief Executive Officer of AmeriVest Properties Inc., a publicly held real estate investment trust based in Denver, and held senior executive and legal positions with other public and private companies. Mr. Knight also served on the Board of Directors of the Authority from July 2011 through March 2016. Mr. Knight received a Bachelor's Degree in experimental psychology from the University of California at Santa Barbara and Master of Business Administration and JD Degrees from the University of California at Los Angeles. The Authority maintains risk management, internal audit and compliance functions under the Director of Enterprise Risk who reports to the General Counsel.

Patricia Hippe, **Chief Financial Officer**, joined the staff in October 2011. Prior to joining the Authority, Ms. Hippe spent 16 years at the Minnesota Housing Finance Agency, the first five years as the Finance Director and later as the Deputy Commissioner and Chief Financial Officer. Prior to her work with the Minnesota Housing Finance Agency, Ms. Hippe was the assistant vice president and corporate trust officer for Wells Fargo Bank, formerly known as Norwest Bank, from 1994 to 1995. From 1984 to 1994, Ms. Hippe was the manager of secondary market programs for Higher Education Management and Resources (HEMAR) Management Corporation. In this capacity, she oversaw the daily finance, accounting and secondary market operations of HEMAR's seven affiliate companies which specialized in providing student loan secondary market programs. Ms. Hippe received her Bachelor's Degree in Business Administration from the University of Minnesota, and earned her Master of Business Administration Degree from the University of St. Thomas in St. Paul, Minnesota and has successfully completed exams for Certified Public Accountants (inactive status) and Certified Management Accountants.

Dan McMahon was named **Director of Home Finance** on February 5, 2013 after serving as Interim Director of Home Finance since November 27, 2012. Mr. McMahon joined the Authority in March 2000 and most recently served as Manager of Home Finance Loan Production. Mr. McMahon received a Bachelor of Arts Degree and a Master's Degree in Non-Profit Management from Regis University in Denver, Colorado.

Thomas Bryan, **Director of Accounting/Controller**, joined the staff as Controller in February 2014. Mr. Bryan brought experience in governmental and not-for-profit accounting, having served for four years as Controller for the City of Centennial and for five years as Accounting Manager for the Town of Parker, Colorado. He graduated with a Bachelor of Science degree in Business and Accounting from the University of Phoenix and earned his Master of Business Administration degree from DeVry University's Keller Graduate School of Management. Mr. Bryan is a Certified Public Accountant with an active license in the State of Colorado and has obtained the designation of Certified Public Funds Investment Manager through the Association of Public Treasurers of the United States and Canada.

Employees and Pension Information

As of December 31, 2016, the Authority had approximately 162 full-time and 3 part-time employees, all of whom were members of the Public Employees' Retirement Association of Colorado ("**PERA**"). State statutes required the Authority to contribute 12.68% of each participating employee's gross salary to PERA in 2016. In 2016, the Authority's PERA contribution totaled approximately

$1.6 million. See footnote (12) of the audited 2016 financial statements of the Authority attached as **Appendix G** for further information.

As of December 31, 2015, the Authority implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* ("**Statement No. 68**"), which addresses the accounting and financial reporting for employer pension plans provided to employees by pension plans administered through trusts that have certain characteristics. The Authority provides its employees with pension benefits through both a defined benefit and defined contribution pension plan as administered by PERA. Statement No. 68 details how cost-sharing multiple-employer defined benefit plans, such as the plans administered by PERA on behalf of the Authority, will recognize pension liabilities based upon the employer's proportionate share of the collective net pension liability of the trust. Statement No. 68 also addresses the note disclosure and required supplementary information requirements for reporting the pension liability. The Authority has no legal obligation to fund any of PERA's unfunded pension liability nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA or the General Assembly. However, as described in footnote (1)(c) of the audited 2016 financial statements, accounting changes adopted to conform to the provisions of Statement No. 68 were applied retroactively by restating the basic financial statements for all prior periods presented. See **Appendix G** hereto for a discussion of Statement No. 68 and other new accounting principles that will be applicable to the Authority in future fiscal years.

Insurance Coverage

The Authority has general liability, errors and omission, cyber, mortgage protection and employee dishonesty insurance coverage.

Selected Financial Information

The following is a brief summary of historical selected financial information for the Authority. The audited financial statements of the Authority also provide certain financial information about the Authority on a fund accounting basis, including a description of its General Fund. This information has been included solely for purposes of providing a general overview for potential purchasers of the financial status of the Authority given that the Authority operates the programs which result in the Mortgage Loans securing Bonds and Auxiliary Obligations under the Master Indenture and also services such Mortgage Loans. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Bonds and Auxiliary Obligations are limited obligations of the Authority secured by and payable from the Trust Estate, except in the limited case of those Bonds and Auxiliary Obligations designated as general obligations of the Authority. The 2017 Series A/B Bonds are not being designated as general obligations of the Authority. See "Obligations of the Authority" and "The General Fund" under this caption. For specific information about the Trust Estate, see "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS," and "Part II – CERTAIN BONDOWNERS' RISKS" and **Appendices B-1** and **B-2** hereto. *The overall financial status of the Authority does not indicate and will not necessarily affect whether amounts will be available in the Trust Estate to pay principal and interest on Bonds (including the 2017 Series A/B Bonds) when due.*

Colorado Housing and Finance Authority
Combining Schedule – Statement of Net Position
December 31, 2016
(in thousands of dollars)

Colorado Housing and Finance Authority
Statement of Net Position
As of December 2016 and 2015
(in thousands of dollars)

	2016	2015
Assets		
Current assets:		
Cash		
Restricted	$ 117,993	$ 97,753
Unrestricted	43,088	46,735
Investments (partially restricted, see note 2)	291,336	317,090
Loans receivable (partially restricted, see note 3)	34,644	87,617
Loans receivable held for sale	128,425	48,762
Other current assets	25,792	15,325
Total current assets	641,278	613,282
Noncurrent assets:		
Investments (partially restricted, see note 2)	246,338	285,312
Loans receivable, net (partially restricted, see note 3)	1,004,680	1,078,058
Capital assets, net	4,441	5,544
Other assets	32,525	27,130
Total noncurrent assets	1,287,984	1,396,044
Total assets	1,929,262	2,009,326
Deferred outflows of resources		
Accumulated increase in fair value of hedging derivatives	95,952	120,171
Pension contributions and investment earnings	6,507	2,558
Refundings of debt	5,741	7,584
Total deferred outflows of resources	108,200	130,313
Liabilities		
Current liabilities:		
Short-term debt	61,005	77,505
Bonds payable	46,947	84,192
Notes payable	103	102
Other current liabilities	172,899	95,498
Total current liabilities	280,954	257,297
Noncurrent liabilities:		
Bonds and notes payable	1,232,092	1,352,902
Derivative instruments	91,385	121,187
Hybrid instrument borrowing	26,687	37,599
Net pension liability - proportionate share	25,185	19,395
Other liabilities	11,563	7,189
Total noncurrent liabilities	1,386,912	1,538,272
Total liabilities	1,667,866	1,795,569
Deferred inflows of resources		
Accumulated decrease in fair value of hedging derivatives	4,830	3,843
Pension investment differences	296	193
Total deferred inflows of resources	5,126	4,036
Net position		
Investment in capital assets	4,441	5,543
Restricted primarily by bond indentures	155,022	142,115
Unrestricted	205,007	192,376
Total net position	$ 364,470	$ 340,034

See accompanying notes to basic financial statements.

Colorado Housing and Finance Authority
Combining Schedule - Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2016
(in thousands of dollars)

Colorado Housing and Finance Authority
Statement of Revenues, Expenses and Changes in Net Position
For the years ended December 2016 and 2015
(in thousands of dollars)

	2016	2015
Interest income and expense:		
Interest on loans receivable	$ 63,648	$ 72,283
Interest on investments	14,472	23,667
Interest on debt	(53,367)	(72,616)
Net interest income	24,753	23,334
Other operating income (loss):		
Rental income	17	17
Gain on sale of loans	86,527	50,065
Investment derivative activity gain	2,651	1,569
Net decrease in the fair value of investments	(5,032)	(13,123)
Other revenues	29,487	26,749
Total other operating income	113,650	65,277
Total operating income	138,403	88,611
Operating expenses:		
Salaries and related benefits	22,207	18,647
General operating	90,306	51,872
Depreciation	932	1,109
Provision for loan losses	(180)	525
Total operating expenses	113,265	72,153
Net operating income	25,138	16,458
Nonoperating income and expenses:		
Federal grant receipts	129,405	120,224
Federal grant payments	(129,405)	(120,224)
Loss on sale of capital assets	(702)	-
Total nonoperating income and expenses	(702)	-
Change in net position	24,436	16,458
Net position:		
Beginning of year	340,034	340,229
Restatement due to GASB 68	-	(16,653)
End of year	$ 364,470	$ 340,034

See accompanying notes to basic financial statements.

The General Fund

Generally

CERTAIN OBLIGATIONS UNDER THE MASTER INDENTURE HAVE BEEN OR MAY IN THE FUTURE BE DESIGNATED AS GENERAL OBLIGATIONS OF THE AUTHORITY. SEE "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS" AND **APPENDIX B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." THE FOLLOWING INFORMATION REGARDING THE AUTHORITY'S GENERAL FUND IS PROVIDED ONLY IN CONNECTION WITH OBLIGATIONS WHICH HAVE BEEN OR ARE IN THE FUTURE SO DESIGNATED. THE GENERAL CREDIT OF THE AUTHORITY IS NOT BEING PLEDGED FOR THE PAYMENT OF THE 2017 SERIES A/B BONDS.

The General Fund is funded principally from gains achieved by selling Mortgage-Backed Securities; servicing fees payable to the Authority in connection with outstanding loans; fee income including administrative fees payable by the federal government in connection with the Section 8 (defined below) housing assistance payments program, loan fees payable to the Authority by borrowers and contract management administrative fees; income on investments and mortgage loans held temporarily (for warehousing purposes) and permanently in the General Fund; and reimbursement of administrative expenses and other allowable transfers from other funds (including the transfer of assets in excess of specified parity levels from other bond issues). Uses of amounts in the General Fund include payment of general and other administrative expenses and payment of costs relating to those activities deemed necessary to fulfill the Authority's corporate purposes and not payable from other funds of the Authority. The General Fund itself is not subject to any pledge created under the Master Indenture.

The Authority Board, in its discretion, has historically from time to time designated portions of the General Fund unrestricted net position to particular purposes, and may do so in the future, which may affect the availability of the General Fund for payments in connection with any Bonds or Auxiliary Obligations which have been designated as general obligations. The designations have been or may be for particular uses by means of annual appropriations to certain programs, the establishment of reserves in limited situations and the imposition of restrictions on the fund balance. Designations by the Authority's Board using each of these means may also be redesignated at any time in the Board's discretion. The Authority Board also annually designates certain amounts of the unrestricted net position of the General Fund (net of amounts previously appropriated or restricted for various funds, debt service reserves, or operating reserves) for the benefit of the holders of certain bonds of the Authority in the event that no other moneys are legally available for debt service payments. As long as the Authority is not in default under the related indenture or resolution for such bonds, the Board may withdraw such designations at any time.

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Financial Information for the General Fund

The following table sets forth historical selected financial information for the General Fund for the five years ended December 31, 2016 as provided by the Authority.

Colorado Housing and Finance Authority
General Fund
Selected Financial Information
Years Ended December 31
(in thousands of dollars)

	FY 2016	FY 2015	FY 2014	FY 2013[1]	FY 2012[1]
Interest and investment revenue:					
Loans receivable	$8,145	$7,191	$ 6,461	$ 6,835	$ 7,120
Investments	570	724	184	153	149
Net increase (decrease) fair v alue of long-term investments	(106)	(210)	(46)	(157)	(13)
Total interest and investment revenue	8,609	7,705	6,599	6,831	7,256
Interest expense - bonds and notes payable	1,395	1,307	1,485	2,985	4,266
Net interest and investment revenue	7,214	6,398	5,114	3,846	2,990
Other revenue (expense):					
Rental operations	17	17	32	358	2,675
Fees and miscellaneous income	115,956[2]	76,792[2]	46,000	46,228	45,795
Hedging activity loss	2,572	250	(1,154)	992	445
Gain on sales of capital assets	(702)	--	(20)	5	39,154
Total other revenue	117,843	77,059	44,858	47,583	88,069
Net revenue	125,057	83,457	49,972	51,429	91,059
Other expenses:					
Salaries and related benefits	22,207	18,647	16,977	16,505	17,836
General operating	87,095[3]	49,640[3]	23,060	15,714	18,077
Provision for losses	662	429	(1,180)	1,078	1,407
Other interest expense - RAP	--	--	--	--	173
Transfers	2,414	605	(1,851)	12,333	(4,073)
Depreciation	932	1,109	1,197	1,655	2,634
Total other expense	113,310	70,430	38,203	47,285	36,054
Change in net assets	11,747	13,027	$11,769	$ 4,144	$55,005
Restatement due to GASB 68	--	(16,653)	--	--	--
Net Assets, end of year	$215,477	$203,730	$207,356	$195,587	$191,443
Bonds and Notes Payable	$ 90,286	$100,079	$ 87,105	$ 78,430	$141,973
Total Assets	$442,361	$410,178	$349,560	$319,057	$379,295

(1) Restated as described in footnote (1)(c) in the audited financial statements of the Authority for the year ended December 31, 2013 to reflect accounting adjustments based on GASB Statement No. 65.
(2) The substantial increase in fee income in fiscal years 2015 and 2016 was the result of increased loan production and mortgage-backed securities sales during those fiscal years. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Background."
(3) The increase in general operating expenses for fiscal years 2015 and 2016 resulted from the Authority's launch of a grant program to fund expenses, including downpayment assistance, as described in "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Reservation, Delivery and Acquisition of Mortgage Loans."

Sources: Derived based on the audited financial statements of the Authority for years ended December 31, 2012-2016. See the audited 2016 financial statements attached as **Appendix G** hereto.

Authority Policy Regarding Swaps

The Master Indenture permits the Authority to enter into "Auxiliary Agreements," which include interest rate exchange or swap contracts, cash flow exchange contracts, forward swaps, interest rate floors, caps or collars and other derivative products which qualify as "Interest Rate Contracts" under the Indenture. See **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Interest Rate Contracts." Under the master indenture relating to its Multi-Family/Project Bonds, the Authority is also permitted to, and has entered into, certain derivative obligations which are described in footnote (8) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

Programs to Date

The following is a brief summary of the programs currently operated by the Authority. This summary has been included solely for purposes of providing information about the Authority's activities to assist a potential investor in evaluating the Authority and its programs. **Except as otherwise described herein, the loans referred to below are not pledged in any way as security for the 2017 Series A/B Bonds. See "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS."** See also "Obligations of the Authority" under this caption.

Single Family Mortgage Programs

Under its Single Family Mortgage Programs, the Authority may make mortgage loans for single-family residential dwellings directly to individual borrowers or may purchase such mortgage loans from qualified originating Mortgage Lenders. The Authority presently operates both Qualified (tax-exempt) and Non-Qualified (taxable) Single Family Mortgage Programs. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Background." Under a Qualified Single Family Mortgage Program, the Authority may make mortgage loans to Eligible Borrowers meeting certain income limit requirements, for Eligible Property not exceeding certain Purchase Price limits, and subject to certain other restrictions imposed, in some cases, by the Tax Code. The Authority permits Eligible Borrowers under its Non-Qualified Single Family Mortgage Program to meet certain income limits which are somewhat higher than the limits permitted for a Qualified Single Family Mortgage Program. There is also no limit on prior home ownership or limit on the purchase price of a residence which may be acquired with the proceeds of a loan under the Non-Qualified Single Family Mortgage Program, although the Authority does not exceed the Fannie Mae conforming loan limits. Proceeds of a mortgage loan under the Non-Qualified Single Family Mortgage Program may also be used under the Authority's refinancing program to refinance existing Mortgage Loans. In many other respects, the requirements for the Authority's Non-Qualified Single Family Mortgage Program are the same as the requirements for a Qualified Single Family Mortgage Program. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." For certain information regarding the outstanding mortgage loans acquired under the Single Family Mortgage Programs, including the Mortgage Loans, see footnote (3) to the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

A significant number of the Authority's single family mortgage loans include down payment assistance in the form of grants or second mortgage loans to borrowers. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Office of Inspector General of HUD has taken a position that certain loans which include down payment assistance funded from secondary market transactions may violate the National Housing Act regarding prohibited sources for down payment assistance. The Authority's programs are in compliance with current law and the guidelines of the down payment assistance programs provided by the Federal Housing Administration ("**FHA**") and HUD. However, should HUD change the parameters regarding the funding of such programs, the Authority might be required to adjust the parameters of its programs, which could affect its revenues.

Commercial Loan Programs

The Authority's Community Development Division encompasses the Authority's Low Income Housing Tax Credit allocation unit, and the Community Development Lending team, which is comprised of the Multifamily Affordable Housing Lending ("**Multifamily Lending**") and Business Finance programs.

Multifamily Lending Programs. The Multifamily Lending programs work toward providing financing to sponsors of affordable rental housing properties. Financing options include construction to permanent loans, permanent-only loans, acquisition loans, acquisition/rehabilitation and, in certain circumstances, refinancing of existing debt. Other financing structures may be considered, based upon the property characteristics and sub-market due diligence, as well as the demonstrated experience and financial capacity of the sponsor.

The mortgages originated under the multifamily loan programs include a combination of insured and uninsured mortgages. The Authority is also a Tier I lender under the FHA's Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "**Risk-Share Program**"), which is a credit enhancement mechanism available only to credit worthy housing and finance agencies. These insured loans have been funded by the Authority as described in "Obligations of the Authority – Commercial Loan Programs" under this caption. In the case of a claim under the Risk-Share Program, the Authority is responsible to reimburse the U.S. Department of Housing and Urban Development ("**HUD**") for 50% of any loss incurred by the FHA as a result of and after settlement of such claim. See "Obligations of the Authority – General Obligations – Loans Backed by Authority General Obligation" under this caption. For certain information regarding the Authority's outstanding insured rental loans, see footnote (3) to the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

The Authority also makes uninsured multifamily loans to §501(c)(3) nonprofit corporations and public housing authorities as well as to for-profit borrowers. The Authority has also made multifamily rental loans to for-profit borrowers in support of certain rental housing facilities at Fort Carson Army Base and at the United States Air Force Academy in Colorado Springs, Colorado.

Uninsured multifamily loans have also been made by the Authority using funds from amounts in its General Fund designated as the *Housing Opportunity Fund* ("**HOF**") under a program referred to as the "**HOF Program**." Under the HOF Program, the Authority makes fixed interest rate loans and provides interest rate subsidies to nonprofit and for profit developers in support of rental housing facilities targeted to support affordable rental housing. All HOF loans must conform to standard Authority diligence processes and underwriting criteria and will be secured by either first or second mortgages on real estate (maximum combined Loan to Value of 90%). Loan terms on HOF loans may range up to 40 years.

Under its *Rental Acquisition Program*, the Authority has in the past acquired and rehabilitated apartment buildings located throughout Colorado for rental to persons and families of low and moderate income. The Authority may in the future seek opportunities to acquire other rental properties in underserved areas within the State of Colorado at such time as such transactions support the goals of the Authority with respect to affordable rental housing in Colorado.

Business Finance Programs. The Authority originates insured and uninsured loans as part of its direct business loan programs, including the *CHFA Direct Loan Program*, the *Non-Profit Real Estate*

Loan Program, the *U.S. Small Business Administration 504 Program* (the "**SBA 504 Program**"), the *CHFA Rural Loan Program, the Rural Development Loan Program* ("**RDLP**"), and the *Business and Industry Loan I* ("**B&I I**") *Program*, described below. These business loans must meet certain economic development or job creation/retention objectives under the Act and are made to small and moderate-size Colorado businesses to provide long-term, fixed rate financing for real estate and equipment. The uninsured business loans are secured by a first lien on the assets financed, are made in amounts up to ninety percent (90%) of the lesser of cost or appraised value of the collateral, are fully-amortizing over terms of up to thirty (30) years for real estate loans and seven years for equipment, and generally require guarantees from principals of the business having a twenty percent or greater ownership interest. A guaranty is also required from the operating company if different from the Borrower. Some of the Authority's small business loans may carry credit enhancement by an agency or instrumentality of the United States under an insurance program requiring payment of not less than 50% of the principal amount of such mortgage in the event of default.

- Under the CHFA Direct Loan Program, the Authority provides loans to for-profit businesses to acquire, construct and/or rehabilitate and equip commercial, retail or manufacturing facilities.

- Under the Non-Profit Real Estate Loan Program, the Authority provides loans to non-profit organizations to fund real estate acquisition.

- Under the SBA 504 Program, the Authority provides direct loans to for-profit businesses to finance owner-occupied real estate and/or equipment. The Program provides two structures, a direct loan option (where the Authority originates the first mortgage loan which generally finances 50% of the project costs) and a loan participation option (where the Authority purchases up to a 90% participation in a first mortgage loan). An SBA-approved company provides a second mortgage for up to 40% of the total project costs, with the Borrower providing the remaining 10% of the costs. The Authority may also fund a SBA-approved subordinate mortgage on a short term basis in conjunction with its first mortgage lien. This structure may be necessary in instances when interim financing is not in place by the borrower. The Authority's subordinate mortgage loan is taken out by the SBA following the sale of the agency's debentures typically occurring within 45-60 days. The underwriting of these interim mortgages must conform to the Authority's small business loans underwriting criteria and program guidelines.

- RDLP was created through a partnership with the USDA Intermediary Relending Program to provide financing for community and economic development projects based in rural areas of Colorado. Rural communities are defined as those with populations of less than 25,000. Under the program, CHFA originates direct loans for small businesses to finance real estate, machinery, and equipment providing the borrower with a long-term, fixed interest rate throughout the term of the loan. The maximum loan size is $500,000.

- Under the B&I I Program, the Authority provides loans to for-profit businesses located in rural areas, which loans are supported by the partial guaranty of the Rural Business-Cooperative Services (which guarantees to date have ranged from 55% to 80% of the loan principal amount).

The Authority has also financed business loans to corporations for certain manufacturing and solid waste disposal facility projects.

The business loan programs of the Authority also include the purchase of federally insured mortgages through the Small Business Administration 7a Guaranty Purchase Program ("**SBA 7a Program**"), the Farm Service Agency Guaranty Purchase Program ("**FSA Program**"), and the Rural Development Guaranty Purchase Program ("**RD Program**"). Under these programs, the Authority purchases the guaranteed portion of a business loan (the "**participation interest**"), and is thereby able to provide the borrower with the safety and predictability of a fixed-rate throughout the term of the loan at an attractive interest rate. Additionally, each of these secondary market programs is a source of profit and liquidity for originating lenders.

The SBA 7a Program is a secondary market program whereby the Authority purchases the guaranteed portion of loans originated by local lenders and guaranteed by the SBA. Typically, the Authority markets the SBA 7a Program to local lenders and potential borrowers and purchases the participation interest (which is 100% guaranteed by the SBA). Proceeds of these participation interests may be used to fund real estate, equipment, machinery and working capital.

The FSA Program is a secondary market program whereby the Authority purchases the guaranteed portion of loans originated by local lenders and guaranteed 100% by the United States Farm Service Agency. The borrowers are involved in the ranching and agricultural industry throughout Colorado. Proceeds of these loans may be used to finance real estate, equipment, and machinery used in farming and ranching operations.

The RD Program creates a secondary market for the purchase of the United States Rural Business Service ("**RBS**") guaranteed portion of qualified loans with funds provided by the Authority. Participating lenders originate loans according to their own credit criteria and RBS requirements. The RD Program provides fixed-rate financing on the guaranteed portion of RBS loans made to for-profit and non-profit borrowers located in a rural community serviced by RBS guaranteed lenders.

<u>Contract Management</u>. The Authority provides contract management administration by serving as fund administrator to third party organizations whose activities align with its mission. The contracts range from overseeing programs that are designed to increase access to capital for small business lending to managing revolving loan funds. The Authority's role may include registration of third party originated loans, underwriting loans on behalf of a funder, closing and servicing responsibilities. In exchange for these services, the Authority earns a fee either through the collection of an administrative fee and/or spread income on loans serviced.

One of the contract management administration roles performed by the Authority is with HUD for the purpose of Performance-Based Contract Administration ("**PBCA**") services under Section 8 of the United States Housing Act of 1937, as amended ("**Section 8**"). The Authority entered into an annual contribution contract ("**ACC**") with HUD in 2001 (the "**Colorado ACC**"). The Colorado ACC was renewed until 2011. A solicitation issued by HUD at that time for PBCA services and subsequent actions was protested by numerous states and the protests were supported by the U.S. Government Accountability Office ("**GAO**"). The GAO determination was appealed by HUD and numerous suits and countersuits followed. In the meantime, the Colorado ACC has been extended until the end of 2017, and the Authority has continued to perform the PBCA services and receive significant fees.

HUD has said that it expects to announce its procurement process so that new ACCs can be entered into beginning in fiscal year 2018. It is uncertain what the procurement process will be and whether the Authority will be chosen by HUD to continue as the contract administrator for Colorado. In the event the Colorado ACC is awarded to another administrator, the Authority's future level of fee revenues could be materially impacted.

Obligations of the Authority

The following is a summary of certain obligations incurred by the Authority to provide funds for and otherwise operate the Authority and the programs described in "Programs to Date" under this caption. This summary has been included solely for purposes of providing information to assist a potential investor in evaluating the Authority's financial status. See also footnote (6) to the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

Single Family Mortgage Programs

In connection with its Single Family Mortgage Programs, the Authority has issued its Single Family Mortgage Bonds and Notes (referred to as "**Bonds**" in this Official Statement) under the Master Indenture, payable from the revenues of Mortgage Loans held thereunder, outstanding as of May 1, 2017 in the aggregate principal amount of $603,305,000. See **Appendix B-1** for further detail about the Bonds and related arrangements. Among the Bonds outstanding under the Master Indenture are Class III Single Family Mortgage Bonds which are general obligations of the Authority, as described in "General Obligations – Single-Family Bonds – Class III Bonds" under this caption.

Under a Master Indenture dated as of December 1, 2009 (the "**NIBP Master Indenture**"), the Authority has previously issued and converted its 2009AA Program Bonds in the aggregate principal amount of $56,350,000, and issued its Single Family Program Class I Bonds, Series 2011AA ("**2011AA Bonds**") in the aggregate principal amount of $39,200,000. The proceeds of the 2009AA Program Bonds and the 2011AA Bonds were used to finance Mortgage Loans through the purchase of mortgage-backed securities guaranteed by Ginnie Mae. The 2009AA Program Bonds were refunded with the proceeds of the Single Family Program Class I Bonds, Series 2013AA ("**2013AA Bonds**") issued by the Authority under the NIBP Master Indenture on April 30, 2013 in the aggregate principal amount of $53,630,000. The 2011AA Bonds and 2013AA Bonds are the only bonds outstanding under the NIBP Master Indenture, and were outstanding as of May 1, 2017 in the aggregate principal amount of $26,505,000.

The Authority's financing activities in connection with the Single Family Mortgage Programs also include the sale of certain single family mortgage loans to Fannie Mae and Freddie Mac, and the issuance and/or sale of Fannie Mae Certificates, Freddie Mac Certificates and Ginnie Mae Certificates in order to finance first mortgage loans as part of the Non-Qualified Single Family Mortgage Programs. See footnote (15) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto for a discussion of the Authority's obligation to advance funds to holders of such Ginnie Mae Certificates in the event of a defaulted mortgage loan and amounts so advanced in fiscal years 2015 and 2016. Proceeds of Bonds under the Master Indenture may be used to finance Second Mortgage Loans relating to such first mortgage loans financed by and securing the Ginnie Mae Certificates, Fannie Mae Certificates or Freddie Mac Certificates. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Background" and "- Special Program Features – Second Mortgage Loans."

For more detailed information concerning the outstanding bonds of the Authority issued in connection with its Single Family Mortgage Programs, see footnote (6) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto. The Authority has also issued general obligation bonds through private placement in order to finance single family mortgage loans. See "General Obligations – Privately Placed Bonds" under this caption.

Commercial Loan Programs

Since 2000, the Authority has financed multifamily and business loans and certain guaranteed participation interests with proceeds of its Multi-Family/Project Bonds, which were outstanding under a master indenture as of May 1, 2017 (the "**Multi-Family/Project Master Indenture**") in an aggregate principal amount of $435,720,000. Certain of the Multi-Family/Project Bonds are secured by the full faith and credit of the Authority, as described in "General Obligations – Multi-Family/Project Bonds" under this caption.

The Authority has also issued its Federally Taxable Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds under a Master Indenture dated as of June 1, 2013 (the "**MF Pass-Through Indenture**"), which were outstanding as of May 1, 2017 in the aggregate principal amount of $117,954,249. Since May 1, 2017, the Authority has issued another series of such bonds under the MF Pass-Through Indenture in the aggregate principal amount of $14,100,000 and expects to issue two additional series in the next few months in an approximate aggregate principal amount of $50,000,000. Proceeds of such bonds have been loaned by the Authority to borrowers in order to finance, in combination with tax credits, the construction or rehabilitation of multifamily projects in Colorado.

Bonds secured by a pledge of loan revenues as well as bonds secured by loan revenues and the general obligation of the Authority have also been privately placed to institutional purchasers by the Authority in order to finance rental loans. See "General Obligations – Privately Placed Bonds" under this caption and footnote (6) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto for more information regarding these outstanding bonds and notes. The Authority has also acted as a conduit issuer of bonds supported by letters of credit or other credit facilities. These conduit bonds are payable only with amounts received from the conduit borrower, and are therefore not reported as obligations of the Authority on its financial statements. See footnote (7) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

Business loans and participation interests have also been financed by the Authority with the proceeds of privately placed bonds, secured by loan and participation revenues as well as the full faith and credit of the Authority. See "General Obligations – Privately Placed Bonds" under this caption. In connection with its Special Projects financing program, the Authority has acted as a conduit issuer its industrial development revenue bonds to finance certain manufacturing facilities and solid waste disposal facility projects for corporations. These bonds are payable only with amounts received from the conduit borrower and are therefore not reported as obligations of the Authority on its financial statements.

Except for bonds specifically identified in Appendix B-1 hereto as Bonds under the Master Indenture, the revenue bonds described above and at the Authority's website are secured separately from and are not on parity with the Bonds and are issued and secured under resolutions or indentures of the Authority other than the Master Indenture.

General Obligations

Many of the bonds and notes issued by the Authority to finance its programs are secured by a pledge of specific revenues, with an additional pledge of its full faith and credit, as described under this caption. Other obligations of the Authority entered in connection with its programs or its operations are not secured by specific revenues or assets other than the Authority's full faith and credit. The bonds, notes and other obligations which are general obligations of the Authority are described below.

<u>Multi-Family/Project Bonds</u>. The Authority has issued Class I Multi-Family/Project Bonds (outstanding as of May 1, 2017 in an aggregate principal amount of $157,185,000) in order to finance business loans which are payable not only from a senior lien on loan revenues under the Multi-Family/Project Master Indenture but also as general obligations of the Authority. The Authority has also issued Class II Multi-Family/Project Bonds (outstanding as of May 1, 2017 in the aggregate principal amount of $17,210,000 in order to finance certain rental and business loans which are payable not only

from a lien on loan revenues under the Multi-Family/Project Master Indenture but also as general obligations of the Authority. These Class II Multi-Family/Project Bonds are payable from loan revenues on a subordinate lien basis to the Class I Multi-Family/Project Bonds.

Privately Placed Bonds. The Authority has issued general obligation bonds through private placement in order to finance rental loans. As of May 1, 2017, such privately placed bonds were outstanding in an aggregate principal amount of $11,250,000. The Authority has also funded participation interests and business loans using proceeds of its privately placed bonds, outstanding as of May 1, 2017 in the aggregate principal amount of $4,326,000.

Loans Backed by Authority General Obligation. The Authority has acquired or originated certain uninsured rental and business loans using proceeds of, and pledged to the repayment of, its Multi-Family/Project Bonds, outstanding as of May 1, 2017 in the aggregate principal amount of $170,038,500. The Authority has pledged its full faith and credit to the payment of a substantial portion of such loans. The Authority has also assumed, as a general obligation, 50% risk of loss in the mortgage loans acquired by the Authority and insured by the FHA under Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "**Risk-Share Program**"). As of May 1, 2017, such mortgage loans insured under the Risk-Share Program were outstanding in the amount of $205,464,640 ($79,830,406 held under the MF Pass-Through Indenture and $125,634,234 held in the General Fund).

In the case of a claim under the Risk-Share Program, the Authority is responsible, as a general obligation, to reimburse HUD for 50% of any loss incurred by the FHA as a result of and after the final settlement of such claim. See "Programs to Date – Commercial Loan Programs – Rental Finance Programs" under this caption. Losses include the defaults on such insured mortgage loans, the foreclosure and sale of those projects and the settlement of the respective final insurance claims with HUD. Presently, the Authority has no risk-share loans in foreclosure.

Interest Rate Contracts; Derivative Products. The Authority has pledged its full faith and credit to secure its obligation to make termination payments under the Interest Rate Contracts relating to the Bonds under the Master Indenture and under the derivative products relating to the Multi-Family/Project Bonds under the Multi-Family/Project Master Indenture. See **Appendix B-1 –** "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Interest Rate Contracts." See also "Authority Policy Regarding Swaps" under this caption and footnote (8) to the audited 2016 financial statements of the Authority attached as **Appendix G** hereto.

Other Borrowings. The Authority has entered into agreements with the Federal Home Loan Bank of Topeka ("**FHLB – Topeka**") and a commercial bank for borrowings from time to time. The agreement with FHLB - Topeka is for collateralized borrowings in an amount not to exceed the lending limit internally established by FHLB – Topeka, which is 40% of the Authority's total assets. The agreement with the commercial bank is for an unsecured revolving line of credit for borrowings up to $50 million. Such borrowings are general obligations of the Authority and have generally been used to date to support the Authority's various lending programs by purchasing loans pending the permanent financing of such loans and for activities related to the Authority's private activity bond volume cap preservation program. As of May 1, 2017, borrowings in the aggregate principal amount of $62,800,000 were outstanding under those agreements. See footnote (5) to the audited 2016 financial statements of the Authority attached as **Appendix G** hereto. The Authority has also borrowed amounts evidenced by Rural Business Cooperative Service Notes (outstanding as of May 1, 2017 in the aggregate principal amount of $476,620), which have been used to finance project or working capital loans or participations therein for small businesses in rural areas. The Authority has pledged its full faith and credit to the payment of such notes.

General Obligation Ratings. Moody's has assigned an "A2" rating with a stable outlook and S&P has assigned an "A" rating with a positive outlook to the Authority's ability to repay its general obligation liabilities. The ratings have been assigned based on the Authority's management, financial performance and overall program performance. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by Moody's or S&P, respectively, if, in the judgment of the issuing rating agency, circumstances so warrant.

Summary of Certain Authority Obligations

The following is a table which lists certain obligations of the Authority and sets forth the respective outstanding amount for such obligations as of May 1, 2017. Further detail regarding these items is provided under the subcaption "Obligations of the Authority – General Obligations."

Summary of Certain Authority Obligations as of May 1, 2017

Certain Authority Obligations	Outstanding Amount (May 1, 2017)
Single Family Mortgage Bonds (Master Indenture) [1]	$603,305,000
Single Family Program Bonds (NIBP Master Indenture)	26,505,000
Multi-Family/Project Bonds (Multi-Family/Project Master Indenture)	435,720,000
Federally Insured Multi-Family Housing Loan Program Pass-Through Revenue Bonds (MF Pass-Through Indenture)[2]	117,954,249
Privately Placed Bonds:	
Rental Finance	11,250,000
Business Finance	4,326,000

(1) These are the Bonds issued and outstanding under the Master Indenture as of May 1, 2017. See **Appendix B-1** hereto for more information about the Bonds.

(2) In addition, the Authority issued the Series 2017-II Bonds in June and expects to issue the Series 2017-III Bonds and Series 2017-IV Bonds in the next two months as described in "Commercial Loan Programs" under this caption.

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The following table identifies the specific components of the Authority Obligations listed on the preceding table which are general obligations of the Authority as well as other general obligations of the Authority as of May 1, 2017. Further detail regarding these items is provided under the other subcaptions of "Obligations of the Authority."

General Obligations of the Authority as of May 1, 2017

General Obligations	Outstanding Amount (May 1, 2017)
Multi-Family/Project Bonds:	
Class I (with GO Pledge)	$157,185,000
Class II (with GO Pledge)	17,210,000
Privately Placed Bonds:	
Rental Finance	11,250,000
Business Finance	4,326,000
Other Borrowings:	
Lines of Credit	62,800,000
Rural Business Cooperative Service Notes	476,620

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SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS

Pledge of Trust Estate

All Bonds and obligations of the Authority for the payment of money under the Interest Rate Contracts and Liquidity Facilities (the "**Auxiliary Obligations**") outstanding under the Master Indenture (other than Bonds and Auxiliary Obligations which are General Obligations of the Authority) are secured by and payable from revenues, assets and moneys pledged for the payment thereof under the Master Indenture (the "**Trust Estate**"). The pledge and lien of the Master Indenture on the Trust Estate is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations; second, to secure the payment of the principal of and interest on the Class II Obligations; third, to secure the payment of the principal of and interest on the Class III Obligations; and fourth, to secure the payment of principal and interest on the Class IV Obligations. Bonds and Auxiliary Obligations may also be designated as General Obligations of the Authority.

No Bonds or Auxiliary Obligations are presently outstanding under the Master Indenture other than as listed in **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." The Authority's obligation to pay principal of Bank Bonds at maturity or in accordance with a scheduled amortization date as set forth in any Liquidity Facility is a Class I Obligation. To the extent of any principal of Bank Bonds which is payable in advance of the maturity or scheduled amortization date as set forth in any Liquidity Facility, such portion of any Bank Bonds will in some cases constitute Class I Bonds and in other cases will constitute Class III Bonds and be designated as General Obligations of the Authority. The Authority's obligation to make regular interest payments under any Interest Rate Contract has been (and is expected in the future to be) a Class I Obligation, and the Authority's obligation to make certain payments due upon early termination of any such Interest Rate Contract has been (and is expected in the future to be) a General Obligation of the Authority and not secured by the Trust Estate under the Master Indenture. The Authority expects to issue Additional Bonds under the Master Indenture, as described in "Issuance of Additional Bonds; Auxiliary Obligations" under this caption. *Notes and bonds heretofore or hereafter issued to provide funds for programs of the Authority (other than the Bonds under the Master Indenture) are and will be authorized and secured by separate resolutions or indentures and are not and will not be secured by the pledge of the Master Indenture and do not and will not rank on a parity with the Bonds. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Obligations of the Authority."*

Under the Master Indenture, the Trust Estate pledged to secure the Bonds and Auxiliary Obligations includes:

(i) all right, title and interest of the Authority in and to the proceeds of Bonds until used as set forth in the Master Indenture;

(ii) all right, title and interest of the Authority in and to the Revenues (as described in "Revenues" under this caption);

(iii) all right, title and interest of the Authority in and to all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Master Indenture (except moneys and securities in the Rebate Fund, the Excess Earnings Fund and a Bond Purchase Fund) and investments, if any, thereof (other than the Rebate Requirement which is to be deposited in the Rebate Fund and any Excess Earnings which are to be deposited in the Excess Earnings Fund);

(iv) all right, title and interest of the Authority in and to the Mortgage Loans and the MBS described in "The Mortgage Loans and the Mortgaged-Backed Securities" under this caption; and

(v) all other property of any kind from time to time pledged under the Master Indenture as additional security.

In no event shall the Bonds constitute an obligation or liability of the State or any political subdivision thereof (except the Authority). The Authority has no taxing power nor does it have the power to pledge the general credit or the taxing power of the State or any political subdivision thereof, other than the general credit of the Authority, which general credit is not pledged for the payment of the Bonds except in the case of Bonds specifically designated as general obligations of the Authority.

Revenues

Under the Master Indenture, the term "Revenues" means:

(a) all Mortgage Repayments, which include, with respect to any Mortgage Loan or the related MBS, the amounts received by or for the account of the Authority as scheduled payments of the principal of or interest (if any) on such Mortgage Loan or related MBS by or on behalf of the Borrower to or for the account of the Authority, and does not include Prepayments, Servicing Fees or Escrow Payments;

(b) any penalty payments received on account of overdue Mortgage Repayments, except insofar as such payments may constitute Servicing Fees (including guarantee fees);

(c) Prepayments, which include any moneys received or recovered by or for the account of the Authority from any payment of or with respect to principal on any Mortgage Loan or MBS prior to the scheduled payments of principal called for by such Mortgage Loan or MBS, whether (i) by voluntary prepayment made by the Borrower, or (ii) as a consequence of the damage, destruction or condemnation of all or any part of the mortgaged premises, or (iii) by the sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority, or (iv) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority or by any other proceedings taken by the Authority;

(d) all amounts earned on investments (other than Mortgage Loans and MBS) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale of disposition of such investments), except the Rebate Requirement payable to the United States and any Excess Earnings;

(e) all payments and receipts received by the Authority under Interest Rate Contracts; and

(f) all other payments and receipts received by the Authority with respect to Mortgage Loans and MBS (other than amounts held in any Payment Account, Escrow Payments, Servicing Fees which have not been specifically pledged to the Trustee, any commitment, reservation, extension or application fees charged by the Authority in connection with a Mortgage Loan or Mortgage Purchase Agreement, any commitment, reservation, extension or applicable fees charged by a Mortgage Lender in connection with a Mortgage Loan, or accrued interest received in connection with the purchase of Investment Securities).

For a further description of the Revenues, the pledge thereof and the payment and transfer thereof from the Revenue Fund, see "FORMS OF THE INDENTURE – Revenue Fund" in **Appendix A**.

Pursuant to the Master Indenture, all Revenues related to each Series of Bonds, in addition to other amounts, are to be deposited into the subaccount of the Revenue Fund related to such Series of Bonds. On the last business day prior to each Payment Date or on the other dates specifically provided in the Indenture, the Trustee is required to make certain transfers of amounts from each Series subaccount of the Revenue Fund, to the extent moneys are available, to various Funds and Accounts in a certain priority, as provided in the Master Indenture. See **Appendix A** – "FORMS OF THE INDENTURE – Revenue Fund." Among these transfers, the Trustee is to deposit into: (i) the related Series Subaccount of the related Class Special Redemption Account, Loan Recycling Account (at the election of the Authority), or any combination of the two, the amount needed, if any, to ensure that the Class Asset Requirements for the related Series of Bonds will be met on such Payment Date; and (ii) each Series subaccount of the Related Class Special Redemption Account not related to such Series of Bonds, on a proportionate basis with all such unrelated subaccounts, the amount of any deficiency resulting from the lack of moneys sufficient to make the deposit described in (i). The Class Asset Requirements applicable to each Series of Bonds are set forth in each Related Series Indenture. For information about the Class Asset Requirements, see **Appendix F** – "CLASS ASSET REQUIREMENTS FOR BONDS."

The Mortgage Loans and the Mortgage-Backed Securities

Generally

The Trust Estate pledged under the Master Indenture to secure Bonds and Auxiliary Obligations issued thereunder includes the right, title and interest of the Authority in the Mortgage Loans and the MBS acquired by the Authority in order to finance Mortgage Loans. Under the Master Indenture, "**MBS**" means collectively, the Ginnie Mae Certificates, the Fannie Mae Certificates and the Freddie Mac Certificates. See "Mortgage-Backed Securities" under this caption. "**Mortgage Loan**" means a permanent loan secured by a Mortgage for the purchase and/or rehabilitation of Residential Housing made to a Borrower by the Authority or an originating Mortgage Lender which is purchased pursuant to a Mortgage Purchase Agreement and which satisfies certain requirements of the Master Indenture. See "Mortgage Loan Requirements" under this caption. All Bonds issued under the Master Indenture will be secured by the Trust Estate which includes all MBS and Mortgage Loans so acquired with proceeds of such Bonds. In the event that only a portion of or interest in an MBS or Mortgage Loan is purchased under the Master Indenture, reference to such an MBS or a Mortgage Loan shall be interpreted and applied to relate to such portion or interest.

Mortgage-Backed Securities

An MBS acquired as part of the Trust Estate can be a Ginnie Mae Certificate, a Fannie Mae Certificate or a Freddie Mac Certificate. A "**Ginnie Mae Certificate**" is a mortgage backed security (which may be issued under either the GNMA I Program or the GNMA II Program) bearing interest at a Pass-Through Rate, issued by the Authority registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder backed by FHA insured Mortgage Loans or VA or RHS guaranteed Mortgage Loans. A "**Fannie Mae Certificate**" is a single pool, guaranteed mortgage, pass-through certificate, issued by Fannie Mae, guaranteed as to timely payment of interest and principal by Fannie Mae and backed by Conventional Mortgage Loans. A "**Freddie Mac**

Certificate" is a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a pool of Conventional Mortgage Loans identified by a particular alpha numeric number and CUSIP number, guaranteed as to timely payment of principal and interest by Freddie Mac.

Mortgage Loan Requirements

The Mortgage Loans must be permanent loans secured by a mortgage, deed of trust or other instrument constituting a valid lien on real property in the State and improvements constructed or to be constructed thereon or on a leasehold under a lease having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the Mortgage Loan secured by such instrument. The Mortgage Loans may be secured by a first mortgage on the real property (a "**First Mortgage Loan**") or may be originated by the Authority or on behalf of the Authority by the Mortgage Lender and secured by a second mortgage loan on the real property (a "**Second Mortgage Loan**"). A Second Mortgage Loan will only be originated in connection with a First Mortgage Loan. Each Mortgage Loan must be made in connection with the purchase or refinance of a single-family, owner-occupied dwelling located within the State that qualifies for financing or refinancing by the Authority within the meaning of the Act, the Rules and Regulations of the Program, the relevant provisions of the Tax Code and related regulations (referred herein as "**Residential Housing**"). A Second Mortgage Loan may be originated for the purpose of assisting Eligible Borrowers with their upfront cash requirements in connection with the purchase of Residential Housing or for closing cost assistance in connection with the financing or refinancing of a mortgage loan. See "Part II – THE SINGLE-FAMILY MORTGAGE PROGRAM – Reservation, Delivery and Acquisition of Mortgage Loans." A First Mortgage Loan must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of such Mortgage Loan and must be made to a Borrower by the Authority or made by an originating Mortgage Lender and purchased by the Authority pursuant to a Mortgage Purchase Agreement. For this purpose, a *Borrower* means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing, who is a person or family of "low or moderate income" qualifying as such under the Act and the Rules and Regulations of the Program and, as applicable, in accordance with the Tax Code. The Mortgage Lenders may include certain banks, trust companies, FHA-approved direct endorsement mortgagees, VA-approved automatic lenders, Fannie Mae-approved and/or Freddie-Mac-approved sellers, RHS-approved mortgagees, national banking associations, credit unions, and savings and loan associations which make mortgage loans on properties located in the State and mortgage bankers approved by a private mortgage company insuring a Mortgage Loan.

First Mortgage Loans are required by the Master Indenture to be subject to mortgage insurance or guaranty to the extent required by any Series Indenture. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Insurance Limitations and Requirements." The Master Indenture further requires that the buildings on the premises with respect to which each First Mortgage Loan is made are to be insured, as and to the extent required by the Authority to protect its interest and with the Authority designated as the loss payee as its interest may appear, against loss or damage by fire, lightning and other hazards (including flooding in some cases). Each Mortgage Loan must be serviced by a participating lender until it is purchased by the Authority, at which time the servicing is transferred to the Authority. If the Authority purchases a Mortgage Loan before the first payment on such loan is due, then the Authority will be the initial servicer rather than the participating lender. The Authority has entered into the subservicer arrangement described in "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Servicing of the Mortgage Loans." In the Master Indenture, the Authority has covenanted to take certain action to protect the interests of the owners of the Bonds in the Mortgage Loans. See **Appendix A** – "FORMS OF THE INDENTURE – Program Covenants" and "– Enforcement of Mortgage Loans and Servicing Agreements." In one such covenant, the Authority has agreed to diligently enforce and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans consistent with sound lending practices and principles and applicable requirements under the Tax Code including the prompt payment of all Mortgage Repayments and all other amounts due the Authority thereunder.

Mortgage Loans

The Mortgage Loans securing the Bonds and Auxiliary Obligations under the Master Indenture will include Mortgage Loans originated by the Authority, or by Mortgage Lenders and thereafter purchased by the Authority, using amounts on deposit in the Acquisition Account and transferred to the Trustee. Upon transfer of any Mortgage Loans by the Authority to the Trustee, the Trustee is to reimburse the Authority for its costs of purchasing such Mortgage Loans using amounts on deposit in the Acquisition Account. The Mortgage Loans must satisfy the requirements described in "Mortgage Loan Requirements" under this caption. See also **Appendix A** – "FORMS OF THE INDENTURE – Program Fund; Acquisition Account." The Mortgage Loans securing the Bonds and Auxiliary Obligations under the Master Indenture will include any Mortgage Loans acquired using proceeds of additional Bonds which may be issued by the Authority under the Master Indenture as described in "Issuance of Additional Bonds; Auxiliary Obligations" under this caption. Any additional Mortgage Loans so acquired must meet the requirements required by the Series Indenture relating to such additional Bonds.

Debt Service Reserve Fund

The Debt Service Reserve Fund Requirement (if any) for each Series of Bonds is established by the Related Series Indenture. Upon the issuance of any Series of Bonds, the Debt Service Reserve Fund Requirement for such Bonds is expected to be funded by a deposit of proceeds to the Debt Service Reserve Fund or by the deposit of a Qualified Surety Bond as permitted by the Indenture. Additional moneys are to be transferred into the various subaccounts of the Debt Service Reserve Fund from the Revenue Fund as provided in the Master Indenture in the amounts needed, if any, to increase the amount in any subaccount of the Debt Service Reserve Fund, together with any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement for the Bonds. See **Appendix A** – "FORMS OF THE INDENTURE – Revenue Fund."

Amounts in the Debt Service Reserve Fund are to be transferred to the Debt Service Fund and applied by the Trustee to the payment of principal and interest on the Bonds issued under the Master Indenture, in order of Class, in the event that amounts on deposit in the Debt Service Fund for the Related Class are insufficient to make such payments on any Bond Payment Date. **When making such payments, the Trustee is to transfer amounts first from the Series subaccount of the Debt Service Reserve Fund related to the Bonds for which the payment will be made and, second, from any unrelated Series subaccounts.** See **Appendix A** – "FORMS OF THE INDENTURE –Debt Service Reserve Fund."

Liquidity Facilities

Pursuant to the respective Series Indentures, the Authority has entered, and expects in the future to enter, into Liquidity Facilities in connection with Adjustable Rate Bonds issued under the Master Indenture. See **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Liquidity Facilities" for a description of the outstanding Liquidity Facilities under the Master Indenture. The Authority may elect to replace any Liquidity Facility with an Alternate Liquidity Facility. The Authority is to promptly notify the Trustee, the Remarketing Agent and the Paying Agent of the Authority's intention to deliver an Alternate Liquidity Facility at least 45 days prior to the date of such delivery. Upon receipt of such notice, the Trustee is to promptly mail a notice of the anticipated delivery of an Alternate Liquidity Facility, including the name of the provider of such Alternate Liquidity Facility, by first-class mail to the Remarketing Agent and to each Owner of the Adjustable Rate Bonds at such Owner's registered address and to EMMA. The Authority is to deliver such Alternate Liquidity Facility to the Trustee on or before the day preceding the date of expiration of the then expiring Liquidity Facility or on the date of its intent to deliver.

The Authority is to use its best efforts to obtain an Alternate Liquidity Facility to replace the Liquidity Facility or cause the Adjustable Rate Bonds to be Converted to Fixed Rate Bonds or to bear interest in a Mode which does not require a Liquidity Facility in the event (i) the Liquidity Facility Provider shall decide not to extend the term of the Liquidity Facility beyond the expiration date thereof pursuant to the terms of the Liquidity Facility, (ii) the Authority terminates the Liquidity Facility pursuant to its terms, (iii) the Liquidity Facility Provider furnishes a termination notice to the Trustee, or (iv) the Liquidity Facility Provider fails to purchase Bonds as permitted by the Liquidity Facility.

No Alternate Liquidity Facility may be delivered to the Trustee for any purpose under the respective Series Indenture unless accompanied by certain documents, including letters from Moody's and S&P evidencing that the replacement of the Liquidity Facility with the Alternate Liquidity Facility will result in the reconfirmation of the then existing rating or the assignment of a new short-term rating of not less than "A-1+" and "P-1/VMIG-1" (in the case of S&P and Moody's, respectively) on the related Adjustable Rate Bonds, except with respect to the 2001AA-2/AA-3 Liquidity Facilities.

Unless the Trustee has received (a) written notice from the Liquidity Facility Provider that it elects to extend or renew the Liquidity Facility or (b) written notice from the Authority that it has determined to provide or cause to be provided an Alternate Liquidity Facility, which notice shall be received not less than 30 days prior to the stated expiration date of the Liquidity Facility, the Trustee is to give notice to the Owners of Adjustable Rate Bonds and to EMMA that the Adjustable Rate Bonds will be subject to mandatory tender for purchase, with no right to retain, not less than 20 days from the date of such notice to such Bondowners, at the Purchase Price (payable by the Liquidity Facility Provider) on the date set forth for purchase in such notice.

The Authority has agreed that, for so long as the 2017B-1 Liquidity Facility is in full force and effect, any Alternate Liquidity Facility will require, as a condition to the effectiveness thereof, that the provider of such Alternate Liquidity Facility provide funds to the extent necessary, in addition to other funds available, on the date such Alternate Liquidity Facility becomes effective, for the purchase of all Bank Bonds at par plus accrued interest (at the Bank Rate) through the date of such purchase.

Interest Rate Contracts

In connection with the issuance of certain Adjustable Rate Bonds under the Master Indenture, the Authority has entered, and expects in the future to enter, into interest rate swap agreements which qualify as "**Interest Rate Contracts**" under the Master Indenture, with a counterparty for the purpose of converting the floating rate interest payments the Authority is obligated to make with respect to the Adjustable Rate Bonds into substantially fixed rate payments. See **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." See also "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Authority Policy Regarding Swaps." Any payments or receipts received by the Authority under the Interest Rate Contracts will be pledged as Revenues, as described in "Revenues" under this caption. The Authority's obligation to make regular interest payments to the Counterparty under each of the Interest Rate Contracts has constituted, and is expected in the future to constitute, a Class I Obligation under the Master Indenture, secured on parity with the lien on the Trust Estate of the other Class I Obligations. The Authority's obligation to make termination payments under each of the Interest Rate Contracts in the event of early termination and in the future is expected to be a general obligation of the Authority and not an Auxiliary Obligation under the Master Indenture. See "Part

II – CERTAIN BONDOWNERS' RISKS – Risks Related to Interest Rate Contracts" and "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Obligations of the Authority – General Obligations."

Issuance of Additional Bonds; Auxiliary Obligations

No Bonds or Auxiliary Obligations are outstanding under the Master Indenture other than as described in **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS." However, the Master Indenture permits the Authority to issue additional Bonds and to incur additional Auxiliary Obligations thereunder from time to time, without limitation as to amount, secured on an equal lien with the outstanding Bonds and Auxiliary Obligations of the respective class, upon delivery of a Cash Flow Statement and satisfaction of certain other conditions contained therein. The Authority may not issue additional Bonds if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds issued under the Master Indenture. The Authority may also enter into any Interest Rate Contract or Liquidity Facility it deems necessary or desirable with respect to any or all of the Bonds issued under the Master Indenture, subject to the requirements of the Master Indenture. The Authority expects to issue additional Bonds and to incur additional Auxiliary Obligations in the future under the Master Indenture.

CERTAIN BONDOWNERS' RISKS

Limited Security

The Bonds are special limited obligations of the Authority payable by Class priority and solely from the Trust Estate (except in the case of Bonds which have been specifically designated as general obligations of the Authority). See "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – Pledge of Trust Estate." There is no assurance that the Mortgage Loans in or expected to be in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Bonds and Auxiliary Obligations under the Master Indenture when due. See **Appendix A** – "FORMS OF THE INDENTURE – Revenue Fund." Additional Bonds and Auxiliary Obligations may be issued by the Authority under the Master Indenture on a parity with each Class of Bonds outstanding, upon satisfaction of certain conditions set forth in the Master Indenture.

Considerations Regarding Redemption at Par

PURSUANT TO THE SPECIAL REDEMPTION PROVISIONS OF THE MASTER INDENTURE, THE BONDS MAY BE REDEEMED PRIOR TO THEIR STATED MATURITY FROM ANY MONEYS AND/OR INVESTMENT SECURITIES ON DEPOSIT IN THE RESPECTIVE ACCOUNTS OF THE REDEMPTION FUND, INCLUDING UNEXPENDED BOND PROCEEDS, EXCESS REVENUES FROM REGULAR LOAN PAYMENTS, VOLUNTARY OR INVOLUNTARY PREPAYMENTS AND AMOUNTS DEPOSITED AS A RESULT OF ANY OTHER EVENT AS DESCRIBED HEREIN. SEE "PART I – TERMS OF THE 2017 SERIES A/B BONDS" FOR A DESCRIPTION OF THE PROVISIONS SPECIFICALLY APPLICABLE TO EACH SERIES OF THE 2017 SERIES A/B BONDS. THE TIME OR RATE OF SUCH PREPAYMENTS OR DEPOSITS CANNOT BE PREDICTED. **However, it is assumed that a substantial portion of each Series of Bonds will be redeemed prior to their respective stated maturities at a redemption price equal to the principal amount of such Series of Bonds to be redeemed, without premium.**

Risks Related to the Liquidity Facility Providers and the Liquidity Facilities

Creditworthiness of the Liquidity Facility Providers

The short-term credit ratings of the Adjustable Rate Bonds under the Master Indenture are based on the issuance of the respective Liquidity Facilities relating to such Adjustable Rate Bonds. Such ratings are based solely on the general credit of the respective Liquidity Facility Provider. Any downgrade in the ratings of the related Liquidity Facility Provider may impact the interest rate of the related Adjustable Rate Bonds.

Each Liquidity Facility provides the Trustee with the liquidity support necessary to purchase the applicable Adjustable Rate Bonds deemed tendered for purchase as described in the related Series Indenture. If remarketing proceeds are not sufficient to provide funds sufficient to pay the purchase price of tendered Adjustable Rate Bonds, the Trustee is required to draw funds under the applicable Liquidity Facility. The ability of the respective Liquidity Facility Provider to honor such drawings may be adversely affected by its financial condition at the time of such draws. No assurance is given as to the current or future financial condition of any Liquidity Facility Provider or the financial condition of any entity with which any Liquidity Facility Provider may merge or by which it may be acquired. For more information about the Liquidity Facility Providers and Outstanding Liquidity Facilities, see **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Liquidity Facilities." If a Liquidity Facility Provider becomes insolvent or otherwise becomes a debtor in bankruptcy, timely payment of the purchase price of related Adjustable Rate Bonds subject to tender for purchase might depend entirely on the sufficiency of the Trust Estate to pay such amounts.

Inability to Obtain Substitute Liquidity Facility

Each Liquidity Facility expires on a particular date which is much earlier than the maturity dates of the related Adjustable Rate Bonds. See **Appendix B-1** hereto. No assurances can be given that the Authority will be able to extend any of the Liquidity Facilities or obtain a Substitute Liquidity Facility with respect to any Series of Adjustable Rate Bonds upon the terms required by the respective Series Indenture until and including the final maturity dates of such Adjustable Rate Bonds or until the interest rate on such Adjustable Rate Bonds is converted to a Fixed Rate. Failure to extend a Liquidity Facility or obtain a Substitute Liquidity Facility will result in a mandatory purchase of the related Adjustable Rate Bonds prior to maturity at a price of par. The mandatory purchase of such Adjustable Rate Bonds on such a mandatory bond purchase date may not be waived. As a result, related Adjustable Rate Bonds subject to such mandatory purchase will become Bank Bonds under the Master Indenture. **Coverage under the 2017B-1 Liquidity Facility for the 2017 Series B-1 Bonds is stated to expire on August 1, 2019, subject to prior termination or extension.** See "Interest Costs Associated with Bank Bonds; Priority of Accelerated Payments" under this caption.

Interest Costs Associated with Bank Bonds; Priority of Accelerated Payments

Pursuant to the Liquidity Facilities, certain unpaid fees will bear interest at the "Default Rate" and Bank Bonds will bear interest at a rate as set forth in the related Liquidity Facilities. Those interest rates can be substantially higher than the variable rate that otherwise would apply to the calculation of interest on the Adjustable Rate Bonds; any increase in those interest rates increases the amount of interest payable by the Trust Estate under the Master Indenture and may affect its sufficiency to pay the Bonds. Payment of such interest on Bank Bonds is on parity with the lien of the related Adjustable Rate Bonds which have been purchased. Furthermore, the Liquidity Facilities provide for accelerated amortization of principal of the respective Bank Bonds payable by the Trust Estate under the Master Indenture. See **Appendix B-1 –**

"THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Liquidity Facilities" for specific information about the "term-out" provisions of the outstanding Liquidity Facilities. WHILE THE PRINCIPAL PAYMENTS DUE ON THE BANK BONDS FOLLOWING ANY SUCH ACCELERATION BY THE LIQUIDITY FACILITY PROVIDERS WILL IN SOME CASES BE CLASS III OBLIGATIONS AND CONSTITUTE GENERAL OBLIGATIONS OF THE AUTHORITY, SUCH ACCELERATED PRINCIPAL IN OTHER CASES WILL BE ON PARITY WITH THE LIEN OF THE RELATED SERIES OF BONDS WHICH HAVE BEEN PURCHASED OR, IN THE CASE OF CERTAIN BONDS WHICH ARE CLASS II BONDS, WILL BE CLASS I OBLIGATIONS WITH A LIEN PRIOR TO THE LIEN OF SUCH BONDS. See "Inability to Obtain Substitute Liquidity Facility" under this caption.

Risks Related to Interest Rate Contracts

Each of the Interest Rate Contracts exposes the Authority to certain risks including, but not limited to, the risk that payments received by the Authority from the applicable Counterparty could be substantially less than the floating rate interest payments due on the related Series of Adjustable Rate Bonds. Pursuant to each of the Interest Rate Contracts, the Authority will pay interest to the Counterparty at a fixed rate and will receive interest from the Counterparty at a variable rate which will be based on a LIBOR or SIFMA Index. To the extent Counterparty payments are based on a LIBOR or SIFMA Index, the amount of actual interest payments due on the respective Adjustable Rate Bonds may differ from the amount of such interest payments to be made by the Counterparty and the Trust Estate may not be sufficient to pay interest as due.

The payment obligations of the Authority under the Interest Rate Contracts do not remove the obligations of the Authority to pay interest on the related Series of Bonds from the Trust Estate. A negative change to the financial position of any of the Counterparties (including bankruptcy or insolvency) at any time may negatively impact payments to the Authority pursuant to the applicable Interest Rate Contract to an extent that cannot be determined. In addition, each Interest Rate Contract is subject to termination upon the occurrence of certain events, and no assurance can be given that the Interest Rate Contracts, or any of them, will continue to be in effect. None of the Interest Rate Contracts provide a source of credit or security for the Bonds. The Owners of the Bonds do not have any rights under any Interest Rate Contract or against any Counterparty. See "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – Interest Rate Contracts." See also **Appendix B-1** – "THE OUTSTANDING BONDS AND AUXILIARY OBLIGATIONS – The Outstanding Auxiliary Obligations – Outstanding Interest Rate Contracts." **See footnote (8) to the audited 2016 financial statements of the Authority attached as Appendix G hereto for a description of certain further risks associated with the Interest Rate Contracts.**

Delays after Defaults on Mortgage Loans

The Authority anticipates that there will be some delinquent Mortgage Loan payments and foreclosed Mortgage Loans. In the event that a Borrower defaults in the payment of a Mortgage Loan and the Authority institutes foreclosure proceedings, there may be certain required time delays which, should they occur with respect to a sufficient number of Mortgage Loans, could disrupt the flow of Revenues available for the payment of principal of and interest on the Bonds. These time delays derive from the procedures applicable to the collection of mortgage insurance or guarantees as well as those required under Colorado law for the enforcement of rights of beneficiaries under deeds of trusts. Those procedures and their effect on the Authority's ability to collect on defaulted Mortgage Loans are described in **Appendix I** – "INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE." Any cash assistance to Borrowers in connection with the Mortgage Loans will decrease the Borrower's equity in the property and, as a result, it is possible that the Mortgage Loans may in the aggregate perform with higher default rates than Mortgage Loans originated without cash assistance. Bondholders should consider the possibility that such higher default rates could result in insufficient Revenues available to pay debt service on the Bonds when due. Information about historical default rates on portfolios of mortgage loans which secure outstanding bonds of the Authority has been provided by the Authority in its past filings with the nationally recognized municipal securities repositories. See **Appendix J** – "CONTINUING DISCLOSURE UNDERTAKING" for a description of the Authority's future obligations with respect to providing information about the Mortgage Loan portfolio, including default rate information. In addition, physical damage to the residences securing the Mortgage Loans may exceed the limits of, or be caused by a peril not insured under, the standard hazard insurance policies insuring such residences, thereby diminishing the value of the Mortgage Loans securing the Bonds.

Other Risks

The remedies available to the owners of the Bonds upon an event of default under the Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which often are 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 Indenture and the various Program documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 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.

THE SINGLE FAMILY MORTGAGE PROGRAM

The Trust Estate which secures Bonds under the Master Indenture (including the 2017 Series A/B Bonds) will include Mortgage Loans, as described in "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS." The following sections describe requirements for the Mortgage Loans which are based on requirements in the Act or derive from general policies and limits established by the Authority for qualification of Mortgage Lenders, Servicers, Borrowers and Eligible Properties as well as basic requirements for Mortgage Loans (with noted exceptions). As indicated, certain requirements described below relate only to Mortgage Loans made as a part of a Qualified Single Family Mortgage Program as described in "Background" under this caption. A number of the procedures described below may not apply to the Zero Interest First Mortgage Loans. *It is expected that there will be variations in particular cases and that the policies and procedures of the Authority will be modified from time to time consistent with the Act, the Indenture and any procedures applicable to the Mortgage Loans.*

Background

Until 2009, the Authority funded the purchase of Mortgage Loans made as part of its Qualified Single Family Mortgage Program and Non-Qualified Single Family Mortgage Program through the issuance of fixed rate and variable rate Bonds under the Master Indenture. In 2009, the Authority transitioned to funding the purchase of FHA insured or VA or Rural Housing Service guaranteed single family mortgage loans and later conventional loans, through the securitization and sale of the loans as Ginnie Mae Certificates, through sale of whole loans and/or mortgage-backed securities to Fannie Mae and Freddie Mac, or through a pass through bond issued under a separate indenture. See footnote (15) of the audited 2016 financial statements of the Authority attached as **Appendix G** hereto for a discussion of the Authority's obligation to advance its funds to holders of such Ginnie Mae Certificates in the event of a defaulted mortgage loan.

The premium income earned from the Authority's sale of mortgage-backed securities has comprised a significant share of the Authority's annual revenues in recent years. See "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – The General Fund – Financial Information for the General Fund." The Federal Reserve has recently signaled an intent to reduce its investment in mortgages, which may reduce the premiums that can be earned by entities such as the Authority. The Authority has no ability to predict the extent or impact of the Federal Reserve's actions.

Although no Bonds have been issued to fund new single family mortgage loan purchases under the Master Indenture since 2009, the Authority is permitted by the Master Indenture to use repayments of Mortgage Loans or in the future to decide to issue additional Bonds to fund the purchase of new Mortgage Loans.

Communication of Program Information

The Authority communicates information on its website (**www.chfainfo.com**) and through subscription Internet services regarding the changes to policies and procedures for First Mortgage Loans under the Program. Interest rates announced to participating Mortgage Lenders on the Authority website or by email may change daily. The Authority also makes available on the website a guide to Mortgage Lenders setting forth requirements for the Program and information relating to the reservation procedures as more fully described in "Seller's Guide" under this caption (the "**Seller's Guide**"). Participating Mortgage Lenders are expected to obtain this information from the website, which is currently being hosted by AllRegs to improve its useability. The Seller's Guide describes each Program parameters and information necessary for Mortgage Lenders to determine the eligibility of Applicants, residences and Mortgage Loans under the Program. The Seller's Guide and all programmatic information is incorporated by reference into the Mortgage Purchase Agreement entered into between the Authority and each respective participating Mortgage Lender for eligible Mortgage Loans. See "Mortgage Purchase Agreements" under this caption.

Reservation, Delivery and Acquisition of Mortgage Loans

The Seller's Guide references and incorporates a description of reservation procedures by which a Mortgage Lender may reserve Mortgage Loan funds. Reservations may be made on a continuous basis without regard to the availability of proceeds from a specific Series of Bonds. The reservation procedures require a Mortgage Lender to have taken a loan application from an Applicant who has entered into a purchase contract with the seller of a residence or to have taken an application from an Applicant who intends to refinance their existing mortgage loan as part of a refinance program. The Mortgage Lender must use the Internet Reservation System to reserve funds. Prior to closing the Mortgage Loan, the Mortgage Lender may deliver to the Authority further documentation in order for the Authority to review the eligibility of the Applicant and the residence. The Mortgage Lender must then close the Mortgage Loan and deliver to the Authority the complete Mortgage Loan closing documents within specified timeframes.

In connection with a First Mortgage Loan originated by a Mortgage Lender in the Single Family Mortgage Programs, a Borrower may request and obtain, under eligible Mortgage Loan programs, a Second Mortgage Loan or a CHFA downpayment assistance grant ("**CHFA DPA Grant**"), the proceeds of which may, subject to program guidelines, be used to fund upfront cash requirements of the applicable First Mortgage Loan, including payment of the origination fee, closing costs, initial required escrow deposits and/or all or a portion of a downpayment. See "Special Program Features – CHFA DPA Grants" under this caption. Previously, proceeds of a Second Mortgage Loan were also used by a Borrower for a temporary "buy down" of the interest rate in some Programs. See "Special Program Features – Second Mortgage Loans" under this caption. First Mortgage Loans will be offered with and without a Second

Mortgage Loan or CHFA DPA Grant at varying interest rates. In addition, the Authority requires a Borrower to make a cash contribution using funds other than the proceeds of a Second Mortgage Loan or CHFA DPA Grant. The cash contribution is not required to be from the Borrower's own funds. The Authority or the Trustee will acquire First Mortgage Loans from the Mortgage Lenders with available funds of the Authority at a price sufficient, in some cases, to pay additional lender fees. The Authority or the Trustee will also use available funds to reimburse Mortgage Lenders for any related Second Mortgage Loans originated or CHFA DPA Grants funded by such Mortgage Lenders on behalf of the Authority in connection with such First Mortgage Loans.

In order to satisfy the requirements of the Tax Code in connection with certain tax-exempt Bonds, the Authority is required by the Indenture to reserve an amount in the Acquisition Account for the acquisition of First Mortgage Loans on "targeted area residences" within the meaning of Section 143 of the Tax Code ("**Targeted Area Residences**"). Such amount must be reserved until all of such amount is used to acquire First Mortgage Loans on such Targeted Area Residences or a date at least one year after the date on which the proceeds of the Series of Bonds or amounts exchanged therefor are first made available for the acquisition of such First Mortgage Loans.

Eligibility Requirements

Residency Requirements

In the case of Mortgage Loans made in a Qualified Single Family Mortgage Program, Mortgage Loans must be made only to Applicants who have not had a present ownership interest in a principal residence during the three-year period prior to the date of execution of each respective Mortgage which secures each such Mortgage Loan. Mortgage Loans in the Non-Qualified Single Family Mortgage Program, Mortgage Loans made to Eligible Veterans or in Targeted Areas will not be subject to this requirement. Each Applicant must also intend to occupy the Eligible Property as his or her principal place of residence.

Purchase Price Limitations

In the case of Mortgage Loans made in a Qualified Single Family Mortgage Program, the Purchase Price of an Eligible Property financed in connection with such a Mortgage Loan may not exceed certain Purchase Price limits as established by the Authority. The Authority has established Purchase Price limits for Eligible Properties, with no differentiation between new and existing residences, based on the county in which such Eligible Property is located. These limits range from $253,800 to $424,100. Certain of these Purchase Price limits are somewhat lower than those permitted by the Tax Code in order to better serve persons and families of lower income. Purchase Price limits determined by the Authority may be amended by the Authority from time to time without notice to Bondowners. Furthermore, a Mortgage Loan may be made in an amount up to $15,000 for an existing Residence to finance certain capital improvements to the Eligible Property for energy efficiency purposes. In addition to the proceeds of a First Mortgage Loan, an Eligible Property may be financed with amounts received and secured by a second mortgage encumbering the property. For other Mortgage Loans and in certain jurisdictions, the Authority has established or may establish higher Purchase Price limits, not in excess of 90% (110% in the case of Targeted Area Residences) of the Average Area Purchase Price, as defined below, of previously occupied or new single family residences, as the case may be, for the statistical area in which the Eligible Property is located. For Mortgage Loans reserved on or after March 16, 2015, the Authority removed Purchase Price limits from Single Family Mortgage Loan Programs not financed using tax exempt funds.

The term "**Purchase Price**" means that cost of acquiring an Eligible Property from the seller as a completed residential unit, including: (i) all amounts paid, either in cash or in kind, by the Eligible Borrower (or a related party or for the benefit of the Eligible Borrower) to the seller (or a related person or for the benefit of the seller) as consideration for the Eligible Property, (ii) the purchase price of the land and (iii) if the Eligible Property is incomplete, the reasonable cost of completing it (to the extent that the builder thereof normally completes work on similar residences which he builds, and so that occupancy thereof is legally permitted); but exclusive of (A) usual and reasonable settlement or financing costs (but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the Applicant where financing is not provided through the proceeds of qualified mortgage bonds the interest on which is excludable from the gross income of the recipient for federal income tax purposes), (B) the value of services performed by the Eligible Borrower or members of his or her family in completing the Eligible Property, (C) the value of an income-producing component of the Eligible Property, (D) the value of all items of personal property included in the Eligible Property and (E) the cost of land if owned by the Eligible Borrower for at least two years prior to the commencement of construction.

The term "**Average Area Purchase Price**" means the average area purchase price under the safe harbor limitations calculated as provided in Revenue Procedure 2017-27. This Revenue Procedure announces that the Treasury Department and the Internal Revenue Service have determined that FHA loan limits provide a reasonable basis for determining average area purchase price safe harbor limitations. Because FHA loan limits do not differentiate between new and existing residences, the Revenue Procedure contains a single average area purchase price safe harbor for both new and existing residences in a statistical area. If the Treasury Department and the Internal Revenue Service become aware of other sources of average purchase price data, including data that differentiate between new and existing residences, consideration will be given as to whether such data provide a more accurate method for calculating average area purchase price safe harbors. If no purchase price safe harbor is available for a statistical area, the safe harbor for "All Other Areas" may be used for that statistical area.

On December 1, 2016, FHA issued Mortgagee Letter 2016-20 which provides notice of certain updates including, but not limited to, FHA's single family housing loan limits for Title II forward mortgages for case numbers assigned on or after January 1, 2016. If the FHA revises the FHA loan limit for any statistical area after December 6, 2016, an issuer of qualified mortgage bonds or mortgage credit certificates may use the revised FHA loan limit for the statistical area to compute a revised average area purchase price safe harbor for that statistical area, provided that the issuer maintains records evidencing the revised FHA loan limit. In accordance with the Tax Code, the average area purchase price may be determined by the Authority, in lieu of the safe harbor limitations described above, if the Authority uses more accurate and comprehensive data.

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The most recently published safe harbor limitations for Average Area Purchase Prices for Single Family Residences in the State were as follows:

Area	Average Purchase Price Safe Harbor
Eagle County	$650,793
Garfield County	$650,793
Pitkin County	$650,793
San Miguel County	$650,793
Summit County	$650,793
Adams County	$504,706
Arapahoe County	$504,706
Archuleta County	$291,765
Boulder County	$541,176
Broomfield County	$504,706
Clear Creek County	$504,706
Denver County	$504,706
Douglas County	$504,706
Elbert County	$504,706
El Paso County	$291,765
Gilpin County	$504,706
Grand County	$341,176
Gunnison County	$365,882
Hinsdale County	$437,647
Jefferson County	$504,706
La Plata County	$394,118
Larimer County	$384,706
Mesa County	$289,412
Ouray County	$435,294
Park County	$504,706
Routt County	$649,412
Teller County	$291,765
Weld County	$329,412

Source: Internal Revenue Service Revenue Procedure 2017-27, IRB 2017-14, dated April 3, 2017.

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Income Limits

An Applicant may be a Borrower for purposes of a Mortgage Loan only if such Applicant has a current income or Gross Annual Household Income, as applicable, which does not exceed the limits set forth in the Seller's Guide and supplemental documentation. Income limits determined by the Authority may be amended by the Authority from time to time without notice to Bondowners. For reservations made on or after March 14, 2016, the Authority now accepts qualifying income for purposes of meeting the Authority's income guidelines for many of its Single Family Mortgage Programs. For these programs, the Authority will defer to the income calculation requirements of the underlying loan program (for example, Fannie Mae, Freddie Mac, FHA, VA, and RD).

Credit Scores for Originated Mortgage Loan Applicants

Applicants for Mortgage Loans originated under a Qualified Single Family Mortgage Program must meet a minimum FICO credit score requirement of 620. Under CHFA Advantage, one of CHFA's Non-Qualified Single Family Mortgage Programs, the minimum credit score requirement is 680.

Homebuyer Education Requirement

Applicants for Mortgage Loans originated under a Qualified Single Family Mortgage Program will be required by the Authority (at the Authority's expense) to attend a homebuyer education class. Homebuyer education classes are intended to give Applicants a clearer understanding, among other things, of their debt obligations. Applicants obtaining financing under the Authority's HomeAccess^{sm} Program must attend the class prior to executing a contract with respect to the applicable property. Homebuyer education classes are offered statewide and at no cost to the Borrower by Authority-approved housing counseling agencies and housing authorities under contract with the Authority ("**participating agencies**"). Homebuyer education certificates are only valid for twelve months from the date of the certificate through the date of the purchase contract. Pursuant to its contracts with such participating agencies, the Authority will pay up to certain amounts for the classroom education. Homebuyer education is also available online from certain of the participating agencies at a cost of $99 to be paid by the Borrower.

Mortgage Purchase Agreement

Each Mortgage Lender approved by the Authority to participate in the Authority's Single Family Mortgage Program has executed a Mortgage Purchase Agreement. Additional Mortgage Lenders may become eligible to participate and, if approved by the Authority, will enter into a Mortgage Purchase Agreement. Purchases of Mortgage Loans by the Authority from Mortgage Lenders are made pursuant to Mortgage Purchase Agreements, which in most cases incorporate by reference the terms and provisions of the Seller's Guide. A reservation of Mortgage Loan funds is for a specific Applicant, residence, Mortgage Loan amount and interest rate. The Seller's Guide provides that an origination fee equal to one percent (1%) of the aggregate principal amount of each First Mortgage Loan may be charged to a Borrower and Mortgage Lenders may receive an additional payment from the Authority as a servicing release fee and, in the case of First Mortgage Loans originated in non-metropolitan areas, an additional 50/100 of one percent (.50%) fee will be paid to Mortgage Lenders. In the case of a First Mortgage Loan originated to a Borrower whose household income is less than 80% area median income, with a credit score equal to or greater than 700 or with a Mortgage Loan in an amount less than $75,000, an additional .125% premium will be paid to Mortgage Lenders. The Authority offers Mortgage Lenders the following early purchase service release premium ("**SRP**"): an additional .25% SRP if the loan is purchased within 30 days of reservation date and an additional .125% SRP if the loan is purchased within 45 days of reservation date. In the case of Mortgage Loans originated as 203K rehabilitation loans, an additional one and one-half percent (1.5%) of the portion of the Mortgage Loan allocated to rehabilitation or three hundred fifty dollars ($350), whichever is greater, will be paid to Mortgage Lenders. In the case of Mortgage Loans originated in the HomeAccess^{sm} Program, an additional one percent (1%) fee will be paid to Mortgage Lenders. Previously, Mortgage Lenders were also paid one-hundred fifty dollars ($150) for Second Mortgage Loans.

The Authority reserves the right to modify or otherwise change its procedures under the Program from time to time on the basis of its experience in order to meet changed conditions. To the extent that such modifications or changes are made, the Authority will be governed by the Act and by the covenants contained in the Indenture.

Seller's Guide

Each Mortgage Purchase Agreement (applicable only to Mortgage Loans other than Zero Interest First Mortgage Loans) incorporates by reference the Seller's Guide, including all of the terms, conditions, representations and warranties therein. The Seller's Guide describes the procedures for reservation, loan delivery and acquisition, and contains representations, warranties, covenants and agreements of the Mortgage Lender to the Authority, certain of which relate to: (i) the legality and validity of the Mortgage Loans and related documents; (ii) the existence and conveyance to the Authority of a valid lien (subject only to current taxes and assessments not yet due and payable, and encumbrances permitted by the Authority) on the Eligible Property, located in the State and held in fee simple; (iii) the absence of delinquencies with respect to payments on each Mortgage Loan; (iv) the absence of defaults under each Mortgage Loan; (v) the Mortgage Lender's right to sell each Mortgage Loan to the Authority; (vi) the existence and validity of hazard insurance on the Eligible Property acceptable to the Authority and compliance with applicable insurer, guarantor, investor and/or any other legal requirements; (vii) compliance by the Mortgage Lender with all requirements relating to the sale, insurance or guaranty of the Mortgage Loan; (viii) compliance with the applicable requirements of the Tax Code; and (ix) the requirement that any insurance or guaranty will inure to the benefit of the Authority. The Authority has the right to decline to purchase any Mortgage Loan offered to it if, in the reasonable opinion of the Authority, the Mortgage Loan does not conform to the requirements of the Act or the Seller's Guide. See "Mortgage Purchase Agreement" under this caption.

The Seller's Guide may be amended or supplemented by the Authority from time to time without notice to the owners of the Bonds.

Early Payoff Penalty

If a Mortgage Loan is refinanced within 180 days of purchase by the Authority, other than through one of the Authority's refinancing programs, regardless of whether the participating Mortgage Lender had any direct or indirect influence or involvement in promoting or soliciting such refinancing, then upon notice by the Authority the participating Mortgage Lender must reimburse the Authority for all lender premiums paid by the Authority to the participating Mortgage Lender in connection with the Mortgage Loan.

Servicing of the Mortgage Loans

Since 1997, the Authority has retained all mortgage servicing rights related to purchased single-family mortgage loans and has serviced such mortgage loans, including the Mortgage Loans, through an internal loan servicing department. However, following a detailed review of its loan servicing function in 2012, the Authority determined that the Authority and its customers would benefit from the infrastructure, advanced technology and economies of scale offered by an external sub-servicer. As a result, in

November 2012 the Authority contracted with Dovenmuehle Mortgage, Inc. ("**DMI**") to serve as a sub-servicer for the Authority's single family mortgage loan portfolio (including the Mortgage Loans). The Mortgage Loans were transitioned to DMI in the spring of 2013. DMI is highly experienced at sub-servicing mortgage loan portfolios for housing finance agencies and other investors, with expertise in tax exempt bond finance structures and the unique mission perspective of housing finance agencies. It is anticipated that the engagement of DMI will assist the Authority in lowering its long-term costs and enhance delinquency and default management. DMI was selected from a pool of six nationally recognized candidates. The Authority will continue to retain mortgage servicing rights and actively oversees the activities of DMI through a core group of internal loan servicing employees.

Loss Mitigation

For Mortgagors in default, the Authority actively seeks alternatives to foreclosure. The Authority through its sub-servicer DMI follows the loss mitigation procedures of the relevant Mortgage Loan insurer, guarantor or investor. The Authority, [through DMI,] refers all Mortgagors in default to HUD-approved counseling agencies for assistance. From time to time, HUD evaluates loss mitigation efforts by loan servicers. HUD assigns a tier ranking of one to four, with one being the highest ranking. DMI's most recent ranking as a loan servicer is Tier 2.

Hazard Insurance

Each Mortgagor must maintain a hazard insurance policy covering against loss caused by fire and hazards included within the terms of the policy.

In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of a residence by fire, lightning, smoke, windstorm and hail, riot, strike and civil commotion, subject to the conditions and exclusions particularized in each policy. Although the policies relating to the Mortgage Loans may be underwritten by different insurers and therefore will not contain identical terms and conditions, the basic terms thereof are dictated by Colorado law. Most policies typically do not cover any "physical damage" resulting from the following: war, revolution, governmental actions, earthquake, floods (unless in an applicable zone where flood insurance is required) and other water-related causes, nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft and, in certain cases, vandalism. The foregoing list is merely indicative of certain kinds of uninsured risks and is not intended to be all-inclusive or address damage covered in specialty insurance policies.

Most hazard insurance policies typically contain a "coinsurance" clause which will require the Mortgagor at all times to carry insurance of a specified percentage (generally 80% to 90%) of the full replacement value of the improvements on the residence in order to recover the full amount of any partial loss. If the coverage falls below the specified percentage, the insurer's liability in the event of partial loss would not exceed the larger of (i) the actual cash value of the improvements damaged or destroyed or (ii) such proportion of the loss as the amount of insurance carried bears to the specified percentage of the full replacement cost of such improvements. The effect of coinsurance in the event of partial loss may be that hazard insurance proceeds will be insufficient to restore fully the damage to the Eligible Property.

Special Program Features

Borrower Premium

In 2014, the Authority implemented a Borrower Premium option on some of its Programs which provides Borrowers an opportunity to finance all, or a portion, of their closing costs through an increased interest rate. The Borrower Premium option is accomplished in the form of a credit to the Borrower.

Mortgage Lenders will be reimbursed for the credit to the Borrower of 1 percent, 2 percent or, if applicable, 3 percent of the total First Mortgage Loan amount at the time the Authority purchases the loan. Such credit is for payment of Borrower settlement charges.

Zero Interest First Mortgage Loans

The Authority may use amounts in the Acquisition Account to acquire as Mortgage Loans certain loans referred to as "**Zero Interest First Mortgage Loans**." Zero Interest First Mortgage Loans are loans which have been made by a non-profit organization to Borrowers in principal amounts equal to the cost of construction of the dwelling, with no interest. The Borrowers are expected to contribute a certain minimum number of required hours of "sweat equity" into the construction of the dwelling in lieu of a down payment. The annual repayment obligation of Zero Interest First Mortgage Loans will be based on a certain percentage of the respective Borrower's gross annual household income and the respective maturities of the Zero Interest First Mortgage Loans will be derived as a result of the repayment terms. The Zero Interest First Mortgage Loans will not be insured or guaranteed and do not need to meet any loan-to-value ratios. However, in the event of default, the non-profit organization is generally required to substitute the defaulted Zero Interest First Mortgage Loan with a comparable performing Zero Interest First Mortgage Loan or, if unable to find such a comparable performing loan, to provide cash in the amount of the loan or notify the Authority to commence the foreclosure process. Zero Interest First Mortgage Loans are purchased by the Authority, and they may have cash assistance or a second mortgage loan from other entities. Terms of the Zero Interest First Mortgage Loans may be amended from time to time and the level of such Zero Interest First Mortgage Loans so acquired may be determined by the Authority, to the extent consistent with the then current Cash Flow Statement and Authority Certification required by the related Series Indenture to demonstrate that the Class I Asset Requirement, the Class II Asset Requirement and the Class III Asset Requirement for the particular Series of Bonds will be met after taking into account such terms and level. The Authority charges a small one-time, up-front administrative fee for each Zero Interest First Mortgage Loan.

HomeAccess[sm] Program

The Authority may use amounts in the Acquisition Account to acquire Mortgage Loans originated under the Authority's HomeAccess Program, which is intended to assist very low-income persons with disabilities or the parents of a child with a disability to achieve homeownership. These Borrowers may receive First Mortgage Loans (referred to herein as "**HomeAccess Loans**") at current market rates. A Mortgage Loan in the HomeAccess Program will be made only to a Borrower who makes a cash contribution of at least $750 or $500 with automatic checking account payments and who meets certain income limits lower than those established for Borrowers of other First Mortgage Loans. The Authority may provide certain Borrowers under the HomeAccess Program with a Second Mortgage Loan for downpayment and closing cost assistance of up to $25,000. The HomeAccess Second Mortgage Loans bear interest at an annual interest rate of 0% with repayment deferred for three-hundred sixty (360) months, then repaid at two hundred dollars ($200) per month thereafter. Terms of the Mortgage Loans made under the HomeAccess Program may be amended from time to time and the level of such Mortgage Loans so acquired may be determined by the Authority, to the extent consistent with the then current Cash Flow Statement and Authority Certification required by the related Series Indenture to demonstrate that the Class I Asset Requirement, the Class II Asset Requirement and the Class III Asset Requirement for the particular Series of Bonds will be met after taking into account such terms and level.

CHFA SectionEight[sm] Homeownership and CHFA SectionEight Homeownership Plus Programs

The Authority may use amounts in the Acquisition Account to acquire Mortgage Loans originated under the CHFA SectionEight Homeownership and CHFA SectionEight Homeownership Plus

Programs. Under its SectionEight Homeownership Program, the Authority may make 30-year Mortgage Loans to first time homebuyers that meet certain income limit requirements for eligible property subject to certain other restrictions. Persons who receive Housing Assistance Payments ("**HAP**") from Public Housing Authorities ("**PHA**") and who are approved to participate in a PHA's homeownership programs may be eligible to participate in the CHFA SectionEight Homeownership and the CHFA SectionEight Homeownership Plus Programs. Under the CHFA SectionEight Homeownership Plus Program, the Authority may make Second Mortgage Loans or CHFA DPA Grants to eligible borrowers to finance a down payment and/or closing costs.

CHFA Advantage^sm Program

The Authority may use amounts in the Acquisition Account to acquire Mortgage Loans originated under the Authority's CHFA Advantage Program. Under this Program, the Authority may make 30-year fixed interest rate Mortgage Loans to borrowers with a minimum median credit score of 680. Such Mortgage Loans originated under the CHFA Advantage Program will be conventional uninsured loans, with a maximum loan to value ratio of 97%. Such Mortgage Loans will not be originated under this Program in conjunction with a Second Mortgage Loan or CHFA DPA Grants.

CHFA Preferred ^sm and CHFA Preferred Plus^sm Programs

The Authority may use amounts in the Acquisition Account to acquire Mortgage Loans originated under the Authority's CHFA Preferred and CHFA Preferred Plus Programs. Under these Programs, the Authority may make 30-year fixed interest rate Mortgage Loans to Borrowers with a minimum median credit score of 620. Such Mortgage Loans originated under these CHFA Preferred Programs will be conventional insured loans, with a maximum loan to value ratio of 97% and maximum combined loan to value of 105%, as applicable. If the loan to value ratio is under 80%, mortgage insurance is not required. Under the CHFA Preferred Plus Program, the Authority may make Second Mortgage Loans or CHFA DPA Grants to eligible borrowers to finance a down payment and/or closing costs.

On May 16, 2016, the Authority expanded its existing conventional loan programs, namely CHFA Advantage, CHFA Preferred, and CHFA Preferred Plus, to include Freddie Mac product options.

CHFA FirstStep^sm and CHFA FirstStep Plus^sm Programs

CHFA reintroduced its Qualified Single Family Mortgage Program via the CHFA FirstStep^sm and CHFA FirstStep Plus^sm products in 2017. These products are available for purchase loans only. They are restricted to first time homebuyers, qualified veterans, and non-first time homebuyers purchasing in targeted areas. Borrowers must meet applicable gross annual household income limits and certain purchase price limits. At the time these products were launched, they were only available for FHA 203(b) mortgage loans; however, the Authority may at a later date expand the loan types that are eligible. The minimum decision credit score for all scored Borrowers is 620 and Borrowers with no credit scores are permitted, subject to program guidelines. CHFA Second Mortgage Loans are available for assistance with down payment, closing costs, and prepaids under the CHFA FirstStep Plus^sm products.

Second Mortgage Loans

Proceeds of certain Bonds have in the past been and may in the future be used by the Authority to finance Second Mortgage Loans made to Borrowers of First Mortgage Loans and Second Mortgage Loans originated under the Master Indenture in connection with first mortgage loans purchased and pledged to repay certain Ginnie Mae Certificates , Fannie Mae Certificates or Freddie Mac Certificates.

Under most programs, Second Mortgage Loans have been and will be originated for five percent (5%) of the first mortgage loan amount, with a term of thirty (30) years.

CHFA made some changes to its Second Mortgage Loan program offerings over the last several years. For loan reservations made on or after August 18, 2014, the Authority replaced its interest bearing Second Mortgage Loans with its zero percent interest, non-amortizing Second Mortgage Loans for up to three percent (3%) of the original First Mortgage Loan amount. On February 2, 2015, CHFA offered, in place of its Second Mortgage Loans, the CHFA DPA Grant for use toward a Borrower's down payment, closing costs and/or prepaid expenses other than closing costs. On March 6, 2017, CHFA began offering a zero percent (0%) interest Second Mortgage Loan for up to five percent (5%) of the original First Mortgage Loan amount, thereby providing borrowers down payment assistance in the form of either a second mortgage loan or a grant for down payment assistance.

Generally, Second Mortgage Loans are due in full upon the sale of the property, the refinance of the related First Mortgage Loan, payment in full of the related First Mortgage Loan, default of the related First Mortgage Loan, transfer of title, or if at that time the property is no longer the Borrower's principal residence. Under certain specialty programs, the Second Mortgage Loan interest rate is zero percent (0%) and, pursuant to applicable program requirements, monthly payment requirements commence beginning in month three-hundred sixty-one (361), or repayment of the entire balance of the Second Mortgage Loan is due three-hundred sixty (360) months following funding of the Second Mortgage Loan (after repayment of the thirty (30) year First Mortgage Loan). The Second Mortgage Loan can be prepaid in full or in part at any time without penalty. The Second Mortgage Loan is not assumable.

The percentage and aggregate amounts available from Bond proceeds for acquisition of such Second Mortgage Loans from time to time must be at levels consistent with the then current Cash Flow Statements and Authority Certification required by the related Series Indenture to demonstrate that the Class I Asset Requirement, the Class II Asset Requirement and the Class III Asset Requirement for the particular Series of Bonds will be met after taking into account such levels for Second Mortgage Loans.

CHFA DPA Grants

CHFA DPA Grants are unsecured, non-repayable grants for use toward a borrower's down payment, closing costs and/or prepaid expenses. As noted above, for Mortgage Loans reserved on or after February 2, 2015, the Authority made available, under certain of its Single Family Mortgage Loan programs, a CHFA DPA Grant in an amount of up to three percent (3%) of the original First Mortgage Loan. As of March 6, 2017, the CHFA DPA Grant was increased to an amount of up to four percent (4%) of the original First Mortgage Loan amount. There is no separate application process for CHFA DPA Grants. To be eligible, the loan applicant need only be approved under one of CHFA's Single Family Mortgage Loan programs that offer CHFA DPA Grants.

Refinancing Programs

Proceeds of the Bonds (or amounts exchanged therefor) provide funding for the Authority's mortgage purchase activities under the Single Family Mortgage Programs. The Authority is using, and in the future plans to use, such proceeds and exchanged amounts to fund mortgage refinancing activities. Under the CHFA FHA Streamline Refinance Program, initiated in September 2012 by the Authority, the Authority may offer fixed interest rate 30-year Mortgage Loans to refinance Mortgage Loans currently in the Authority's single-family mortgage loan portfolios, without an appraisal, homebuyer education, any credit qualification or minimum financial investment. Mortgage Loans will not be originated under this Program in conjunction with a Second Mortgage Loan or CHFA DPA Grant. Under its CHFA Advantage and CHFA Preferred Programs, the Authority also offers fixed interest rate 30-year Mortgage Loans to refinance existing loans. Any such refinancing programs of the Authority may result in the prepayment of outstanding mortgage loans, including the Mortgage Loans, with a corresponding redemption at par of Bonds secured by such Mortgage Loans in accordance with the redemption provisions of the related Series Indenture. See "Part II – CERTAIN BONDOWNERS' RISKS – Considerations Regarding Redemption at Par."

Community Land Trust Program

The Authority may use amounts in the Acquisition Account to acquire First Mortgage Loans with a first lien on residences built on leased ground in connection with a Community Land Trust. The remaining term of the ground leases will not be less than the term for repayment of the Bonds secured by the First Mortgage Loans. The Community Land Trust's ground lease may include certain resale restrictions to limit future property purchasers to low and moderate income families or to limit the maximum sales price of the property. The Authority will require appropriate recorded documentation such as a Land Lease Rider (the "**Rider**") among the Borrower, the Authority and the Community Land Trust which will provide that such restrictions will terminate automatically on foreclosure of, or acceptance of a deed-in-lieu of foreclosure for, the leasehold mortgage. The documentation will also provide that in no event shall the leasehold terminate except for (1) nonpayment of amounts due under the lease; (2) violation of the restrictions on sale; and (3) violation of the requirement that the Borrower occupy the land as their primary residence. The documentation shall give the Authority the prior right to cure any such default without terminating the lease or to foreclose its mortgage, at which point a new lease between the Authority and the Community Land Trust will be automatically created. The Authority's purchase of Community Land Trust loans is subject to applicable Single Family Mortgage Loan program guidelines.

Payment of Recapture Tax

The Authority has established a reimbursement program for certain current and new Borrowers that may be subject to paying a recapture tax under the Internal Revenue Code (the "**Recapture Tax**"). The Internal Revenue Code mandates, under certain circumstances, a "recapture" of some of the subsidy received by a Borrower through borrowing under the Authority's tax-exempt mortgage revenue bond funded loan programs or through a mortgage credit certificate issued by the Authority on a Property that also has a First Mortgage Loan that was purchased by the Authority. A payment of Recapture Tax may be required if (i) the Authority financed property ceases to be the Borrower's principal residence in the first full nine years of ownership; (ii) there is a profit on the sale of the home; and (iii) the Borrower's household income increases significantly (generally more than five percent (5%) per year). Upon receipt of proof that a Borrower who was subject to a Recapture Tax actually paid to the IRS the Recapture Tax, the Authority will reimburse the Borrower the amount paid upon satisfaction of certain conditions. The reimbursement will be paid from general funds of the Authority. The Authority has evaluated the risks associated with this reimbursement program and determined that the likelihood is relatively low that a Borrower will be required to pay a Recapture Tax and that the Authority will subsequently have to reimburse such Borrower.

NO IMPAIRMENT OF CONTRACT BY THE STATE

Pursuant to the provisions of Section 29-4-731 of the Act, the Authority has included in the Indenture the pledge and agreement of the State of Colorado that the State of Colorado will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bond Owners, or in any way impair the rights and remedies of such Owners until the Bonds, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such Owners, are fully met and discharged.

LEGALITY FOR INVESTMENT AND SECURITY FOR DEPOSITS

Pursuant to Section 29-4-723 of the Act and Title 24, Article 75, Part 6 of the Colorado Revised Statutes (C.R.S. 24-75-601.1), the Bonds are eligible for investment in the State by all public officers, public bodies and political subdivisions of the State, banking associations, savings and loan associations, trust companies, investment companies and insurance companies, and all executors, administrators, trustees and other fiduciaries of funds in their control or belonging to them; provided that, at the time of purchase by a public entity, such Bonds carry at least two credit ratings at or above "A" or its equivalent from nationally recognized statistical rating organizations and the period from the date of settlement of the Bonds to their maturity date or date of optional redemption that has been exercised as of the date the Bonds are purchased shall be no more than five years. The Act makes the Bonds securities which may properly and legally be deposited with and received by any municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is authorized by law.

FINANCIAL STATEMENTS OF THE AUTHORITY

The most recent audited financial statements of the Authority, included as **Appendix G** hereto, have been audited by RSM US LLP, independent auditors, as stated in their report appearing therein. RSM US LLP has not performed any procedures related to this Official Statement.

MISCELLANEOUS

This Official Statement speaks only as of its date, and the information contained herein is subject to change. All quotations from, and summaries and explanations of the statutes, regulations and documents contained herein do not purport to be complete and reference is made to said laws, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of such laws, regulations and documents, including the Indenture and the 2017B-1 Liquidity Facility, may be obtained upon request to the Authority and upon payment to the Authority of a charge for copying, mailing and handling, at 1981 Blake Street, Denver, Colorado 80202, Attention: Chief Financial Officer.

The distribution of this Official Statement has been duly authorized by the Authority. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Authority and the purchasers or owners of any 2017 Series A/B Bonds.

COLORADO HOUSING AND FINANCE AUTHORITY

By: /s/ Patricia Hippe
Chief Financial Officer

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APPENDIX A

Forms of the Indenture

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COLORADO HOUSING AND FINANCE AUTHORITY

AND

ZIONS FIRST NATIONAL BANK,

AS TRUSTEE

MASTER INDENTURE OF TRUST

(Conformed copy reflecting all Supplements to Master Indenture)

DATED AS OF OCTOBER 1, 2001

SECURING

SINGLE FAMILY MORTGAGE BONDS

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MISCELLANEOUS

This MASTER INDENTURE OF TRUST, dated as of October 1, 2001, between the Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado, and Zions First National Bank, as Trustee, a national banking association, duly organized and existing under the laws of the United States of America, with a corporate trust office located in Denver, Colorado, and authorized under such laws to accept and execute trusts of the character herein set forth,

W I T N E S S E T H :

WHEREAS, the Colorado Housing and Finance Authority Act, being part 7 of article 4 of title 29, Colorado Revised Statutes (the "Act"), authorizes the Authority to issue bonds and other obligations to finance "housing facilities" for "low- or moderate-income families" (all as defined in the Act) to the end that decent, safe and sanitary dwelling accommodations for such families may be provided; and

WHEREAS, in order to provide funds to be used to redeem prior to maturity certain outstanding bonds of the Authority, to finance mortgage loans under the Single Family Mortgage Program of the Authority, to pay costs of issuance of the Bonds to be issued hereunder, to establish necessary reserves, and to otherwise attain the goals of the Authority pursuant to the Act, it has been deemed appropriate and necessary that the Authority authorize the issuance of Bonds pursuant to this Master Indenture and one or more series indentures ("Series Indentures" and together with this Master Indenture, the "Indenture") and prescribe and establish regulations, conditions and other appropriate matters with respect to the issuance of such Bonds; and

WHEREAS, the execution and delivery of this Master Indenture has been in all respects duly and validly authorized by resolution duly adopted by the Authority; and

NOW, THEREFORE, THIS MASTER INDENTURE OF TRUST WITNESSETH:

That the Authority in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Authority of all the covenants expressed or implied herein, in the Bonds and in Auxiliary Agreements, does hereby pledge and assign unto the Trustee, acting on behalf of the Bondowners, and to all present and future Auxiliary Agreement Providers and unto their successors and assigns forever subject to the rights granted the Authority herein to direct the use and application of moneys, including the release of moneys free from the lien of the Indenture, under the terms and conditions set forth herein (all terms not previously defined shall have the meanings provided in Section 1.1 of this Master Indenture):

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in and to the proceeds derived from the sale of the Bonds until used as set forth herein; and

GRANTING CLAUSE SECOND

All right, title and interest of the Authority in and to the Revenues and all moneys and securities in the Funds and Accounts from time to time held by the Trustee under the terms of the Indenture (except moneys and securities in the Rebate Fund, the Excess Earnings Fund and a Bond Purchase Fund) and investments, if any, thereof (other than the Rebate Requirement which is to be deposited in the Rebate Fund, and other than any Excess Earnings which are to be deposited in the Excess Earnings Fund); and

GRANTING CLAUSE THIRD

All right, title and interest of the Authority in and to the Mortgage Loans and MBS, the right to make a claim for, collect and receive Revenues payable to or receivable by the Authority, to bring actions and proceedings under Mortgage Loans and MBS or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under Mortgage Loans and MBS; and

GRANTING CLAUSE FOURTH

All proceeds of mortgage insurance and guaranty benefits related to Mortgage Loans and MBS received by the Authority under the Program; and

GRANTING CLAUSE FIFTH

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone in its behalf, or with its written consent and to hold and apply such property.

TO HAVE AND TO HOLD all of the same, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future (i) Owners of the Bonds from time to time issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds and (ii) Auxiliary Agreement Providers, except as provided herein or in a Series Indenture;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Revenue Fund as required under the Indenture or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture and all Auxiliary Agreements to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Bond Registrar, the Paying Agent, all agents of any of them for the registration, authentication, transfer or exchange of Bonds and all Auxiliary Agreement Providers, all sums of money due or to become due to it or them in accordance with the terms and provisions hereof and of the

Auxiliary Agreements, then the Indenture and the rights hereby granted shall cease, determine and be void; otherwise the Indenture to be and remain in full force and effect.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the property hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed herein, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee, with all Auxiliary Agreement Providers and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS, CONSTRUCTION, BOND CONTRACT AND PLEDGE

Section 1.1. Definitions. As used in this Master Indenture and, except as otherwise specified in a Series Indenture, unless the context otherwise shall require, the following terms shall have the following respective meanings:

"Account" or "Accounts" means one or more of the special trust accounts created and established pursuant to this Master Indenture or a Series Indenture.

"Acquisition Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"Accreted Value" means, with respect to each Compound Interest Bond as of any date of calculation, an amount equal to the sum of (i) the principal amount of such Bond, plus (ii) any interest that has been compounded, i.e., any interest amount that is itself then bearing interest, all determined as of such date.

"Act" means the Colorado Housing and Finance Authority Act, being Part 7, Article 4, Title 29 of Colorado Revised Statutes.

"Adjustable Rate Bonds" means Bonds the interest rate on which is not fixed to maturity. Adjustable Rate Bonds may be designated as Class I, Class II, Class III or Class IV Bonds as provided in the Related Series Indenture.

"Aggregate Debt Service" means, for any particular period, Bonds and Auxiliary Obligations, the Debt Service Payments becoming due and payable on all Payment Dates during such period with respect to such Bonds and such Auxiliary Obligations.

"Aggregate Principal Amount" means, as of any date of calculation, the principal amount or Accreted Value of the Bonds referred to.

"Amortized Value" means, when used with respect to an Investment Security purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Security was purchased by the number of days remaining to the first call date (if callable) or the maturity date (if not callable) of such Investment Securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of an Investment Security purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of an Investment Security purchased at a discount, by adding the product thus obtained to the purchase price.

"Authority" means the Colorado Housing and Finance Authority, the body corporate and political subdivision of the State created pursuant to the Act, or any successor thereto under or with respect to the Act.

"Authority Certificate" means as the case may be, a document signed by the Chair, Vice Chair or an Authorized Officer either (a) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) setting forth matters to be determined by such Authorized Officer pursuant to the Indenture.

“Authority Payment Account” means the Account so designated, which is created and established in the Debt Service Fund with respect to General Obligations by Section 5.1 of this Master Indenture.

“Authority Request” means a written request or direction of the Authority signed by an Authorized Officer.

“Authorized Officer” means the Chair, Chair pro tem or Executive Director of the Authority, and any other officer designated from time to time as an Authorized Officer by resolution of the Authority and, when used with reference to any act or document, also means any other person authorized by resolution of the Authority to perform such act or sign such document.

“Auxiliary Agreements” means Interest Rate Contracts and Liquidity Facilities.

“Auxiliary Agreement Providers” means Interest Rate Contract Providers and Liquidity Facility Providers.

“Auxiliary Obligations” means obligations of the Authority for the payment of money under Auxiliary Agreements.

“Bond” or “Bonds” means any of the bonds, notes or other financial obligations (however denominated) of the Authority authorized and issued under the Indenture, including any Refunding Bonds.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

“Bondowner” or “Owner” or “Owner of Bonds” or similar term, when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

“Bond Purchase Fund” means the Fund so designated, which is created and established by a Series Indenture.

“Bond Registrar” means the bank, trust company or national banking association, appointed as Bond Registrar under Section 9.1 of this Master Indenture, and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other person at any time substituted in its place as Bond Registrar pursuant to the Indenture.

“Bond Year” means, with respect to each Series, the twelve-month period designated as such by the Related Series Indenture, except that the first Bond Year for any Bonds may commence on the date of issuance thereof and end on the date specified by such Series Indenture.

“Borrower” means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing, who is a person or family of “low or moderate income” qualifying as such under the Act and the Rules and Regulations and in accordance with the Code.

“Business Day” means, except as set forth in a Series Indenture, any day (a) on which banks in the cities in which the respective principal offices of the Paying Agent, the Bond Registrar, the Trustee and Related Auxiliary Obligation Providers are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open. For purposes of this definition, the principal office of a Liquidity Facility Provider shall be the office to which demands for payment are delivered.

"Cash Flow Statement" means, with respect to any particular Bonds and Auxiliary Obligations, an Authority Certificate (a) setting forth, for the then current and each future Bond Year during which such Bonds and Auxiliary Obligations will be Outstanding, and taking into account (i) any such Bonds expected to be issued or redeemed or purchased for cancellation in each such Bond Year upon or in connection with the filing of such Certificate (for which purpose, if such Authority Certificate is delivered as of a date prior to a scheduled mandatory tender date for any Adjustable Rate Bonds, the Purchase Price of all such Adjustable Rate Bonds subject to scheduled mandatory tender on such tender date shall be assumed to be due and payable on such mandatory tender date), (ii) any such Auxiliary Obligations expected to be incurred upon or in connection with the filing of such Certificate, (iii) the interest rate (if applicable), purchase price, discount points and other terms of any Related Mortgage Loans, and (iv) the application, withdrawal or transfer of any moneys expected to be applied, withdrawn or transferred upon or in connection with the filing of such Certificate:

(A) the amount of Mortgage Repayments and Prepayments reasonably expected to be received by the Authority in each such Bond Year from Related Mortgage Loans, together with Related Investment Revenues, Related Interest Rate Contract Revenues and other moneys (including without limitation moneys in any special escrows established with the Trustee) that are reasonably expected to be available to make Related Debt Service Payments and to pay Related Program Expenses and to pay the Purchase Price of any such Adjustable Rate Bonds subject to mandatory tender on any such tender date; and

(B) the Aggregate Debt Service for each such Bond Year on all such Bonds and Auxiliary Obligations reasonably expected to be Outstanding, together with the Related Program Expenses reasonably estimated for each such Bond Year;

and (b) showing that in each such Bond Year the aggregate of the amounts set forth in clause (a)(A) of this definition exceeds the aggregate of the amounts set forth in clause (a)(B) of this definition. Reference to a Cash Flow Statement with respect to a Series shall be taken to mean a Cash Flow Statement with respect to such Series and any Related Auxiliary Obligations and any other Series and Related Auxiliary Obligations to which such Series has been linked for Cash Flow Statement purposes.

"Class I Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class I Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class I Auxiliary Obligations in the Related Series Indenture.

"Class I Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class I Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class I Obligations" means the Class I Bonds and the Class I Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class I Bonds and any Related Class I Auxiliary Obligations.

"Class I Sinking Fund Installment" means the amount designated for any particular due date in the Related Series Indenture for the retirement of Class I Bonds on an unconditional basis, less any amount credited pursuant to Section 3.7 of this Master Indenture.

"Class I Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class II Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class II Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class II Auxiliary Obligations in the Related Series Indenture

"Class II Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class II Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class II Obligations" means the Class II Bonds and the Class II Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class II Bonds and any Related Class II Auxiliary Obligations.

"Class II Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class II Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class II Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class II Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class III Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class III Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class III Auxiliary Obligations in the Related Series Indenture

"Class III Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class III Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class III Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class III Obligations" means the Class III Bonds and the Class III Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class III Bonds and any Related Class III Auxiliary Obligations.

"Class III Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class III Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class III Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class III Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Class IV Asset Requirement," with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Class IV Auxiliary Obligations" means Auxiliary Obligations which the Authority designates as Class IV Auxiliary Obligations in the Related Series Indenture

"Class IV Bonds" means the Colorado Housing and Finance Authority Single Family Mortgage Class IV Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

"Class IV Debt Service Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Class IV Sinking Fund Installment" means the amount designated for any particular due date for the retirement of Class IV Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class IV Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to Section 3.7 of this Master Indenture.

"Class IV Obligations" means the Class IV Bonds and the Class IV Auxiliary Obligations and, with respect to a Series of Bonds, the Related Class IV Bonds and any Related Class IV Auxiliary Obligations.

"Class IV Special Redemption Account" means the Account so designated, which is created and established in the Redemption Fund by Section 5.1 of this Master Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, with respect to a Series, to the date of initial issuance of such Series, and the regulations of the United States Treasury Department promulgated thereunder.

"Compound Interest Bonds" means any Bond of a Series, tenor and maturity so designated in the Related Series Indenture for which certain determinations hereunder are made on the basis of Accreted Value rather than principal amount.

"Conventional Mortgage Loan" means a Mortgage Loan, other than an FHA Insured Mortgage Loan, a VA Mortgage Loan or other Mortgage Loan insured or guaranteed by a Governmental Insurer, which meets the requirements of Fannie Mae or Freddie Mac, as applicable.

"Corporate Trust Office" means, when used with respect to any Fiduciary, the corporate trust office specified by such Fiduciary at which at any particular time, specified duties of such Fiduciary with respect to the Indenture are being administered.

"Costs of Issuance" means the items of expense payable or reimbursable directly or indirectly by the Authority and other costs incurred by the Authority, all related to the authorization, sale and issuance of Bonds, the execution and delivery of Auxiliary Agreements and the establishment of the Program, which costs and items of expense shall include, but not be limited to, underwriters' compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Bonds, filing and recording fees, travel expenses incurred by the Authority in relation to such issuance of Bonds or for the Program, initial fees, charges and expenses (including counsel's fees and expenses) of the Authority, the Trustee, the Bond Registrar and the Paying Agent, initial premiums with respect to insurance required by the Indenture to be paid by the Authority or by the Trustee, legal fees and charges (including, without limitation, the fees and expenses of Bond Counsel, the Authority's disclosure counsel, counsel to the underwriter and counsel to the Authority), professional consultants' fees, accountants' fees, mortgagor counseling fees, costs of bond ratings, fees and charges for execution, transportation and safekeeping of the Bonds, accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of Bonds and any other costs, charges and fees in connection with the foregoing.

"Cost of Issuance Account" means the Account so designated, which is created and established within the Program Fund by Section 5.1 of this Master Indenture.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Authority or an attorney or firm of attorneys retained by the Authority in other connections) licensed to practice in the state in which such attorney or firm of attorneys maintains an office, selected from time to time by the Authority.

"Debt Service Payment" means, when used with respect to any Payment Date, the sum of the (a) interest, if any, (b) Principal Installments, if any, and (c) Auxiliary Obligations, if any, due and payable on such date with respect to the Bonds and Auxiliary Agreements referred to.

"Debt Service Reserve Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Debt Service Reserve Fund Requirement," with respect to each Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Defeasance Securities" means any Investment Securities used to effect defeasance of Bonds in accordance with Article XII of this Master Indenture if upon such defeasance the Bonds so defeased are rated in the highest rating category by each Rating Agency rating such Bonds, and which are not subject to redemption by the issuer thereof prior to their maturity.

"Depository" means any bank, trust company, or savings and loan association (including any Fiduciary) selected by the Authority and approved by the Trustee as a depository of moneys, Mortgage Loans, MBS or Investment Securities held under the provisions of the Indenture, and its successor or successors.

"Eligible Borrower" means a person or a family qualifying as a mortgagor for a Mortgage Loan under determinations made by the Authority in accordance with the Act.

"Escrow Payment" means all payments made by or on behalf of the obligor of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

"Event of Default" means any of those events defined as Events of Default by Section 7.1 of this Master Indenture.

"Excess Earnings" means, with respect to Mortgage Loans and MBS held in any subaccount of the Acquisition Account or the Loan Recycling Account established in connection with a Series of Tax-exempt Bonds, the "excess earnings," as defined in Treasury Regulations §1.148-10T, with respect thereto.

"Fannie Mae" means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., Section 1716 et seq., and its successors and assigns.

"Fannie Mae Certificate" means a single pool, guaranteed mortgage, pass-through certificate, bearing interest at the Pass-Through Rate, issued by Fannie Mae, guaranteed as to timely payment of interest and principal by Fannie Mae and backed by Conventional Mortgage Loans, which will mature not later than the date set forth in the applicable Series Indenture.

"Fannie Mae Certificate Purchase Price" means 100% of the principal balance of the applicable pool of Mortgage Loans on record at Fannie Mae on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Authority to the Trustee upon the acquisition of the related Fannie Mae Certificate.

"Excess Earnings Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"FHA" means the Federal Housing Administration and any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

"FHA Insured Mortgage Loan" means a Mortgage Loan insured by FHA.

"Fiduciary" means the Trustee, the Bond Registrar, the Paying Agent or a Depository or any or all of them, as may be appropriate.

"Fiduciary Expenses" means the fees and expenses of Fiduciaries, including fees and expenses of Fiduciaries' counsel, but not including Servicing Fees payable to such Persons.

"Fiscal Year" means a period beginning on January 1 in any year and ending December 31, of the same year or such other twelve month period as may be adopted by the Authority in accordance with law.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation or any successor thereto.

"Freddie Mac Certificate" means a mortgage participation certificate issued by Freddie Mac and representing an undivided interest in a pool of Conventional Mortgage Loans identified by a particular alphanumeric number and CUSIP number, guaranteed as to timely payment of principal and interest by Freddie Mac and bearing interest at the Pass-Through Rate, which will mature not later than the date set forth in the applicable Series Indenture.

"Freddie Mac Certificate Purchase Price" means 100% of the principal balance of the applicable pool of Mortgage Loans on record at Freddie Mac on the first day of the month of purchase, or such other percentage of such principal balance as may be reported by the Authority to the Trustee upon the acquisition of the related Freddie Mac Certificate.

"Fund" or "Funds" means one or more of the special trust funds created and established pursuant to this Master Indenture or a Series Indenture.

“General Obligation Bond” means a Bond, the payment of principal of and interest on which is a General Obligation of the Authority.

“General Obligation Bond Default” means the event specified in Section 8.1 of this Master Indenture.

“General Obligations” means Bonds or Auxiliary Obligations secured or additionally secured, as provided in the Related Series Indenture, by a pledge of general revenues or moneys of the Authority legally available therefor, subject only to agreements made or to be made with owners of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof and subject to the Authority’s right at any time to apply such revenues and moneys to any lawful purpose.

“Ginnie Mae” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development or any successor to its functions.

“Ginnie Mae Certificate” means a fully modified, mortgage backed security (which may be issued under either the GNMA I Program or the GNMA II Program) bearing interest at the Pass-Through Rate, issued by the Authority, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder backed by FHA Insured Mortgage Loans, VA Guaranteed Mortgage Loans or other Mortgage Loans insured or guaranteed by an eligible Governmental Insurer, which will mature not later than the date set forth in the applicable Series Indenture.

“Ginnie Mae Certificate Purchase Price” means 100% of the percentage of the principal balance of the applicable pool of Mortgage Loans on record at Ginnie Mae on the first day of the month of purchase, or such other percentage of such principal balance as may be by the Authority to the Trustee upon the acquisition of the related Ginnie Mae Certificate.

“Governmental Insurer” means FHA, VA, the U.S. Department of Housing and Urban Development, the Rural Housing Service (formerly, the Rural Housing and Community Development Service, the successor to the Farmers Home Administration), and any other governmental agency which insures or guarantees mortgage loans that can be backed by a Ginnie Mae Certificate.

“Indenture” means this Master Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

“Interest Payment Date” means, for each Bond, any date upon which interest on such Bond is due and payable in accordance with the Related Series Indenture.

“Interest Rate Contract” means an interest rate exchange or swap contract, a cash flow exchange or swap contract, any derivative of such contracts, including forward swaps and options to enter into swaps, and interest rate floors, caps or collars, entered into between the Authority and an Interest Rate Contract Provider.

“Interest Rate Contract Provider” means a Person that is a party to an Interest Rate Contract with the Authority with respect to specified Bonds and who satisfies the applicable requirements of the Interest Rate Exchange Agreements Act, being Article 59.3, Title 11 of Colorado Revised Statutes, and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"Interest Rate Contract Revenues" means all payments and receipts received by the Authority under an Interest Rate Contract.

"Interest Reserve Account" means the Account so designated, which is created and established within the Debt Service Reserve Fund by Section 5.1 of this Master Indenture.

"Investment Provider" means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), whose credit rating (or the equivalent of such rating by virtue of guarantees or insurance arrangements) by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or is otherwise acceptable to each such Rating Agency in order to maintain the then current rating on such Bonds by such Rating Agency, which Investment Providers shall be approved by the Authority for the purpose of providing investment agreements.

"Investment Revenues" means amounts earned on investments (other than Mortgage Loans and MBS) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale or disposition of such investments), except the Rebate Requirement and any Excess Earnings.

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

(a) Direct, general obligations, or obligations the timely payment of principal and interest of which are unconditionally guaranteed by, the United States of America;

(b) Obligations, debentures, notes, collateralized mortgage obligations, mortgage backed securities or other evidence of indebtedness issued or guaranteed by any of the following: Federal Farm Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Fannie Mae (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Farmers Home Administration; Federal Home Loan Mortgage Corporation (including participation certificates only if they guarantee timely payment of principal and interest); Government National Mortgage Association (excluding "interest only" mortgage strip securities, and excluding other mortgage strip securities which are valued greater than par); Federal Financing Bank; or Federal Housing Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(c) Repurchase agreements, collateralized by Investment Securities described in clause (a) or clause (b) of this definition, with any institution, any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, and collateralized in such manner to meet all requirements for collateralized repurchase agreements of each Rating Agency rating the Class I Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(d) General obligations or revenue obligations (including bonds, notes or participation certificates) of, or "private activity bonds" (within the meaning of the Code) issued by any state of the United States of America or any political subdivision thereof, or any agency or instrumentality of any state of the United States of America or any political subdivision thereof, which obligations are rated by each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency, or any money market or short term investment fund investing substantially in or consisting substantially of and secured by obligations described above in this item (d), which fund is rated by each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency and which fund, if the income from such investment is intended to be excluded from gross income for federal income tax purposes, is included in the definition of "tax-exempt bond" set forth in Treasury Regulation § 1.150-1(b);

(e) General obligations of Investment Providers under investment agreements approved in a Series Indenture or other investment agreements having substantially similar terms;

(f) Certificates of deposit, interest-bearing time deposits, or other similar banking arrangements with a bank or banks (i) rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency or (ii) collateralized in such manner to meet all requirements for collateralized agreements of each Rating Agency rating the Class I Bonds in order to maintain the then current rating on such Bonds by such Rating Agency;

(g) Commercial paper rated by each Rating Agency rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

(h) Shares in the statutory law trust known as the Colorado Local Government Liquid Asset Trust (COLOTRUST), created pursuant to part 7 of article 75 of title 24, Colorado Revised Statutes; and

(i) Units of a money market fund or a money market mutual fund which has a rating from each Rating Agency then rating the Class I Bonds sufficiently high to maintain the then current rating on such Bonds by such Rating Agency;

provided, that it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Indenture, thus permitting investments with different characteristics from those listed above which the Authority deems from time to time to be in the interest of the Authority to include as Investment Securities if at the time of inclusion the Trustee shall have received written confirmation from the Rating Agencies that such inclusion will not, in and of itself, impair, or cause any of the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agencies.

"Liquidity Facility" means a letter of credit, standby bond purchase agreement, security bond, reimbursement agreement or other agreement between the Authority and a Liquidity Facility Provider with respect to specified Bonds issued under this Master Indenture.

"Liquidity Facility Provider" means a Person that is a party to a Liquidity Facility with the Authority with respect to specified Bonds and whose credit rating by each nationally recognized Rating Agency then rating the Class I Bonds is sufficiently high to maintain the then current rating on such

Bonds by such Rating Agency or the equivalent of such rating by virtue of guarantees or insurance arrangements.

"Loan Recycling Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"MBS" means, collectively, the Ginnie Mae Certificates, the Fannie Mae Certificates and the Freddie Mac Certificates. In the event that only a portion of or interest in an MBS is acquired under the Indenture, references herein to such MBS shall be interpreted and applied to relate to such portion or interest.

"Mortgage" means a mortgage, deed of trust or other instrument constituting a valid lien on real property in the State and improvements constructed or to be constructed thereon or on a leasehold under a lease having a remaining term, at the time such instrument is acquired by the Authority, of not less than the term for repayment of the Mortgage Loan secured by such instrument.

"Mortgage Lender" means a "lender" as defined in the Act and which has been approved by the Authority pursuant to the Rules and Regulations.

"Mortgage Loan" means a permanent loan secured by a Mortgage for the purchase or rehabilitation of Residential Housing made to a Borrower either by the Authority or by an originating Mortgage Lender which is purchased by the Authority pursuant to a Mortgage Purchase Agreement and which loan satisfies the requirements of Section 6.7 of this Master Indenture. In the event that only a portion of or interest in a Mortgage Loan is purchased under the Indenture, references herein to such Mortgage Loan shall be interpreted and applied to relate to such portion or interest.

"Mortgage Purchase Agreement" means a written agreement between a Mortgage Lender and the Authority providing for the purchase of a Mortgage Loan by the Authority, including any related invitations to Lenders and commitment agreements, and any documents incorporated by reference therein.

"Mortgage Repayments" means, with respect to any Mortgage Loan or the related MBS, the amounts received by or for the account of the Authority as scheduled payments of principal of and interest (if any) on such Mortgage Loan or related MBS by or on behalf of the Borrower to or for the account of the Authority and does not include Prepayments, Servicing Fees or Escrow Payments.

"Mortgage Revenues" means all Revenues other than Investment Revenues and Interest Rate Contract Revenues.

"Notice Parties" means the Authority, the Trustee, the Bond Registrar and the Paying Agent.

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

(a) any Bond cancelled or delivered to the Bond Registrar for cancellation on or before such date;

(b) any Bond (or any portion thereof) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Defeasance Securities prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any such Bond (or any portion thereof) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Bond Registrar;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(d) any Bond deemed to have been paid as provided in Section 12.2 of this Master Indenture;

and, with respect to any Auxiliary Obligations, means Auxiliary Obligations which have not been paid or otherwise satisfied.

"Participant" means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"Pass-Through Rate" means the rate of interest on an MBS reported by the Authority to the Trustee upon the acquisition of such MBS, equal to the rate of interest on the Mortgage Loans underlying such MBS less authorized Servicing Fees (including the guarantee fee charged by Ginnie Mae, Fannie Mae or Freddie Mac, as applicable).

"Paying Agent" means the bank, trust company or national banking association, appointed as Paying Agent under Section 9.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Paying Agent pursuant to the Indenture.

"Payment Date" means for each Bond, each date on which interest or a Principal Installment or both are payable on such Bond; and for each Auxiliary Obligation, each date on which an amount is payable with respect to such Auxiliary Obligation, and unless limited, means all such dates.

"Person" means an individual, partnership, corporation, trust or unincorporated organization or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

"Prepayment" means any moneys received or recovered by or for the account of the Authority from any unscheduled payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan or MBS, but excluding any Servicing Fees with respect to the collection of such moneys) on any Mortgage Loan or MBS prior to the scheduled payments of principal called for by such Mortgage Loan or MBS, whether (a) by voluntary prepayment made by the Borrower or (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan or MBS by the Authority or by any other proceedings taken by the Authority.

"Principal Installment" means, as of any date of calculation, and for any Payment Date, (a) the principal amount or Accreted Value of all Bonds due and payable on such date, plus (b) any Class I, Class II, Class III, and Class IV Sinking Fund Installments due and payable on such date.

"Program" means the Authority's Single Family Mortgage Program pursuant to which the Authority has determined to purchase Mortgage Loans in accordance with the Act, the Rules and Regulations and the Indenture.

"Program Expenses" means all the Authority's expenses of administering the Program under the Indenture and the Act and shall include without limiting the generality of the foregoing; salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, including information processing equipment; software, insurance premiums, credit enhancement fees, legal, accounting, management, consulting and banking services and expenses; Fiduciary Expenses; remarketing fees; Costs of Issuance not paid from proceeds of Bonds; and payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by the Authority.

"Program Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

"Qualified Mortgage Loan Mortgage Backed Securities" means Investment Securities which constitute collateralized mortgage obligations issued by Fannie Mae, the Government National Mortgage Association or the Federal Home Loan Mortgage Corporation, the underlying mortgages of which would constitute Mortgage Loans for purposes of the Indenture if acquired by the Trustee from money in the Acquisition Account.

"Qualified Surety Bond" means any surety bond, letter of credit, insurance policy or other instrument which has liquidity features equivalent to a letter of credit, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for moneys on deposit therein, which shall have no adverse impact on the rating assigned to any Bonds by any Rating Agency.

"Rating Agency" means, at any particular time, any nationally recognized credit rating service designated by the Authority, if and to the extent such service has at the time one or more outstanding ratings of Bonds. The Authority shall at all times have designated at least one such service as a Rating Agency hereunder.

"Rebate Fund" means the Account so designated, which is created and established in the Revenue Fund by Section 5.1 of this Master Indenture.

"Rebate Requirement" means the amount of arbitrage profits earned from the investment of gross proceeds of Tax-exempt Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as "Rebate Amount" in Section 1.148-3 of the Treasury Regulations, which is payable to the United States at the times and in the amounts specified in such provisions.

"Record Date," means, except as otherwise provided in a Series Indenture, with respect to each Payment Date, with respect to Bonds which are not Adjustable Rate Bonds, the Bond Registrar's close of business on the fifteenth day of the month immediately preceding such Payment Date or, if such date is not a Business Day, the next preceding day which is a Business Day and with respect to Adjustable Rate Bonds, the Bond Registrar's close of business on the Business Day immediately preceding such Payment Date; and, in the case of each redemption, such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than fifteen (15) calendar days before the transmission of such notice of redemption.

"Redemption Fund" means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

“Redemption Price” means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount or Accreted Value of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof as determined by the Series Indenture authorizing the Series of Bonds.

“Refunding Bonds” means Bonds authenticated and delivered pursuant to Section 2.3 of this Master Indenture.

“Related” (whether capitalized or not) means, with respect to any particular Bond, Class, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, Mortgage Loan (or portion thereof), Auxiliary Agreement, MBS (or portion thereof), moneys, Investment Securities, Mortgage Repayment or Prepayment, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

“Residential Housing” or “Residence” means a single-family, owner-occupied dwelling located within the State that qualifies for financing by the Authority within the meaning of the Act, the Rules and Regulations, the Code and related regulations.

“Revenue Fund” means the Fund so designated, which is created and established by Section 5.1 of this Master Indenture.

“Revenues” means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, (c) Interest Rate Contract Revenues and (d) all other payments and receipts received by the Authority with respect to Mortgage Loans and MBS, but shall not include (i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by the Authority in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Mortgage Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Securities.

“Rules and Regulations” means the Authority’s Single Family Mortgage Program Rules and Regulations adopted by the Authority pursuant to the Act, as the same may be amended and supplemented from time to time.

"Second Mortgage" means a Mortgage constituting a second lien on real property.

"Second Mortgage Loan" means a Mortgage Loan secured by a Second Mortgage.

“Securities Depository” means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Series Indenture, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the Authority discontinues use of the Securities Depository pursuant to Section 2.17 of this Master Indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with the consent of the Trustee.

“Serial Bonds,” with respect to a Series of Bonds, shall have the meaning set forth in the Related Series Indenture.

"Series" means and refers to all of the Bonds designated as such in the Related Series Indenture and authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to this Master Indenture and the Related Series Indenture.

"Series Indenture" means a Supplemental Indenture authorizing a Series of Bonds and delivered pursuant to Section 10.1 of this Master Indenture.

"Servicer" means a state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Authority as experienced and qualified to service Mortgage Loans, and any successor thereto.

"Servicing Agreement" means a written agreement between the Authority and a Servicer (other than the Authority) providing for the servicing of Mortgage Loans on behalf of the Authority.

"Servicing Fees" means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with the Related Servicing Agreement and (b) any fees and ancillary income retained by or expenses reimbursed to the Authority with respect to Mortgage Loans serviced by the Authority.

"Short Term Bond Account" means the Account so designated, which is created and established in the Program Fund by Section 5.1 of this Master Indenture.

"State" means the State of Colorado.

"Supplemental Indenture" means any supplemental indenture (including a Series Indenture) approved by the Authority in accordance with Article X of this Master Indenture amending or supplementing the Indenture.

"Targeted Area" means a "targeted area" within the meaning of Section 143 of the Code.

"Targeted Area Residence" means a "targeted area residence" within the meaning of Section 143 of the Code.

"Tax-exempt Bonds" means Bonds the interest on which is intended to be excluded from gross income of the owner thereof for federal income tax purposes.

"Term Bonds" means Bonds for which Class I, Class II, Class III or Class IV Sinking Fund Installments have been established as provided in the Related Series Indenture.

"Trust Estate" means the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of this Master Indenture.

"Trustee" means the bank, trust company or national banking association, appointed as trustee under Section 9.1 of this Master Indenture and having the duties, responsibilities and rights provided for in the Indenture and its successor or successors, and any other corporation or association at any time substituted in its place as Trustee pursuant to the Indenture.

"Unrelated" (whether capitalized or not) means not "Related," within the meaning of that term as defined in this Section.

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

“VA Mortgage Loan” means a Mortgage Loan guaranteed by VA.

Section 1.2. Construction. In the Indenture, unless the context otherwise requires:

(a) Words importing the singular number shall mean and include the plural number and vice versa.

(b) Any Fiduciary shall be deemed to have received delivery of and to hold an Investment Security in which moneys are invested pursuant to the provisions of the Indenture, even though such Investment Security is evidenced only by a book entry or similar record of investment.

(c) References in the Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes.

(d) The terms “receipt,” “received,” “recovery,” “recovered” and any similar terms, when used in the Indenture with respect to moneys or payments due the Authority, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Authority, the Trustee, or the Paying Agent on its behalf.

Section 1.3. Indenture Constitutes a Contract; Obligation of Indenture and Bonds. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Indenture by those who shall own the same from time to time and in consideration for the execution and delivery of Auxiliary Agreements by Auxiliary Agreement Providers: the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, the Bond Registrar, the Paying Agent, the Auxiliary Agreement Providers and the Owners from time to time of the Bonds; the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made in the Indenture and the covenants and agreements set forth in the Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Bonds and Auxiliary Agreement Providers, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Bonds or Auxiliary Obligations over any other thereof, subject to the provisions respecting the priority of certain Classes of Bonds and Auxiliary Obligations over other Classes of Bonds and Auxiliary Obligations as set forth in Section 1.4 of this Master Indenture, and except as expressly provided in or permitted by the Indenture. Unless otherwise specified in a Series Indenture (in which the Authority may designate one or more Classes of Related Bonds and Auxiliary Obligations as General Obligations) the Bonds and Auxiliary Obligations shall be special limited obligations of the Authority payable solely from the moneys, rights and interest pledged therefor in this Master Indenture. Except as provided herein and in Related Series Indentures with respect to General Obligations, the Authority shall not be required to advance for any purpose of the Indenture any moneys derived from any source other than the Revenues and other assets pledged under the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for such purpose any moneys of the Authority which may be available for such purpose. Neither the Class I Obligations, the Class II Obligations, the Class III Obligations nor the Class IV Obligations shall be in any way a debt or liability or obligation of the State or any political subdivision thereof (other than the Authority) nor constitute or give rise to a pecuniary liability of the State or of any such political subdivision (other than the Authority with respect to General Obligation Bonds) or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 1.4. Pledge Effected by Indenture. The pledge and lien of the Indenture is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture; provided, however, that moneys and investments held in an Authority Payment Account are pledged solely for the payment of Principal Installments, Redemption Price of, interest on and other amounts payable with respect to General Obligations of the Related Series and Class with respect to which such account was created and are not pledged to pay principal, Redemption Price of, interest on and other amounts payable with respect to any other Bonds or Auxiliary Obligations and, provided, further, that moneys and securities held in a subaccount of the Short Term Bond Account may be pledged by the Related Series Indenture solely, or as a first priority, for the payment of the Related Series of Bonds or any portion thereof as set forth in such Series Indenture.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1. Authorization of Bonds. Upon satisfaction of the conditions contained in Section 2.2 or Section 2.3 of this Master Indenture, Bonds may be issued hereunder, without limitation as to amount except as may be provided herein or by law, from time to time, in one or more Series pursuant to a Series Indenture or Indentures; provided, however, that such Bonds may be issued only to provide funds to: (a) make deposits in amounts, if any, required or authorized by the Series Indenture to be paid into Funds or Accounts established herein or in the Series Indenture and (b) refund Bonds issued hereunder or other bonds or obligations of the Authority. Auxiliary Agreements may only be executed and delivered by the Authority in connection with the issuance and delivery of a Series of Bonds hereunder or in connection with the renewal, substitution or extension of an existing Auxiliary Agreement which was so delivered.

Except as otherwise stated in the Related Series Indenture, the Bonds shall be designated as "Single Family Mortgage [Bonds] [Notes]," and in addition to the name "Single Family Mortgage [Bonds] [Notes]" (inserting identification of the particular Class and of the particular Series, including by year of issue and by Roman number and/or alphabetic and/or other reference and inserting reference to "Taxable," as applicable). In addition, each Series shall include such further appropriate particular designation, added to or incorporated in such title, as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Section 2.2. Conditions Precedent to Delivery of Bonds. The Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority upon its order, but only upon receipt by the Trustee of the following:

(a) An original executed copy of the Series Indenture authorizing such Bonds, which Series Indenture shall specify:

(i) the purpose or purposes for which such Series of Bonds is being issued which shall be one or more of the purposes listed in Section 2.1 hereof;

(ii) the Series and Class designation or designations of such Bonds, the date or dates, and the maturity date or dates, of such Bonds, each of which maturity dates shall fall upon an Interest Payment Date;

(iii) the amount of Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, and the amount of each maturity of such Bonds;

(iv) the interest rate or rates of such Bonds or the manner of determining such rate or rates and the Interest Payment Dates therefor, if any;

(v) the denomination of, and the manner of dating and numbering such Bonds;

(vi) the Record Dates, the place or places of payment of the principal or Redemption Price or Prices, if any, and the manner of payment of interest on, such Bonds;

(vii) the Redemption Price or Prices, if any, of and, subject to the provisions of Article III, the redemption order and terms for such Bonds;

(viii) the amount and due date of each Sinking Fund Payment, if any, for such Bonds of like Class, tenor and maturity, but the due date of each such Sinking Fund Payment shall fall upon an Interest Payment Date;

(ix) the amounts to be deposited in the Funds and Accounts created and established by this Master Indenture and the Series Indenture authorizing such Bonds;

(x) the Debt Service Reserve Fund Requirement applicable to such Series of Bonds and the timing and method of funding such requirement;

(xi) the amount available for Costs of Issuance with respect to such Bonds;

(xii) limitations on Program Expenses with respect to such Bonds;

(xiii) any limitations or requirements with respect to Mortgage Loan interest rates, Mortgage Loan purchase prices and mortgage insurance;

(xiv) provisions relating to any Auxiliary Agreements, including the extent to which any Related Auxiliary Obligations are Class I Obligations, Class II Obligations, Class III Obligations or Class IV Obligations and including provisions relating to the renewal, substitution and extension of any such Auxiliary Agreements, and the identity of the Auxiliary Agreement Providers;

(xv) whether and the extent to which any particular Classes of such Bonds or Auxiliary Obligations are to be General Obligations;

(xvi) if so determined by the Authority, provisions for the sale and/or tender of such Bonds; and

(xvii) any other provisions deemed advisable by the Authority that are either (A) not in conflict with the provisions hereof or (B) necessary, in the opinion of Bond Counsel, for such Bonds to be Tax-exempt Bonds;

(b) A written order as to the delivery of such Bonds, signed by an Authorized Officer;

(c) A certificate of an Authorized Officer stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(d) A Cash Flow Statement with respect to such Series of Bonds (and any other Series to which it may be linked for Cash Flow Statement purposes) taking into account the proposed issuance of such Bonds, the application of the proceeds thereof and the execution and delivery of Related Auxiliary Agreements, if any; and

(e) Such further documents and moneys, including investment agreements, as are required by the provisions of the Related Series Indenture.

Section 2.3. Conditions Precedent to Delivery of Refunding Bonds.

(a) All Refunding Bonds shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) The documents and moneys, if any, referred to in Section 2.2 of this Master Indenture;

(ii) Irrevocable instructions to the Trustee to give due notice of the payment or redemption of all the bonds or other obligations to be refunded and the payment or redemption date or dates, if any, upon which such bonds or other obligations are to be paid or redeemed;

(iii) If the bonds or other obligations to be refunded are to be redeemed after the next succeeding forty-five days, irrevocable instructions to the Trustee to transmit notice of redemption of such bonds or other obligations on a specified date prior to their redemption date;

(iv) If the obligations to be refunded are Bonds, either (A) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment or redemption at the applicable redemption price of the bonds to be refunded, together with accrued interest on such bonds to the due date or redemption date, or (B) Defeasance Securities, the principal of and interest on which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the trustee or paying agent or escrow agent for the bonds to be refunded will be sufficient to pay when due the applicable principal or redemption price of the bonds to be refunded, together with accrued interest on such bonds to the redemption date or redemption dates or date of maturity thereof, which moneys or Defeasance Securities shall be held by the trustee or paying agent or escrow agent for the bonds to be refunded in a separate account irrevocably in trust for and assigned to the owners of the bonds to be refunded; and

(v) Such further documents and moneys as are required by the provisions of the Related Series Indenture.

(b) Neither Defeasance Securities nor moneys deposited with the trustee or paying agent or escrow agent for the bonds to be refunded pursuant to paragraph (a)(iv) of this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than the payment of the applicable principal or redemption price of the bonds to be refunded, together with accrued interest on such bonds to the redemption date, and any cash received from such principal or interest payments, if not needed for such purpose, may be applied to the payment of any obligation issued to provide funds for the acquisition of such Defeasance Securities, but otherwise shall, to the extent practicable, be reinvested in such Defeasance Securities as are described in clause (B) of said paragraph maturing at times and in amounts sufficient to pay when due the principal or applicable redemption price of such bonds, together with such accrued interest.

Section 2.4. Ratings. Notwithstanding any other provision of Sections 2.2 and 2.3 of this Master Indenture, so long as there are Outstanding Bonds rated by a Rating Agency, the Authority will not issue any additional Bonds (including Bonds issued or to be issued on a forward purchase basis) if such issuance would result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

Section 2.5. Rating Information. In order to facilitate ratings or the confirmation or maintenance of ratings, the Authority agrees to provide each Rating Agency with whatever information it reasonably requests on a timely basis, including, but not limited to, notice of appointment of new Trustees, the substitution of providers of investment agreements, the termination, expiration, renewal, substitution or extension of Auxiliary Agreements and Related Auxiliary Obligations, the amendment or supplement of the Indenture and the delivery of Supplemental Indentures. If the Trustee draws upon the Debt Service Reserve Fund to pay Principal Installments or interest on the Bonds or if the amount in a subaccount of the Debt Service Reserve Fund is reduced below the Related Debt Service Reserve Fund Requirement, the Authority will immediately notify each Rating Agency of such fact if the Bonds are then rated by such Rating Agency.

Section 2.6. Form of Bonds and Certificate of Authentication. The forms of Bonds and the Bond Registrar's Certificate of Authentication shall be substantially as set forth in each Series Indenture.

Section 2.7. Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be necessary or desirable and as may be determined by the Authority prior to their authentication and delivery.

Section 2.8. Execution and Authentication.

(a) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of an Authorized Officer and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or any other Authorized Officer, other than the officer executing the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been delivered by the Trustee, such Bonds may, nevertheless, be delivered as herein provided and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper offices in the Authority although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the Related Series Indenture, duly executed by the Bond Registrar by the manual signature of an authorized officer thereof and setting forth the date of authentication, and such certificate of the Bond Registrar upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly issued under the Indenture and that the Owner thereof is entitled to the benefits of the Indenture.

Section 2.9. Interchangeability of Bonds. All Bonds, upon surrender thereof at the Corporate Trust Office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney, may be exchanged, at the option of the registered Owner thereof, for an equal aggregate principal amount of Bonds of the same interest rate, Series, Class, tenor and maturity of any other authorized denominations.

Section 2.10. Negotiability, Transfer and Registry. All the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the Corporate Trust Office of the Bond Registrar, records for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at such Corporate Trust Office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Bond Registrar may prescribe, any Bond. As long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit, the exchange of Bonds at the Corporate Trust Office of the Bond Registrar.

Section 2.11. Transfer and Payment of Bonds.

(a) Each Bond shall be transferable only upon the registration records of the Bond Registrar, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof at the Corporate Trust Office of the Bond Registrar together with a written instrument of transfer, satisfactory to the Bond Registrar, duly executed by the registered Owner or his duly authorized attorney. Upon surrender for transfer of any Bond, the Authority shall execute and the Bond Registrar shall authenticate, specify the date of authentication and deliver, in the name of the transferee, one or more new Bonds of the same aggregate principal amount, Series, Class, tenor, maturity and rate of interest as the surrendered Bond.

(b) The Authority, the Trustee, the Paying Agent, the Bond Registrar and any remarketing agent appointed pursuant to a Series Indenture may treat the registered Owner of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Redemption Price of and interest on such Bond and for all other purposes whatsoever, and payment of the principal, Redemption Price of and interest on any such Bond shall be made only to, or upon the order of, such registered Owner. All such payments to such registered Owner shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Bond to the extent of the sum or sums so paid, and neither the Authority, the Trustee, the Paying Agent, the Bond Registrar nor any such remarketing agent shall be affected by any notice to the contrary.

Section 2.12. Regulations with Respect to Exchanges and Transfers. All Bonds surrendered in any exchanges or transfers shall be cancelled forthwith by the Bond Registrar. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar shall make a charge sufficient to reimburse it or them for their reasonable fees and expenses in connection with such exchange or transfer and any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Except for costs incurred in connection with the initial delivery of Bonds, the Authority or the Bond Registrar may charge for the cost, if any, of preparing any new Bond upon such exchange or transfer and may charge reasonable fees and expenses of the Bond Registrar. Neither the Authority nor the Bond Registrar shall be obligated to issue, exchange or transfer any Bond during a period beginning at the opening of business on any Record Date next preceding an Interest Payment Date and ending at the close of business on such Interest Payment Date, issue, exchange or transfer any Bond during a period beginning at the opening of business on the Record Date next preceding any selection of Bonds to be redeemed and ending on the date of the transmission of notice of such redemption, or transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 2.13. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered at the Corporate Trust Office of the Bond Registrar, or the Bond Registrar and the Authority receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Bond Registrar and the Authority such security or indemnity as may be required by them to save each of them harmless, then (in the absence of notice to the Bond Registrar or the Authority that such Bond has been acquired by a bona fide purchaser for value without notice) the Authority shall execute, and upon Authority Request, the Bond Registrar shall authenticate and deliver, in exchange for any such mutilated Bond, or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like original principal amount, interest rate, Series, Class, tenor and maturity, bearing a number not previously assigned to a Bond of the Related Series. The Bond Registrar thereupon shall cancel any such mutilated, destroyed, lost or stolen Bond. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Authority in its discretion and instead of issuing a new Bond, may direct the Paying Agent to pay such Bond. The Trustee, Bond Registrar and Paying Agent shall notify the Authority as soon as practicable upon learning of any mutilated, destroyed, lost or stolen Bond.

(b) As a condition precedent to the issuance of any new Bond under this Section 2.13, the Authority or the Bond Registrar may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, and any other expenses, including counsel fees and costs of preparing a new Bond, of the Authority or the Bond Registrar incurred in connection therewith.

(c) Each new Bond issued pursuant to this Section 2.13 in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the Authority, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued under the Indenture unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Authority may recover the substitute Bond from the Bondowner to whom it was issued or from anyone taking under the Bondowner except a bona fide purchaser for value without notice. All Bonds shall be held and owned upon the express condition that the provisions of this Section 2.13 are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude (to the extent lawful) any and all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.14. Cancellation and Destruction of Bonds. The Bond Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding under the Indenture, and no Bonds shall be issued in lieu thereof.

Section 2.15. Payments Due on other than Business Days. In any case where the date of maturity of interest on or Principal Installments of any Bond or the date fixed for redemption of any Bonds is not a Business Day, then payment of interest on or Principal Installments or Redemption Price of the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 2.16. Authorization and Preparation of Temporary Bonds.

(a) Until definitive Bonds are prepared, the Authority may execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver temporary Bonds (which may be typewritten, printed or otherwise reproduced) in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of such definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as the officer executing the same in his discretion may determine, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause definitive Bonds to be prepared, executed and delivered to the Bond Registrar. Temporary Bonds shall be exchangeable for definitive Bonds upon surrender to the Bond Registrar at its Corporate Trust Office (or any additional location designated by the Bond Registrar) of any such temporary Bond or Bonds, and upon such surrender, the Authority shall execute and, upon Authority Request, the Bond Registrar shall authenticate and deliver to the Owner of the temporary Bonds or Bonds, in exchange therefor, a like principal amount of definitive Bonds in authorized denominations or maturity payment amounts and forms. Until so exchanged, the temporary Bonds shall be entitled in all respects to the same benefits as definitive Bonds authenticated and issued pursuant to the Indenture.

(c) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds forthwith shall be canceled by the Bond Registrar.

Section 2.17. Book-Entry System.

(a) Unless otherwise determined in the Related Series Indenture authorizing the issuance of a Series, the registered Owner of all Bonds of such Series shall be a Securities Depository and such Bonds shall be registered in the name of the nominee for the Securities Depository. The "Bonds" referred to in this Section 2.17 shall refer to the Bonds registered in the name of the Securities Depository.

(b) The Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Bonds in the amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration records kept by the Bond Registrar in the name of the nominee of the Securities Depository. The Bond Registrar, the Paying Agent, the Trustee and the Authority may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (1) payment of the principal or Redemption Price of or interest on the Bonds, (2) selecting the Bonds or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to Owners under this Master Indenture, (4) registering the transfer of Bonds, and (5) obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Bond Registrar, the Paying Agent, the Trustee nor the Authority shall be affected by any notice to the contrary (except as provided in paragraph (c) below). Neither Bond Registrar, the Paying Agent, the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any beneficial owner or any other Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration records of the Bond Registrar as being an Owner, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Owners under this Master Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository as Owner. The Paying Agent shall pay all principal and Redemption Price of and interest on the Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, purchase price or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (c) below, no Person other than the Securities Depository shall receive an authenticated Bond for each separate maturity evidencing the obligation of the Authority to make payments of principal or Redemption Price and interest pursuant to this Master Indenture. Upon delivery by the Securities Depository to the Bond Registrar of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Bonds will be transferable to such new nominee in accordance with paragraph (d) below.

(c) In the event the Authority determines that it is in the best interest of the Authority not to continue the book-entry system of transfer or that the interest of the Owners might be adversely affected if the book-entry system of transfer is continued, the Authority may notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants, of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall authenticate, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts in accordance with paragraph (d) below. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the Authority may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the Authority shall either establish its own book-entry system or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the Authority and the Trustee shall be obligated to deliver Bond certificates as described in this Master Indenture and in accordance with paragraph (d) below. In the event Bond certificates are issued, the provisions of this Master Indenture shall apply to such Bond certificates in all respects, including, among other things, the transfer and exchange of such certificates and the method of payment of principal or Redemption Price of and interest on such certificates. Whenever the Securities Depository requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Master Indenture to the contrary, so long as any Bond is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in its representation letter.

(e) In connection with any notice or other communication to be provided to Owners pursuant to this Master Indenture by the Authority or the Trustee or with respect to any consent or other action to be taken by Owners, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen calendar days in advance of such record date to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Owner.

(f) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) of this Section 2.17, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Master Indenture. In the event Bond certificates are issued to Owners other than the nominee of the Securities Depository, or another securities depository as Owner of all the Bonds, the provisions of this Master Indenture shall also apply to, among other things, the printing of such certificates and the methods of payment of principal or Redemption Price of and interest on such certificates.

(End of Article II)

ARTICLE III

REDEMPTION AND TENDER OF BONDS

Section 3.1. Authorization of Redemption and Tender. Bonds are subject to redemption prior to maturity, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such other terms as may be specified in this Master Indenture and in the Related Series Indenture authorizing such Bonds. Bonds may be subject to mandatory and optional tender upon such terms as may be specified in the Related Series Indenture.

Section 3.2. Notice of Redemption.

(a) When any Bonds are to be redeemed, the Bond Registrar shall cause notice of any redemption of Bonds hereunder to be mailed, by first class mail, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, to the registered owner of each Bond to be redeemed at such Owner's address as it appears in the registration records of the Bond Registrar or at such other address as is furnished in writing by such Owner to the Bond Registrar; provided, however, that failure to give any such notice to any Owner, or any defect therein, shall not affect the validity of the redemption proceedings for any Bond with respect to which no such failure or defect has occurred. Each such notice shall be dated and shall be given in the name of the Authority and shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bond certificates and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice may state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of transmission of redemption notices, the Record Date and the redemption date;

(v) the Redemption Price;

(vi) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(vii) the place where such Bonds are to be surrendered for payment of the Redemption Price, designating the name and address of the redemption agent with the name of a contact person and telephone number; and

(viii) any conditions precedent to the redemption of such Bonds.

(b) Notice of redemption having been given as provided in paragraph (a) of this Section 3.2, the Bonds or the respective portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or the respective portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest), such Bonds or the respective portions thereof to be redeemed shall cease to bear or accrue interest, and such Bonds or the respective portions thereof to be redeemed shall no longer be considered as Outstanding under the Indenture. If at the time of transmission of any notice of redemption there shall not be on deposit with the Trustee or the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee or the Paying Agent not later than the redemption date and that such notice shall be of no effect unless such moneys are so deposited. If moneys sufficient to pay the Redemption Price and accrued interest have not been made available by the Authority to the Trustee and the Paying Agent on the redemption date, such Bonds or the respective portions thereof to be redeemed shall continue to bear or accrue interest at the respective rates specified thereon until such moneys are delivered to the Trustee.

(c) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Bond Registrar simultaneously with notice to Bondowners, by registered or certified mail or overnight delivery service, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in paragraph (a) of this Section 3.2. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(d) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear (i) the CUSIP(s) number identifying, by Series, Class, tenor and maturity of Bonds being redeemed (ii) the principal amount of the Bonds of each maturity being redeemed and (iii) if the redemption date is not an Interest Payment Date, the amount of accrued interest paid on the Bonds of each maturity being redeemed with the proceeds of such check or other transfer.

(e) Except as otherwise provided in a Series Indenture, notice of redemption shall be given, not more than 60 days nor less than 30 days prior to the redemption date, to registered owners of the Bonds, or portions thereof, to be redeemed. A second notice of redemption provided in the same manner as the first notice of redemption, shall be given, not later than 90 days after the redemption date, to the registered owners of Bonds, or portions thereof redeemed but who failed to deliver Bond certificates for redemption prior to the 60th day following such redemption date. Any notice shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds. The obligation of the Bond Registrar to give the notice required by this Section 3.2 shall not be conditioned upon the prior payment to the Trustee of moneys or Defeasance Securities sufficient to pay the Redemption Price of the Bonds or portions thereof to which such notice relates or the interest thereon to the redemption date.

(f) The provisions of this Section 3.2 may be changed or modified for any particular Series by the Related Series Indenture.

Section 3.3. <u>Selection of Bonds to Be Redeemed.</u>

(a) If less than all Bonds of like Series are to be redeemed, except as otherwise directed by an Authority Request that certifies that such request is consistent with the most recently filed Related Cash Flow Statement, and subject to any limitations in or requirements of the Related Series Indenture, the Bond Registrar shall select a pro rata amount of the Bonds of each Class, tenor and maturity of such Series for redemption. If less than all Bonds of like Series, Class, tenor and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed shall be selected by lot in such manner as the Bond Registrar in its discretion may deem fair and appropriate.

(b) The portion of any Bond of a denomination of larger than the minimum denomination provided for in the Related Series Indenture may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by such minimum denomination. If there shall be selected for redemption less than all of a Bond, the Authority shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series, Class, interest rate, tenor and maturity in any of the authorized denominations.

(c) The Bond Registrar promptly shall notify the Authority, the Trustee and the Paying Agent in writing of the Bonds so selected for redemption.

Section 3.4. <u>Deposit of Redemption Price.</u> On or before any date fixed for redemption of any Bonds, moneys and/or Defeasance Securities maturing or redeemable at the option of the holder thereof not later than the date fixed for redemption in an amount that, together with income to be earned on such Defeasance Securities prior to such date fixed for redemption, will be sufficient to provide moneys to pay the Redemption Price of and accrued interest on all Bonds or the respective portions thereof to be redeemed on such date, shall be deposited with the Trustee or the Paying Agent unless such amount shall have been previously deposited with the Trustee or the Paying Agent pursuant to the Indenture.

Section 3.5. <u>Partial Redemption of Bonds.</u> In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Owner thereof or his attorney duly authorized in writing (with, if the Authority or the Bond Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Bond Registrar duly executed by the Owner thereof or his attorney duly authorized in writing) to the Bond Registrar, the Authority shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds at the option of such Owner or such attorney, of any authorized denomination of like tenor. Bonds so presented and surrendered shall be canceled in accordance with Section 2.14 of this Master Indenture.

Section 3.6. Purchase in Lieu of Redemption.

(a) If Bonds of any particular Series, Class and maturity are called for redemption, upon Authority Request the Bonds so called shall be purchased in lieu of such redemption by the Trustee or Paying Agent for the account of the Authority on the date upon which such Bonds were to have been redeemed, at a purchase price not to exceed the applicable Redemption Price thereof, plus accrued interest, if any, thereon to, but not including, such date, or at any higher purchase price consistent with the most recent Cash Flow Statement. At the election of the Authority, but not otherwise, such Bonds shall be canceled by the Trustee upon such purchase in lieu of redemption. The Authority shall deliver any such Authority Request not later than the Business Day preceding the date upon which such Bonds were to have been redeemed, which Authority Request shall state the aggregate principal amount of each Series, Class and maturity of Bonds for which an election to purchase in lieu of redemption pursuant to this Section 3.6 is being made, and the source of payment for such purchase in lieu of redemption. Any such purchase in lieu of redemption may be made from any moneys designated by the Authority, and, upon receipt thereof if such moneys are not already held in the Trust Estate, the Trustee shall use such moneys for such purpose. The Authority is expressly authorized, to tender, and to direct the Trustee and the Paying Agent to purchase from the Authority, any Bonds for cancellation in lieu of redemption. Neither the Trustee nor the Paying Agent shall be required to advance any of their own money to make any such purchase or purchases.

(b) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Redemption Fund in lieu of redemption to pay the purchase price (exclusive of accrued interest) of Bonds purchased in lieu of redemption pursuant to paragraph (a) of this Section 3.6. Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Revenue Fund in accordance with Section 5.5 of this Master Indenture, from the Class I Debt Service Fund in accordance with Section 5.6 of this Master Indenture, from the Class II Debt Service Fund in accordance with Section 5.9 of this Master Indenture, from the Class III Debt Service Fund in accordance with Section 5.10 of this Master Indenture, or from the Class IV Debt Service Fund in accordance with Section 5.11 of this Master Indenture to pay accrued interest on such Bonds purchased pursuant to paragraph (a) of this Section 3.6.

(c) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class I Debt Service Fund in accordance with Section 5.6 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class I Term Bonds purchased in lieu of redemption by Class I Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class I Term Bonds against such Class I Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(d) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class II Debt Service Fund in accordance with Section 5.9 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class II Bonds against such Class II Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(e) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class III Debt Service Fund in accordance with Section 5.10 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class III Bonds against such Class III Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(f) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys from the Class IV Debt Service Fund in accordance with Section 5.11 of this Master Indenture to pay the purchase price (inclusive of accrued interest) of Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installment pursuant to paragraph (a) of this Section 3.6 and, upon such purchase, shall credit the principal amount of any such Class IV Bonds against such Class IV Sinking Fund Installment in accordance with Section 3.7 of this Master Indenture.

(g) Unless the Authority shall designate a different source, the Trustee shall apply, or cause the Paying Agent to apply, available moneys in the Revenue Fund in the order of priority and in amounts which do not exceed the amounts expected to be transferred to the respective Funds and Accounts pursuant to Section 5.5 of this Master Indenture prior to the next Payment Date to purchase Bonds in the manner provided in paragraphs (b), (c), (d), (e) and (f) of this Section 3.6. Any Bonds so purchased shall be credited in an amount equal to par plus accrued interest against amounts which would otherwise be required to be transferred pursuant to Section 5.5 of this Master Indenture to the various Funds and Accounts.

Section 3.7. Credits Against Sinking Fund Installments.

(a) Upon any redemption (other than by Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment) of Bonds for which Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments have been established, or any purchase in lieu thereof, there shall be credited by the Trustee and the Bond Registrar toward the Class I Sinking Fund Installments, Class II Sinking Fund Installment, Class III Sinking Fund Installments or Class IV Sinking Fund Installments thereafter to become due with respect thereto, on a proportionate basis and in increments of the applicable minimum denomination, an amount bearing the same ratio to each such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment as the total principal amount of such Class and maturity of Bonds so purchased or redeemed bears to the total amount of all such Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments to be credited; provided, however, that, if there shall be filed with the Trustee and the Bond Registrar an Authority Request specifying a different method for crediting Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments or Class IV Sinking Fund Installments upon any such purchase or redemption of Bonds and certifying that such Authority Request is consistent with the most recently filed Related Cash Flow Statement and the Related Series Indenture, then such Sinking Fund Installments shall be so credited as shall be provided in such Authority Request. The portion of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund Installment or Class IV Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Class I Sinking Fund Installment, Class II Sinking Fund Installment, Class III Sinking Fund

Installment or Class IV Sinking Fund Installment for the purpose of calculation of Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments due on or scheduled for a future date.

(b) The provisions of this Section 3.7 may be changed or modified for any particular Series by the Related Series Indenture.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 4.1. Application of Bond Proceeds. The proceeds of the sale of each Series of Bonds shall, as soon as practicable upon delivery of such Bonds by the Trustee pursuant to Sections 2.2 or 2.3, as applicable, be applied as set forth in the Related Series Indenture.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS, APPLICATION THEREOF AND SECURITY THEREFOR

Section 5.1. Establishment of Funds and Accounts.

(a) The following Funds and Accounts are hereby created and established as special trust funds:

(i) the Program Fund, consisting of:

(A) the Acquisition Account;
(B) the Short Term Bond Account;
(C) the Cost of Issuance Account; and
(D) the Loan Recycling Account;

(ii) the Revenue Fund;

(iii) the Debt Service Reserve Fund, which shall include the Interest Reserve Account;

(iv) the Class I Debt Service Fund which may include an Authority Payment Account;

(v) the Class II Debt Service Fund which may include an Authority Payment Account;

(vi) the Class III Debt Service Fund which may include an Authority Payment Account;

(vii) the Class IV Debt Service Fund which may include an Authority Payment Account;

(viii) the Redemption Fund, consisting of:

(A) the Class I Special Redemption Account;
(B) the Class II Special Redemption Account;
(C) the Class III Special Redemption Account; and
(D) the Class IV Special Redemption Account;

(ix) the Rebate Fund; and

(x) the Excess Earnings Fund.

(b) All the Funds and Accounts listed in paragraph (a) of this Section 5.1 shall be held by the Trustee in trust for application only in accordance with the provisions of the Indenture.

(c) Subaccounts shall be created in all Funds and Accounts described in this Section 5.1 for each Series of Bonds. Except as otherwise provided in this Master Indenture or in a Series Indenture, bond proceeds and other moneys relating to a Series of Bonds shall be deposited in the Related subaccounts created with respect to such Series of Bonds.

(d) A Bond Purchase Fund may be created and established by a Series Indenture to be held by a fiduciary to provide for the payment of the tender price or purchase price of Bonds as provided therein.

(e) Subject to the provisions of any Series Indenture, the Authority may reallocate moneys, investments, Mortgage Loans and MBS (or portions thereof or interests therein) among Series under any of the following circumstances:

(i) if and to the extent required by the Indenture (e.g., under Section 5.5, Section 5.7 or Article VII of this Master Indenture);

(ii) if and to the extent necessary to enable the Authority to deliver a Cash Flow Statement with respect to one or more Series;

(iii) in connection with an Authority Request filed pursuant to Section 5.8 of this Master Indenture;

(iv) upon Authority Request, accompanied by an opinion of Bond Counsel, to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; and

(v) if and to the extent that the aggregate amount of moneys, investments, Mortgage Loans and MBS allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

If the Authority determines to make such a reallocation of moneys, investments, Mortgage Loans and MBS (or portions thereof or interests therein) among Series, the Authority shall deliver to the Trustee an Authority Request specifying such reallocations. Upon receipt of such request, the Trustee shall transfer moneys, investments, Mortgage Loans and/or MBS (or portions thereof or interests therein) among subaccounts Related to each Series as requested. Mortgage Loans and MBS (or portions thereof or interests therein) reallocated among Series are not required to meet the requirements of the Series Indenture Related to the Series to which such Mortgage Loans and MBS (or portions thereof or interests therein) are being reallocated, if such Mortgage Loans (or Mortgage Loans Related to such MBS) at the time of their original acquisition or origination by the Authority met the requirements of Section 6.7 of this Master Indenture and the applicable requirements of the Series Indenture Related to such Mortgage Loans and MBS at the time of their purchase.

(f) Special temporary accounts in the Program Fund and the Debt Service Reserve Fund may be created and established to facilitate the refunding of the Authority's bonds and any exchange of funds related thereto.

Section 5.2. Program Fund; Acquisition Account.

(a) Deposit of Moneys. There shall be paid into the Related subaccount of the Acquisition Account established within the Program Fund the respective amount of the proceeds of the Bonds and other moneys specified in each Series Indenture and any amounts transferred pursuant to Section 5.3(a) of this Master Indenture. There may also be paid into the Acquisition Account, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Indenture. Except as otherwise required or permitted by Section 5.1 of this Master Indenture and paragraph (f) of this Section 5.2, Mortgage Loans and MBS made or purchased in connection with a Series of Bonds shall be allocated to such Series. Mortgage Loans and MBS (or portions thereof or interest therein) allocated to a Series of Bonds shall be held in the subaccount of the Acquisition Account which was created in connection with such Series of Bonds.

(b) Use of Acquisition Account.

(i) Proceeds of the Bonds and other moneys deposited in the Acquisition Account shall be applied to make or purchase Mortgage Loans or to acquire MBS (or portions thereof or interests therein) in accordance with the provisions of the Indenture; provided, however, that such Mortgage Loans (or Mortgage Loans Related to such MBS) must satisfy the terms and conditions set forth in Section 6.7 of this Master Indenture and applicable provisions of the Related Series Indenture, and the Authority shall not use such proceeds or other moneys to finance a Mortgage Loan or MBS providing a yield that, in the aggregate with other Mortgage Loans or MBS credited or expected to be credited to the Acquisition Account or the Loan Recycling Account, exceeds any limitation on yield required by Section 103 or Section 143 of the Code, unless there shall be filed with the Trustee an opinion of Bond Counsel to the effect that the financing of Mortgage Loans or MBS providing a higher yield will not cause the interest on the Related Tax-exempt Bonds to be included in the gross income of the recipient thereof for federal income tax purposes. All references in this Section 5.2 and elsewhere in this Article V to the purchase, acquisition, finance or refinance of Mortgage Loans or MBS shall be interpreted to include the purchase, acquisition, finance or refinance of portions thereof or interests therein; provided that Mortgage Loans and MBS may be purchased, acquired, financed or refinanced pursuant to the Indenture only if (i) the remaining portion of such Mortgage Loan or MBS is purchased, acquired, financed or refinanced pursuant to the Master Indenture of Trust dated as of December 1, 2009 (the "2009 Master Indenture") between the Authority and Zions First National Bank, as Trustee, (ii) all Series of Bonds pursuant to which such portion of such Mortgage Loan or MBS is purchased, acquired, financed or refinanced pursuant to the Indenture are Class I Bonds and (iii) all Series of Bonds pursuant to which such remaining portion of such Mortgage Loan or MBS is purchased, acquired, financed or refinanced pursuant to the 2009 Master Indenture are Class I Bonds (as all such terms are defined in the 2009 Master Indenture).

(ii) In accordance with Section 143 of the Code and unless otherwise approved by an opinion of Bond Counsel, certain amounts, if any, designated by each Series Indenture shall be made available solely for the purchase of Mortgage Loans on Targeted Area Residences for a period of at least one year after the date on which the proceeds of the related Series of Tax-exempt Bonds are first made available for the purchase by the Authority of Mortgage Loans on Targeted Area Residences. In furtherance of such purpose, the Authority shall reserve from the amounts deposited in the Related subaccount of the Acquisition Account an aggregate amount equal to the foregoing requirement.

(iii) The Authority, acting upon the advice of Bond Counsel, will take all reasonable steps necessary, including the preparation, distribution and publication of advertisements and the organization of informational meetings with appropriate community groups, to cause the amount reserved pursuant to subsection (ii) above to be utilized for such purpose.

(c) Disbursements from Acquisition Account.

(i) Mortgage Loans. The Trustee shall withdraw moneys from the Acquisition Account for the purchase of a Mortgage Loan pursuant to paragraph (b) of this Section 5.2 upon receipt of an Authority Request stating (i) the name of the Person to be paid, (ii) the amount to be paid, including principal, premium, if any, unpaid accrued interest and prepaid discount fees, if any, and (iii) that all conditions precedent to the purchase of such Mortgage Loan have been fulfilled. If the Authority requires or permits the prepayment of Mortgage Loan discount amounts consistent with the Related Series Indenture, such prepaid discount amounts shall be transferred by or on behalf of the Authority to the Trustee for deposit in the Acquisition Account.

(ii) MBS. The Trustee shall withdraw moneys from the Acquisition Account for the acquisition of MBS pursuant to paragraph (b) of this Section 5.2 upon receipt of an Authority Request. The purchase price of each Ginnie Mae Certificate shall be the Ginnie Mae Certificate Purchase Price, the purchase price of each Fannie Mae Certificate shall be the Fannie Mae Certificate Purchase Price and the purchase price of each Freddie Mac Certificate shall be the Freddie Mac Certificate Purchase Price. If the Trustee receives an interest payment on an MBS representing interest accrued prior to the date such MBS was purchased by the Trustee with amounts on deposit in the Acquisition Account, the Trustee shall remit such amount to the Authority when received. The Trustee shall not disburse moneys from the Acquisition Account for the acquisition of an MBS unless (i) such MBS shall be acquired in accordance with this Section 5.2, (ii) such MBS will bear interest at the applicable Pass-Through Rate and (iii) the MBS will be held by the Trustee as described in subsection (g) of this Section 5.2.

(d) Unexpended Moneys. Any moneys deposited in the Acquisition Account that the Authority certifies from time to time will not be used to purchase Mortgage Loans or MBS in accordance with this Master Indenture and the Related Series Indenture shall be withdrawn by the Trustee on the date specified in the Related Series Indenture or such other date or dates on or after such date as may be specified by the Authority, and transferred to the Related subaccount of the Redemption Fund for application in accordance with the Related Series Indenture; provided, however, that such transfer or transfers may be made on a later date as to all or any part of such moneys, if the Authority shall have filed with the Trustee an Authority Request specifying a later date or dates for such withdrawal, and certifying that such Authority Request is consistent with the most recently filed Cash Flow Statement and the Related Series Indenture.

(e) Withdrawal of Assets upon Retirement of a Series. When no Bonds of a particular Series or Related Auxiliary Obligations remain Outstanding, upon receipt of an Authority Request to withdraw all or any portion of the Related moneys, investments, Mortgage Loans and/or MBS from the Related Funds, Accounts and subaccounts, the Trustee shall make such withdrawal and shall transfer such moneys, investments, Mortgage Loans and/or MBS, as the case may be, to or upon the order of, the Authority; provided, however, that the Authority Request must certify that such withdrawal is consistent with the most recently filed Cash Flow

Statement for all Bonds and the most recently filed Cash Flow Statement for any Series to which such retired Series has been linked.

(f) Mortgage Loans and MBS Financed With More Than One Series of Bonds. The Authority may determine that a Mortgage Loan or an MBS (or portions thereof or interests therein) will be financed or refinanced with proceeds of more than one Series of Bonds. In such event, all provisions of the Indenture which relate to a Mortgage Loan, an MBS, Mortgage Repayments and Prepayments, and moneys in any Fund or Account, shall be interpreted and applied to relate such Mortgage Loan, MBS, Mortgage Repayments, Prepayments and moneys to each Series furnishing proceeds for such Mortgage Loan or MBS in proportion to the respective principal amounts of Bonds of each such Series the proceeds of which were or will be used to finance or refinance such Mortgage Loan or MBS or by such other method as shall be provided in an Authority Request, accompanied by an opinion of Bond Counsel that such method will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

(g) Holding of MBS.

(i) The Ginnie Mae Certificates acquired by the Trustee shall be held at all times by the Trustee in trust for the benefit of the Owners and shall be registered in the name of the Trustee or its nominee or held in book entry form as described in this subsection. A Ginnie Mae Certificate will be issued in book entry form through a book entry system of the Federal Reserve System and transferred to the Trustee. If the Trustee does not receive payment with respect to a Ginnie Mae Certificate when due by the close of business on the twentieth day of any month (or the next business day if the twentieth day is not a Business Day), the Trustee shall demand by telephone payment from Ginnie Mae in immediately available funds in connection with the guaranty of timely payments of principal and interest by Ginnie Mae in accordance with the terms of the Ginnie Mae Certificates.

(ii) The Fannie Mae Certificates acquired by the Trustee shall be held at all times by the Trustee or its nominee in trust for the benefit of the Owners and shall be held in book entry form as described in this subsection. A Fannie Mae Certificate will be issued in book entry form through a book entry system of the Federal Reserve System and transferred to the Trustee. If the Trustee does not receive payment or advice from the depositary of payment with respect to a Fannie Mae Certificate when due by the close of business on the twenty-fifth day of any month (or the next business day if the twenty-fifth day is not a business day), the Trustee shall demand by telephone payment from Fannie Mae in immediately available funds in connection with the guaranty of timely payments of principal and interest by Fannie Mae in accordance with the terms of the Fannie Mae Certificates.

(iii) The Freddie Mac Certificates acquired by the Trustee shall be held at all times by the Trustee or its nominee in trust for the benefit of the Owners and shall be held in book entry form as described in this subsection. A Freddie Mac Certificate will be issued in book entry form through a book entry system of the Federal Reserve System and transferred to the Trustee. If the Trustee does not receive payment or advice from the depositary of payment with respect to a Freddie Mac Certificate when due by the close of business on the twenty-fifth day of any month (or the next business day if the twenty-fifth day is not a business day), the Trustee shall demand by telephone payment from Freddie Mac in immediately available funds in connection with the guaranty of timely payments of principal and interest by Freddie Mac in accordance with the terms of the Freddie Mac Certificates.

Section 5.3. Program Fund; Cost of Issuance Account and Short Term Bond Account.

(a) Upon the issuance, sale and delivery of Bonds, the Trustee shall deposit in the Related subaccount of the Cost of Issuance Account such moneys, if any, as shall be specified in the Related Series Indenture. There may also be paid into the Cost of Issuance Account, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by the Indenture. Moneys therein shall be used to pay Costs of Issuance and for no other purpose. The Trustee shall issue its checks for each disbursement from the Cost of Issuance Account (including to reimburse the Authority for its payment of Costs of Issuance, but not including any fees payable to the Trustee, which may be withdrawn directly by it) upon being furnished with an Authority Request setting forth: the Person to whom payment is to be made, the amount of payment, that the disbursement is for a proper Cost of Issuance, and that none of the items for which payment is to be made has been the basis for any prior disbursement from such Account. Any excess remaining upon payment of all Costs of Issuance shall be transferred by the Trustee to the Authority or to the Related subaccount in the Acquisition Account upon receipt by the Trustee of an Authority Certificate stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the Cost of Issuance Account shall be closed.

(b) In the event that the moneys deposited in the Cost of Issuance Account are not sufficient to pay all Costs of Issuance, Costs of Issuance may be paid from any available moneys of the Authority.

(c) Provisions relating to the Short Term Bond Account and Related subaccounts shall be set forth in Related Series Indentures.

Section 5.4. Program Fund; Loan Recycling Account.

(a) There shall be paid into the Related subaccount of the Loan Recycling Account established within the Program Fund any amounts transferred pursuant to Section 5.5(d)(i)(E), (K), (S) or (W) of this Master Indenture. Except as otherwise required or permitted by Sections 5.1 and 5.2(f) of this Master Indenture, Mortgage Loans and MBS (or portions thereof or interests therein) allocated to a Series of Bonds and financed or refinanced with moneys in the Related subaccount of the Loan Recycling Account shall be held in such subaccount of the Loan Recycling Account.

(b) Before any moneys are transferred to the Loan Recycling Account pursuant to Section 5.5(d)(i)(E), (K), (S) or (W) of this Master Indenture, the Authority shall file with the Trustee (a) a Cash Flow Statement, (b) an Authority Certificate demonstrating that the Related Class I Asset Requirement, Class II Asset Requirement, Class III Asset Requirement or Class IV Asset Requirement, as applicable, will be met, and (c) a letter from each Rating Agency then rating any Bonds confirming that such transfer will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds, except to the extent a previous Cash Flow Statement, Authority Certificate and rating confirmation shall apply to such transfer and the Mortgage Loans or MBS to be made or acquired with such amounts.

(c) Amounts deposited in the Loan Recycling Account shall be applied, upon Authority Request, to finance or refinance Mortgage Loans or MBS that satisfy the requirements of Section 6.7 of this Master Indenture and applicable provisions of the Related Series Indenture with respect to the Mortgage Loans or MBS to be financed or refinanced. The Trustee shall withdraw moneys from the Related subaccount of the Loan Recycling Account for the financing of a Mortgage Loan or MBS upon receipt of an Authority Request stating (i) the name of the Person to be paid, and (ii) the amount to be paid.

(d) Moneys remaining in the Related subaccount of the Loan Recycling Account on the date set forth in the Cash Flow Statement in connection with which such moneys were deposited in such subaccount shall be withdrawn therefrom by the Trustee on such date (or such earlier date or dates as may be specified by the Authority), and shall be transferred to the Revenue Fund.

Section 5.5. Revenue Fund.

(a) Deposit of Revenues. The Authority shall pay all Revenues or cause all Revenues to be paid to the Trustee at least once each month. Except as otherwise provided herein or in a Series Indenture, all Revenues Related to each Series of Bonds shall be deposited by the Trustee in the Related subaccount of the Revenue Fund amounts transferred thereto from the Related subaccount of the Loan Recycling Account pursuant to Section 5.4(d) of this Master Indenture, from the Related subaccount of the Class I Debt Service Fund pursuant to Section 5.6(b) of this Master Indenture, from the Related subaccount of the Debt Service Reserve Fund pursuant to Section 5.7(b) of this Master Indenture, from the Related subaccount of the Class I Special Redemption Account pursuant to Section 5.8(b) of this Master Indenture, from the Related subaccount of the Class II Special Redemption Account pursuant to Section 5.8(c) of this Master Indenture, from the Related subaccount of the Class III Special Redemption Account pursuant to Section 5.8(d) of this Master Indenture, from the Related subaccount of the Class IV Special Redemption Account pursuant to Section 5.8(e) of this Master Indenture, from the Related subaccount of the Class II Debt Service Fund pursuant to Section 5.9(b) of this Master Indenture, from the Related subaccount of the Class III Debt Service Fund pursuant to Section 5.10(b) of this Master Indenture, from the Related subaccount of the Class IV Debt Service Fund pursuant to Section 5.11(b) of this Master Indenture, from the Related subaccount of the Rebate Fund pursuant to Section 5.12 of this Master Indenture, and from the Related subaccount of the Excess Earnings Fund pursuant to Section 5.13 of this Master Indenture. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by the Indenture.

(b) Accrued Interest on Mortgage Loans. Promptly upon receipt of interest on a Mortgage Loan with respect to which moneys were withdrawn from the Acquisition Account to pay for interest accrued on such Mortgage Loan at the time of purchase from a Mortgage Lender, the Trustee shall withdraw from the Related subaccount of the Revenue Fund and transfer to the Related subaccount of the Acquisition Account an amount equal to such accrued interest paid. Alternatively, accrued interest on Mortgage Loans at the time of purchase may be paid from the Related subaccount of the Revenue Fund as the Authority shall direct in an Authority Request.

(c) Payment of Certain Fiduciary Expenses. The Trustee shall pay or transfer from the Related subaccount of the Revenue Fund (i) directly to the Fiduciaries, all Fiduciary Expenses, when and as payable and (ii) to the Authority or to its order other reasonable and necessary Program Expenses, respectively, only to the extent, if any, provided in the following paragraphs.

(d) Allocation of Revenues From Revenue Fund.

(i) On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, or on the other dates specifically provided below, the Trustee shall withdraw from each subaccount of the Revenue Fund and deposit into the Related subaccounts of the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) On each August 1, into the Related accounts of the Rebate Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective accounts, will equal the Rebate Requirement Related to the Tax-Exempt Bonds of each respective Series, as determined by the Authority;

(B) On each August 1, into the Related accounts of the Excess Earnings Fund, an amount to be calculated by the Authority which, when added to the amount already within such respective accounts, will equal amount determined by the Authority to be required to be on deposit therein;

(C) Into the Related subaccount of the Class I Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class I Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Related Class I Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class I Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class I Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class I Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class I Bonds on the next Payment Date;

(D) Into each Unrelated subaccount of the Class I Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(i) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (C) of this Section 5.5(d)(i) as of such date;

(E) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the Related subaccount of the Class I Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class I Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(F) Into each Unrelated subaccount of the Class I Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (E) of this Section 5.5(d)(i) as of such date;

(G) Into the Related subaccount of the Class II Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class II Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on Outstanding Related Class II Bonds on such Payment Date; plus (§) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class II Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class II Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class II Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class II Bonds on the next following Payment Date;

(H) Into each Unrelated subaccount of the Class II Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(iii) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (G) of this Section 5.5(d)(i) as of such date;

(I) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount (including the Related Interest Reserve Account), together with the available amount of any Qualified Surety Bond therein, to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(J) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by paragraph (I) of this Section 5.5(d)(i) as of such date;

(K) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the Related subaccount of the Class II Special Redemption Account, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, needed to ensure that the Class II Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(L) Into each Unrelated subaccount of the Class II Special Redemption Account, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by paragraph (K) of this Section 5.5(d)(i) as of such date;

(M) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months (or directly to the Fiduciaries, Fiduciary Expenses with respect to the Related Series of Bonds, when and as payable); provided, however, that in no event shall the aggregate of all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries or to the Authority under this paragraph (M) exceed any limitation set forth in the Related Series Indenture for any period;

(N) To the Authority, the amount of any reasonable and necessary Fiduciary Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (M) of this Section 5.5(d)(i) as of such date;

(O) Into the Related subaccount of the Class III Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class III Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of

Principal Installments required to be paid for the Outstanding Related Class III Bonds on such Payment Date; plus (z) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class III Auxiliary Obligations on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class III Bonds, such transfer shall include an amount that, if made in substantially equal installments on each subsequent Payment Date to and including the next Payment Date that is a date for the payment of a Principal Installment on Related Class III Bonds, will equal the amount of the Principal Installments becoming due and payable on Outstanding Related Class III Bonds on the next following Payment Date;

(P) Into each Unrelated subaccount of the Class III Debt Service Fund, after making any transfer into such subaccount required by Section 5.7(c)(v) of this Master Indenture, on a proportionate basis with all such other Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (O) of this Section 5.5(d)(i) as of such date;

(Q) To the Authority, the amount of any reasonable and necessary Program Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to the Authority or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of such amounts paid to the Authority, plus amounts paid to the Authority with respect to such Series of Bonds pursuant to subsections (K) and (L) above and plus all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries exceed any limitations set forth in the Related Series Indenture;

(R) To the Authority, the amount of any reasonable and necessary Program Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by Authority Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (Q) of this Section 5.5(d)(i) as of such date;

(S) Into (1) the Related subaccount of the Loan Recycling Account, at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, but subject to the requirements of Section 5.4(b) of this Master Indenture, or (2) the Related subaccounts of the Redemption Fund, or any combination of (1) and (2) above at the election of the Authority evidenced by an Authority Certificate filed with the Trustee, the amount, if any, necessary to satisfy the Class III Asset Requirement of the Related Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer;

(T) Into each Unrelated subaccount of the Redemption Fund, on a proportionate basis with all such other Unrelated subaccounts or as otherwise directed by Authority Request, the additional amount, if any, necessary (after the deposits required by subsection (S) above for the Related Series of Bonds) to satisfy the Class III Asset Requirement of such Unrelated Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer, which amount shall be allocated to the applicable subaccount of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amount Outstanding of the applicable Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all applicable Class I, Class II, and Class III Bonds Outstanding (for purposes of this subsection (T), "applicable" means Related to such Unrelated Series);

(U) Into the Related subaccount of the Class IV Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class IV Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class IV Bonds on such Payment Date; plus (§) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount becoming due and payable on Outstanding Related Class IV Auxiliary Obligations on such Payment Date;

(V) Into each Unrelated subaccount of the Class IV Debt Service Fund, after making the transfer into such subaccount required by Section 5.7(c)(vii) of this Master Indenture, on a proportionate basis with all other such Unrelated subaccounts or as otherwise directed by Authority Request, any deficiency in such subaccounts resulting from the lack of moneys sufficient to make the deposit required by subsection (U) of this Section 5.5(d)(i) as of such date; and

(W) Upon Authority Request, to the Related subaccount of the Loan Recycling Account, in order to finance or refinance Mortgage Loans or MBS, to the extent permitted by the applicable Series Indenture.

(ii) The Authority may direct the Trustee to make any of the above transfers more frequently than on the last Business Day prior to Payment Dates, in amounts proportionate to the frequency of transfers so directed.

(iii) Following such transfers, the balance, if any, in each subaccount of the Revenue Fund, or such lesser amount thereof as shall be requested by the Authority shall be paid to the Authority for the payment of Program Expenses or for any other purpose free and clear of the lien and pledge of the Indenture upon receipt of an Authority Request made within 30 days of such Payment Date. Any amount in each subaccount of the Revenue Fund not so paid to the Authority shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account as provided in subsection (d)(i)(S) above or shall be transferred and allocated as set forth in an Authority Request, subject in each case to any limitations or requirements specified in the Related Series Indenture.

(iv) Prior to, but as close as practicable to, the latest date on which the Trustee would be permitted to give notice of a redemption to occur on a Payment Date from amounts deposited in the Redemption Fund pursuant to subsection (d)(i) of this Section, the Trustee shall calculate the amounts then on deposit in each subaccount of the Revenue Fund which would be transferred to the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund and the Class IV Debt Service Fund, and the Related subaccounts of the Redemption Fund, in accordance with the priorities and provisions of such subsection. Such amounts may be withdrawn from such subaccount of the Revenue Fund for application on or prior to the next succeeding Payment Date (A) upon receipt of an Authority Request, to the purchase in lieu of redemption in accordance with Section 3.6 of Related Class I Bonds, Class II Bonds, Class III Bonds or Class IV Bonds in amounts determined in accordance with subsection (d)(i) of this Section, (B) to the payment of accrued interest on Bonds being purchased pursuant to Section 3.6 or redeemed pursuant to Section 5.8 of this Master Indenture, or (C) to the redemption of Related Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds on such Payment Date in the amounts determined in accordance with subsection (d)(i) of this Section.

(v) In the event Bonds are to be redeemed on a date other than a Payment Date, and to the extent moneys are not available in the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund or the Class IV Debt Service Fund to pay accrued interest on such redemption date for such Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, the Trustee shall apply or cause the Paying Agent to apply available moneys in the Related subaccount of the Revenue Fund for the payment of such interest.

Section 5.6. Application of Class I Debt Service Fund.

(a) Amounts in each subaccount of the Class I Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying the interest and Principal Installments on the Related Class I Bonds as the same shall become due and payable (including accrued interest on any Class I Bonds purchased or redeemed prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class I Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class I Bonds purchased in lieu of redemption by Related Class I Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class I Debt Service Fund after all the Related Class I Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.7. Debt Service Reserve Fund.

(a) Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund and in the Related subaccount of the Interest Reserve Account therein such amounts, if any, as shall be required by the provisions of the Related Series Indenture, which aggregate amount, together with the available amount of any Qualified Surety Bond or Bonds in the Debt Service Reserve Fund, shall be at least sufficient to equal the Debt Service Reserve Fund Requirement relating to such Series of Bonds, calculated after giving effect to the issuance of such Bonds. Moneys on deposit in the Related subaccount of the Interest Reserve Account shall at all times be deemed to be a part of the Related subaccount of the Debt Service Reserve Fund. Additional moneys may be deposited in the Related subaccount of the Debt Service Reserve Fund in accordance with Section 5.5(d) of this Master Indenture.

(b) On or prior to each Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Payment Date and shall determine the amount, if any, which would then be in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Securities) is in excess of such Requirement, shall notify the Authority of such excess amount and shall, unless otherwise instructed by an Authority Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund, other than the Related subaccount of the Interest Reserve Account therein, to the Related subaccount of the Revenue Fund; provided, however, that if such excess is attributable to amounts invested in Qualified Mortgage Loan Backed Securities, such excess may, at the option of the Authority, be retained in the Debt Service Reserve Fund.

(c) On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made pursuant to Section 5.5(d)(i), the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund (including from the Interest Reserve Account as provided below) to the specified subaccounts of other Funds or Accounts the following amounts (from any cash, Investment Securities or Qualified Surety Bonds therein), in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(i) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to subsection 5.5(d)(i)(C) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(ii) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund pursuant to subsection 5.5(d)(i)(D) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(iii) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to subsection 5.5(d)(i)(G) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund the amount of such insufficiency.

(iv) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund pursuant to subsection 5.5(d)(i)(H) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund, the amount of such insufficiency.

(v) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to subsection 5.5(d)(i)(O) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vi) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund pursuant to subsection 5.5(d)(i)(P) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(vii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to subsection 5.5(d)(i)(U) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer from first the Related subaccount of the Interest Reserve Account and then if and to the extent necessary the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

(viii) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund pursuant to subsection 5.5(d)(i)(V) is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class IV Obligations on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by Authority Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

Section 5.8. <u>Redemption Fund; Cross-Calls and Recycling.</u>

(a) Moneys deposited in the subaccounts of the Redemption Fund shall be applied by the Trustee to the purchase or applied by the Paying Agent (if directed by the Trustee) to the redemption of Bonds in accordance with the provisions of Article III, this Section 5.8 and each Related Series Indenture.

(b) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class I Special Redemption Account pursuant to Section 5.5 of this Master Indenture or pursuant to the Related Series Indenture, shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class I Bonds. Any amounts remaining in such Class I Special Redemption Account after all Class I Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(c) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class II Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class II Bonds. Any amounts remaining in such Class II Special Redemption Account after all Class II Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Fund.

(d) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class III Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class III

Bonds. Any amounts remaining in such Class III Special Redemption Account after all Class III Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(e) Except as set forth in this Section 5.8 or in the Related Series Indenture, moneys deposited in a subaccount of the Class IV Special Redemption Account pursuant to Section 5.5 of the Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class IV Bonds. Any amounts remaining in such Class IV Special Redemption Account after all Class IV Bonds of the Related Series have been paid shall be transferred to the Revenue Fund.

(f) Notwithstanding anything contained herein to the contrary, the Authority may by the delivery of an Authority Request to the Trustee at any time prior to the transmission of notices of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to another subaccount of the same Account in the Redemption Fund to be applied as provided herein to the redemption of the same Class of Bonds of a different Series. Each such Authority Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement (which may, if necessary, link the Related Series) and not prohibited by the Related Series Indentures and (ii) shall be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

(g) In addition, notwithstanding anything contained herein to the contrary, the Authority may by the delivery of an Authority Request to the Trustee at any time prior to the giving of notice of redemption, instruct the Trustee to transfer moneys on deposit in a subaccount of an Account in the Redemption Fund to a Related or an Unrelated subaccount of the Acquisition Account to be applied as provided in Section 5.2. Each such Authority Request (i) shall certify that it is consistent with the most recently filed Related Cash Flow Statement and not prohibited by the Related Series Indenture and (ii) shall be accompanied by evidence of the satisfaction of all Asset Requirements for the Related Series.

Section 5.9. Application of Class II Debt Service Fund.

(a) Amounts in each subaccount of the Class II Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class II Bonds as the same become due and payable (including accrued interest on any such Class II Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class II Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class II Debt Service Fund after all the Related Class II Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.10. Application of Class III Debt Service Fund.

(a) Amounts in each subaccount of the Class III Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class III

Bonds as the same become due and payable (including accrued interest on any such Class III Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class III Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class III Debt Service Fund after all the Related Class III Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.11. Application of Class IV Debt Service Fund.

(a) Amounts in each subaccount of the Class IV Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class IV Bonds as the same become due and payable (including accrued interest on any such Class IV Bonds redeemed or purchased prior to maturity pursuant to the Indenture), (ii) on each Payment Date for the purpose of paying amounts due under Related Class IV Auxiliary Obligations as the same shall become due and payable or (iii) on each purchase date for the purpose of paying the purchase price of Related Class IV Bonds purchased in lieu of redemption by Class IV Sinking Fund Installments.

(b) Amounts remaining in each subaccount of the Class IV Debt Service Fund after all the Related Class IV Obligations have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Fund.

Section 5.12. Rebate Fund. To the extent required by Section 6.17 of this Master Indenture, all of the amounts on deposit in the Related subaccounts of the Funds and Accounts with respect to Tax-exempt Bonds and all amounts pledged to Debt Service Payments on the Related Series of Tax-exempt Bonds pursuant to the Indenture, (i) shall be invested in compliance with the procedures established by the Related Series Indentures and Authority Certificates delivered in connection therewith, and (ii) to the extent required by such Authority Certificates, the investment earnings thereon shall be deposited from time to time into the Related subaccount of the Rebate Fund for timely payment of the Related Rebate Requirement. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of the Indenture to the extent such amounts constitute the Rebate Requirement. The Authority shall verify or cause to be verified at least annually from the date of delivery of each Series of Tax-exempt Bonds that (i) all requirements of this Section 5.12 have been met on a continuing basis, (ii) the proper amounts are deposited into each subaccount of the Rebate Fund, and (iii) the timely payment of the Rebate Requirement from each subaccount of the Rebate Fund has been made. Upon receipt of an opinion of Bond Counsel that the balance in any subaccount of the Rebate Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Records of the determinations made with respect to the above covenant and each subaccount of the Rebate Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 5.13. Excess Earnings Fund. All amounts in a subaccount of the Excess Earnings Fund, including all investment earnings thereon, shall remain therein until transferred or paid by the Trustee to such other Fund or the United States Department of the Treasury or for such other purpose, as the Authority shall specify, upon receipt by the Trustee of (a) an Authority Request directing the Trustee to so transfer or pay a specified amount, and (b) a written opinion of Bond Counsel to the effect that any such transfer or payment, upon satisfaction of any conditions set forth in such opinion (e.g., forgiveness of indebtedness on all or a portion of the Mortgage Loans or related MBS), would not cause interest on such Bonds to be includable in the gross income of the Owners thereof for federal income tax purposes. Upon receipt of an opinion of Bond Counsel that the balance in a subaccount of the Excess Earnings Fund is in excess of the amount required to be included therein, such excess shall be transferred to the Revenue Fund. Moneys in a subaccount of the Excess Earnings Fund may be used to purchase Mortgage Loans or MBS in the Related subaccount of the Acquisition Account or the Loan Recycling Account, at a purchase price equal to the unpaid balances of the principal amounts of such Mortgage Loans or MBS plus accrued interest, if any, thereon, and any unamortized premium, and any such Mortgage Loans or MBS so purchased shall be credited to such subaccount of the Excess Earnings Fund. Mortgage Loans or MBS in a subaccount of the Excess Earnings Fund may be exchanged for Mortgage Loans or MBS in the Related subaccount of the Acquisition Account or the Loan Recycling Account having an aggregate principal balance not less than the aggregate principal balance of such Mortgage Loans or MBS in such subaccount of the Excess Earnings Fund, upon receipt by the Trustee of an Authority Request specifying the Mortgage Loans or MBS to be so exchanged. If, on the final maturity of all of a Series, there is a balance in a subaccount of the Excess Earnings Fund which is allocated to payments related to such Series, and the Trustee has not received directions meeting the requirements of the preceding sentence for the disposition of such balance, the Trustee shall obtain an opinion of Bond Counsel as to the purposes, if any, to which such balance may be applied without adversely affecting the federal income tax status of interest on such Bonds, and shall thereafter dispose of such balance in accordance with such opinion. Records of the calculation of Excess Earnings and the Excess Earnings Fund shall be retained by the Authority until six years after the retirement of all of the Bonds of the Related Series.

Section 5.14. Application of Authority Payment Accounts.

(a) If, following transfers made pursuant to Sections 5.5 and 5.7(c), there are not sufficient moneys or any moneys allocated to pay all interest or any other required payment due and payable on any General Obligation or to pay any Principal Installment on any General Obligation, the Trustee shall immediately notify the Authority in writing of the amount of such insufficiency and shall request from the Authority an immediate deposit of legally available funds equal to such insufficiency. The Authority shall pay to the Trustee (from the Authority's other general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof) for deposit in the Related subaccounts of the Authority Payment Account the amount of such insufficiency. If the amount provided by the Authority is less than the amount of such insufficiency, any shortfall shall be allocated pro rata among the holders of the Related General Obligations in proportion to the amounts then due and payable on such Bonds.

(b) Amounts deposited with the Trustee by the Authority pursuant to paragraph (a) shall be deposited into the respective subaccounts of the Authority Payment Accounts for the General Obligations for which such amounts are provided. Amounts in such subaccounts shall only be used to pay interest or Principal Installments or other amounts due and payable on the Related General Obligations and may not be transferred to any Debt Service Fund for Bonds or Auxiliary Obligations which are not General Obligations or to any other Fund or Account for any reason.

Section 5.15. Investment of Moneys Held by the Trustee.

(a) Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Securities, in accordance with directions given to the Trustee in an Authority Request or Certificate; provided that the maturity date or the date on which such Investment Securities may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof.

(b) Amounts credited to any Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Security or Investment Securities, provided that each such investment complies in all respects with the provisions of this Section 5.15 as they apply to each Fund or Account for which the joint investment is made, the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein and amounts credited to the Rebate Fund and the Excess Earnings Fund may be invested together with amounts credited to any other Fund or Account. The maturity date or the date on which Investment Securities may be redeemed at the option of holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes provided in the Indenture.

(c) The Trustee may make any investment permitted by this Section 5.15 with or through its own bond department, commercial banking department or commercial paper department or with investment companies for which the Trustee or its affiliates may provide advisory, administrative, custodial or other services for compensation.

(d) In computing the amount in any Fund or Account, Investment Securities shall be valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest purchased, and Mortgage Loans and MBS shall be valued at 100% of the outstanding principal balance thereof unless such Mortgage Loans are in default for more than 60 days as of the date of computation, in which event such Mortgage Loans (and any related MBS) shall be valued at the Authority's estimated net Prepayment from the proceeds of mortgage insurance or the Authority's estimated net proceeds of foreclosure proceedings or other action with respect to a defaulted Mortgage Loan.

(e) Except as otherwise specifically provided in the Indenture, the income or interest earned by, or gain to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the Related subaccount of the Revenue Fund, in accordance with Section 5.5 except that no such transfer shall be made from, and such income, interest or gain (as described above) shall be retained in, the Debt Service Reserve Fund, unless after giving effect to the transfer the amount therein at least equals the aggregate Debt Service Reserve Fund Requirement.

(f) The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

Section 5.16. Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article V in the manner provided in this Article V or for any loss resulting from any such investment so made, except for its own negligence.

(End of Article V)

ARTICLE VI

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondowners of the Bonds as follows:

Section 6.1. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but in strict conformity with the terms of the Bonds and the Indenture, the principal or Redemption Price of every Bond and the interest thereon at the dates and places and in the manner mentioned in the Bonds according to the true intent and meaning thereof.

Section 6.2. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. Notwithstanding the foregoing, the Owner of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds, and such issuance shall not constitute an extension of maturity of Bonds.

Section 6.3. Further Assurances. At any and all times the Authority, so far as it may be authorized by law, shall make, do, execute, acknowledge and deliver, all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and property, including, without limitation, the Mortgage Loans and MBS and all rights therein, pledged or assigned by the Indenture, or intended so to be, or which the Authority may become bound to pledge or assign.

Section 6.4. Power to Issue Bonds and Pledge Revenues and Other Funds. The Authority is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Master Indenture and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged in the manner and to the extent provided herein and in any Series Indenture. The Revenues and other moneys, securities, rights and interests so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto (other than liens of Fiduciaries) prior to, or of equal rank with, the pledge created by the Indenture and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Indenture are and will be the valid and binding obligations of the Authority enforceable in accordance with their terms and the terms of the Indenture, subject to State and Federal bankruptcy, insolvency, and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies. The Authority, to the extent permitted by law, at all times shall defend, preserve and protect the pledge of the Revenues and other moneys, securities, rights and interests pledged under the Indenture and all the rights of the Bondowners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.5. Use of Bond Proceeds. The Authority will use the proceeds of Bonds and any other moneys deposited in the Funds and Accounts only in accordance with the provisions of the Indenture. All Bond proceeds and other moneys deposited in the Program Fund, except as otherwise provided in the Indenture, shall be used only to make or purchase Mortgage Loans.

Section 6.6. Program Covenants.

(a) The Authority from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Indenture, shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Account and any moneys deposited in the Loan Recycling Account for the purposes provided herein, and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of all terms, covenants and conditions of Mortgage Loans and MBS.

(b) In making, purchasing and servicing the Mortgage Loans, the Authority shall comply with the terms and provisions of any applicable Mortgage Purchase Agreements and any applicable Servicing Agreements.

(c) The Authority shall file with the Trustee with each direction to purchase Mortgage Loans, a schedule of Mortgage Loans to be made or purchased by the Trustee identifying the same by reference to the Authority loan number, the party (if applicable) from whom the Mortgage Loan will be purchased, the name of the Borrower, the principal amount due on the Mortgage Loan and the date through which interest has been paid by the Borrower, the interest rate (if any) on the Mortgage Loan and the term of the Mortgage Loan.

(d) The Authority shall maintain an account for each Mortgage Lender having entered into a Mortgage Purchase Agreement with the Authority and shall record therein a description of each Mortgage Loan purchased from such Mortgage Lender.

(e) Nothing in the Indenture shall be construed to prohibit the Authority from causing a Mortgage Lender to repurchase a Mortgage Loan in accordance with the applicable Mortgage Purchase Agreement.

(f) The terms of each Mortgage Purchase Agreement shall be reasonably designed to assure that each Mortgage Loan financed in whole or in part with the proceeds of Tax-exempt Bonds and purchased by the Authority pursuant thereto or serviced thereunder meets applicable requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

Section 6.7. Mortgage Loans. No Mortgage Loan shall be made or purchased by the Authority, and no MBS shall be acquired by the Authority with respect to a Mortgage Loan, unless (i) the Mortgage Loan complies with, and is in fulfillment of the purposes of, the Act including the requirement that such Mortgage Loan have been made to an Eligible Borrower, and (ii) except to the extent, if any, that a variance is required as a condition to the insurance or guaranty of such Mortgage Loan, such Mortgage Loan complies with the following conditions:

(a) The Mortgage shall be executed and recorded in accordance with the requirements of existing laws.

(b) The Mortgage (except for any Second Mortgage) is the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of the Mortgage Loan, insuring that the Mortgage constitutes a valid lien, subject only to liens for taxes and assessments and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured ; provided, however, that the Authority may finance a Mortgage

Loan prior to the issuance of such title insurance policy so long as there shall have been issued by the title insurance company a commitment therefor in customary form. As used in this Master Indenture, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to any governmental or private insurer insuring or guaranteeing such Mortgage Loan and to prudent mortgage lenders, or which, in the judgment of the Authority, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Authority, have been taken to secure the interest of the Authority.

(c) The Mortgage Loan is subject to such mortgage insurance or guaranty as may be required by the Related Series Indenture; provided, however, that (i) the Authority may finance a Mortgage Loan prior to actual issuance of the policy of mortgage insurance or guaranty so long as: (1) there shall have been issued by the mortgage insurer a commitment in customary form to issue mortgage insurance with respect to such Mortgage Loan to the extent referred to above; and (2) the Mortgage Loan satisfies all other requirements of this Section 6.7; and (ii) no Mortgage Loan subject to any particular type of mortgage insurance (such as private mortgage insurance or a United States Department of Veterans Affairs ("VA") guaranty) shall be purchased by the Authority if such purchase would result in the aggregate amount of Mortgage Loans subject to such particular type of mortgage insurance exceeding any applicable limitation set forth in the Related Series Indenture.

(d) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, prior liens, insurance premiums and other charges, to the extent actually charged or assessed, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, prior liens, insurance premiums and other charges and prior liens shall be added to the amount of the Mortgage Loan and secured by the Mortgage payable on demand with interest (if applicable) at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, prior liens, insurance premiums and other charges are made which are satisfactory to the Authority.

(e) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made is insured, as and to the extent required by the Authority to protect its interest and with the Authority designated as the loss payee as its interest may appear, against loss or damage by (i) fire, lightning and other hazards, with a uniform standard extended coverage endorsement; and (ii) flooding, if the Residential Housing is located in an area designated by or on behalf of the Government as having specific flood hazards; and the Borrower is obligated to reimburse the Mortgage Lender or the Authority for any premiums paid for insurance made by or on behalf of the Mortgage Lender or the Authority on the Borrower's default in so insuring.

(f) If Mortgage Loans are acquired by the Authority and held temporarily in its general fund prior to transfer to the Trust Estate, such Mortgage Loans may be transferred to the Trust Estate if such loans satisfied the Indenture and Program requirements as of the date of purchase into the Authority's general fund.

(g) The Mortgage Loan is secured by a Mortgage, the terms of which, in light of the applicable law in effect at the time such Mortgage is executed, are reasonably designed to assure the ability of the Authority to satisfy applicable requirements, if any, under

Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

Section 6.8. Enforcement of Mortgage Loans and Servicing Agreements.

(a) The Authority shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans and MBS consistent with sound lending practices and principles and applicable requirements under the Code, including the prompt payment of all Mortgage Repayments and all other amounts due the Authority thereunder. The Authority shall not without good cause release the obligations of any Borrower under any Mortgage Loan or of the Servicer under the Servicing Agreement and shall not consent or agree to or permit any amendment or modification of the economic terms of any Mortgage Loan except with respect to a Mortgage Loan in default (or which, with the giving of notice or the passage of time or both, would be in default), and to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of the Authority, the Trustee and the Bondowners under or with respect to all Mortgage Loans and MBS, the obligations evidencing such Mortgage Loans and the agreements securing such Mortgage Loans and MBS and the Servicing Agreement relating thereto; provided, however, that nothing in this Section 6.8 shall be construed to prevent the Authority from: (i) settling a default on any Mortgage Loan on such terms as the Authority shall determine to be in the best interests of the Authority and the Bondowners; (ii) releasing any Borrower, Servicer or any other Person from, or waiving, any of such Person's obligations under the respective Mortgage Loan, any agreement with respect to security therefor or Servicing Agreement to the extent necessary to comply with the provisions of Section 6.17 of this Master Indenture or to the extent required by the governmental or private insurer or guarantor, if any, of such Mortgage Loan; or (iii) releasing any mortgagor in connection with an assumption of a Mortgage Loan as permitted in accordance with the requirements of any governmental or private insurer or guarantor.

(b) Whenever it shall be necessary in order to protect and enforce the rights of the Authority under a Mortgage Loan and to protect and enforce the rights and interests of the Trustee and Bondowners under the Indenture, the Authority shall take necessary actions to realize on any applicable mortgage insurance on such Mortgage Loan and to collect, sell or otherwise dispose of the property secured by the Mortgage and, if the Authority deems such to be advisable, shall bid for and purchase the property secured by the Mortgage at any sale thereof and take possession of such property. As an alternative to foreclosure proceedings, the Authority may take such other action as may be appropriate to acquire and take possession of the mortgaged property, including without limitation, acceptance of a conveyance in lieu of foreclosure.

(c) The Authority shall request payment of governmental insurance or guaranty benefits in cash and not in debentures of such governmental insurer or guarantor in any case where, under government regulations, it is permitted to request such debentures as payment with respect to a defaulted Mortgage Loan, provided that the Authority may request payment in debentures if it files with the Trustee a Cash Flow Statement. The Authority shall take all necessary actions so as to receive payment from any governmental insurer or guarantor of the maximum amount of insurance or guaranty benefits on the earliest possible date.

Section 6.9. Assignment or Disposition of Mortgage Loans. Following the acquisition of a Mortgage Loan by the Trustee, the Authority shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of the Authority with respect to any Mortgage Loan or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, unless the Authority determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds. No Bonds shall be redeemed from the proceeds of the sale of Mortgage Loans, other than Mortgage Loans in default, except in accordance with the optional redemption provisions with respect to such Bonds.

Section 6.10. Amendment of Mortgage Loans and MBS. The Authority shall not consent or agree to or permit any amendment or modification of the financial terms of any Mortgage Loan or MBS in any manner that would have a material adverse effect on the ability of the Authority to pay the principal of and interest on the Outstanding Bonds.

Section 6.11. Power as to Mortgage Loans. The Authority has, and will have so long as any Bonds are Outstanding, lawful power to collect and hold Mortgage Repayments and Prepayments with respect to all Mortgage Loans.

Section 6.12. Revenues. The Authority at all times shall charge and collect Mortgage Repayments and other amounts with respect to Mortgage Loans in amounts sufficient to provide Mortgage Revenues which, together with any other moneys estimated by the Authority to be available therefor (including Prepayments and Interest Rate Contract Revenues but excluding the Rebate Requirement and any Excess Earnings), are estimated to be at least sufficient in each Bond Year for the payment of the sum of:

(a) an amount equal to the Aggregate Debt Service (including the originally scheduled amount of any Class I Sinking Fund Installments, Class II Sinking Fund Installments, Class III Sinking Fund Installments and Class IV Sinking Fund Installments) for such Bond Year on all Bonds and Related Auxiliary Obligations Outstanding; and

(b) Program Expenses during such Bond Year, as projected by the Authority.

Section 6.13. Cash Flow Statement. The Authority shall file Cash Flow Statements at such times as may be required pursuant to the provisions of the Indenture. Whenever an event occurring or action to be taken under the Indenture is required to be "consistent with" a Cash Flow Statement, such event or action must be substantially the same as, or within the range of, the events or actions that were projected or assumed by such Cash Flow Statement to occur or be taken. For any Cash Flow Statement delivered after the issuance of the Related Series, the projections or assumptions as to future results of operation of the Program may include the scenarios covered by, and the material assumptions made in connection with, the Cash Flow Statement delivered in connection with the issuance of such Series, if the actual results of operation of the Program have not materially deviated from such projections or assumptions. Projections and assumptions may include, but are not limited to, the following:

(a) the range of Mortgage Loan and MBS terms and the terms of purchase thereof;

(b) the maximum assumed delay in receipt of Mortgage Loan payments after scheduled due dates;

(c) the range of rates of prepayment of Mortgage Loans and MBS;

(d) the extent to which amounts from the Redemption Fund may or may not be transferred to the Program Fund;

(e) the range of periods of time that amounts may be on deposit in Program Fund before transfer to the Redemption Fund;

(f) the investment return on amounts invested hereunder other than in Mortgage Loans and MBS; and

(g) the order of redemption of Bonds.

Section 6.14. Accounts and Reports.

(a) The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Authority and such Funds and Accounts shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Authority shall cause to be kept and maintained proper books of account, in which full, true and correct entries will be made, in accordance with generally accepted accounting principles, of all transactions of or in relation to the business of the Authority, and after the end of each Fiscal Year shall cause such books of account to be audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority, who is independent and not under the domination of the Authority, who does not have any substantial interest, direct or indirect, in the Authority, which audit shall be completed as soon as possible after the end of each Fiscal Year but in any event within 180 days thereafter. A copy of each annual balance sheet, statement of revenues, expenses and changes in retained earnings and statement of cash flows, showing in reasonable detail the financial condition of the Authority as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for the Fiscal Year, shall be filed promptly with the Trustee and with each Rating Agency. The Trustee shall have no liability for the accuracy of any financial information provided by the Authority and shall have no duty or obligation to review any information provided to it hereunder.

(c) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision of the Indenture shall be available for the inspection of Owners of Bonds at the principal corporate trust office of the Trustee and a copy of the audited financial statements of the Authority shall be transmitted to each Owner of Bonds who shall file a written request therefor with the Authority.

Section 6.15. Creation of Liens. The Authority shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Auxiliary Obligations, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Authority or by any Fiduciary under the Indenture and shall not create or cause to be created, other than by the Indenture, any lien or charge on the Revenues or such moneys, securities, rights or interests; provided, however, that nothing in the Indenture shall prevent the Authority from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the Indenture shall be discharged and satisfied as provided in Article XII of this Master Indenture; or (ii) notes, bonds or other obligations of the Authority not secured under the Indenture; or (iii) notes or bonds or other obligations which are General Obligations of the Authority under the Act.

Section 6.16. Personnel. The Authority at all times shall appoint, retain and employ competent personnel or contract for such personnel for the purpose of administering the Program and owning and servicing the Mortgage Loans and MBS in accordance with the provisions of the Indenture, and all persons employed by the Authority shall be qualified for their respective positions, all in accordance with law.

Section 6.17. Tax Covenants. The Authority covenants for the benefit of the Owners of each Series of Bonds the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes that it will not take any action or omit to take any action with respect to such Bonds, the proceeds thereof, or any other funds of the Authority if such action or omission would cause the interest on such Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, would subject the Authority to any penalties under Section 148 of the Code, or would cause such Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code have been met. The Authority shall execute and deliver from time to time such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the Authority with said Sections and the regulations thereunder with respect to the use of the proceeds of such Bonds and any other funds of the Authority. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this Section 6.17 and the foregoing provisions hereof, and the Authority and the Trustee hereby covenant and agree to comply with the provisions of any such stipulation throughout the term of such Bonds.

Section 6.18. Servicing of Mortgage Loans. So long as any Bonds are Outstanding, the Authority shall service and/or maintain in full force and effect Servicing Agreements with Servicers as to all Mortgage Loans and MBS, and shall diligently enforce all covenants, undertakings and obligations of the Servicers under the Servicing Agreements. The Authority shall service, or cause to be serviced, each Mortgage Loan in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other standards as are required to maintain the governmental or private insurance or guaranty, as applicable, with respect to such Mortgage Loan, and shall service or cause to be serviced, each MBS in accordance with the requirements of Ginnie Mae, Fannie Mae or Freddie Mac, as applicable, and any applicable Governmental Insurer.

Section 6.19. General.

(a) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Indenture and shall refrain from taking any action which would cause a default hereunder or under any Supplemental Indenture (including any Series Indenture).

(b) Upon the date of delivery of any of the Bonds, all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

(End of Article VI)

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 7.1. Events of Default. Each of the following events is hereby declared an "Event of Default" under the Indenture:

(a) The Authority shall fail to pay any Principal Installment of any Class I Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) The Authority shall fail to pay any installment of interest on any Class I Bond when and as the same shall become due and payable or any Class I Auxiliary Obligation when and as the same shall become due and payable;

(c) The Authority shall fail to pay any Principal Installment or interest on any Class II Bond when and as the same shall become due and payable or any Class II Auxiliary Obligation when and as the same shall become due and payable;

(d) The Authority shall fail to pay any Principal Installment or interest on any Class III Bond when and as the same shall become due and payable or any Class III Auxiliary Obligation when and as the same shall become due and payable;

(e) The Authority shall fail to pay any Principal Installment or interest on any Class IV Bond when and as the same shall become due and payable or any Class IV Auxiliary Obligation when and as the same shall become due and payable;

(f) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture (except the requirement that a Cash Flow Statement satisfy the requirements of clause (b) of the definition thereof and the requirement that the Authority pay amounts to the Trustee from its other revenues, moneys or assets in connection with General Obligations), or in the Bonds and such failure shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Owners of not less than 10% in Aggregate Principal Amount of the Bonds Outstanding; or

(g) The Authority shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

Section 7.2. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default shall, give 30 days notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority (except as provided in the following paragraph) in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following an Event of Default described in paragraph (f) or (g) of Section 7.1 of this Master Indenture (except for a failure which, in the opinion of Bond Counsel, could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt Bonds), the Trustee shall not declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable unless the Trustee is so directed by the written request of Owners of 100% in Aggregate Principal Amount of Outstanding Bonds.

(b) At any time after the Aggregate Principal Amount of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of the Outstanding Bonds, shall) annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Revenue Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Authority under the Indenture, including amounts due pursuant to Auxiliary Agreements, shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 7.3. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Bondowners to collect and enforce the payment of principal of and interest (if any) due or becoming due on Mortgage Loans and MBS and collect and enforce any rights in respect to the Mortgage Loans and MBS or other security or mortgages securing such Mortgage Loans and MBS and to require the Authority to carry out its duties and obligations under the terms of the Indenture, and to require the Authority to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds;

(iii) Civil action to require the Authority to account as if it were the trustee of an express trust for the Owners of Bonds;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds; and

(v) Enforcement of any other right of the Bondowners conferred by law or by the Indenture.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Bondowners and Auxiliary Agreement Providers, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of Bonds not making such request or the interests of the Auxiliary Agreement Providers.

Section 7.4. Application of Revenues and Other Moneys After Default.

(a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply, or cause the Paying Agent to apply, all moneys and securities held in any Fund or Account (except the Rebate Fund, the Excess Earnings Fund, the Bond Purchase Fund, the Short Term Bond Account and, with respect to any Bonds or Auxiliary Obligations that are not General Obligations, any Authority Payment Account) (moneys and securities in the Short Term Bond Account and an Authority Payment Account are to be applied only to the payment of interest and Principal Installments on Bonds and payments on Auxiliary Obligations with respect to which such moneys and securities have been pledged), Revenues, payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of the reasonable and proper Fiduciary Expenses;

(ii) To the payment of the interest, Principal Installments and other amounts then due and payable on the Class I Obligations, subject to the provisions of Section 6.2 of this Master Indenture; as follows:

(A) Unless the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable.

First: To the payment to the persons entitled thereto of all installments of interest then due and payable on the Class I Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments of any Class I Obligations and any other required payment on any Class I Obligations which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Class I Obligations due and payable on any date, then to the payment thereof ratably, according to the amounts of Principal Installments due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) If the Aggregate Principal Amount of all of the Class I Obligations shall have become or have been declared due and payable, to the payment of the principal, interest and other amounts then due and unpaid upon the Class I Obligations without preference or priority of principal over interest or other amounts or of interest over principal or other amounts, or of other amounts over principal or interest, or of any installment of interest over any other installment of interest, or of any Class I Obligation over any other Class I Obligation, ratably, according to the amounts due respectively for principal and interest or other amounts, to the persons entitled thereto without any discrimination or preference;

(iii) To the payment of the Principal Installments of and interest and other amounts then due on the Class II Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class II Obligations rather than the Class I Obligations.

(iv) To the payment of the Principal Installments of and interest and other amounts then due on the Class III Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class III Obligations rather than the Class I Obligations.

(v) To the payment of the Principal Installments of and interest and other amounts then due on the Class IV Obligations in accordance with the provisions of paragraph (ii) above as if such paragraph referred to the Class IV Obligations rather than the Class I Obligations.

(vi) To the payment of the amounts required for reasonable and necessary Program Expenses.

Section 7.5. Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 7.6. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Except as provided in Article VIII of this Master Indenture and subject to the provisions of Section 7.4 of this Master Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Class I Obligations or if no Class I Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class II Obligations; or, if no Class I Obligations or Class II Obligations remain Outstanding, for the equal benefit of the Owners of the Outstanding Class III Obligations; or, if no Class I Obligations, Class II Obligations or Class III Obligations remain Outstanding for the equal benefit of the Owner of the Outstanding Class IV Obligations.

Section 7.7. Majority Bondowners Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of a majority in Aggregate Principal Amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II, III and IV Obligations, Class II Obligations over Class III and IV Obligations and Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 9.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided further that nothing in this Section 7.7 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

Section 7.8. Individual Bondowner Action Restricted.

(a) Except as provided in Article VIII of this Master Indenture, no Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) an Event of Default has occurred under paragraph (a), (b), (c), (d) or (e) of Section 7.1 of this Master Indenture, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Bondowners shall have offered the Trustee indemnity as provided in Section 9.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all Bonds Outstanding.

Section 7.9. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, the Bondowners or Auxiliary Agreement Providers, the Authority, the Trustee, the Bondowners and Auxiliary Agreement Providers shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Bondowners shall continue as if no such proceeding had been taken.

Section 7.10. Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VII to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of a majority of the Aggregate Principal Amount of Bonds then Outstanding, shall waive any Event of Default under the Indenture and its consequences; provided, however, that (i) except under the circumstances set forth in paragraph (b) of Section 7.2 of this Master Indenture or paragraph (b) of this Section 7.10, a default in the payment of the Principal Installment of or interest on any Bond when the same shall become due and payable by the terms thereof, or, upon call for redemption, may not be waived without the written consent of the Owners of all the Bonds at the time Outstanding, and (ii) a default in the payment of amounts due on any Auxiliary Obligation when the same shall become due and payable may not be waived without the written consent of the Related Auxiliary Agreement Provider.

(d) In case of any waiver by the Trustee of an Event of Default under the Indenture, the Authority, the Trustee, the Bondowners and Auxiliary Agreement Providers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 7.10.

Section 7.11. Notice of Defaults.

(a) Within 30 days after (i) the receipt of notice of an Event of Default as described in Section 7.1(f) or (g) of the Indenture or (ii) the occurrence of an Event of Default under Section 7.1(a), (b), (c), (d) or (e) of this Master Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such Event of Default shall have theretofore been cured, shall give written notice thereof by first class mail to each registered owner of Bonds then Outstanding and to each Auxiliary Agreement Provider; provided that, except in the case of a default in the payment of Principal Installments of or interest on any of the Bonds or in the case of a default the payment of any Auxiliary Obligation, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is not unduly prejudicial to the interests of the Owners of the Bonds and the Related Auxiliary Agreement Providers.

(b) The Trustee shall immediately notify the Authority of any Event of Default known to the Trustee.

(End of Article VII)

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES FOR GENERAL OBLIGATIONS

Section 8.1. General Obligation Bond Default. If the Authority shall fail to pay interest on any General Obligation Bond when due or shall fail to pay any Principal Installment on any General Obligation Bond when due, provided that such failure shall not constitute an Event of Default under Section 7.1 of this Master Indenture, such failure is hereby declared a "General Obligation Bond Default" under the Indenture. A General Obligation Bond Default shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge granted to Owners of Bonds or Auxiliary Agreement Providers under the Indenture.

Section 8.2. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of a General Obligation Bond Default, the Trustee may and, upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, give 30 days notice in writing to the Authority of its intention to declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Owners of a majority in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, by notice in writing to the Authority, declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such General Obligation Bonds shall become and be immediately due and payable. In such event, there shall be due and payable on the General Obligation Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

(b) At any time after the Aggregate Principal Amount of the General Obligation Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may (and, at the direction of the Owners of a majority in Aggregate Principal Amount of the Outstanding General Obligation Bonds, shall) annul such declaration and its consequences with respect to any General Obligation Bonds not then due by their terms if (i) moneys shall have been deposited in the Related Authority Payment Account sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding General Obligation Bonds; and (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee. No such annulment shall extend to or affect any subsequent General Obligation Bond Default or impair any right consequent thereon.

Section 8.3. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of a General Obligation Bond Default, the Trustee may, and upon the written request of the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce the rights of the General Obligation Bondowners under the Act, the General Obligation Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient and consistent with the limitations specified in paragraph (c) below, including but not limited to:

(i) Suit upon all or any part of the General Obligation Bonds;

(ii) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of General Obligation Bonds; and

(iii) Enforcement of any other right of the General Obligation Bondowners conferred by law or by the Indenture.

(b) Regardless of the happening of a General Obligation Bond Default, the Trustee, if requested in writing by the Owners of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the General Obligation holders, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Owners of General Obligation Bonds not making such request.

(c) The rights and remedies of Owners of General Obligation Bonds upon the occurrence of a General Obligation Bond Default shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available to Owners of General Obligation Bonds from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund after provision is made for, and after taking into account the rights of, Owners of Bonds other than General Obligation Bonds and the rights of Auxiliary Agreement Providers as provided in the Indenture. The exercise of remedies upon the occurrence of a General Obligation Bond Default shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or such Auxiliary Agreement Providers under the Indenture.

Section 8.4. Remedies Not Exclusive. Subject to the limitations set forth in Section 8.3(c), no remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Section 8.5. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the General Obligation Bonds may be enforced by the Trustee without the possession of any of the General Obligation Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the General Obligation Bonds. Any recovery of judgment in respect to a General Obligation Bond Default shall be for the equal benefit of the Owners of the Outstanding General Obligation Bonds.

Section 8.6. Majority Bondowners Control Proceedings. If a General Obligation Bond Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Owners of a majority in Aggregate Principal Amount of General Obligation Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Obligations over Class II Obligations, Class III Obligations and Class IV

Obligations, of the Class II Obligations over Class III Obligations and Class IV Obligations and of the Class III Obligations over Class IV Obligations) of the Indenture (including indemnity to the Trustee as provided in Section 9.2 of this Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided further that nothing in this Section 8.6 shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

Section 8.7. Individual Bondowner Action Restricted.

(a) No Owner of any General Obligation Bond shall have any right to institute any suit, action or proceeding in equity or at law for any remedy under Article VIII of this Master Indenture unless:

(i) a General Obligation Bond Default has occurred as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) the Owners of at least 25% in Aggregate Principal Amount of General Obligation Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in Article VIII of this Master Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Bondowners shall have offered the Trustee indemnity as provided in Section 9.2 of this Master Indenture; and

(iv) the Trustee shall have failed or refused to exercise the powers in the Indenture granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of General Obligation Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner in the Indenture provided and for the respective benefit of the Owners of all General Obligation Bonds Outstanding.

Section 8.8. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any General Obligation Bond Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondowners, the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee and the Bondowners shall continue as if no such proceeding had been taken.

Section 8.9. Waiver and Non-Waiver of General Obligation Bond Default.

(a) No delay or omission of the Trustee or of any Owner of the General Obligation Bonds to exercise any right or power accruing upon any General Obligation Bond Default shall impair any such right or power or shall be construed to be a waiver of any such General Obligation Bond Default or an acquiescence therein. Every power and remedy given by this Article VIII to the Trustee and the Owners of the General Obligation Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any General Obligation Bond Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon the written request of the Owners of a majority of the Aggregate Principal Amount of General Obligation Bonds then Outstanding, shall waive any General Obligation Bond Default under the Indenture and its consequences.

(d) In case of any waiver by the Trustee of an General Obligation Bond Default under the Indenture, the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other General Obligation Bond Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any General Obligation Bond Default in accordance with this Section 8.9.

Section 8.10. Notice of Defaults. Within 30 days after the occurrence of a General Obligation Bond Default under the Indenture, of which the Trustee is deemed to have notice, the Trustee, unless such General Obligation Bond Default shall have theretofore been cured, shall give written notice thereof by first class mail to each registered owner of General Obligation Bonds then Outstanding.

Section 8.11. Defaults with respect to Auxiliary Obligations which constitute General Obligations. If the Authority shall fail to pay any amount on any Auxiliary Obligation which constitutes a General Obligation when due, provided that such failure shall not also constitute an Event of Default under Section 7.1 of this Master Indenture, such failure shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien and pledge on the Trust Estate granted to Owners of Bonds or Auxiliary Agreement Providers under the Indenture. The rights and remedies of Auxiliary Agreement Providers having Auxiliary Obligations which constitute General Obligations shall be governed by the Related Auxiliary Agreement; however, such rights and remedies shall be limited to the enforcement of the Authority's general obligation covenant with respect thereto and to the disbursement of amounts available with respect to Related Auxiliary Obligations from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund based on the lien priority of such Auxiliary Obligation after provision is made for, and after taking into account the rights of, Owners of Bonds or Auxiliary Agreement Providers having a prior lien on the Trust Estate as provided in the Indenture and such exercise of remedies upon shall not in any manner affect, disturb or prejudice the security and rights of such Owners of Bonds or such Auxiliary Obligations Providers under the Indenture.

(End of Article VIII)

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.1. Trustee; Paying Agent and Bond Registrar Appointment and Acceptance of Duties. Zions First National Bank, in Denver, Colorado is hereby appointed as Trustee, Paying Agent and Bond Registrar. Zions First National Bank, shall signify its acceptance of the duties and obligations imposed upon it by executing this Master Indenture and delivering the same to the Authority.

Section 9.2. Responsibilities of Fiduciaries.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness or completeness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Indenture, or of any Bonds issued under the Indenture or as to the security afforded by the Indenture, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of the Indenture or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of paragraph (b) of this Section 9.2, no Fiduciary shall be liable in connection with the performance of its duties under the Indenture except for its own negligence or willful misconduct. Notwithstanding any other provision of this Indenture, no right of a Fiduciary to indemnification shall relieve a Fiduciary from responsibility for (a) making payments on the Bonds when due from moneys available to it or (b) accelerating the Bonds as required pursuant to Section 7.2 or 8.2 of this Master Indenture.

(b) The Trustee, prior to the occurrence of an Event of Default or a General Obligation Bond Default and after the curing of all Events of Default or a General Obligation Bond Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default or a General Obligation Bond Default has occurred (and has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provisions of the Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.2.

Section 9.3. Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Master Indenture or any Series Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Master Indenture and the Related Series Indenture and shall be protected in acting, in good faith, upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may be of counsel to the Authority, and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof is specifically prescribed in the Indenture) may be deemed conclusively to be proved and established by an Authority Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Indenture upon the faith thereof, but in its discretion and in lieu thereof, the Fiduciary may accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Indenture by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 9.4. Compensation of Fiduciaries; Fiduciary Liens. Subject to the terms and conditions of any other agreements between the Authority and one or more Fiduciaries, the Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Indenture. In consideration of the express provisions of the Indenture regarding the payment of Fiduciary Fees, each Fiduciary by acceptance of its appointment hereunder waives any right at law or in equity for the imposition of an implied lien on the Revenues and assets pledged hereunder, except as otherwise expressly provided herein. In the event that a successor Fiduciary is appointed in accordance with Section 9.8, 9.12 or 9.13 of this Master Indenture during a period for which the predecessor Fiduciary has been compensated in advance, such predecessor Fiduciary shall return to the Authority the pro rata portion of such compensation for the period commencing on the date of appointment of such successor Fiduciary.

Section 9.5. Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Indenture, whether or not any such committee shall represent the Owners of a majority in Aggregate Principal Amount of the Bonds then Outstanding. If any Fiduciary incurs expenses or renders services after an Event of Default has occurred, such expenses and compensation for such services are intended to constitute expenses of administration under any bankruptcy law.

Section 9.6. Resignation of Trustee. The Trustee may resign at any time and be discharged of the duties and obligations created by the Indenture by giving not less than 30 days written notice to the Authority and to Bondowners, at its own expense and without reimbursement therefor, specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondowners as provided in Section 9.8 of this Master Indenture, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Master Indenture.

Section 9.7. Removal of Trustee. The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority, and signed by the Bondowners representing a majority in Aggregate Principal Amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or (ii) by the Authority in its sole and absolute discretion at any time except during the continuance of an Event of Default or a General Obligation Bond Default by filing with the Trustee notice of removal in the form of an Authority Certificate. In no event, however, shall such removal take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Master Indenture.

Section 9.8. Appointment of Successor Trustee; Temporary Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public offer shall take charge or control of the Trustee, or of its property or affairs, the Authority covenants and agrees that it thereupon will appoint a successor Trustee.

(b) If no appointment of a successor Trustee shall be made by the Authority pursuant to the foregoing provisions of this Section 9.8 within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 9.6 of this Master Indenture or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act or its removal, the Trustee or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court, after such notice, if any, as such court may deem proper, thereupon may appoint a successor Trustee.

(c) Every such Trustee appointed pursuant to the provisions of this Section shall (i) be a bank or trust company in good standing and (ii) have a reported capital and surplus of not less than $50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. Any successor Trustee shall serve for a fee not in excess of the fee paid to the initial Trustee unless otherwise approved by the Authority.

Section 9.9. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act nevertheless, on the written request of the Authority or of the successor Trustee, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in or pursuant to the Indenture. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Authority. Any such successor Trustee promptly shall notify the Depositories, if any, of its appointment as Trustee. Notwithstanding anything contained elsewhere in this Master Indenture, any such predecessor Trustee shall not be entitled to any compensation or reimbursement for costs and expenses incurred in connection with any transfer of rights or properties under the Indenture, except for such costs and expenses incurred with the prior written consent of the Authority.

Section 9.10. Merger or Consolidation of Fiduciaries. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. Each Fiduciary shall give written notice to the Authority of any such proposed merger, conversion, consolidation or sale or transfer of substantially all of its corporate trust business not less than 120 days' prior to the expected date thereof, and the Authority agrees to keep such information confidential until such information has been publicly disclosed by the Fiduciary. Such Fiduciary shall reimburse the Authority for any costs and expenses incurred by the Authority arising from or associated with any such merger, conversion, consolidation, sale or transfer, or any such proposed merger, conversion, consolidation, sale or transfer. Such Fiduciary shall also be responsible for any costs and expenses incurred by the Authority as a result of such Fiduciary's failure to comply with the requirements of this Section 9.10.

Section 9.11. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered by a predecessor Trustee, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated. In case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in such Bonds or in the Indenture provided that the certificate of the Trustee shall have.

Section 9.12. Paying Agents; Appointment, Resignation or Removal; Successor. The Authority shall appoint one or more Paying Agents for the Bonds and may at any time and from time to time appoint one or more other Paying Agents having the qualifications set forth in this Section for a successor Paying Agent. The Trustee or the Bond Registrar may be appointed a Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Paying Agents are designated as the respective offices of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least $10,000,000, and 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 Indenture. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.13. Bond Registrar; Appointment, Resignation or Removal; Successor. The Authority shall appoint a Bond Registrar. The Trustee or any Paying Agent may be appointed the Bond Registrar. The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Authority and to the Trustee a written acceptance thereof. Unless otherwise provided, the principal offices of the Bond Registrar are designated as the respective offices of the Authority for the maintenance of registration records for the Bonds. The registration books for the Bonds shall be maintained by the Bond Registrar on both a current and historical basis. The Bond Registrar may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least 30 days written notice to the Authority and the Trustee. The Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar and the Trustee and signed by the Authority. Any successor Bond Registrar shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital, surplus and undivided profits aggregating at least $10,000,000, and 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 Indenture. In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall deliver all records, Bonds and other documents held by it as Bond Registrar to its successor, or if there be no successor to the Trustee. In the event that for any reason there shall be a vacancy in the office of the Bond Registrar, the Trustee shall act as such Bond Registrar.

(End of Article IX)

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.1. Supplemental Indentures Effective Upon Filing With the Trustee. For any one or more of the following purposes, and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the Authority in the Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(b) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds;

(d) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or

(e) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

Section 10.2. Supplemental Indentures Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered by the Authority and the Trustee, which upon the filing with the Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture, or to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable, provided such action shall not adversely affect the interest of the Owners hereunder and are not contrary to or inconsistent with the Indenture theretofore in effect;

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) To add to the covenants and agreements of the Authority in the Indenture other covenants and agreements thereafter to be observed by the Authority;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Indenture, provided that the loss of such right, power or privilege shall not adversely impair the Revenues available to pay the Outstanding Bonds;

(e) To include as pledged revenues or money under, and subject to the provisions of, the Indenture any additional revenues or money legally available therefor;

(f) To provide for additional duties of the Trustee in connection with the Mortgage Loans and MBS;

(g) To modify any of the provisions of the Indenture in any respect whatever; provided, however, that (1) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the Authority of such Supplemental Indenture shall cease to be Outstanding, and (B) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution by the Authority of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(h) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939;

(i) To make any change as shall be necessary in order to maintain the rating(s) on any of the Bonds from any Rating Agency; or

(j) To make any other amendment or change that will not materially adversely affect the interest of Owners of Outstanding Bonds.

Section 10.3. Supplemental Indentures Requiring Consent of Bondowners. At any time or from time to time, the Authority and the Trustee may execute and deliver a Supplemental Indenture subject to consent by the Bondowners in accordance with and subject to the provisions of Article XI of this Master Indenture, upon the Trustee's receipt of an opinion of Bond Counsel that such Supplemental Indenture will not adversely affect the exclusion from gross income of interest on Tax-exempt Bonds.

Section 10.4. General Provisions.

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing in this Article X or Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any certificate, act or other instrument pursuant to the provisions of Section 6.3 of this Master Indenture or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument that elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) (i) Any Supplemental Indenture referred to and permitted or authorized by Sections 10.1 and 10.2 of this Master Indenture may be executed and delivered by the Authority without the consent of any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively.

(ii) Every Supplemental Indenture shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and is valid and binding upon the Authority, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies.

(c) The Trustee is hereby authorized to execute and deliver any Supplemental Indenture referred to and permitted or authorized by Sections 10.1, 10.2 or 10.3 of this Master Indenture and, subject to a requirement of consent of the required Owners of the Bonds, if any, to make all further agreements and stipulations that may be contained therein, and the Trustee, in taking such action, shall be protected fully in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary or any Auxiliary Agreement Provider without its written consent.

(e) A copy of each Supplemental Indenture executed and delivered by the Authority pursuant to Articles X and XI shall be transmitted by the Trustee to each Rating Agency and to each Auxiliary Agreement Provider.

(End of Article X)

ARTICLE XI

AMENDMENTS AND MODIFICATIONS
REQUIRING CONSENT OF BONDOWNERS

Section 11.1. Transmission of Notices. Any provision in this Article XI for the transmission of a notice or other paper to Bondowners shall be fully complied with if it is mailed postage prepaid, or transmitted in such other manner (such as by readily available electronic means) as may be customary for the industry, only:

(a) To each registered Owner of Bonds then Outstanding at such Owner's address, if any, appearing upon the registration records of the Authority or at such electronic mail or other address as is furnished in writing by such Owner, and

(b) To the Trustee.

Section 11.2. Powers of Amendment. Any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Bondowners, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 11.3 of this Master Indenture of the Owners of a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owners of all such Bonds, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable without the consent of the Owners of all Bonds then Outstanding or shall materially adversely affect the rights of the Owners of Class II Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class II Bonds Outstanding, or shall materially adversely affect the rights of the Owners of Class III Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class III Bonds then Outstanding, or shall materially adversely affect the rights of the Owners of Class IV Bonds without the consent of the Owners of a majority in Aggregate Principal Amount of Class IV Bonds then Outstanding; or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. If any such modification or amendment will, by its terms not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 11.2. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on the Authority and the Bondowners.

Section 11.3. Consent of Owners of Bonds. The Authority at any time may execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.2 of this Master Indenture, to take effect when and as provided in this Section 11.3. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondowners for their consent thereto in form satisfactory to the Bond Registrar, shall be transmitted by the Authority to the registered owners of the Bonds. Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 11.2 of this Master Indenture and (B) a Counsel's Opinion stating that such Supplemental Indenture has been duly executed and delivered and filed by the Authority in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies and (ii) a notice shall have been transmitted to Bondowners as provided in this Section 11.3. Each consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.2 of this Master Indenture. A certificate or certificates by the Bond Registrar filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.2 of this Master Indenture shall be conclusive that the consents have been given by the Bondowners described in such certificate or certificates of the Bond Registrar. Any such consent shall be binding upon the Bondowner giving such consent and, anything in Section 13.2 of this Master Indenture to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondowner thereof has notice thereof) unless such consent is revoked in writing by the Bondowner thereof by filing with the Bond Registrar, prior to the time when the written statement of the Bond Registrar provided for below in this Section 11.3 is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 13.2 of this Master Indenture. The fact that a consent has not been revoked likewise may be proved by a certificate of the Bond Registrar filed with the Trustee to the effect that no revocation thereof is on file with the Bond Registrar. At any time after the Bondowners of the required percentage of Bonds shall have filed their consent to the Supplemental Indenture, the Bond Registrar shall make and file with the Authority and the Trustee a written statement that the Bondowners of such required percentage of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 11.3, may be given to Bondowners by the Authority by transmitting such notice to Bondowners (but failure to transmit such notice shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section 11.3) not more than 90 days after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Bond Registrar provided for above is filed. The Authority shall file with the Trustee proof of the transmission of such notice. A record, consisting of the papers required or permitted by this Section 11.3 to be filed with the Trustee and the Bond Registrar, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Owners of all Bonds at the expiration of 30 days after the filing with the Trustee of the proof of the transmission of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 30 day period; provided, however, that any Fiduciary and the Authority during such 30 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 11.4. Modifications by Unanimous Consent. The terms and provisions of the Indenture or any Supplemental Indenture and the rights and obligations of the Authority and of the Bondowners may be modified or amended in any respect upon the issuance and filing by the Authority of a Supplemental Indenture and the consent of the Bondowners of all Bonds then Outstanding, such consent to be given as provided in Section 11.3 of this Master Indenture, except that no notice of such consent to Bondowners shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondowners.

Section 11.5. Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X of this Master Indenture or this Article XI provided, may, and if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority, the Trustee and the Bond Registrar as to such action, and in that case upon demand of the Bondowner of any Bond Outstanding at such effective date and presentation of his Bond at the Corporate Trust Office of the Bond Registrar or upon any transfer or exchange of any Bond Outstanding on or after such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Bond Registrar as to any such action. If the Authority or the Bond Registrar shall so determine, new Bonds so modified as in the opinion of the Bond Registrar and the Authority to conform to such action shall be prepared, delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Bonds of the same Series, Class, tenor and maturity then Outstanding, upon surrender of such Bonds.

(End of Article XI)

ARTICLE XII

DISCHARGE OF INDENTURE; DEFEASANCE OF BONDS

Section 12.1. Discharge of Indenture in Entirety. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Bondowners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if the Authority shall pay or cause to be paid to all Auxiliary Agreement Providers all amounts due and payable under all Auxiliary Agreements, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Authority to the Bondowners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of the Authority all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, such Bonds shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the Authority to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 12.2. Defeasance of Bonds. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by the Authority of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 12.1 or Section 12.2 of this Master Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in Section 12.1 or Section 12.2 of this Master Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit as provided in Article III of this Master Indenture notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Securities the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to transmit, as soon as practicable, a notice to the Bondowners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.2 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds, and (iv) except in the event of a full cash defeasance or a current refunding of less that ninety days to maturity or redemption date, the sufficiency of such moneys or Defeasance Securities shall have been confirmed to the Authority in an opinion signed by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the Authority. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 12.2 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Securities, in whole or in part; provided that no such principal of or interest on such Defeasance Securities shall be applied to the payment of the principal or redemption price of or interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance Securities until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal of and interest due on such Defeasance Securities and moneys, if any, deposited with the Trustee at the same time that will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal of or interest on such Defeasance Securities to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision of this Section 12.2, any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable and, in accordance with an opinion of Bond Counsel filed with the Trustee, permitted by Section 103 of the Code, shall be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Notwithstanding anything herein to the contrary, no Adjustable Rate Bonds shall be deemed to have been paid and discharged within the meaning of this Section 12.2 unless the Trustee shall have received a written confirmation from each Rating Agency then rating any Bonds confirming that such deposit of moneys or Defeasance Securities with respect to such Adjustable Rate Bonds will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

(End of Article XII)

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Failure to Present Bonds. Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds, which moneys remain unclaimed for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years (or, if less, the maximum time provided by the laws of the State prior to escheat to the State) after the date of deposit of such moneys if deposited with the Fiduciary after the date when such Bonds became due and payable, at the written request of the Authority, shall, to the extent permitted by law, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary thereupon shall be released and discharged with respect thereto and the Bondowners shall look only to the Authority for the payment of such Bonds.

Section 13.2. Evidence of Signatures of Bondowners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument that the Indenture may require or permit to be signed and executed by the Bondowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondowners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or the holding by any person of the Bonds, shall be sufficient for any purpose of the Indenture (except as otherwise expressly provided in the Indenture) if made in the following manner, or in any other manner satisfactory to the Trustee and the Bond Registrar which nevertheless in their discretion may require further or other proof in cases where they deem the same desirable:

(i) The fact and date of the execution by any Bondowner or his attorney of such instruments may be proved by a guaranty of the signature thereon by a bank, trust company or national banking association or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guaranty, certificate or affidavit also shall constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registration records of the Bond Registrar.

(iii) Nothing contained in this Section 13.2 shall be construed as limiting the Trustee or Bond Registrar to such proof, it being intended that the Trustee and Bond Registrar may accept any other evidence of the matters herein stated which it may deem sufficient.

(b) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 13.3. Bonds and Auxiliary Obligations Not an Obligation of the State or Any Political Subdivision. The Bonds and the Auxiliary Obligations shall not be in any way a debt or liability or obligation of the State or of any political subdivision thereof (other than the Authority) and shall not constitute or give rise to a pecuniary liability of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or of any such political subdivision.

Section 13.4. Moneys Held for Particular Bonds. Subject to the provisions of Section 13.1 of this Master Indenture, the amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds, on and after such date and pending such payment, shall be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 13.5. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, any Bondowners and any Auxiliary Agreement Provider and their agents and their representatives, any of whom may make copies thereof.

Section 13.6. Parties Interested Herein. Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Authority, the Fiduciaries, Auxiliary Agreement Providers and the Bondowners, any right, remedy or claim under or by reason of the Indenture or any Supplemental Indenture or any covenant, condition or stipulation of the Indenture; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, Auxiliary Agreement Providers and the Bondowners.

Section 13.7. No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any amount due under any Auxiliary Obligation or for any claim based thereon or on the Indenture against any officer, employee or agent of the Authority or any person executing the Bonds or any Auxiliary Agreement.

Section 13.8. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Indenture on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and in no way shall affect the validity of the other provisions of the Indenture.

Section 13.9. Successors. Whenever in the Indenture the Authority is named or referred to, it shall be deemed to include any entity that may succeed to the principal functions and powers of the Authority under the Act, and all the covenants and agreements contained in the Indenture by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 13.10. Consents and Approvals. Whenever the written consent or approval of the Authority, Fiduciaries or Bondowners shall be required under the provisions of the Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.11. Notices, Demands and Requests. All notices, demands and requests to be given or made under the Indenture to or by the Authority, the Bond Registrar, the Paying Agent, the Trustee or Auxiliary Agreement Providers shall be in writing and shall be properly made if sent by United States mail, postage prepaid, or transmitted in such other manner as such parties shall agree, and addressed as follows:

(a) Authority: Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202
Attn: Executive Director

(b) Trustee, Bond Registrar, or Paying Agent: Zions First National Bank
1001 Seventeenth Street, Suite 850
Denver, Colorado 80202
Attention: Corporate Trust Department

(c) Auxiliary Agreement Providers (as address set forth in each respective Auxiliary Agreement)

Either the Authority, the Paying Agent, the Bond Registrar or the Trustee may change the address listed for it above at any time upon written notice of such change sent by United States mail, postage prepaid (or transmitted in such other manner as such parties shall agree) to the Authority or the Trustee, as the case may be.

Section 13.12. Applicable Law. The Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.13. Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Master Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Master Indenture.

Section 13.14. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in Article VII, Article VIII or Article XI of this Master Indenture, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in said Article VII, Article VIII or Article XI. At the time of any consent or other action taken under said Article VII, Article VIII or Article XI, the Authority shall file with the Trustee and the Bond Registrar an Authority Certificate listing and describing all Bonds to be excluded.

Section 13.15. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.16. Effective Date; Execution and Delivery. This Master Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

Section 13.17. Agreement of the State. In accordance with the Act, the Authority hereby includes as a part of its contract with the Owners of the Bonds the following pledge and agreement of the State: The State does hereby pledge to and agree with the Owners of the Bonds that the State will not limit or alter the rights hereby vested in the Authority to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impair the rights and remedies of the Owners of the Bonds until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Owners of the Bonds are fully met and discharged.

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed as of the day and year first above written.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ____
Executive Director

Attest:

By:_______________________________
Assistant Secretary

ZIONS FIRST NATIONAL BANK, as Trustee

By: ____
Title:_______________________________________

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2017 SERIES A/B INDENTURE

between

COLORADO HOUSING AND FINANCE AUTHORITY

and

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, AS TRUSTEE

DATED AS OF JULY 1, 2017

securing

Federally Taxable Single Family Mortgage Class I Bonds
(GNMA MBS Pass-Through Program), 2017 Series A

and
Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1

and
Federally Taxable Single Family Mortgage Class II Bonds, 2017 Series B-2

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This 2017 Series A/B Indenture, dated as of July 1, 2017 (this "Series Indenture"), between the Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado, and Zions Bank, a Division of ZB, National Association (formerly, Zions First National Bank), as Trustee (the "Trustee"), a national banking association, duly organized and existing under the laws of the United States of America, with a corporate trust office located in Denver, Colorado, and authorized under such laws to accept and execute trusts of the character herein set forth,

W I T N E S S E T H :

WHEREAS, the Authority has entered into a Master Indenture of Trust dated as of October 1, 2001 (as amended, the "Master Indenture") with the Trustee for the purposes set forth therein; and

WHEREAS, the Master Indenture authorizes the Authority to issue Bonds pursuant to the Master Indenture and one or more Series Indentures; and

WHEREAS, in order to accomplish the purposes set forth in the Master Indenture, the Authority has determined it appropriate and necessary to issue bonds under this Series Indenture; and

WHEREAS, the execution and delivery of this Series Indenture has been in all respects duly and validly authorized by a resolution duly adopted by the Authority; and

WHEREAS, all things necessary to make the 2017 Series A/B Bonds, when executed by the Authority and authenticated by the Bond Registrar, valid and binding legal obligations of the Authority and to make this Series Indenture a valid and binding agreement have been done;

NOW THEREFORE, THIS SERIES INDENTURE WITNESSETH:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 1.1 Authority. This Series Indenture is executed and delivered pursuant to the authority contained in the Act, Section 10.1(e) of the Master Indenture and the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, Colorado Revised Statutes.

Section 1.2 Definitions. All terms which are defined in Section 1.1 of the Master Indenture shall have the same meanings, respectively, in this Series Indenture, and, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"2017 Series A Bonds" means the Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class I Bonds (GNMA MBS Pass-Through Program), 2017 Series A authorized by, and at any time Outstanding pursuant to, the Indenture.

"2017 Series A Mortgage Loan" means a Mortgage Loan which satisfies the requirements of Section 6.1 of this Series Indenture, financed with moneys in the 2017 Series A subaccount of the Acquisition Fund.

"2017 Series A Class I Asset Requirement" means the requirement that, as of any date of calculation, the sum of (a) amounts held in the 2017 Series A subaccount of the Acquisition Account, the 2017 Series A subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of 2017 Series A Bonds), the 2017 Series A subaccount of the Redemption Fund (to the extent such amounts are required to be used to redeem 2017 Series A Bonds) and the 2017 Series A subaccount of the Revenue Fund after all transfers and payments made pursuant to Section 5.5(d)(i) of the Master Indenture, (b) the amounts held in the respective subaccounts of the Accounts and Funds listed in clause (a) above that are Unrelated to the 2017 Series A Bonds (including amounts in such subaccounts of the Class I Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to the 2017 Series A Bonds to the extent the aggregate amount held in such subaccounts for each Series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds 113.75% of the Aggregate Principal Amount of the other Class I Bonds of such Series of Unrelated Bonds then Outstanding, or such other different percentage as shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class I Asset Requirement" for any other Series of Bonds Unrelated to the 2017 Series A Bonds other than the Series of Bonds to which each respective "Class I Asset Requirement" relates, and (c) the aggregate unpaid principal balance of Mortgage Loans Related to the 2017 Series A Bonds, be at least equal to 113.75% of the Aggregate Principal Amount of all 2017 Series A Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

"2017 Series A/B Bonds" means, collectively, the 2017 Series A Bonds and the 2017 Series B Bonds.

"2017 Series B Bonds" means, collectively, the 2017 Series B-1 Bonds and the 2017 Series B-2 Bonds.

"2017 Series B Class II Asset Requirement" means the requirement that, as of any date of calculation, the sum of (a) amounts held in the 2017 Series B subaccount of the Acquisition Account, the 2017 Series B subaccount of the Loan Recycling Account, the 2017 Series B subaccount of the Class II

Debt Service Fund (to the extent such amounts are required to be used to pay principal of 2017 Series B Bonds), the 2017 Series B subaccount of the Redemption Fund (to the extent such amounts are required to be used to redeem 2017 Series B Bonds), the 2017 Series B subaccount of the Debt Service Reserve Fund and the 2017 Series B subaccount of the Revenue Fund after all transfers and payments made pursuant to Section 5.5(d)(i) of the Master Indenture, (b) the amounts held in the respective subaccounts of the Accounts and Funds listed in clause (a) above that are Unrelated to the 2017 Series B Bonds (including amounts in such subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to the 2017 Series B Bonds to the extent the aggregate amount held in such subaccounts for each Series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds 106% of the Aggregate Principal Amount of the other Class I Bonds and Class II Bonds of such Series of Unrelated Bonds then Outstanding, or such other different percentage as shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class II Asset Requirement" for any other Series of Bonds Unrelated to the 2017 Series B Bonds other than the Series of Bonds to which each respective "Class II Asset Requirement" relates, and (c) the aggregate unpaid principal balance of Mortgage Loans Related to the 2017 Series B Bonds, be at least equal to 106% of the Aggregate Principal Amount of all 2017 Series B Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

"2017 Series B Mortgage Loan" means (a) each of the Mortgage Loans held in the 2007 Series B subaccount of the Acquisition Account that are identified in an Authority Request delivered to the Trustee on the Closing Date, which are to be transferred to the 2017 Series B subaccount of the Acquisition Account in connection with the refunding of the Refunded Bonds described in the second clause of the definition thereof, and (b) a Mortgage Loan which satisfies the requirements of Section 6.1 of this Series Indenture, financed with moneys in the 2017 Series B subaccount of the Acquisition Fund.

"2017 Series B-1 Bonds" means the Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1 authorized by, and at any time Outstanding pursuant to, the Indenture.

"2017 Series B-2 Bonds" means the Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class II Bonds, 2017 Series B-2 authorized by, and at any time Outstanding pursuant to, the Indenture.

"Alternate Liquidity Facility" means any Liquidity Facility providing liquidity for the 2017 Series B-1 Bonds delivered by the Authority pursuant to the terms of this Series Indenture, other than the Initial Liquidity Facility; provided, however, that the delivery of such Alternate Liquidity Facility shall result in a short-term rating on the 2017 Series B-1 Bonds of not less than "A-1+" or "VMIG-1" (in the case of S&P and Moody’s, respectively), as evidenced by rating letters delivered when each such Alternate Liquidity Facility is delivered; and, provided further that a transfer or assignment of a Liquidity Facility from one branch to another branch of the Liquidity Facility Provider shall not constitute an Alternate Liquidity Facility.

"Alternate Rate" means, on any Rate Determination Date for a 2017 Series B-1 Bond in a particular Mode, the following, but in no event higher than the Maximum Rate:

(i) For a 2017 Series B-1 Bond in the Daily Mode, the last lawful interest rate for such 2017 Series B-1 Bond set by the Remarketing Agent pursuant to Section 2.7 of this 2017 Series A/B Indenture.

(ii) For a 2017 Series B-1 Bond in the Weekly Mode, the One-Month LIBOR Rate in effect on such Rate Determination Date plus 0.20%.

(iii) For a 2017 Series B-1 Bond in the Term Rate Mode, the One-Year LIBOR Rate in effect on such Rate Determination Date plus 0.20%.

"Authorized Denominations" means (i) with respect to the 2017 Series A Bonds, $1.00 and any integral multiple thereof, (ii) with respect to 2017 Series B-1 Bonds in a Daily Mode or a Weekly Mode, $100,000 and any integral multiple of $5,000 in excess thereof, and (iii) with respect to 2017 Series B-1 Bonds in a Term Rate Mode or a Fixed Rate Mode and with respect to the 2017 Series B-2 Bonds, $5,000 and any integral multiple thereof.

"Bank Bonds" means any Bonds registered in the name of the Liquidity Facility Provider pursuant to Section 7.8(b) of this 2017 Series A/B Indenture.

"Bank Rate" means the interest rate, not to exceed the Maximum Rate, payable on Bank Bonds and determined pursuant to the applicable Liquidity Facility. In the Initial Liquidity Facility, such interest rate is referred to as the "Bank Rate."

"Bond Purchase Fund" means the fund by that name created in Section 7.12 of this Series Indenture.

"Business Day" means a Business Day as defined in the Master Indenture but only if such day is also a day on which banks in the city in which the principal office of the Remarketing Agent is located is not required or authorized by law to be closed.

"Closing Date" means the date of initial issuance and delivery of the 2017 Series A/B Bonds.

"Current Mode" shall have the meaning specified in Section 2.10 of this Series Indenture.

"Daily Mode" means the Mode during which all or any part of the 2017 Series B-1 Bonds bear interest at the Daily Rate.

"Daily Rate" means the per annum interest rate on any 2017 Series B-1 Bond in the Daily Mode determined pursuant to Section 2.7(a) of this Series Indenture.

"Debt Service Reserve Fund Requirement" means, (i) with respect to the 2017 Series A Bonds, an amount equal to zero, and (ii) with respect to the 2017 Series B Bonds and as of each determination date, an amount equal to 5% of the Aggregate Principal Amount of all 2017 Series B Bonds then Outstanding.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Electronic Means" means telecopy, telegraph, telex, facsimile transmission, e-mail transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

"Expiration Date" means (a) the Scheduled Expiration Date or (b) any earlier date on which the Liquidity Facility shall terminate, expire or be cancelled.

"Expiration Tender Date" means the day five Business Days prior to the Scheduled Expiration Date.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Act and the Indenture.

"Fixed Rate" means the per annum interest rate on any 2017 Series B-1 Bond in the Fixed Rate Mode determined pursuant to Section 2.8(b) of this Series Indenture.

"Fixed Rate Mode" means the Mode during which all or a particular portion of the 2017 Series B-1 Bonds bear interest at (a) Fixed Rate(s).

"Ginnie Mae Certificates" means the Ginnie Mae Certificates purchased by the Trustee backed by 2017 Series A Mortgage Loans or backed by 2017 Series B Mortgage Loans described in the second clause of the definition thereof.

"Initial Liquidity Facility" means the Standby Bond Purchase Agreement dated as of July 1, 2017 among the Authority, Royal Bank of Canada and Zions Bank, a Division of ZB, National Association, as Trustee and Paying Agent.

"Interest Accrual Period" means the period during which 2017 Series B-1 Bonds accrue interest payable on any Interest Payment Date. With respect to 2017 Series B-1 Bonds in the Daily Mode, the Interest Accrual Period shall commence on (and include) the first day of each month and shall extend through (and include) the last day of such month; provided, that if such month is the month in which such 2017 Series B-1 Bonds are authenticated and delivered, or if such 2017 Series B-1 Bonds are changed to the Daily Mode during such month, the Interest Accrual Period shall commence on the date of authentication and delivery of such 2017 Series B-1 Bonds or the Mode Change Date, as the case may be; provided, further, that if no interest has been paid on such 2017 Series B-1 Bonds in the Daily Mode, interest shall accrue from the date of original authentication and delivery of such 2017 Series B-1 Bonds or the Mode Change Date, as appropriate. With respect to 2017 Series B-1 Bonds in all Modes other than the Daily Mode and with respect to the 2017 Series B-2 Bonds, the Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest has been paid (or, if no interest has been paid on the 2017 Series B-2 Bonds or on 2017 Series B-1 Bonds in such Mode, from the date of original authentication and delivery of such Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid. If, at the time of authentication of any 2017 Series B-1 Bond, interest is in default or overdue on such 2017 Series B-1 Bonds, such Bonds shall bear interest from the date to which interest has previously been paid in full or made available for payment in full on Outstanding 2017 Series B-1 Bonds.

"Interest Payment Date" means (i) with respect to the 2017 Series A Bonds, the first day of each month, commencing September 1, 2017, (ii) with respect to a 2017 Series B-1 Bond in the Daily Mode, the first Business Day of each month, (iii) with respect to a 2017 Series B-1 Bond in the Weekly Mode, each Stated Interest Payment Date (iv) with respect to a 2017 Series B-1 Bond in the Term Rate Mode and for the current Interest Period for such Bond, each Stated Interest Payment Date occurring in such Period; (v) with respect to a 2017 Series B-1 Bond in the Fixed Rate Mode and with respect to 2017 Series B-2 Bonds, each Stated Interest Payment Date; (vi) with respect to Bank Bonds, each date provided in the Liquidity Facility; (vii) any Mode Change Date; and (viii) each Maturity Date.

"Interest Period" means, for a 2017 Series B-1 Bond in a particular Mode, the period of time that such Bond bears interest at the rate (per annum) which becomes effective at the beginning of such period. The Interest Period for each Mode is as follows:

(i) for a 2017 Series B-1 Bond in the Daily Mode, the period from (and including) the Mode Change Date upon which such Bond is changed to the Daily Mode to (but excluding) the next Rate Determination Date for such Bond, and thereafter the period from and including the current Rate Determination Date for such Bond to (but excluding) the next Rate Determination Date for such Bond;

(ii) for a 2017 Series B-1 Bond in the Weekly Mode, the period from (and including) the Mode Change Date upon which such Bond is changed to the Weekly Mode to (and including) the next Tuesday, and thereafter the period from (and including) each Wednesday to (and including) the next Tuesday;

(iii) for a 2017 Series B-1 Bond in the Term Rate Mode, the period from (and including) the Mode Change Date to (but excluding) the last day of the first period that such Bond shall be in the Term Rate Mode as established by the Authority for such Bond pursuant to Section 2.10(a)(i) of this Series Indenture and, thereafter, the period from (and including) the beginning date of each successive interest rate period selected for such Bond by the Authority pursuant to Section 2.8(a) of this Series Indenture while it is in the Term Rate Mode to (but excluding) the ending date for such period selected for such Bond by the Authority. Each Interest Period for a 2017 Series B-1 Bond in the Term Rate Mode shall end on a Stated Interest Payment Date occurring not earlier than three months after the commencement of such Period.

"Liquidity Facility" means the Initial Liquidity Facility and any Alternate Liquidity Facility. When used herein at a time when there is more than one Liquidity Facility securing the 2017 Series B-1 Bonds, references to the "Liquidity Facility" shall, unless the context clearly contemplates a reference to all Liquidity Facilities, be deemed to refer only to a particular Liquidity Facility.

"Liquidity Facility Provider" means, initially Royal Bank of Canada, as the provider of the Initial Liquidity Facility, and its successors and assigns, or the provider of any Alternate Liquidity Facility. When used herein at a time when there is more than one Liquidity Facility securing the 2017 Series B Bonds, references to the "Liquidity Facility Provider" shall, unless the context clearly contemplates a reference to all Liquidity Facility Providers, be deemed to refer only to a particular Liquidity Facility Provider.

"Mandatory Purchase Date" means (i) any Purchase Date for 2017 Series B-1 Bonds in the Term Rate Mode, (ii) any Mode Change Date or proposed Mode Change Date and (iii) any other date that 2017 Series B-1 Bonds are subject to mandatory purchase in accordance with Section 7.4 or Section 7.5 of this Series Indenture.

"Maturity Date" means the respective dates set forth in Section 2.1 of this Series Indenture.

"Maximum Rate" means (a) with respect to 2017 Series B-1 Bonds other than Bank Bonds, the lesser of 12% per annum (or such other rate as may be provided in the Liquidity Facility) or the maximum rate of interest permitted by applicable law, and (b) with respect to Bank Bonds, the lesser of (i) 25% per annum and (ii) the maximum rate of interest on the relevant obligation permitted by applicable law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

"Mode" means, as the context may require, the Daily Mode, the Weekly Mode, the Term Rate Mode or the Fixed Rate Mode.

"Mode Change Date" means with respect to any 2017 Series B-1 Bond in a particular Mode, the day on which another Mode for such Bond begins.

"Mode Change Notice" means the notice from the Authority to the other Notice Parties of the Authority's intention to change Mode.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"MSRB" means the Municipal Securities Rulemaking Board, the current required method of filing of which is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"New Mode" shall have the meaning specified in 2.10(a) of this Series Indenture.

"Notice Parties" means the Authority, the Trustee, the Remarketing Agent, the Paying Agent and the Liquidity Facility Provider.

"One-Month LIBOR Rate," "Three-Month LIBOR Rate" or "One-Year LIBOR Rate" means the rate per annum relating to quotations for London Interbank Offered Rates on U.S. dollar deposits for a one month period, a three month period or a one-year period, respectively, fixed by the British Bankers' Association at 11:00 a.m., London time, on the applicable Rate Determination Date, as displayed at the Internet site, http://www.bba.org.uk. If such Rate Determination Date is not a business day in London, the most recently fixed London Interbank Offered Rates on U.S. dollar deposits for a one month period, a three month period or a one-year period, respectively, shall be used. If the rate is no longer available at http://www.bba.org.uk, the Trustee will ascertain the rate in good faith from such sources as it shall determine to be comparable to such source.

"PAC Bonds" means the 2017 Series B-2 Bonds maturing on November 1, 2044.

"Purchase Date" means (i) for a 2017 Series B-1 Bond in the Daily Mode or the Weekly Mode, any Business Day selected by the owner of such Bond pursuant to the provisions of Section 7.1 of this Series Indenture and (ii) for a 2017 Series B-1 Bond in the Term Rate Mode, the last day of the Interest Period for such Bond (or the next Business Day is such last day is not a Business Day), but only if the Owner thereof shall have elected to have such Bond purchased on such date pursuant to Section 7.3 of this Series Indenture.

"Purchase Price" means (i) an amount equal to the principal amount of any 2017 Series B-1 Bonds purchased on any Purchase Date, plus, in the case of any purchase of 2017 Series B-1 Bonds in the Daily Mode or the Weekly Mode, accrued interest, if any, to the Purchase Date, or (ii) an amount equal to the principal amount of any 2017 Series B-1 Bonds purchased on a Mandatory Purchase Date, plus, in the case of any 2017 Series B-1 Bonds subject to mandatory purchase in accordance with Section 7.4 or Section 7.5 of this Series Indenture, accrued interest, if any, to the Mandatory Purchase Date.

"Rate Determination Date" means the date on which the interest rate on a 2017 Series B-1 Bond shall be determined, which, (i) in the case of the Daily Mode, shall be each Business Day commencing with the first day the 2017 Series B-1 Bonds become subject to the Daily Mode; (ii) in the case of the initial conversion to the Weekly Mode, shall be no later than the Business Day prior to the Mode Change Date, and thereafter, shall be each Tuesday or, if Tuesday is not a Business Day, the next succeeding day or, if such day is not a Business Day, then the Business Day next preceding such Tuesday; (iii) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day next preceding the first day of an Interest Period, as determined by the Remarketing Agent; and (iv) in the case of the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date.

"Rating Confirmation Notice" means a notice from each Rating Agency confirming that the rating on the 2017 Series B Bonds will not be reduced or withdrawn (other than a withdrawal of a short term rating upon a change of 2017 Series B-1 Bonds to a Term Rate Mode or a Fixed Rate Mode) as a result of the action proposed to be taken.

"Record Date" means (i) with respect to 2017 Series B-1 Bonds in a Weekly Mode, the day (whether or not a Business Day) next preceding each Interest Payment Date, (ii) with respect to 2017 Series B-1 Bonds in the Daily Rate Mode, the last day of each month (whether or not a Business Day) and (iii) with respect to 2017 Series A Bonds, with respect to 2017 Series B-1 Bonds in a Term Rate Mode or a Fixed Rate Mode and with respect to 2017 Series B-2 Bonds, the fifteenth day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

"Refunded Bonds" means (i) $23,585,000 principal amount of the Authority's Taxable Single Family Mortgage Class I Adjustable Rate Bonds, 2007 Series B-1 and (ii) $25,000,000 principal amount of the Authority's Single Family Mortgage Class II Adjustable Rate Bonds, 2007 Series B-3.

"Remarketing Agent" means RBC Capital Markets, LLC and its successors and assigns, unless another remarketing agent shall be duly appointed in accordance with this Series Indenture.

"Remarketing Agreement" means the Master Remarketing Agreement dated November 1, 2009, as amended, and the Amendment to Master Agreement, dated the Closing Date, each between the Authority and RBC Capital Markets, LLC (formerly, RBC Capital Markets Corporation), and any amendments or supplements thereto.

"S&P" means S&P Global Ratings, and its successors and assigns.

"Scheduled Expiration Date" means the stated term, stated expiration date or stated termination date of the Liquidity Facility, or such stated term, stated expiration date or stated termination date as it may be extended from time to time as provided in the Liquidity Facility.

"Short-Term Mode" means a Daily Mode or a Weekly Mode.

"Standby Purchase Account" means the account by that name created in Section 7.12 of this Series Indenture.

"Stated Interest Payment Dates" means each May 1 and November 1, commencing November 1, 2017.

"Substitution Date" means the date on which an Alternate Liquidity Facility is to be substituted for a Liquidity Facility.

"Term Rate" means the per annum interest rate for any 2017 Series B-1 Bond in the Term Rate Mode determined pursuant to Section 2.8(a) of this Series Indenture.

"Term Rate Mode" means the Mode during which all or any part of the 2017 Series B-1 Bonds bear interest at the Term Rate.

"Weekly Mode" means the Mode during which all or any part of the 2017 Series B-1 Bonds bear interest at the Weekly Rate.

"Weekly Rate" means the per annum interest rate on any 2017 Series B-1 Bond in the Weekly Mode determined pursuant to Section 2.7(c) of this Series Indenture.

(End of Article I)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF 2017 SERIES A/B BONDS

Section 2.1 Authorization of 2017 Series A/B Bonds; Principal Amounts, Maturities, Designations and Series. (a) Two Series of Bonds to be issued under this Series Indenture in order to obtain moneys to carry out the Program are hereby created. Such Bonds shall be issued in two classes: Class I Bonds and Class II Bonds. The Class I Bonds shall be designated as the "Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class I Bonds (GNMA MBS Pass-Through Program), 2017 Series A." The Class II Bonds shall be of two subseries, designated as the "Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1" and "Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class II Bonds, 2017 Series B-2."

(b) The Aggregate Principal Amount of 2017 Series A Bonds which may be issued and Outstanding under the Indenture shall not exceed $52,000,000; the Aggregate Principal Amount of 2017 Series B-1 Bonds which may be issued and Outstanding under the Indenture shall not exceed $10,000,000; and the Aggregate Principal Amount of 2017 Series B-2 Bonds which may be issued and Outstanding under the Indenture shall not exceed $10,895,000. The 2017 Series A/B Bonds shall be issued only in fully registered form, without coupons.

(c) The 2017 Series A Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on August 1, 2047, and shall bear interest payable on each Interest Payment Date, at the rate of 3.00% per annum.

(d) The 2017 Series B-1 Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on May 1, 2034.

(e) The 2017 Series B-2 Bonds shall mature, subject to the right of prior redemption as set forth in Article III of this Series Indenture, on the dates and in the principal amounts and shall bear interest, payable on each Interest Rate Date, at the respective rates per annum set forth below:

Maturity Date	Principal Amount	Interest Rate
May 1, 2018	$ 500,000	1.700%
November 1, 2018	500,000	1,800%
May 1, 2019	500,000	1.875%
November 1, 2019	500,000	2.000%
May 1, 2020	500,000	2.150%
November 1, 2020	505,000	2.250%
May 1, 2021	505,000	2.350%
November 1, 2021	505,000	2.450%
May 1, 2022	505,000	2.550%
November 1, 2022	505,000	2.650%
May 1, 2023	510,000	2.720%
November 1, 2044	5,360,000	3.050%

Section 2.2 Denominations, Medium, Method and Place of Payment, Dating and Numbering.

(a) Each 2017 Series A/B Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the 2017 Series A Bonds or the 2017 Series B Bonds, as the case may be, in which event such Bond shall bear interest from its dated date. Payment of interest on any 2017 Series A/B Bond shall be made to the Person whose name appears on the registration records kept by the Bond Registrar as the registered owner thereof on the Record Date, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration records or at such other address as it may have filed with the Bond Registrar for that purpose, and the Bond Registrar shall keep a record in such registration records or at such other address as it appears on such registration records or at such other address as it may have filed with the Bond Registrar for that purpose.

(b) Interest on the 2017 Series B-1 Bonds will be payable at the Weekly Rate, unless and until the Authority selects a different interest rate determination method as provided herein. The 2017 Series B-1 Bonds may also be in more than one Mode at any time after their original issuance; provided, however, that the Trustee shall maintain separate subaccounts in the Remarketing Proceeds Account and the Standby Bond Purchase Account of the Bond Purchase Fund for 2017 Series B-1 Bonds held in different Modes.

(c) The principal of and premium, if any, and interest on the 2017 Series A/B Bonds shall be payable in lawful money of the United States of America. The interest on the 2017 Series A/B Bonds shall be paid by the Paying Agent on the Interest Payment Dates (i) in the case of the 2017 Series A Bonds and of 2017 Series B-1 Bonds in the Daily Mode or the Weekly Mode, by wire transfer of immediately available funds to an account specified by the Owner of record thereof on the applicable Record Date in a writing delivered to the Paying Agent and (ii) in the case of 2017 Series B-1 Bonds in a Term Rate Mode or Fixed Rate Mode and with respect to 2017 Series B-2 Bonds, by check mailed by the Paying Agent to the respective Owners of record thereof on the applicable Record Date at their addresses as they appear on the applicable Record Date in the registration records, except that in the case of such an Owner of $1,000,000 or more in Aggregate Principal Amount of such 2017 Series B Bonds, upon the written request of such Owner to the Paying Agent, specifying the account or accounts located in the United States of America to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the Interest Payment Date following such Record Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Paying Agent. The principal of and premium, if any, on each 2017 Series A/B Bond shall be payable on the Payment Date, upon surrender thereof at the office of the Paying Agent.

(d) The 2017 Series A/B Bonds shall be dated the Closing Date and shall bear interest during each Interest Accrual Period until the entire principal amount of the Bonds has been paid.

(e) Unless the Authority shall otherwise direct, the 2017 Series A Bonds shall be numbered separately from 1 upward preceded by the legend RAI- prefixed to the number, the 2017 Series B-1 Bonds shall be numbered separately from 1 upward preceded by the legend RB1II- prefixed to the number and the 2017 Series B-2 Bonds shall be numbered separately from 1 upward preceded by the legend RB2II- prefixed to the number.

Section 2.3 Forms of Bonds and Certificates of Authentication. The forms of (a) the 2017 Series A Bonds, (b) the 2017 Series B-1 Bonds and (c) the 2017 Series B-2 Bonds, including the Bond Registrar's Certificate of Authentication thereon, shall be substantially as set forth in Exhibits A, B and C, respectively, to this Series Indenture. Any 2017 Series A/B Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words and such opinions and certifications not inconsistent with the provisions of the Master Indenture and this Series Indenture as may be necessary or desirable, as determined by an Authorized Officer prior to their authentication and delivery.

Section 2.4 Execution of 2017 Series A/B Bonds. The Chair, the Chair pro tem and the Executive Director of the Authority and each of them is hereby authorized and directed to execute the 2017 Series A/B Bonds, and the Secretary/Treasurer, Executive Director or other officer named in this Section 2.4 (other than the officer executing the 2017 Series A/B Bonds) is hereby authorized and directed to attest the seal of the Authority impressed or imprinted thereon, all in the manner prescribed in Section 2.8 of the Master Indenture.

Section 2.5 Purposes. The 2017 Series A/B Bonds are authorized to provide moneys to be applied to the refunding of the Refunded Bonds. The 2017 Series A Bonds are also authorized to provide moneys to finance the purchase of Ginnie Mae Certificates backed by Mortgage Loans for Eligible Borrowers purchasing Residential Housing.

Section 2.6 Calculation and Payment of Interest; Maximum Rate.

(a) Interest on the 2017 Series A Bonds and on the 2017 Series B-2 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. When a Daily Mode, a Weekly Mode or a Term Rate Mode of shorter than one year is in effect for 2017 Series B-1 Bonds, interest shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Term Rate Mode of one year or longer or a Fixed Rate Mode for 2017 Series B-1 Bonds is in effect, interest shall be calculated on the basis of a 360 day year comprised of twelve 30-day months. Payment of interest on each 2017 Series A/B Bond shall be made on each Interest Payment Date for such Bond for unpaid interest accrued during the Interest Accrual Period to the Owner of record of such Bond on the applicable Record Date.

(b) Some or all of the 2017 Series B-1 Bonds in any Mode, other than a Fixed Rate Mode, may be changed to any other Mode at the times and in the manner provided below. Subsequent to such change in Mode (other than a change to a Fixed Rate Mode), any 2017 Series B-1 Bond may again be changed to a different Mode at the times and in the manner provided below. A Fixed Rate Mode shall be in effect until the applicable Maturity Date, or acceleration thereof prior to such Maturity Date, and may not be changed to any other Mode.

(c) Absent manifest error, the interest rates contained in the records of the Paying Agent shall be conclusive and binding upon the Authority, the Remarketing Agent, the Paying Agent, the Trustee, the Liquidity Facility Provider and the Owners.

(d) No 2017 Series B-1 Bonds shall bear interest at an interest rate higher than the Maximum Rate.

Section 2.7 Determination of Interest Rate During the Daily Mode and the Weekly Mode.

(a) The interest rate for any 2017 Series B-1 Bond in the Daily Mode or Weekly Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of such Bond on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued and unpaid interest, if any.

(b) During the Daily Mode, the Remarketing Agent shall establish the Daily Rate by 10:00 a.m., New York City time, on each Rate Determination Date. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Rate Determination Date. The Remarketing Agent shall make the Daily Rate available by telephone to any Owner or Notice Party requesting such rate, and on the last Business Day of each week, shall give notice to the Paying Agent of the Daily Rates that were in effect for each day of such week by Electronic Means.

(c) During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 4:00 p.m., New York City time, on each Rate Determination Date. The Weekly Rate shall be in effect (i) initially, from and including the first day the 2017 Series B-1 Bonds become subject to the Weekly Mode to and including the following Tuesday and (ii) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) after 4:00 p.m., New York City time, on the Rate Determination Date by telephone to any Owner or Notice Party requesting such rate and (ii) by Electronic Means to the Paying Agent on the Rate Determination Date. The Paying Agent shall give notice of such interest rates to the Trustee by Electronic Means not later than 4:00 p.m., New York City time, on the second Business Day immediately succeeding the Rate Determination Date.

Section 2.8 Determination of Term Rate and Fixed Rate.

(a) *Term Rates.*

(i) Except as provided in paragraph (iii) of this Section 2.8(a), once 2017 Series B-1 Bonds are changed to the Term Rate Mode, such Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 2.10 of this Series Indenture. The Term Rate shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Rate Determination Date, and the Remarketing Agent shall make the Term Rate available by telephone to any Notice Party requesting such rate. The Remarketing Agent shall give written notice of the Term Rate to the Authority and the Paying Agent. The Term Rate shall be the minimum rate which, in the sole judgment of the Remarketing Agent, will result in a sale of such 2017 Series B-1 Bonds at a price equal to the principal amount thereof on the Rate Determination Date for the Interest Period selected by the Authority. If a new Interest Period is not selected by the Authority prior to the Business Day next preceding the Purchase Date for the Interest Period then in effect, the new Interest Period shall be the same length as the current Interest Period (or such lesser period as shall be necessary to comply with paragraph (ii) of this Section 2.8(a)). No Interest Period in the Term Rate Mode may extend beyond the Maturity Date of the 2017 Series B-1 Bonds.

(ii) A 2017 Series B-1 Bond on the date it is converted to the Term Rate Mode and while it is in the Term Rate Mode need not be secured by a Liquidity Facility if so determined by the Authority prior to the Mode Change Date. If, however, it is secured by a Liquidity Facility, then, notwithstanding anything to the contrary contained herein, no Interest Period for such Bond may extend beyond the Expiration Tender Date.

(iii) If, for any reason, a new Term Rate for a 2017 Series B-1 Bond that has been in the Term Rate Mode and is to continue in the Term Rate Mode is not or cannot be established, then (i) if such Bond is secured by a Liquidity Facility, it will be changed automatically to the

Weekly Mode, or (ii) if such Bond is not secured by a Liquidity Facility, then such Bond shall stay in the Term Rate Mode for an Interest Period ending on the next Stated Interest Payment Date and shall bear interest at the applicable Alternate Rate.

(b) *Fixed Rate*. The Remarketing Agent shall determine the Fixed Rate for a 2017 Series B-1 Bond in the Fixed Rate Mode in the manner and at the times as follows: Not later than 4:00 p.m., New York City time, on the Rate Determination Date for such Bond, the Remarketing Agent shall determine the Fixed Rate for such Bond and shall notify the Paying Agent of each Fixed Rate by Electronic Means on the Rate Determination Date. The Fixed Rate shall be the minimum interest rate which, in the sole judgment of the Remarketing Agent, will result in a sale of such Bond at a price equal to the principal amount thereof on the Rate Determination Date. The Remarketing Agent shall make the Fixed Rate available by telephone to any Notice Party requesting such Fixed Rate. Upon request of any Notice Party, the Paying Agent shall give notice of such rate by Electronic Means.

Section 2.9 Alternate Rate for Interest Calculation. Except as otherwise provided herein, in the event (a) the Remarketing Agent fails or is unable to determine the interest rate or Interest Period with respect to any 2017 Series B-1 Bond, or (b) the method of determining the interest rate or Interest Period with respect to a 2017 Series B-1 Bond shall be held to be unenforceable by a court of law of competent jurisdiction, such Bond shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered a Counsel’s Opinion to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Mode in effect for such Bond.

Section 2.10 Changes in Mode. Subject to the provisions of this Section 2.10, the Authority may effect a change in Mode with respect to a 2017 Series B-1 Bond by following the procedures set forth in this Section 2.10.

(a) *Changes to a Mode Other Than the Fixed Rate Mode*. A 2017 Series B-1 Bond (other than a 2017 Series B-1 Bond in the Fixed Rate Mode) may be changed from one Mode to another Mode (other than the Fixed Rate Mode) as follows:

(i) *Mode Change Notice; Notice to Owners*. No later than the 45th day (or such shorter time as may be agreed to by the Authority, the Trustee, the Paying Agent and the Remarketing Agent) preceding the proposed Mode Change Date, the Authority shall give written notice to the Notice Parties of its intention to effect a change in the Mode from the Mode then prevailing (for purposes of this Section 2.10, the "Current Mode") to another Mode (for purposes of this Section 2.10, the "New Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the length of the initial Interest Period as set by the Authority and whether or not the 2017 Series B-1 Bonds to be converted to the Term Rate Mode will be covered by a Liquidity Facility (if they will be covered, then the initial Interest Rate Period for such Bonds selected by the Authority cannot extend beyond the Expiration Tender Date). Notice of the proposed change in Mode shall be given to the Owners, with a copy to the MSRB, pursuant to Section 7.2(a) of this Series Indenture.

(ii) *Determination of Interest Rates*. The New Mode for a 2017 Series B-1 Bond shall commence on the Mode Change Date for such Bond and the interest rate shall be determined by the Remarketing Agent (or the Authority in the case of the Interest Period for a 2017 Series B-1 Bond converted to the Term Rate Mode) in the manner provided in Sections 2.7 and 2.8 of this Series Indenture, as applicable.

(iii) *Conditions Precedent*.

(A) The Mode Change Date shall be a Business Day.

(B) Additionally, the Mode Change Date in the case of a change from a Term Rate Mode, shall be the last day of the current Interest Period for the 2017 Series B-1 Bond being converted.

(C) The following items shall have been delivered to the Trustee, the Paying Agent and the Remarketing Agent on the Mode Change Date:

(1) in the case of a change from a Short-Term Mode to a Term Rate Mode or from a Term Rate Mode to a Short-Term Mode, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Trustee, the Paying Agent and the Remarketing Agent;

(2) a Rating Confirmation Notice; and

(3) a Liquidity Facility with principal coverage equal to the principal amount of the 2017 Series B-1 Bonds being converted, and with interest coverage equal to or greater than the amount required by the Rating Agencies for the applicable Mode and with an Expiration Date not earlier than 5 days after the end of the initial Interest Rate Period for such Bond; provided, however, that in the case of a conversion of a 2017 Series B-1 Bond to the Term Rate Mode, no Liquidity Facility need be applicable to such Bond while in the Term Rate Mode if the Authority so elects, by the time it gives the notice to the Notice Parties required by subsection (a)(i) of this Section 2.10.

(b) *Change to Fixed Rate Mode*. At the option of the Authority, a 2017 Series B-1 Bond may be changed to the Fixed Rate Mode as provided in this Section 2.10(b). Not less than 45 days (or such shorter time as may be agreed to by the Authority, the Trustee and the Remarketing Agent) before the proposed Mode Change Date for such Bond, the Authority shall give written notice to the Notice Parties stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date and that the Bonds to be converted to the Fixed Rate Mode will not be covered by the Liquidity Facility. Any such change in Mode shall be made as follows:

(i) *Conditions Precedent*. The Mode Change Date shall be:

(A) a Business Day; and

(B) in the case of a change from the Term Rate Mode, the last day of the current Interest Period for the 2017 Series B-1 Bond being converted.

(ii) *Notice to Owners*. Not less than the 30th day next preceding the Mode Change Date, the Trustee shall mail by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, in the name of the Authority, a notice of such proposed change to the Owners, with a copy to the MSRB, stating that the Mode will be changed to the Fixed Rate Mode, the proposed Mode Change Date and that such Owner is required to tender such Owner's 2017 Series B-1 Bonds for purchase on such proposed Mode Change Date.

(iii) *General Provisions Applying to Change to Fixed Rate Mode*. The change to the Fixed Rate Mode shall not occur unless the following items shall have been delivered to the Trustee and the Remarketing Agent on the Mode Change Date:

(A) if the change is from a Short-Term Mode, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Trustee and the Remarketing Agent; and

(B) a Rating Confirmation Notice.

(iv) *Determination of Interest Rate*. The Fixed Rate for a 2017 Series B-1 Bond to be converted to the Fixed Rate Mode shall be established by the Remarketing Agent pursuant to the provisions of Section 2.8(b) of this Series Indenture.

(c) *Failure to Satisfy Conditions Precedent to a Mode Change*. In the event the conditions described above in subsections (a) or (b), as applicable, of this Section 2.10 have not been satisfied by the applicable Mode Change Date, then the New Mode or Fixed Rate Mode, as the case may be, shall not take effect. If the failed change in Mode was from the Daily Mode, the applicable 2017 Series B-1 Bond shall remain in the Daily Mode, and if the failed change in Mode was from the Weekly Mode, the applicable 2017 Series B-1 Bond shall remain in the Weekly Mode, in each case with interest rates established in accordance with the applicable provisions of Section 2.7 of this Series Indenture on and as of the failed Mode Change Date. If the failed change in Mode was from the Term Rate Mode and for which the Liquidity Facility was in effect for the 2017 Series B-1 Bond to be changed, the applicable 2017 Series B-1 Bond shall be changed to the Weekly Mode. If, however, there was no Liquidity Facility in effect for such Bond to have been changed from the Term Rate Mode, then such Bond shall stay in the Term Rate Mode for an Interest Period ending on the next Stated Interest Payment Date and shall bear interest at the applicable Alternate Rate. The Trustee shall promptly notify the Owners, with a copy to the MSRB, of any failed change in Mode.

Section 2.11 Interest on Bank Bonds; Lien Priority of Bank Bonds.

(a) Each Bank Bond shall bear interest on the outstanding principal amount thereof at the Bank Rate for each day from and including the date such Bond becomes a Bank Bond to, but not including, the date such Bond is paid in full or is remarketed. Interest on Bank Bonds shall be payable as provided in the Liquidity Facility. Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed unless such Bonds shall again become Bank Bonds. Interest on Bank Bonds shall be calculated based upon a 365/366 day year for the actual number of days elapsed.

(b) 2017 Series B-1 Bonds that become Bank Bonds pursuant to a Liquidity Facility shall constitute Class II Bonds (including, without limitation, any principal of such Bank Bonds which is payable in advance of the Maturity Date, and shall not constitute General Obligation Bonds.

(End of Article II)

ARTICLE III

REDEMPTION OF THE 2017 SERIES A/B BONDS

Section 3.1 Special Redemption.

(a) Commencing September 1, 2017, the 2017 Series A Bonds are subject to mandatory special redemption, in whole or in part, on each Interest Payment Date, without premium, in the principal amount equal to all repayments and prepayments of mortgage principal from the 2017 Series A Mortgage Loans backing Ginnie Mae Certificates received by or on behalf of the Authority in the immediately preceding calendar month. If the 2017 Series A Bonds are to be redeemed in part upon any such mandatory redemption, each of the 2017 Series A Bonds then outstanding shall be redeemed in part, pro rata, in proportion to the outstanding principal amount of such 2017 Series A Bonds to the aggregate outstanding principal amounts of all outstanding 2017 Series A Bonds, notwithstanding any provisions of the Master Indenture requiring selection of Bonds by lot. To effect this pro rata redemption while the 2017 Series A Bonds are held in the DTC book-entry-only system, such mandatory redemption is to be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC.

Notwithstanding the provisions of Section 3.2 of the Master Indenture to the contrary no notice of redemption will be given to any Owners of the 2017 Series A Bonds of the date or amount of the mandatory redemption of any 2017 Series A Bonds.

(b) The 2017 Series B Bonds are subject to redemption prior to their respective stated maturities as a whole or in part at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption, without premium, on any date, from amounts deposited in the 2017 Series B subaccount of the Class II Redemption Account pursuant to Section 5.5(d) of the Master Indenture.

Moneys deposited in or transferred to the 2017 Series B subaccount of the Class II Special Redemption Account shall be applied to redeem 2017 Series B Bonds as follows:

> FIRST: such amounts shall be applied to redeem the PAC Bonds until the Aggregate Principal Amount of the Outstanding PAC Bonds is equal to the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "100% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table below;
>
> SECOND: after applying the amounts as described in clause FIRST above, any remaining amounts may be applied to the redemption of 2017 Series B Bonds other than PAC Bonds, of such maturities and in such amounts as directed by the Authority (or, in the absence of such direction, on a pro rata by maturity basis) until the Aggregate Principal Amount of the 2017 Series B Bonds Outstanding is equal to the amount shown in the column "400% SIFMA Outstanding Balance of 2017 Series B Bonds" (the "400% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table below; and
>
> THIRD: after applying the amounts as described in clauses FIRST and SECOND above, any remaining amounts may be applied to the redemption of any 2017 Series B Bonds, including the PAC Bonds; provided that the percentage of such remaining amounts so applied to redeem PAC Bonds may not exceed the ratio of the Aggregate Principal Amount of Outstanding PAC Bonds to the Aggregate Principal Amount of Outstanding 2017 Series B Bonds prior to such redemption.

Such redemptions may occur at such times and with such frequency as the Authority elects; provided that any redemptions described in clause FIRST above must occur at least once during each semiannual period commencing with the semiannual period ending on November 1, 2017 to the extent moneys in the 2017 Series B subaccount of the Class II Special Redemption Account are legally available therefor. To the extent PAC Bonds are to be redeemed on a date that is not a Stated Interest Payment Date, the 100% SIFMA Outstanding Balance of PAC Bonds and the 400% SIFMA Outstanding Balance of 2017 Series B Bonds as set forth in the table below shall be deemed to be the respective amounts determined by interpolating such respective Outstanding Balances, using the straight line method, by reference to the respective Outstanding Balances for the Semi-Annual Period Ending dates listed in the table below which are immediately prior to and immediately subsequent to such redemption date, and the number of calendar days elapsed since the Semi-Annual Period Ending date which is immediately prior to such redemption date.

Semi-Annual Period Ending	100% SIFMA Outstanding Balance of PAC Bonds	400% SIFMA Outstanding Balance of 2017 Series B Bonds
Closing Date	$ 5,360,000	$ 20,895,000
November 1, 2017	5,230,000	19,890,000
May 1, 2018	4,750,000	17,505,000
November 1, 2018	3,860,000	14,760,000
May 1, 2019	3,325,000	12,565,000
November 1, 2019	2,825,000	10,570,000
May 1, 2020	2,365,000	8,770,000
November 1, 2020	1,955,000	7,200,000
May 1, 2021	1,575,000	5,845,000
November 1, 2021	1,230,000	4,670,000
May 1, 2022	915,000	3,670,000
November 1, 2022	630,000	2,805,000
May 1, 2023	370,000	2,055,000
November 1, 2023	105,000	1,415,000
May 1, 2024	-	855,000
November 1, 2024	-	375,000
May 1, 2025	-	-

Prior to each special redemption date for the 2017 Series B Bonds, the Trustee shall notify the Paying Agent and Bond Registrar of the estimated amounts of moneys available for special redemption in order to allow the Bond Registrar sufficient time to select Bonds for redemption and to mail redemption notices within the time periods required by the Indenture.

Section 3.2 Sinking Fund Redemption of 2017 Series B Bonds.

(a) The 2017 Series B-1 Bonds shall be redeemed prior to their maturity, in part, by payment of 2017 Series B Class II Sinking Fund Installments, upon notice as provided in Section 3.8 of this 2017 Series A/B Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of the 2017 Series B-1 Bonds or portions thereof to be redeemed, as follows:

Date	Principal Amount
November 1, 2023	$ 465,000
May 1, 2024	465,000
November 1, 2024	465,000
May 1, 2025	465,000
November 1, 2025	465,000
May 1, 2026	465,000
November 1, 2026	465,000
May 1, 2027	470,000
November 1, 2027	465,000
May 1, 2028	465,000
November 1, 2028	465,000
May 1, 2029	460,000
November 1, 2029	460,000
May 1, 2030	460,000
November 1, 2030	460,000
May 1, 2031	455,000
November 1, 2031	455,000
May 1, 2032	455,000
November 1, 2032	450,000
May 1, 2033	450,000
November 1, 2033	450,000
May 1, 2034*	325,000

*Maturity Date

(b) The PAC Bonds shall be redeemed prior to their maturity, in part, by payment of 2017 Series B Class II Sinking Fund Installments, upon notice as provided in Section 3.8 of this 2017 Series A/B Indenture, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, in each case at a Redemption Price equal to 100% of the principal amount of the PAC Bonds or portions thereof to be redeemed, as follows:

Date	Principal Amount
May 1, 2034	$ 125,000
November 1, 2034	455,000
May 1, 2035	455,000
November 1, 2035	455,000
May 1, 2036	460,000
November 1, 2036	460,000
May 1, 2037	460,000
November 1, 2037	425,000
May 1, 2038	170,000
November 1, 2038	150,000
May 1, 2039	150,000
November 1, 2039	155,000
May 1, 2040	150,000
November 1, 2040	155,000
May 1, 2041	155,000
November 1, 2041	155,000
May 1, 2042	155,000
November 1, 2042	155,000
May 1, 2043	155,000
November 1, 2043	155,000
May 1, 2044	150,000
November 1, 2044*	55,000

*Maturity Date

Section 3.3 Optional Redemption of 2017 Series B-1 Bonds in the Daily Mode or the Weekly Mode. 2017 Series B-1 Bonds in the Daily Mode or the Weekly Mode are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any date, at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption.

Section 3.4 Optional Redemption of 2017 Series B-1 Bonds in the Term Rate Mode or the Fixed Rate Mode.

(a) 2017 Series B-1 Bonds in the Term Rate Mode or Fixed Rate Mode are subject to redemption in whole or in part on any date at the Redemption Prices set forth below:

(i) If, on the Mode Change Date, the remaining term of such 2017 Series B-1 Bonds in the case of 2017 Series B-1 Bonds in a Fixed Rate Mode, or the length of the Interest Period, in the case of Term Rate Bonds, is greater than 15 years, then such 2017 Series B-1 Bonds will not be subject to optional redemption until the Stated Interest Payment Date following the tenth anniversary of the Mode Change Date. Commencing on such first Stated Interest Payment Date, such 2017 Series B-1 Bonds will be subject to redemption at a Redemption Price of the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

(ii) If, on the Mode Change Date, the remaining term of such 2017 Series B-1 Bonds in the case of 2017 Series B-1 Bonds in a Fixed Rate Mode, or the length of the Interest Period in the case of Term Rate Bonds, is equal to or less than 15 years, but greater than 10 years, such 2017 Series B-1 Bonds will not be subject to optional redemption until the first Stated Interest Payment Date following the seventh anniversary of the Mode Change Date. Commencing on such first Stated Interest Payment Date, will be subject to redemption at a Redemption Price of 100% of the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

(iii) If, on the Mode Change Date, the remaining term of the 2017 Series B-1 Bonds, in the case of 2017 Series B-1 Bonds in a Fixed Rate Mode, or the length of the Interest Period in the case of Term Rate Bonds, is equal to or less than 10 years, such 2017 Series B-1 Bonds will not be subject to optional redemption.

The Authority, in connection with a change to a Term Rate or a Fixed Rate Mode, may waive or otherwise alter its rights to direct the redemption of any such 2017 Series B-1 Bonds so changed to a Term Rate Mode or a Fixed Rate Mode at any time; provided that, notice describing the waiver or alteration shall be submitted to the Paying Agent, the Trustee and the Remarketing Agent, together with a Favorable Opinion of Bond Counsel, addressed to them.

Section 3.5 Optional Redemption of 2017 Series A Bonds and PAC Bonds. The 2017 Series A Bonds and the PAC Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any date on or after November 1, 2026, at a Redemption Price equal to the principal amount thereof plus accrued interest, if any, thereon to the date of redemption.

Section 3.6 Redemption of Bank Bonds. In addition to redemption pursuant to this Article III, Bank Bonds are subject to redemption in accordance with the terms of the Liquidity Facility.

Section 3.7 Selection of Bonds for Redemption. In the event of a partial redemption of 2017 Series B Bonds, the Authority shall direct (subject to the last sentence of this Section 3.7) the series, maturity or maturities, and the amounts thereof, so to be redeemed. If less than all the 2017 Series B Bonds of like Series and maturity are to be redeemed on any one date pursuant to this Article III, the particular 2017 Series B Bonds or the respective portions thereof to be redeemed (subject to the last sentence of this Section 3.7) shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate. Notwithstanding the provisions of Section 3.3(a) of the Master Indenture or the foregoing provisions of this Section 3.7, in the event of any redemption under this Series Indenture of less than all of the 2017 Series B-1 Bonds, Bank Bonds shall be redeemed prior to any other 2017 Series B-1 Bonds.

Section 3.8 Notice of Redemption. The 2017 Series A Bonds redeemed pursuant to Section 3.5 above and the 2017 Series B Bonds shall be redeemed as provided in this Article III upon notice as provided in Section 3.2 of the Master Indenture and to the MSRB, provided that notices of redemption shall be given not more than 30 days nor less than 15 days prior to the redemption date with respect to 2017 Series B-1 Bonds in the Daily Mode, the Weekly Mode or a Term Rate Mode having an Interest Period of less than one year and not more than 60 days nor less than 25 days prior to the redemption date with respect to the 2017 Series A Bonds redeemed pursuant to Section 3.5 above and other 2017 Series B Bonds.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS AND OTHER ASSETS

Section 4.1 Proceeds of the 2017 Series A Bonds. On the Closing Date, the proceeds of the sale and delivery of the 2017 Series A Bonds shall be applied as follows:

(a) $27,690,000 shall be deposited into the 2017 Series A Refunding Account, of which (i) $23,585,000 shall be immediately transferred to the 2007 Series B subaccount of the Class I Special Redemption Account, such proceeds being sufficient, together with other amounts available therefor, to redeem and pay the Refunded Bonds described in the first clause of the definition thereof on the Closing Date, and (ii) $4,105,000 shall be immediately transferred to the 2007 Series B subaccount of the Class II Special Redemption Account; and

(b) $24,310,000 shall be deposited into the 2017 Series A subaccount of the Acquisition Account.

Section 4.2 Proceeds of the 2017 Series B Bonds. On the Closing Date, the proceeds of the sale and delivery of the 2017 Series B Bonds shall be deposited into the 2017 Series B Refunding Account, and then shall be immediately transferred to the 2007 Series B subaccount of the Class II Special Redemption Account, such proceeds being sufficient, together with other amounts available therefor, to redeem and pay the Refunded Bonds described in the second clause of the definition thereof on the Closing Date.

Section 4.3 No Interest Reserve Account Deposit. None of the moneys to be deposited into the 2017 Series B subaccount of the Debt Service Reserve Fund shall be deposited into a subaccount of the Interest Reserve Account.

Section 4.4 Application of Other Moneys and Mortgage Loans. Moneys and/or Investment Securities in the 2007 Series B subaccounts of the Debt Service Reserve Fund and the Revenue Fund, and/or other funds and accounts, that are identified in an Authority Request delivered to the Trustee on the Closing Date shall be transferred on the Closing Date to (a) the 2017 Series A Refunding Account (and then immediately transferred to the 2007 Series B subaccount of the Class I Special Redemption Account, to redeem the Refunded Bonds described in the first clause of the definition thereof on the Closing Date), (b) the 2017 Series A subaccount and the 2017 Series B subaccount of the Acquisition Fund, (c) the 2017 Series A/B subaccount of the Cost of Issuance Account, (d) the 2017 Series B subaccount of the Debt Service Reserve Fund, (e) the 2017 Series A subaccount of the Revenue Fund, (f) the 2017 Series B subaccount of the Revenue Fund, and/or (g) such other Funds or Accounts as shall be designated in such Authority Request, in the amounts and as otherwise provided in such Authority Request. Also on the Closing Date, the 2017 Series B Mortgage Loans described in the first clause thereof shall be transferred to the 2017 Series B subaccount of the Acquisition Account.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF CERTAIN SUBACCOUNTS

Section 5.1 Establishment of Subaccounts.

(a) The following subaccounts are hereby created and established as special trust funds within the Funds and Accounts created and established pursuant to the Master Indenture:

(i) the 2017 Series A subaccount of the Acquisition Account;

(ii) the 2017 Series B subaccount of the Acquisition Account;

(iii) the 2017 Series A/B subaccount of the Cost of Issuance Account;

(iv) the 2017 Series B subaccount of the Loan Recycling Account;

(v) the 2017 Series A subaccount of the Revenue Fund;

(vi) the 2017 Series B subaccount of the Revenue Fund;

(vii) the 2017 Series B subaccount of the Debt Service Reserve Fund;

(viii) the 2017 Series A subaccount of the Class I Debt Service Fund;

(ix) the 2017 Series A subaccount of the Class I Special Redemption Account;

(x) the 2017 Series B subaccount of the Class II Debt Service Fund;

(xi) the 2017 Series B subaccount of the Class II Special Redemption Account;

(xii) the 2017 Series A Refunding Account, created as a special temporary account in the Program Fund pursuant to Section 5.1(f) of the Master Indenture; and

(xiii) the 2017 Series B Refunding Account, created as a special temporary account in the Program Fund pursuant to Section 5.1(f) of the Master Indenture.

(b) There is also hereby created and established a Bond Purchase Fund to be held by the Paying Agent.

Section 5.2 Program Fund and Acquisition Account.

(a) Deposits. There shall be paid into the 2017 Series A subaccount of the Acquisition Account the amount specified by Section 4.1 hereof and any amounts specified in the Authority Request delivered pursuant to Section 4.4 hereof. There shall be deposited into the 2017 Series B subaccount of the Acquisition Fund the 2017 Series B Mortgage Loans as provided in Section 4.4 hereof and any amounts specified in the Authority Request delivered pursuant to Section 4.4 hereof.

(b) Disbursements from Acquisition Account. The portion of the proceeds of the sale and delivery of the 2017 Series A Bonds deposited into the 2017 Series A subaccount of the Acquisition Account pursuant to Section 4.1 hereof and the other moneys deposited into the 2017 Series A subaccount and the 2017 Series B subaccount of the Acquisition Fund pursuant to Section 4.4 hereof shall be applied to purchase Ginnie Mae Certificates backed by 2017 Series A Mortgage Loans or 2017 Series B Mortgage Loans, as the case may be. Such Ginnie Mae Certificates shall be purchased on the Closing Date at a purchase price of par plus accrued interest thereon. The par amount of such Ginnie Mae Certificates shall be paid from the 2017 Series A subaccount of the Acquisition Account or the 2017 Series B subaccount of the Acquisition Account, as applicable, and any accrued interest on such Ginnie Mae Certificates shall be paid from the 2017 Series A subaccount of the Revenue Fund or the 2017 Series B subaccount of the Revenue Fund, as applicable.

(End of Article V)

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.1 Mortgage Loans. The Authority covenants and agrees that each Series 2017 Series A Mortgage Loan and each 2017 Series B Mortgage Loan described in the second clause of the definition thereof will meet the following requirements:

(a) Each such Mortgage Loan must comply with Section 6.7 of the Master Indenture and the Act.

(b) Each such Mortgage Loan will be an FHA Insured Mortgage Loan, a VA Mortgage Loan or other Mortgage Loan insured or guaranteed by a Governmental Insurer.

(c) Except to the extent, if any, that a variance is required as a condition to the mortgage insurance or guaranty of a Mortgage Loan, each such Mortgage Loan must comply with the following additional requirements:

(i) The Related Mortgage shall be executed and recorded in accordance with the requirements of existing laws.

(ii) The Related Mortgage (except for any Second Mortgage) must be the subject of a title insurance policy in an amount at least equal to the outstanding principal amount of such Mortgage Loan, insuring that such Mortgage constitutes a first lien, subject only to liens for taxes and assessments and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured; provided, however, that the Authority may finance such a Mortgage Loan prior to the issuance of such title insurance policy so long as there shall have been issued by the title insurance company a commitment therefor in customary form. As used in this Series Indenture, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to any applicable Governmental Insurer or private insurer insuring or guaranteeing such Mortgage Loan and to prudent mortgage lenders, or which, in the judgment of the Authority, shall not materially impair the use or value of the premises or as to which appropriate steps, in the judgment of the Authority, have been taken to secure the interest of the Authority.

(iii) Either (i) the Mortgage Loan requires escrow payments with respect to all taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges, to the extent actually charged or assessed, and any prior liens now or hereafter assessed or liens on or levied against the premises or any part thereof, and in case of default in the payment thereof when the same shall be due and payable, it shall be lawful for the Authority to pay the same or any of them (in which event the moneys paid by the Authority in discharge of taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges and prior liens shall be added to the amount of the Mortgage Loan and secured by the Related Mortgage payable on demand with interest at the rate applicable under the Mortgage Loan from and after maturity, from time of payment of the same); or (ii) reasonable alternative arrangements for the payment of such taxes, assessments, insurance premiums (including premiums for the applicable governmental mortgage insurance or guaranty) and other charges and prior liens are made which are satisfactory to the Authority.

(iv) The Mortgage Loan (other than any Second Mortgage Loan) must require equal monthly payments to be applied to accrued interest and then to principal which commence no more than sixty days following origination of the Mortgage Loan.

(v) The Residential Housing (and other buildings on the premises) with respect to which the Mortgage Loan is made must be insured with respect to fire, lightning and other hazards as and to the extent required by any applicable Governmental Insurer or private insurer.

Section 6.2 Additional Rating Notices. In addition to the notices required to be provided to each Rating Agency pursuant to Section 2.5 of the Master Indenture, the Authority shall provide to each Rating Agency notice of (i) the expiration or termination of any Liquidity Facility, (ii) any extension or substitution of any Liquidity Facility, (iii) any optional redemption, mandatory redemption, defeasance or acceleration of the 2017 Series A/B Bonds, (iv) any Mode Change Date, (v) any amendment or supplement of this Series Indenture or any Liquidity Facility and (vi) any changes in the party that is instructed to draw on any Liquidity Facility. For the purpose of this paragraph, the addresses of the Rating Agencies shall be the following (or in each case such other address as either Rating Agency has specified to the Trustee and the Authority):

Moody's Investors Service, Inc.
Public Finance Group
7 World Trade Center
250 Greenwich Street
New York, New York 10007

Attention:	Ferdinand Perrault
Phone:	(212) 553-4793
Fax:	(212) 553-4791
E-mail:	ferdinand.perrault@moodys.com

Standard & Poor's Ratings Service
Corporate & Government Ratings
55 Water Street – 38th Floor
New York, New York 10041
E-mail: pubfin_structured@spglobal.com

Section 6.3 Limitation on Payment of Fiduciary, Program Expenses and Servicing Fees.

(a) Fiduciary Expenses which may be paid from the 2017 Series A/B subaccount of the Revenue Fund pursuant to Section 5.5(d)(i)(M) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

(b) Program Expenses and Fiduciary Expenses which may be paid from the 2017 Series A/B subaccount of the Revenue Fund pursuant to Section 5.5(d)(i)(Q) of the Master Indenture may not exceed the maximum amount consistent with the most recent Cash Flow Statement.

(c) The Authority covenants and agrees that Servicing Fees with respect to 2017 Series B Mortgage Loans shall not exceed the maximum amount consistent with the most recent Cash Flow Statement.

Section 6.4 No Cross Calls of 2017 Series A Bonds; Cross Calls of 2017 Series B Bonds.

(a) Notwithstanding anything in this Series Indenture or the Master Indenture to the contrary, the Authority and the Trustee shall not apply any Mortgage Repayments or Prepayments received in respect of the 2017 Series A Mortgage Loans to the payment of any Series of Bonds other than the 2017 Series A Bonds, whether at maturity or prior redemption. In addition, no Mortgage Repayments or Prepayments received in respect of Mortgage Loans securing any Series of Bonds other than the 2017 Series A Bonds shall be applied to the prior redemption of the 2017 Series A Bonds.

(b) In accordance with the Master Indenture, the Authority and the Trustee may apply any Mortgage Repayments or Prepayments received in respect of the 2017 Series B Mortgage Loans to the payment of any Related Class II Series of Bonds, including the 2017 Series B Bonds, whether at maturity or prior redemption. In addition, Mortgage Repayments or Prepayments received in respect of Mortgage Loans securing any Class II Series of Bonds other than the 2017 Series B Bonds may be applied to the prior redemption of the 2017 Series B Bonds; provided, however that no such Mortgage Repayments or Prepayments may be applied to the redemption of the PAC Bonds so as to reduce the Aggregate Principal Amount of the Outstanding PAC Bonds below the amount shown in the column entitled "100% SIFMA Outstanding Balance of PAC Bonds" (the "100% SIFMA Outstanding Balance") for the applicable semiannual period as set forth in the table in Section 3.1(b) hereof.

(End of Article VI)

ARTICLE VII

PURCHASE OF 2017 SERIES B-1 BONDS

Section 7.1 Optional Tenders of 2017 Series B-1 Bonds in the Daily Mode or the Weekly Mode. Subject to Section 7.14 herein, the Owners of 2017 Series B-1 Bonds in a Daily Mode or a Weekly Mode may elect to have their Bonds (or portions of those Bonds in amounts equal to an Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, (i) in the case of 2017 Series B-1 Bonds in a Daily Mode, upon delivery of an irrevocable telephonic notice of tender to the Remarketing Agent not later than 10:30 a.m., New York City time, on the Purchase Date specified by the Owner; and (ii) in the case of 2017 Series B-1 Bonds in a Weekly Mode, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Paying Agent, not later than 4:00 p.m., New York City time, on a Business Day not less than seven days before the Purchase Date specified by the Owner in such notice. Such notices of tender shall state the CUSIP number, Bond number and the principal amount of such Bond and that such Bond shall be purchased on the Purchase Date specified above. The Bond shall be delivered (with all necessary endorsements) at or before 12:00 noon, New York City time, on the Purchase Date to the Remarketing Agent, provided, however, that payment of the Purchase Price shall be made pursuant to this Section 7.1 only if the Bond so delivered to the Remarketing Agent conforms in all respects to the description thereof in the notice described in this Section 7.1. Payment of the Purchase Price with respect to purchases under this Section 7.1 shall be made to the Owners of tendered Bonds by wire transfer in immediately available funds by the Paying Agent by the close of business on the Purchase Date. An Owner who gives the notice of tender as set forth above may repurchase the Bonds so tendered on such Purchase Dates if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner, the delivery requirements set forth above shall be waived.

Section 7.2 Mandatory Tender on Mode Change Dates. 2017 Series B-1 Bonds to be changed from one Mode to another Mode are subject to mandatory purchase on the Mode Change Date (or on the day which would have been a Mode Change Date had all the conditions described in subsection (a) of Section 2.10 hereof been satisfied by the proposed Mode Change Date), at the Purchase Price as provided in this Section 7.2. Bonds purchased pursuant to this Section 7.2 shall be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the proposed Mode Change Date and payment of the Purchase Price shall be made by wire transfer of immediately available funds by the close of business on such date. The Trustee shall give notice of such mandatory purchase by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price, the numbers of the 2017 Series B-1 Bonds to be purchased if less than all of the 2017 Series B-1 Bonds owned by such Owner are to be purchased and that interest on 2017 Series B-1 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which notice was so transmitted. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner.

Section 7.3 Optional Tender at End of Interest Period for Term Rate Mode. The Owner of a 2017 Series B-1 Bond in the Term Rate Mode (unless such Bonds are being changed to another Mode in accordance with Section 2.10 of this Series Indenture) may elect to have its Bond (or portions thereof in Authorized Denominations) purchased on the last day of the current Interest Period applicable to such

Bond (or the next Business Day if such last day is not a Business Day) at a price equal to the Purchase Price upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed by Electronic Means to the Paying Agent, by not later than 10:00 a.m., New York City time, on a Business Day not less than seven days before such last day. Such notice of tender shall state the CUSIP number, Bond number and the principal amount of such Bond to be purchased. Bonds purchased pursuant to this Section 7.3 shall be delivered by the Owners (with all necessary endorsements) to the Remarketing Agent at or before 12:00 noon, New York City time, on such Purchase Date and payment of the Purchase Price of such Bonds shall be made by wire transfer in immediately available funds by the Paying Agent by the close of business on such Business Day.

Section 7.4 Mandatory Purchase upon Termination, Replacement or Expiration of Liquidity Facility; Mandatory Standby Tender. If at any time the Trustee receives notice from the Authority or the Liquidity Facility Provider that 2017 Series B-1 Bonds tendered for purchase shall, on the date specified in such notice, cease to be subject to purchase pursuant to the Liquidity Facility then in effect as a result of (i) the termination, replacement or expiration of the term, as extended, of that Liquidity Facility, including but not limited to termination at the option of the Authority in accordance with the terms of such Liquidity Facility, or (ii) the occurrence and continuance of certain specified events under such Liquidity Facility (i.e., on a Notice of Termination Date as defined in the Liquidity Facility), then such 2017 Series B-1 Bonds shall be purchased or deemed purchased at the Purchase Price.

Any purchase of the 2017 Series B-1 Bonds pursuant to this Section 7.4 shall occur: (1) on the fifth Business Day preceding any expiration or termination of a Liquidity Facility without replacement by an Alternate Liquidity Facility, or on the fifth Business Day preceding the effective date of any termination of a Liquidity Facility as set forth in a Notice of Termination Date delivered to the Trustee as described in clause (ii) of the preceding paragraph; and (2) on the proposed date of the replacement of a Liquidity Facility in any case where an Alternate Liquidity Facility has been delivered to the Trustee pursuant to Section 8.3 hereof.

The Trustee shall give notice of mandatory purchase pursuant to this Section 7.4 by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2017 Series B-1 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date (or in connection with a Mandatory Purchase Date described in clause (ii) of the first paragraph of this Section, not less than 3 days prior to the Mandatory Purchase Date). The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2017 Series B-1 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which notice was so transmitted. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. 2017 Series B-1 Bonds purchased pursuant to this Section 7.4 shall be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2017 Series B-1 Bonds shall be made by wire transfer in immediately available funds by the Paying Agent by the close of business on such Mandatory Purchase Date.

Section 7.5 Mandatory Purchase at the Direction of the Authority. When the Daily Mode or the Weekly Mode is in effect, and prior to any termination or expiration of the Liquidity Facility, the 2017 Series B-1 Bonds are subject to mandatory purchase on any Business Day designated by the Authority by written notice delivered as provided in this Section 7.5, with the consent of the Remarketing Agent and the Liquidity Facility Provider, at the Purchase Price, payable in immediately available funds. The Trustee shall give notice of mandatory purchase pursuant to this Section 7.5 by first-class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, to the Owners of the 2017 Series B-1 Bonds subject to mandatory purchase, with a copy to the MSRB, no less than 15 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on 2017 Series B-1 Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to transmit such notice with respect to any 2017 Series B-1 Bond shall not affect the validity of the mandatory purchase of any other 2017 Series B-1 Bond with respect to which notice was so transmitted. Any notice transmitted as aforesaid will be conclusively presumed to have been given, whether or not actually received by any Owner. 2017 Series B-1 Bonds purchased pursuant to this Section 7.5 shall be delivered by the Owners (with all necessary endorsements) to the office of the Paying Agent in Salt Lake City, Utah, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, and payment of the Purchase Price of such 2017 Series B-1 Bonds shall be made by wire transfer in immediately available funds by the Paying Agent by the close of business on such Mandatory Purchase Date.

Section 7.6 Remarketing of 2017 Series B-1 Bonds; Notices.

(a) *Remarketing of 2017 Series B-1 Bonds*. The Remarketing Agent shall use its best efforts to offer for sale, at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the applicable Purchase Date or Mandatory Purchase Date:

(i) all 2017 Series B-1 Bonds or portions thereof as to which notice of tender pursuant to Section 7.1 or Section 7.3 of this Series Indenture has been given;

(ii) all 2017 Series B-1 Bonds required to be purchased pursuant to Section 7.2 of this Series Indenture and, provided that an Alternate Liquidity Facility has been delivered in accordance with Section 8.3 hereof or the existing Liquidity Facility remains in effect, Sections 7.4 and 7.5 of this Series Indenture; and

(iii) subject to subsection (d) below, all Bank Bonds.

(b) *Notice of Remarketing; Registration Instructions; New Bonds*. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(i) unless the Remarketing Agent has notified the Paying Agent otherwise, the Remarketing Agent shall notify the Paying Agent (with a copy to the Liquidity Facility Provider) by Electronic Means not later than 4:00 p.m., New York City time, on the day prior to such Purchase Date or Mandatory Purchase Date of the amount of tendered 2017 Series B-1 Bonds which were successfully remarketed, the names of the tendering Owners and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers and the desired Authorized Denominations) with respect thereto; and

(ii) the Paying Agent shall authenticate new 2017 Series B-1 Bonds for the respective purchasers thereof which shall be available for pick-up by the Remarketing Agent not later than 1:30 p.m., New York City time.

(c) Delivery of Remarketing Proceeds. The proceeds of the sale by the Remarketing Agent of any 2017 Series B-1 Bonds shall be delivered to the Paying Agent for deposit into the Remarketing Proceeds Account of the Bond Purchase Fund (i) not later than 2:00 p.m., New York City time, on the day of receipt of such remarketing proceeds, and (ii) not later than 10:15 a.m., New York City time, on any Purchase Date or Mandatory Purchase Date for any proceeds received between 2:00 p.m., New York City

time, on the previous day and 10:00 a.m., New York City time, on such Purchase Date or Mandatory Purchase Date.

(d) *Limitation on Remarketing of Bank Bonds*. Bank Bonds shall not be remarketed unless the Trustee has received written notice from the Liquidity Facility Provider that the Liquidity Facility has been reinstated in full.

(e) *Notices to the Liquidity Facility Provider*. The Remarketing Agent shall exercise its best efforts to (i) as promptly as possible and, in any event, on the Business Day immediately following the date of receipt of any notice of tender of 2017 Series B-1 Bonds, provide a copy of each such notice of tender to the Liquidity Facility Provider and (ii) as promptly as possible and, in any event prior to 5:00 p.m., New York City time on the Business Day immediately preceding the date on which 2017 Series B-1 Bonds are subject to tender for purchase by the Liquidity Facility Provider, give written notice to the Liquidity Facility Provider by facsimile or other Electronic Means of the principal amount of 2017 Series B-1 Bonds to be tendered on the next Business Day for which, as of 4:00 p.m., it did not have commitments for purchase.

Section 7.7 Source of Funds for Purchase of 2017 Series B-1 Bonds. By the close of business on the Purchase Date or the Mandatory Purchase Date, as the case may be, the Paying Agent shall purchase tendered 2017 Series B-1 Bonds from the tendering Owners at the Purchase Price by wire transfer in immediately available funds. Funds for the payment of such Purchase Price shall be derived solely from the following sources in the order of priority indicated and neither the Paying Agent, the Authority nor the Remarketing Agent shall be obligated to provide funds from any other source:

(a) immediately available funds on deposit in the Remarketing Proceeds Account; and

(b) immediately available funds on deposit in the Standby Purchase Account.

Section 7.8 Delivery of 2017 Series B-1 Bonds. On each Purchase Date or Mandatory Purchase Date, as the case may be, the 2017 Series B-1 Bonds shall be delivered as follows:

(a) 2017 Series B-1 Bonds purchased by the Paying Agent with money described in Section 7.7(a) of this Series Indenture shall be delivered by the Remarketing Agent to the purchasers of those Bonds by 3:00 p.m., New York City time; and

(b) 2017 Series B-1 Bonds purchased by the Paying Agent with moneys described in Section 7.7(b) of this Series Indenture shall be immediately registered by the Trustee in the name of the Liquidity Facility Provider or, if directed in writing by the Liquidity Facility Provider, its nominee or designee, on or before 1:30 p.m., New York City time, and such 2017 Series B-1 Bonds shall be promptly delivered by the Trustee to the Liquidity Facility Provider or as the Liquidity Facility Provider may otherwise direct in writing to be held as Bank Bonds under this Series Indenture and the Liquidity Facility, and prior to such delivery such 2017 Series B-1 Bonds shall be held in trust by the Trustee for the benefit of the Liquidity Facility Provider.

Section 7.9 Undelivered 2017 Series B-1 Bonds. If 2017 Series B-1 Bonds to be purchased are not delivered by the Owners to the Remarketing Agent or the Paying Agent, as applicable, by 4:00 p.m., New York City time, on the Purchase Date or the Mandatory Purchase Date, as the case may be, the Paying Agent shall hold any funds received for the purchase of those Bonds in trust in a separate account and shall pay such funds to the former Owners of such Bonds upon presentation of such Bonds. Such undelivered Bonds shall cease to accrue interest as to the former Owners on the Purchase Date or the Mandatory Purchase Date, as the case may be, and moneys representing the Purchase Price shall be available against delivery of those Bonds at the office of the Paying Agent in Salt Lake City, Utah; provided, however, that any funds which shall be so held by the Paying Agent and which remain unclaimed by the former Owner of a Bond not presented for purchase for a period of three years after delivery of such funds to the Paying Agent, shall, to the extent permitted by law, upon request in writing by the Authority and the furnishing of security or indemnity to the Paying Agent's satisfaction, be paid to the Authority free of any trust or lien, and thereafter the former Owner of such Bond shall look only to the Authority and then only to the extent of the amounts so received by the Authority without any interest thereon and the Paying Agent shall have no further responsibility with respect to such moneys or payment of the Purchase Price of such Bonds. The Paying Agent shall authenticate a replacement Bond for any undelivered Bond which may then be remarketed by the Remarketing Agent.

Section 7.10 Inadequate Funds to Pay Purchase Price. If sufficient funds are not available for the purchase of all 2017 Series B-1 Bonds tendered or deemed tendered and required to be purchased on any Purchase Date or Mandatory Purchase Date, all such 2017 Series B-1 Bonds shall bear interest at the applicable Alternate Rate from the date of such failed purchase until all such 2017 Series B-1 Bonds are purchased as required in accordance with this Series Indenture, and all tendered 2017 Series B-1 Bonds shall be returned to their respective Owners. Notwithstanding any other provision of this Series Indenture, such failed purchase and return shall not constitute an Event of Default.

Section 7.11 No Purchases or Sales After Payment Default. Anything in the Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default described in Section 7.1(a) or Section 7.1(b) of the Master Indenture with respect to the 2017 Series B-1 Bonds, the Remarketing Agent shall not remarket, and the Liquidity Facility Provider shall not be required to purchase pursuant to the Liquidity Facility, any 2017 Series B-1 Bonds.

Section 7.12 Bond Purchase Fund. There is hereby established and there shall be maintained with the Paying Agent, as agent for the Trustee, a separate fund to be known as the "Bond Purchase Fund." The Paying Agent shall further establish separate accounts within the Bond Purchase Fund to be known as the "Standby Purchase Account" and the "Remarketing Proceeds Account."

(a) *Remarketing Proceeds Account*. Upon receipt of the proceeds of a remarketing of 2017 Series B-1 Bonds, the Paying Agent shall deposit such proceeds in the Remarketing Proceeds Account for application to the Purchase Price of the 2017 Series B-1 Bonds. Notwithstanding the above, any proceeds of a remarketing of 2017 Series B-1 Bonds in excess of such Purchase Price shall be retained in the Remarketing Proceeds Account to be used to pay the Purchase Price of Bank Bonds to the extent that the proceeds of the remarketing of such Bank Bonds are insufficient to pay such Purchase Price; and provided, further, that if there are no Bank Bonds Outstanding, any such excess proceeds remaining therein on November 1 of each year shall be transferred, without any further order or direction, to the applicable subaccount of the Revenue Fund. Notwithstanding the foregoing, upon the receipt of the proceeds of a remarketing of Bank Bonds, the Paying Agent shall immediately pay such proceeds to the Liquidity Facility Provider to the extent of any amount owing to the Liquidity Facility Provider.

(b) *Standby Purchase Account*. Upon receipt from the Trustee of the immediately available funds transferred to the Paying Agent pursuant to 8.5 of this Series Indenture, the Paying Agent shall deposit such money in the Standby Purchase Account for application to the Purchase Price of the 2017 Series B-1 Bonds to the extent that the moneys on deposit in the Remarketing Proceeds Account shall not be sufficient. Any amounts deposited in the Standby Purchase Account and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any 2017 Series B-1 Bonds shall be immediately returned to the Liquidity Facility Provider.

(c) *Investment*. Amounts held in the Standby Purchase Account and the Remarketing Proceeds Account by the Paying Agent shall be held uninvested and separate and apart from all other funds and accounts. Notwithstanding the above, if there are no Bank Bonds Outstanding, the proceeds of a remarketing of 2017 Series B-1 Bonds in the Remarketing Proceeds Account in excess of the Purchase Price of such 2017 Series B-1 Bonds may be invested in Investment Securities in accordance with an Authority Request.

Section 7.13 Remarketing Agent. The Authority hereby appoints RBC Capital Markets, LLC as Remarketing Agent to remarket the 2017 Series B-1 Bonds pursuant to the Indenture, and to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Liquidity Facility Provider, the Authority, the Paying Agent and the Trustee at all reasonable times.

The Remarketing Agent may resign and may be removed in accordance with the Remarketing Agreement. Any successor Remarketing Agent shall be selected by the Authority (and approved by the Liquidity Facility Provider) and shall be a member of the Financial Industry Regulatory Authority, shall have a capitalization of at least $15,000,000, and shall be authorized by law to perform all the duties set forth in the Indenture. The Authority's delivery to the Trustee of a certificate setting forth the effective date of the appointment of a successor Remarketing Agent and the name of such successor shall be conclusive evidence that (i) if applicable, the predecessor Remarketing Agent has been removed in accordance with the provisions of the Remarketing Agreement and (ii) such successor has been appointed and is qualified to act as Remarketing Agent under the terms of this Series Indenture.

Section 7.14 No Tender or Mandatory Purchase upon Immediate Termination Event. Notwithstanding anything to the contrary contained herein, no tender or mandatory purchase of 2017 Series B-1 Bonds shall be available after the occurrence of an Immediate Termination Event (as defined in the Initial Liquidity Facility).

(End of Article VII)

ARTICLE VIII

LIQUIDITY FACILITIES

Section 8.1 Authorization of Liquidity Facilities. The use of the Liquidity Facilities to provide for payment of the Purchase Price of the 2017 Series B-1 Bonds is hereby authorized.

Section 8.2 Requirements for Liquidity Facility.

(a) *Amount*. The initial Liquidity Facility will be the standby bond purchase agreement of the Liquidity Facility Provider, for direct payments to or upon the order of the Paying Agent of amounts up to (a) the principal of the 2017 Series B-1 Bonds when due upon purchase pursuant to a tender; and (b) the interest portion of the Purchase Price of the 2017 Series B-1 Bonds consisting of accrued interest for the number of days required by each Rating Agency then rating the 2017 Series B-1 Bonds in order to ensure that the rating of the 2017 Series B-1 Bonds will not be adversely affected, as evidenced in writing from each such Rating Agency to the Trustee, at the Maximum Rate. If any Liquidity Facility will be in effect during a Short-Term Mode or a Term Rate Mode, the stated coverage amount of the Liquidity Facility will include the interest portion of the Purchase Price of the 2017 Series B-1 Bonds for the number of days required by each Rating Agency then rating the 2017 Series B-1 Bonds in order to ensure that the respective ratings of the 2017 Series B-1 Bonds will not be adversely affected, as evidenced in writing from each such Rating Agency to the Trustee, at the Maximum Rate. The issuance of ratings on the 2017 Series B-1 Bonds as initially delivered shall serve as the "evidence in writing from each Rating Agency" required hereby with respect to the amount of the Initial Liquidity Facility and number of days of interest covered thereby for the time the 2017 Series B-1 Bonds bear interest at a Weekly Rate. The Paying Agent shall promptly present any certificates required by a Liquidity Facility for the reduction of the stated amount of the Liquidity Facility whenever the Aggregate Principal Amount of the 2017 Series B-1 Bonds Outstanding is reduced.

(b) *Term*. Unless extended in accordance with Section 9.09 of the Initial Liquidity Facility, the Liquidity Facility will expire at the end of the "Purchase Period," as defined in the Initial Liquidity Facility. The Authority may, at its option, submit to the Liquidity Facility Provider not later than 90 days before the Expiration Date (as defined in the Initial Liquidity Facility) as from time to time in effect, a request that the Liquidity Facility Provider renew the Liquidity Facility and extend the Expiration Date thereof for an additional period of time as the parties may agree after the then-effective Expiration Date thereof in accordance with Section 9.09 of the Initial Liquidity Facility.

Section 8.3 Alternate Liquidity Facility.

(a) The Authority may elect to replace any Liquidity Facility with a new Liquidity Facility substantially conforming to the requirements of Section 8.2 of this Series Indenture. If a Term Rate will be in effect during the term of the current Liquidity Facility, the Authority may not furnish an Alternate Liquidity Facility with a Scheduled Expiration Date earlier than the Scheduled Expiration Date in the Liquidity Facility then in effect.

(b) The Authority shall promptly notify the Trustee, the Remarketing Agent and the Paying Agent of the Authority's intention to deliver a new Liquidity Facility at least 45 days prior to such delivery. Upon receipt of such notice, if the new Liquidity Facility is issued by a different issuer, the Trustee will promptly mail by first class mail, or transmitted in such other manner (such as by Electronic Means) as may be customary for the industry as directed in writing by the Authority, a notice of the anticipated delivery of a new Liquidity Facility, including the name of the provider of the new Liquidity

Facility, to the Remarketing Agent and each owner of the 2017 Series B-1 Bonds at the owner's registered address at least 30 days prior to delivery of the new Liquidity Facility.

(c) A new Liquidity Facility, along with the documents required by Section 8.4 of this Series Indenture, must be delivered to the Trustee not later than the Expiration Date of the then-current Liquidity Facility.

Section 8.4 Opinions of Counsel and Other Documents.

(a) Any Liquidity Facility delivered to the Trustee after the Initial Liquidity Facility must be accompanied by (1) a Favorable Opinion of Bond Counsel as to the delivery of the Liquidity Facility; (2) an opinion of counsel stating that delivery of the Liquidity Facility is authorized under the Indenture and complies with its terms; and (3) an opinion of counsel to the provider of the Liquidity Facility stating that the Liquidity Facility is a legal, valid, binding and enforceable obligation of such obligor in accordance with its terms.

(b) If the Authority or any natural person, firm, association or public body related to the Authority, within the meaning of Section 147(a) of the Code, grants a security interest in any cash, securities or investment type property to the provider of the Liquidity Facility or other facility, the Authority must furnish the Trustee a Favorable Opinion of Bond Counsel with respect to such grant.

Section 8.5 Draws.

(a) Whenever any amount is payable for the purchase of the 2017 Series B-1 Bonds as provided in this Series Indenture, the Paying Agent shall direct the Trustee to draw on the Liquidity Facility in accordance with its terms, if one is in effect, to the extent necessary (taking into account any remarketing proceeds that are then on hand with the Paying Agent as described in the next paragraph) to make such full and timely payment in accordance with this Series Indenture and the Liquidity Facility, except that the Trustee may not draw on the Liquidity Facility to pay the Purchase Price of Bank Bonds or 2017 Series B-1 Bonds owned by or on behalf of or held for the account or for the benefit of the Authority or any affiliate of the Authority. In drawing on the Liquidity Facility, the Trustee will be acting on behalf of the owners of the 2017 Series B-1 Bonds by facilitating payment of the Purchase Price of their 2017 Series B-1 Bonds and not on behalf of the Authority and will not be subject to the control of the Authority.

(b) On each Purchase Date or Mandatory Purchase Date on which the 2017 Series B-1 Bonds are to be purchased pursuant to a tender, the Paying Agent shall direct the Trustee to draw upon the Liquidity Facility by 10:30 a.m., New York City time, in an amount sufficient, together with any remarketing proceeds that the Paying Agent has on hand at the time of such draw (including all remarketing proceeds received pursuant to Section 7.6(c) hereof), to enable the Paying Agent to pay the Purchase Price of the 2017 Series B-1 Bonds to be purchased on such Purchase Date or Mandatory Purchase Date. If the Paying Agent does not have any remarketing proceeds on hand, the Paying Agent shall draw upon the Liquidity Facility in an amount sufficient to enable the Paying Agent to pay such Purchase Price entirely from the proceeds of such drawing. The Paying Agent shall direct the Trustee to make any drawing required under this subsection (b) in accordance with the terms of the Liquidity Facility and deposit such moneys to the Standby Purchase Account so that immediately available funds will be available to the Paying Agent to pay the purchase price due on a Purchase Date or Mandatory Purchase Date by 3:00 p.m., New York City time, on the Purchase Date or Mandatory Purchase Date.

(c) Upon receipt from the Liquidity Facility Provider of the proceeds of any drawing on the Liquidity Facility, the Paying Agent shall pay such proceeds to the Persons entitled thereto in accordance with the provisions hereof.

(d) If, subsequent to any such draw to pay the Purchase Price of 2017 Series B-1 Bonds, the Paying Agent receives from the Remarketing Agent remarketing proceeds of 2017 Series B-1 Bonds for which such draw was made, the Paying Agent shall repay to the Liquidity Facility Provider in immediately available funds by 3:30 p.m., New York City time (so long as the Paying Agent has received such funds by 1:00 p.m., New York City time), on the day of receipt by the Paying Agent of such remarketing proceeds, an amount equal to such remarketing proceeds.

Until otherwise so provided, all notices, certificates and communications to the initial Liquidity Facility Provider shall be addressed as follows, as applicable:

For Notices of Bank Purchase: Royal Bank of Canada
200 Vesey Street, 12th Floor
New York, NY 10281-8098
Attention: Manager, Loans Administration
Facsimile: (212) 428 2372
Email: ManagerCompliance-CTM@rbccm.com

For all matters (including Notices of Bank Purchase):
Royal Bank of Canada
Corporate Banking – Municipals
200 Vesey Street, 12th Floor
New York, NY 10281-8098
Attention: Mr. Bradley Siembieda
Telephone: (212) 548-3163
Facsimile: (212) 428-6201
Email: bradley.siembieda@rbccm.com

and

Royal Bank of Canada
Manager, Compliance
Credit and Transaction Management, Transit #6889
200 Bay Street, Royal Bank Plaza
12th Floor, South Tower
Toronto, Ontario M5J 2J5
Telephone: (416) 842-4436
Facsimile: (416) 842-4020
Email: ManagerCompliance-CTM@rbccm.com

Section 8.6 Rights of Liquidity Facility Provider. The Authority hereby agrees and acknowledges that the Liquidity Facility Provider is an intended beneficiary of this 2017 Series A/B Indenture.

Section 8.7 Notices to Liquidity Facility Provider. The Trustee agrees to deliver a copy of each redemption notice, tender notice and conversion notice under this Series Indenture to each Liquidity Facility Provider.

(End of Article VIII)

ARTICLE IX

MISCELLANEOUS

Section 9.1 Severability and Invalid Provisions. If any one or more of the covenants or agreements provided in this Series Indenture on the part of the Authority to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Series Indenture.

Section 9.2 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Series Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Series Indenture.

Section 9.3 Counterparts; Electronic Transactions. This Series Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 9.4 Effective Date; Execution and Delivery. This Series Indenture shall become effective upon its execution and delivery by the Authority and the Trustee.

(End of Article IX)

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have caused this Series Indenture to be duly executed as of the day and year first above written.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ____
Chief Financial Officer

Attest:

By:_______________________________________
Assistant Secretary

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, as Trustee

By: ____
Title:_______________________________________

EXHIBIT A

(FORM OF 2017 SERIES A BOND)

No. RA1I-______ $__________

COLORADO HOUSING AND FINANCE AUTHORITY
FEDERALLY TAXABLE SINGLE FAMILY MORTGAGE CLASS I BONDS
(GNMA MBS PASS-THROUGH PROGRAM) 2017 SERIES A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES

DATE OF ORIGINAL ISSUE	MATURITY DATE	CUSIP	INTEREST RATE
_______ __, 2017	August 1, 2047		3.00%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado (the "State"), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "Act"), for value received hereby promises to pay to the Registered Owner specified above, or to such Registered Owner's registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided in the Indenture (as defined below), upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, as amended, between the Authority and Zions Bank, a Division of ZB, National Association (formerly, Zions First National Bank), as trustee (the "Trustee") and the 2017 Series A/B Indenture dated as of July 1, 2017, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount at the Interest Rate per annum above. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class I Bonds (GNMA MBS Pass-Through Program), 2017 Series A" (the "Bonds"), issued under and pursuant to the Act, the Indenture and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11, Colorado Revised Statutes. It is the intention of the Authority that this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value and that all of the Bonds issued are incontestable for any cause whatsoever after their delivery for value. This Bond constitutes a Class I Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

This Bond is transferable, as provided in the Indenture, only upon the records of the Authority kept for that purpose at the Corporate Trust Office of the Trustee by the Registered Owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, and in the same series, maturity and aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of $1.00 or any integral multiples of $1.00 ("Authorized Denominations"). The owner of any Bonds may surrender the same at the above mentioned office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of the same series and maturity of any of the Authorized Denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture. Pursuant to Section 29-4-722 of the Act, Bonds issued under the Act shall be negotiable instruments under the laws of the State, subject only to applicable provisions for registration.

This Bond bears interest on the Principal Amount specified above, payable to the Registered Owner hereof on each Interest Payment Date (the first such date being September 1, 2017) until maturity or earlier redemption. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal or Redemption Price of and interest on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Paying Agent in Denver, Colorado.

The Bonds are subject to special and optional redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture.

If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal, premium or Purchase Price of any Bonds remain unclaimed for a period of three years after the date on which such moneys were payable, the Trustee or Paying Agent will, upon written notice from the Authority, pay such amounts to the Authority, as provided in the Indenture. Thereafter, such Registered Owners must look to the Authority for payment of such moneys.

The Indenture provides that the occurrences of certain events constitute Events of Default. If certain Events of Default occur, the Trustee may, and upon the written request of the Registered Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), give 30 days' notice in writing to the Authority of its intention to declare all Outstanding Bonds immediately due and payable. At the end of such 30-day period, the Trustee may, and upon the written consent of the Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), declare all Outstanding Bonds immediately due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Registered Owners may not enforce the Indenture or the Bonds except as provided in the Indenture.

The Act provides that neither the members of the Authority nor any authorized person executing bonds issued pursuant to the Act shall be personally liable for such bonds by reason of the execution or issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Colorado Housing and Finance Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon and attested by the manual or facsimile signature of its Executive Director.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ____
Chair

(SEAL)

Attest:

____
Executive Director

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ____

(Please insert social security or other identifying Number of transferee)

____ (Please print or type name and address of transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints ____ Attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:____________________

Signature Guaranteed:

____

NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(FORM OF CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Indenture of the Colorado Housing and Finance Authority.

Date of Authentication: ___________

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION,
as Trustee

By: ______________________________________
Authorized Officer

EXHIBIT B

(FORM OF 2017 SERIES B-1 BOND)

No. RB1II-______ $__________

COLORADO HOUSING AND FINANCE AUTHORITY
FEDERALLY TAXABLE SINGLE FAMILY MORTGAGE
CLASS II ADJUSTABLE RATE BONDS
2017 SERIES B-1

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES

DATE OF ORIGINAL ISSUE	MATURITY DATE	MODE	CUSIP
______ _, 2017	May 1, 2034		______ ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado (the "State"), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "Act"), for value received hereby promises to pay (but only from the funds, accounts and other security provided therefor) to the Registered Owner specified above, or to such Registered Owner's registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided in the Indenture (as defined below), upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, as amended, between the Authority and Zions Bank, a Division of ZB, National Association (formerly, Zions First National Bank), as trustee (the "Trustee") and the 2017 Series A/B Indenture dated as of July 1, 2017, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount at the applicable interest rate, as provided in the Indenture. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1" (the "Bonds"), issued under and pursuant to the Act, the Indenture and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11, Colorado Revised Statutes. It is the intention of the Authority that this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value and that all of the Bonds issued are incontestable for any cause whatsoever after their delivery for value. This Bond constitutes a Class II Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

The Authority has caused to be delivered to the Trustee a standby bond purchase agreement (the "Liquidity Facility") issued by Royal Bank of Canada (together with its successors and assigns or any issuer of any Alternate Liquidity Facility, the "Liquidity Facility Provider"). The Paying Agent, as provided in the Indenture, will draw on the Liquidity Facility in order to receive amounts sufficient to pay (a) the principal of the Bonds when due upon purchase pursuant to a tender; and (b) the interest portion of the Purchase Price of Bonds, as provided in the Indenture. The Authority, upon the conditions specified in the Indenture, may provide for the extension of the Liquidity Facility prior to its expiration date or for the delivery to the Paying Agent of an Alternate Liquidity Facility.

Interest on this Bond will be paid at a Daily Rate when the Bond is in the Daily Mode, at a Weekly Rate when the Bond is in the Weekly Mode, at a Term Rate when the Bond is in the Term Rate Mode, and at a Fixed Rate when the Bond is in the Fixed Rate Mode, all as determined in accordance with the Indenture; provided, however, that no Bond shall bear interest at a rate higher than the Maximum Rate. Bank Bonds shall bear interest at the Bank Rate, provided that Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed unless such Bonds shall again become Bank Bonds. The Authority may change any Bond in a Mode, other than a Fixed Rate Mode, to any other Mode.

Interest on the Bonds will be payable at the Weekly Rate, unless and until the Authority selects a different interest rate determination method as provided in the Indenture. The Authority may effect a change in Mode with respect to a Bond by following the procedures set forth in the Indenture.

Payment will be made on the applicable Interest Payment Date to the Registered Owner on the applicable Record Date for unpaid interest accrued during the current Interest Accrual Period (as defined below), all as set forth in the Indenture.

The principal of and premium, if any, on each Bond will be payable in lawful money of the United States of America upon its surrender at the office of the Paying Agent on the Payment Date. Interest on Bonds in the Daily Mode or the Weekly Mode will be paid by the Paying Agent by wire transfer of immediately available funds to an account specified by the Registered Owner on the applicable Record Date in a writing delivered to the Paying Agent and, on Bonds in the Term Rate or Fixed Rate Mode, by check mailed by the Paying Agent to the Registered Owner at the address appearing in the registration books of the Paying Agent on the applicable Record Date. Payment of interest to Registered Owners of $1,000,000 or more in aggregate principal amount of Bonds in the Term Rate or Fixed Rate Mode may be made by wire transfer as provided in the Indenture.

The Bonds are subject to special and optional redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture. The Bonds are subject to optional and mandatory tender at a price equal to the Purchase Price in the manner, at the times and under the circumstances provided in the Indenture.

The Bonds are in registered form without coupons in the following denominations (the "Authorized Denominations"): in the Daily Mode or the Weekly Mode, $100,000 and any integral multiple of $5,000 in excess thereof; and in the Term Rate and Fixed Rate Modes, $5,000 and any integral multiple thereof. A Registered Owner may transfer or exchange Bonds in accordance with the Indenture. The Paying Agent may require the payment by any Registered Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. Pursuant to Section 29-4-722 of the Act, Bonds issued under the Act shall be negotiable instruments under the laws of the State, subject only to applicable provisions for registration. The Registered Owner of this Bond may be treated as its owner for all purposes.

If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal, premium or Purchase Price of any Bonds remain unclaimed for a period of three years after the date on which such moneys were payable, the Trustee or Paying Agent will, upon written notice from the Authority, pay such amounts to the Authority, as provided in the Indenture. Thereafter, such Registered Owners must look to the Authority for payment of such moneys.

The Indenture provides that the occurrences of certain events constitute Events of Default. If certain Events of Default occur, the Trustee may, and upon the written request of the Registered Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), give 30 days' notice in writing to the Authority of its intention to declare all Outstanding Bonds immediately due and payable. At the end of such 30-day period, the Trustee may, and upon the written consent of the Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), declare all Outstanding Bonds immediately due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Registered Owners may not enforce the Indenture or the Bonds except as provided in the Indenture.

The Act provides that neither the members of the Authority nor any authorized person executing bonds issued pursuant to the Act shall be personally liable for such bonds by reason of the execution or issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Colorado Housing and Finance Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon and attested by the manual or facsimile signature of its Executive Director.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ____
Chair

(SEAL)

Attest:

____
Executive Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture of the Colorado Housing and Finance Authority.

Date of Authentication: ___________

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION,
as Trustee

By: ______________________________________
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ____

(Please insert social security or other identifying number of transferee)

____ (Please print or type name and address of transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints ____ Attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____________________

Signature Guaranteed:

____

NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT C

(FORM OF 2017 SERIES B-2 BOND)

No. RB2II-______ $__________

COLORADO HOUSING AND FINANCE AUTHORITY
FEDERALLY TAXABLE SINGLE FAMILY MORTGAGE CLASS II BONDS
2017 SERIES B-2

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES

DATE OF ORIGINAL ISSUE	MATURITY DATE	CUSIP	INTEREST RATE
_______ __, 2017	________ 1, 20__		____%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colorado Housing and Finance Authority (the "Authority"), a body corporate and political subdivision of the State of Colorado (the "State"), created and existing by virtue of the laws of the State, particularly the Colorado Housing and Finance Authority Act, constituting Part 7 of Article 4 of Title 29 of the Colorado Revised Statutes, as amended (the "Act"), for value received hereby promises to pay to the Registered Owner specified above, or to such Registered Owner’s registered assigns or personal representatives, the Principal Amount specified above on the Maturity Date specified above, unless this Bond is redeemed prior thereto as provided in the Indenture (as defined below), upon its presentation and surrender as provided under the Master Indenture of Trust dated as of October 1, 2001, as amended, between the Authority and Zions Bank, a Division of ZB, National Association (formerly, Zions First National Bank), as trustee (the "Trustee") and the 2017 Series A/B Indenture dated as of July 1, 2017, between the Authority and the Trustee (collectively, the "Indenture"), and to pay to the Registered Owner interest on such Principal Amount at the Interest Rate per annum above. Any term used herein as a defined term but not defined herein shall be defined as in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Colorado Housing and Finance Authority Single Family Mortgage Class II Bonds, 2017 Series B-2" (the "Bonds"), issued under and pursuant to the Act, the Indenture and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11, Colorado Revised Statutes. It is the intention of the Authority that this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value and that all of the Bonds issued are incontestable for any cause whatsoever after their delivery for value. This Bond constitutes a Class II Obligation under the Indenture and is secured solely by the pledge and lien of the Trust Estate contained therein, which is in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Obligations in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and interest on the Class II Obligations in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Obligations in accordance with the terms and the provisions of the Indenture, and fourth, to secure the payment of the principal of and interest on the Class IV Obligations in accordance with the terms and provisions of the Indenture. The Registered Owner hereof, by acceptance of this Bond, consents to all of the terms and conditions of the Indenture, a copy of which is on file with the Trustee.

THIS BOND, TOGETHER WITH THE INTEREST HEREON, IS PAYABLE SOLELY FROM, AND SECURED BY, THE REVENUES OF THE AUTHORITY AND OTHER SECURITY PLEDGED THEREFOR UNDER THE INDENTURE, SUBJECT TO THE LIEN AND PLEDGE PRIORITY DISCUSSED ABOVE. IN NO EVENT SHALL THIS BOND CONSTITUTE AN OBLIGATION OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). THE AUTHORITY HAS NO TAXING POWER NOR DOES IT HAVE THE POWER TO PLEDGE THE GENERAL CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, OR TO PLEDGE THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE STATE SHALL NOT BE LIABLE FOR THIS BOND, AND THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE STATE.

This Bond is transferable, as provided in the Indenture, only upon the records of the Authority kept for that purpose at the Corporate Trust Office of the Trustee by the Registered Owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, and in the same series, maturity and aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of $5,000 or any integral multiples of $5,000 ("Authorized Denominations"). The owner of any Bonds may surrender the same at the above mentioned office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of the same series and maturity of any of the Authorized Denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture. Pursuant to Section 29-4-722 of the Act, Bonds issued under the Act shall be negotiable instruments under the laws of the State, subject only to applicable provisions for registration.

This Bond bears interest on the Principal Amount specified above, payable to the Registered Owner hereof on each Interest Payment Date (the first such date being November 1, 2017) until maturity or earlier redemption. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond, unless such Bond is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or unless such Bond is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from its dated date, or unless interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest has been paid in full or unless no interest shall have been paid on the Bonds, as the case may be, in which event such Bond shall bear interest from its dated date. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal or Redemption Price of and interest on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Paying Agent in Denver, Colorado.

The Bonds are subject to special and optional redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture.

If any moneys held by the Trustee or Paying Agent in trust for the payment of interest, principal, premium or Purchase Price of any Bonds remain unclaimed for a period of three years after the date on which such moneys were payable, the Trustee or Paying Agent will, upon written notice from the Authority, pay such amounts to the Authority, as provided in the Indenture. Thereafter, such Registered Owners must look to the Authority for payment of such moneys.

The Indenture provides that the occurrences of certain events constitute Events of Default. If certain Events of Default occur, the Trustee may, and upon the written request of the Registered Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), give 30 days' notice in writing to the Authority of its intention to declare all Outstanding Bonds immediately due and payable. At the end of such 30-day period, the Trustee may, and upon the written consent of the Owners of a sufficient percentage in aggregate principal amount of Outstanding Bonds (as provided in the Indenture), declare all Outstanding Bonds immediately due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Registered Owners may not enforce the Indenture or the Bonds except as provided in the Indenture.

The Act provides that neither the members of the Authority nor any authorized person executing bonds issued pursuant to the Act shall be personally liable for such bonds by reason of the execution or issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Colorado Housing and Finance Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon and attested by the manual or facsimile signature of its Executive Director.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ____
Chair

(SEAL)

Attest:

____
Executive Director

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ____

(Please insert social security or other identifying Number of transferee)

____ (Please print or type name and address of transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints ____ Attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____________________

Signature Guaranteed:

____

NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(FORM OF CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Indenture of the Colorado Housing and Finance Authority.

Date of Authentication: ___________

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION,
as Trustee

By: _______________________________________
Authorized Officer

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APPENDIX B-1

The Outstanding Bonds and Auxiliary Obligations

The Outstanding Bonds

As of May 1, 2017, the following Series of Bonds issued by the Authority were outstanding under the Master Indenture in the Classes as indicated:

Title of Bonds	Principal Amount Issued	Outstanding Principal Amount (May 1, 2017)
2001 Series AA:		
Taxable Adjustable 2001 Series AA-1 (Class I)(1)	$30,000,000	$22,500,000
Adjustable 2001 Series AA-2 (Class I)	46,840,000	39,865,000
Adjustable 2001 Series AA-3 (Class I)	25,000,000	3,850,000
2002 Series A:		
Adjustable 2002 Series A-3 (Class I)	$23,075,000	$ 7,805,000
2002 Series B:		
Adjustable 2002 Series B-3 (Class I)	$40,000,000	$21,140,000
2002 Series C:		
Adjustable 2002 Series C-3 (Class I)	$40,000,000	$17,095,000
2003 Series B:		
Taxable Adjustable 2003 Series B-1 (Class I)(1)	$28,970,000	$18,085,000
Taxable Adjustable 2003 Series B-2 (Class I)(1)	13,625,000	9,040,000
2006 Series A:		
Adjustable 2006 Series A-2 (Class I)	$20,590,000	$ 1,765,000
Adjustable 2006 Series A-3 (Class I)	40,000,000	27,585,000
2006 Series B:		
Adjustable 2006 Series B-2 (Class I)	$49,325,000	$18,345,000
Adjustable 2006 Series B-3 (Class I)	62,945,000	44,320,000
2007 Series A:		
Adjustable 2007 Series A-2 (Class I)	$70,000,000	$36,385,000
2007 Series B:		
Taxable Adjustable 2007 Series B-1 (Class I)(1)(2)	$36,370,000	$24,610,000
Adjustable 2007 Series B-2 (Class I)	50,000,000	48,800,000
Adjustable 2007 Series B-3 (Class II)(2)	50,000,000	25,000,000
2008 Series A:		
Taxable Adjustable 2008 Series A-1 (Class I)(1)	$40,040,000	$25,855,000
Taxable Adjustable 2008 Series A-2 (Class I)(1)	50,960,000	35,770,000
2012 Series A:		
Adjustable 2012 Series A-1 (Class I)(3)(4)	$19,100,000	$12,985,000
Adjustable 2012 Series A-2 (Class I)(3)(4)	80,000,000	35,755,000
2013 Series B:		
Adjustable 2013 Series B (Class II)	$39,950,000	$25,210,000

Title of Bonds	Principal Amount Issued	Outstanding Principal Amount (May 1, 2017)
2014 Series A:		
2014 Series A (Class I)	$11,140,000	$ 7,740,000
2014 Series A (Class I)	44,295,000	21,970,000
2015 Series A:		
2015 Series A (Class I)	$34,420,000	$22,085,000
2015 Series A (Class I)	65,380,000	34,705,000
2015 Series B:		
2015 Series B (Class I)	$25,500,000	$15,040,000
Total Class I Bonds:	$931,665,000	$553,095,000
Total Class II Bonds:	89,950,000	50,210,000
Total Class III Bonds:	23,955,000	0
Total Class IV Bonds:	0	0
TOTAL	**$1,045,570,000**	**$603,305,000**

(1) The Federal Home Loan Bank Seattle ("**FHLB Seattle**") purchased the Series of Bonds (as indicated) which, at the time of such purchase, were converted to bear interest at an adjustable rate determined monthly by a calculation agent based on one-month LIBOR plus an established spread. There is no remarketing agent for these Bonds, and interest is payable monthly. The Authority has retained the right to change the interest rate mode on these Bonds prior to maturity.

(2) A portion of these are Refunded Bonds.

(3) All of the Bonds indicated as "Adjustable" in this table, other than these Bonds and the Bonds identified in footnote (4), are in a weekly interest rate mode, with the interest rate adjusted by the related Remarketing Agent each week as described in the Official Statement. See "REMARKETING AGENTS." These Bonds are index rate bonds, which bear interest at an adjustable rate determined monthly by a calculation agent based on one-month LIBOR plus an established spread. There is no remarketing agent for these Bonds.

(4) The Single Family Class I Adjustable Rate Bonds, 2012 Series A (the "**2012 Series A Bonds**"), were issued by the Authority directly to Wells, as the purchaser, pursuant to a Continuing Covenant Agreement dated as of September 1, 2012 (the "**CCA**"). The 2012 Series A Bonds bear interest in the LIBOR Index Rate Mode during the Initial Direct Purchase Period, which ends no later than the Bank Purchase Date (September 18, 2021). On such Bank Purchase Date, the 2012 Series A Bonds will be subject to mandatory tender from Wells. In the event that 2012 Series A Bonds are not purchased or remarketed on such Bank Purchase Date, (i) the 2012 Series A Bonds will bear interest at the Amortization Period Rate unless an Event of Default as defined in the CCA has occurred at which time the 2012 Series A Bonds will bear interest at the Default Rate, and (ii) the Aggregate Principal Amount of such 2012 Series A Bonds will be payable in semiannual installments on each Amortization Principal Payment Date. The amount of such principal payments will be determined in order to fully amortize the Aggregate Principal Amount of such 2012 Series A Bonds equally with the final principal payment due and payable on the third (3rd) anniversary of the Bank Purchase Date (September 18, 2021).

The Outstanding Auxiliary Obligations

The Auxiliary Obligations under the Master Indenture are the obligations of the Authority for the payment of money under Liquidity Facilities and Interest Rate Contracts.

Outstanding Liquidity Facilities

The Authority has previously entered into standby bond purchase agreements (constituting Liquidity Facilities under the Master Indenture) among the Authority, the Paying Agent and a Liquidity Facility Provider. The following table describes the Liquidity Facilities in effect as of May 1, 2017 with respect to the outstanding Series of Adjustable Rate Bonds under the Master Indenture, the name of the respective Liquidity Facility Providers, the expiration dates (unless earlier terminated or, in some cases as permitted, extended), the Bank Bond rates, terms for accelerated payments and lien levels. As of May 1, 2017, the aggregate principal amount of Bonds for which the Federal Home Loan Bank of Topeka provided Liquidity Facilities was $136,205,000 (42.94%), for which Royal Bank of Canada provided Liquidity Facilities was $99,010,000 (31.22%), for which Sumitomo Mitsui Banking Corporation, acting through its New York Branch, provided Liquidity Facilities was $43,715,000 (13.78%) and for which Bank of America, National Association provided Liquidity Facilities was $38,235,000 (12.06%). These percentages indicate the percentages of the total principal amount of Outstanding Adjustable Rate Bonds supported by Liquidity Facilities as of May 1, 2017.

The Authority's obligations to repay the Liquidity Facility Providers prior to stated maturity or any mandatory sinking fund redemption date for any principal amounts due on any Bank Bonds outstanding under a Liquidity Facility constitute in some cases Class III Obligations under the Master Indenture and also constitute general obligations of the Authority and, for other Series, constitute Class I Obligations under the Master Indenture. See "Part II - CERTAIN BONDOWNERS' RISKS – Risks Related to the Liquidity Facility Providers and the Liquidity Facilities."

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Outstanding Liquidity Facilities and Providers[1]

Series of Adjustable Rate Bonds	Related Liquidity Facility Provider	Outstanding Balance	Expiration Date of Liquidity Facility	Bank Bond Rate/ Accelerated Payments/Lien
2001AA-2	Sumitomo Mitsui Banking Corp.	$39,865,000	June 7, 2021	(2)
2001AA-3	Sumitomo Mitsui Banking Corp.	3,850,000	June 7, 2018	(2)
2002A-3	Federal Home Loan Bank of Topeka	7,805,000	April 25, 2019	(3)
2002B-3	Bank of America, NA	21,140,000	November 30, 2018	(4)
2002C-3	Bank of America, NA	17,095,000	November 30, 2018	(4)
2006A-2 and A-3	Federal Home Loan Bank of Topeka	29,350,000	May 6, 2020	(3)
2006B-2 and B-3	Federal Home Loan Bank of Topeka	62,665,000	June 3, 2020	(3)
2007A-2	Federal Home Loan Bank of Topeka	36,385,000	June 24, 2019	(3)
2007B-2	Royal Bank of Canada	48,800,000	August 1, 2019	(5)
2007B-3[6]	Royal Bank of Canada[6]	25,000,000[6]	August 1, 2019[6]	(5)
2013B	Royal Bank of Canada	25,210,000	November 1, 2019	(5)

(1) As of May 1, 2017. Certain adjustable Bonds have been issued and purchased directly for a term which, upon expiration, will result in a mandatory tender and a Liquidity Facility may be delivered in connection with the remarketing of such Bonds. See footnote 3 in "The Outstanding Bonds" under this caption.

(2) (a) Bank Rate: for the first 60 days following the purchase date, the "Base Rate" which equals the highest of (i) the Prime Rate plus 2.00%, (ii) the Federal Funds Rate plus 3.00%, (iii) the sum of the One-Month LIBOR Rate plus 3.00%, (iv) the SIFMA Rate plus 3.00% and (v) 6.50%; then for the period 61-90 days following the purchase date, the Base Rate plus 1.00%; then the Base Rate plus 2.00%.
(b) Term out provisions: repayments due 366 days following purchase date and each three month anniversary thereafter in equal installments to the fifth anniversary of such purchase date.

(3) (a) Bank Rate: One-Month LIBOR plus 2.00%.
(b) Term out provisions: repayments due 90 days after the 366th or 91st calendar day following purchase date in equal semiannual installments until fifth anniversary of the purchase date. Class III lien/General Obligation.

(4) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate" which equals the highest of (i) the Federal Funds Rate plus 2.00%, (ii) the Prime Rate plus 1.00%, (iii) the LIBOR Rate plus 2.00% and (iv) 7.50%; then the Base Rate plus 1.00% per annum.
(b) Term out provisions: repayments due 366 days following the earlier of (x) the purchase date, or (y) the last day of the purchase period. Semiannual principal payment due each first business day of each sixth month thereafter in equal installments to the earlier of (i) the fifth anniversary of the related purchase date, or (ii) the five year anniversary of the last day of the purchase period. Class I Lien.

(5) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate" which equals the highest of (i) the prime rate plus 2.50%, (ii) the Fed funds rate plus 3.00% and (iii) 8.00%; then for the period 91-180 days following the purchase date, the Base Rate plus 1.00%; then for the period 181 days and higher following the purchase date, the Base Rate plus 2.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 90 days following purchase date and thereafter quarterly on each such dates in equal installments to the third anniversary of such purchase date. Class I lien.

(6) These Bonds are Refunded Bonds and, accordingly, this related Liquidity Facility will be terminated in connection with the refunding of the Refunded Bonds. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Related Interest Rate Contracts and Liquidity Facility." See also "Part I – PLAN OF FINANCE."

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Outstanding Interest Rate Contracts

In connection with the issuance of certain outstanding Adjustable Rate Bonds under the Master Indenture, the Authority has previously entered into the Interest Rate Contracts listed in the following table. As of May 1, 2017, the total notional balance of Interest Rate Contracts provided by Bank of America, N.A. was $268,960,000 (48.72%); by Barclays Bank PLC was $161,015,000 (29.17%); by Wells Fargo Bank, N.A. was $40,000,000 (7.25%); by JPMorgan Chase Bank, N.A. was $37,255,000 (6.75%); by The Bank of New York Mellon was $35,770,000 (6.48%); and by Royal Bank of Canada was $9,040,000 (1.63%). These percentages indicate the percentages of the total notional balance of Outstanding Interest Rate Contracts entered by the Authority under the Master Indenture and outstanding as of May 1, 2017.

Outstanding Interest Rate Contracts	**Current Notional Balance** [(1)]	**Counterparty**
2001 Series AA Interest Rate Contracts:		
Taxable Adjustable 2001 Series AA-1 (Class I)	$22,500,000	Barclays Bank PLC
Adjustable 2001 Series AA-2 (Class I)	39,865,000	Barclays Bank PLC
Adjustable 2001 Series AA-3 (Class I)	3,850,000	Barclays Bank PLC
2002 Series A Interest Rate Contract:		
Adjustable 2002 Series A-3 (Class I)	7,805,000	Barclays Bank PLC
2002 Series B Interest Rate Contract:		
Adjustable 2002 Series B-3 (Class I)	21,140,000	Barclays Bank PLC
2002 Series C Interest Rate Contract:		
Adjustable 2002 Series C-3 (Class I)	17,095,000	Barclays Bank PLC[(4)]
2003 Series B Interest Rate Contracts:		
Taxable Adjustable 2003 Series B-2 (Class I)	9,040,000	Royal Bank of Canada
2006 Series A Interest Rate Contracts:		
Adjustable 2006 Series A-2 (Class I)	1,765,000	Barclays Bank PLC
Adjustable 2006 Series A-3 (Class I)	27,585,000	Bank of America, N.A.
2006 Series B Interest Rate Contracts:		
Adjustable 2006 Series B-2 (Class I)	18,345,000	Bank of America, N.A.
Adjustable 2006 Series B-3 (Class I)	44,320,000	Bank of America, N.A.
2007 Series A Interest Rate Contracts:		
Adjustable 2007 Series A-2 (Class I)	36,385,000	Bank of America, N.A.
2007 Series B Interest Rate Contracts:		
Taxable Adjustable 2007 Series B-1 (Class I)[(2)]	24,610,000	JPMorgan Chase Bank, N.A.
Adjustable 2007 Series B-2 (Class I)	48,800,000	Bank of America, N.A.
Adjustable 2007 Series B-3 (Class II) [(2)]	25,000,000	Barclays Bank PLC
2008 Series A Interest Rate Contracts:		
Taxable Adjustable 2008 Series A-1 (Class I)	12,645,000	JPMorgan Chase Bank, N.A.
Taxable Adjustable 2008 Series A-2 (Class I)	35,770,000	The Bank of New York Mellon
2012 Series A Interest Rate Contracts:		
Adjustable 2012 Series A-1 (Class I)	12,985,000	Barclays Bank PLC
Adjustable 2012 Series A-2 (Class I)	35,755,000	Wells Fargo Bank, N.A.
2013 Series B Interest Rate Contract:		
2013 Series B (Class II)	20,870,000	Bank of America, N.A.

Outstanding Interest Rate Contracts	Current Notional Balance [1]	Counterparty
Surplus Assets Interest Rate Contracts:		
Single Family SFMB Surplus Assets	340,000	Bank of America, N.A.
Single Family SFMB Surplus Assets	4,245,000	Wells Fargo Bank, N.A.
Single Family SFMB Surplus Assets	5,255,000	Bank of America, N.A.
Single Family SFMB Surplus Assets	5,305,000	Bank of America, N.A.
Single Family SFMB Surplus Assets	9,010,000	Barclays Bank PLC
Single Family SFMB Surplus Assets	12,415,000	Bank of America, N.A.
Single Family SFMB Surplus Assets	18,625,000	Bank of America, N.A.
Single Family SFMB Surplus Assets	30,715,000	Bank of America, N.A.
Total Outstanding Class I Interest Rate Contracts	**$420,260,000**	
Total Outstanding Class II Interest Rate Contracts	**$45,870,000**	
Total Outstanding Surplus Assets Interest Rate Contracts	**$85,910,000**	

(1) As of May 1, 2017.
(2) These are the Interest Rate Contracts which will be reallocated upon issuance by the Authority of the 2017 Series A/B Bonds and refunding of the Refunded Bonds as described in "Part I – CERTAIN PROGRAM ASSUMPTIONS – Related Interest Rate Contracts and Liquidity Facility."

Any payments or receipts received by the Authority under the Interest Rate Contracts are pledged under the Master Indenture as Revenues, as described in "Part II – SECURITY FOR THE BONDS AND AUXILIARY OBLIGATIONS – Revenues" and "– Interest Rate Contracts." Other than in the case of the Interest Rate Contract relating to the 2007 Series B-3 Bonds which is a Class II Obligation, the Authority's obligation to make regular interest payments to the counterparties under each of the Interest Rate Contracts constitutes a Class I Obligation under the Master Indenture, secured on parity with the lien on the Trust Estate of the other Class I Obligations. The Authority's obligation to make termination payments under each of the Interest Rate Contracts in the event of early termination is a general obligation of the Authority and is not secured by the Trust Estate under the Master Indenture. See "Part II – CERTAIN BONDOWNERS' RISKS – Risks Related to Interest Rate Contracts" and "Part II – COLORADO HOUSING AND FINANCE AUTHORITY – Obligations of the Authority."

See footnote (8) to the audited 2016 financial statements of the Authority attached as Appendix G hereto for a description of the key terms of the outstanding Interest Rate Contracts, including the fair values and the counterparty credit ratings, as of December 31, 2016.

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APPENDIX B-2

The Mortgage Loan Portfolio and Fund Balances[(1)]

As of May 1, 2017, First Mortgage Loans with an outstanding aggregate principal balance of $374,479,415 and Second Mortgage Loans with an outstanding aggregate principal balance of $16,312,824 had been acquired in the Acquisition Account as a part of the Trust Estate. The following information with respect to such outstanding Mortgage Loans has been provided as of the dates so indicated:

INFORMATION CONCERNING THE MORTGAGE LOANS AS OF MAY 1, 2017

Series of Bonds	Outstanding Aggregate Principal Balance of First Mortgage Loans	Aggregate Number of Outstanding First Mortgage Loans	Average Principal Balance per First Mortgage Loan	Average Coupon of First Mortgage Loans	Weighted Average Maturity of First Mortgage Loans	Outstanding Aggregate Principal Balance of Second Mortgage Loans	Aggregate Number of Outstanding Second Mortgage Loans	Average Principal Balance per Second Mortgage Loan
2001AA	$22,926,806	302	$75,917	5.91%	18.16	$8,178,944	2,151	$3,802
2002A	8,972,600	131	68,493	5.61	17.02	--	--	--
2002B	12,070,213	157	76,880	5.75	17.18	192,482	55	3,500
2002C	16,384,243	209	78,394	5.67	17.14	228,024	64	3,563
2003B	22,090,500	389	56,788	6.07	15.44	789,989	247	3,198
2006A	18,290,070	215	85,070	4.95	19.09	--	--	--
2006B	23,832,193	283	84,213	5.07	19.36	680,694	193	3,527
2007A	24,007,378	256	93,779	5.13	20.26	640,378	184	3,480
2007B [(2)]	31,885,099	325	98,108	5.31	21.03	--	--	--
2008A	46,565,462	488	95,421	6.03	21.49	50,000	2	25,000
2012A	7,906,235	100	79,062	5.36	17.17	--	--	--
2013B	20,392,904	208	98,043	5.89	20.14	1,781,999	480	3,712
2014A	31,556,158	400	78,890	5.29	17.43	--	--	--
2015A	53,737,824	613	87,664	5.30	18.08	--	--	--
2015B	14,370,290	187	76,846	5.20	16.34	--	--	--
Surplus Assets	19,491,441	300	64,971	4.32	20.92	3,770,313	1,034	3,646
Total	$374,479,415	4,563	$82,069	5.45%	18.90	$16,312,824	4,410	$3,699

(1) Pursuant to Section 5.5(a) of the Master Indenture, the Authority established a surplus assets subaccount in the Acquisition Account of the Program Fund to which excess cash in the Trust Estate was deposited and used to acquire existing mortgage loans. Such existing mortgage loans are currently held in the surplus assets subaccount as Mortgage Loans under the Master Indenture. Mortgage Repayments and Prepayments relating to such Mortgage Loans held in the surplus assets subaccount may be applied to redeem Bonds of any Series under the Master Indenture as directed by the Authority, except to the extent limited by the provisions of the Series Indenture related to a particular Series. These Mortgage Loans are reflected in the line for "Surplus Assets" in the following tables under this caption.

(2) Proceeds of the 2017 Series A/B Bonds will be used to refund the Refunded Bonds. In connection with the refunding, certain of the 2007 Series B Mortgage Loans will be transferred to the 2017 Series B subaccount of the Acquisition Account and payments on such Transferred 2017 Mortgage Loans will be applied to the payment of the 2017 Series B Bonds. See "Part I – CERTAIN PROGRAM ASSUMPTIONS – Characteristics of Transferred 2017B Mortgage Loans."

MORTGAGE INSURANCE INFORMATION FOR MORTGAGE LOANS AS OF MAY 1, 2017						
	First Mortgage Loans					
Series of Bonds	Private Mortgage Insurance	FHA – Insured	VA – Guaranteed	RHCDS-Guaranteed	Uninsured	Second Mortgage Loans - Uninsured
2001AA	7.8%	47.7%	2.0%	3.6%	12.7%	26.3%
2002A	0.4	81.9	5.7	3.6	8.3	0.0
2002B	0.8	79.0	4.6	5.2	8.8	1.6
2002C	1.8	74.7	8.8	4.4	9.0	1.4
2003B	0.8	73.1	3.1	10.0	9.6	3.5
2006A	4.4	64.1	8.8	3.5	19.2	0.0
2006B	11.9	55.8	2.9	4.7	21.9	2.8
2007A	31.6	38.7	1.0	2.6	23.5	2.6
2007B	29.4	49.3	2.3	1.9	17.1	0.0
2008A	24.3	57.3	4.5	6.3	7.5	0.1
2012A	0.0	81.9	7.5	1.7	8.9	0.0
2013B	17.3	62.0	1.6	2.2	8.9	8.0
2014A	0.4	76.4	3.8	4.7	14.7	0.0
2015A	1.0	78.3	6.3	4.8	9.6	0.0
2015B	0.0	84.0	4.0	3.3	8.7	0.0
Surplus Assets	0.0	58.6	1.8	2.8	20.6	16.2
Average for Portfolio	10.2%	64.1%	4.0%	4.3%	13.2%	4.2%

INFORMATION CONCERNING PROPERTY TYPES FOR FIRST MORTGAGE LOANS AS OF MAY 1, 2017			
Series of Bonds	Single Family Detached	Condo/Townhome	Other
2001AA	78.6%	15.4%	6.0%
2002A	71.1	23.9	5.1
2002B	70.2	23.0	6.8
2002C	68.7	24.8	6.5
2003B	74.1	18.4	7.5
2006A	68.2	27.3	4.5
2006B	75.8	17.3	6.9
2007A	73.2	17.6	9.2
2007B	71.1	20.4	8.6
2008A	77.7	14.1	8.2
2012A	68.2	23.9	8.0
2013B	70.0	16.9	13.1
2014A	69.0	24.7	6.2
2015A	70.7	22.2	7.0
2015B	69.8	26.3	3.9
Surplus Assets	77.2	16.5	6.3
Average for Portfolio	72.8%	19.9%	7.3%

FORECLOSURE AND DELINQUENCY STATISTICS FOR FIRST AND SECOND MORTGAGES [(1)] AS OF MAY 1, 2017

Series of Bonds	Number of Loans Financed	Number of Loans Prepaid in Full	Number of Loans Foreclosed to Date	Number of Real Estate Owned	Number of Mortgage Loans Outstanding	Value of Mortgage Loans Outstanding	Number of Loan Delinquencies 60-119 Days	Value of Loans Delinquent 60-119 Days	Percentage of Total Loans Delinquent 60-119 Days*	Number of Delinquent Loans 120+ Days	Value of Delinquent Loans 120+ Days	Percentage of Total Loans Delinquent 120+ Days*	Number of Loans in Foreclosure	Value of Loans in Foreclosure	Percentage of Loans in Foreclosure*	Percentage of All Loans Delinquent and Foreclosure*
2001AA	13,169	10,166	262	288	2,453	$31,105,750	51	$466,133	1.50%	67	$920,308	2.96%	17	$69,386	0.22%	4.68%
2002A	1,138	841	129	37	131	8,972,600	2	107,135	1.19	4	402,255	4.48	1	113,930	1.27	6.95
2002B	1,759	1,284	199	64	212	12,262,695	2	129,392	1.06	7	542,917	4.43	0	0	0.00	5.48
2002C	2,058	1,532	176	77	273	16,612,268	9	453,435	2.73	1	4,967	0.03	2	138,079	0.83	3.59
2003B	3,047	2,083	216	112	636	22,880,489	10	328,571	1.44	8	283,495	1.24	7	427,532	1.87	4.54
2006A	745	381	109	40	215	18,290,070	3	367,464	2.01	2	184,344	1.01	2	171,091	0.94	3.95
2006C	2,241	1,453	217	95	476	24,512,887	10	758,271	3.09	4	21,752	0.09	8	707,798	2.89	6.07
2007A	2,105	1,394	175	96	440	24,647,756	10	600,850	2.44	16	945,025	3.83	3	73,825	0.30	6.57
2007B	1,397	806	195	71	325	31,885,099	5	609,176	1.91	7	801,107	2.51	7	580,493	1.82	6.24
2008A	2,109	1,208	320	91	490	46,615,462	10	986,467	2.12	10	1,423,187	3.05	5	439,751	0.94	6.11
2012A	132	32	0	0	100	7,906,235	1	24,749	0.31	5	450,652	5.70	0	0	0.00	6.01
2013B	882	178	3	13	688	22,174,903	14	386,522	1.74	19	188,633	0.85	8	212,114	0.96	3.55
2014A	579	171	2	6	400	31,556,158	4	293,268	0.93	5	562,034	1.78	8	505,469	1.60	4.31
2015A	918	297	1	7	613	53,737,824	11	1,077,925	2.01	12	1,532,278	2.85	2	131,483	0.24	5.10
2015B	269	76	1	5	187	14,370,290	0	0	0.00	1	118,980	0.83	1	48,356	0.34	1.16
Surplus Assets	3,260	1,862	23	41	1,334	23,261,754	24	500,408	2.15	43	807,203	3.47	4	257,224	1.11	6.73
Total	**35,808**	**23,764**	**2,028**	**1,043**	**8,973**	**$390,792,239**	**166**	**$7,089,767**	**1.81%**	**211**	**$9,189,136**	**2.35%**	**75**	**$3,876,533**	**0.99%**	**5.16%**

[(1)] Estimated

*Percentages are based on outstanding principal amount of the Mortgage Loans.

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As of May 1, 2017, the following balance was held in the respective subaccount under the Master Indenture:

Accounts	Amounts on Deposit (as of May 1, 2017)
2006B Subaccount:	
Loan Recycling Account	$178.12
Total	$178.12

Insurance Limitations and Requirements

The Series Indentures each require that related Mortgage Loans (i) be insured by the FHA, (ii) be guaranteed by the VA or the Rural Housing Service (a rural development program of the U.S. Department of Agriculture), (iii) be PMI Mortgage Loans (as hereinafter defined), (iv) be a Mortgage Loan which is not insured or guaranteed but has an original principal amount equal to or less than 80% of the appraised value (at the time of origination of such Mortgage Loan) or purchase price, whichever is less, of the property securing such Mortgage Loan (an "**Uninsured Mortgage Loan**") or (v) otherwise be a type of Mortgage Loan the purchase of which (as confirmed by each Rating Agency) will not adversely affect such Rating Agency's then current rating on any Bonds. PMI Mortgage Loans must be insured by a private insurance company approved by the Authority, qualified to transact business in the State and to provide insurance on mortgages purchased by the Federal Home Loan Mortgage Corporation or Fannie Mae and rated by the agency then rating the Bonds at least as high as "AA-" or "Aa3" (a "**Private Insurer**"), and such insurance must remain in force unless required to be terminated pursuant to federal law. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM" and **Appendix I** – "INSURANCE AND GUARANTEE PROGRAMS; FORECLOSURE." The Series Indentures each provide that percentages of each type of Mortgage Loan in the aggregate Mortgage Loan portfolio shall be percentages that each Rating Agency confirms will not adversely affect the then current rating on any Bonds (including the 2017 Series A/B Bonds).

"PMI Mortgage Loans" are Mortgage Loans which are insured by a private insurance company approved by the Authority, qualified to transact business in the State and to provide insurance on mortgages purchased by Freddie Mac or Fannie Mae and rated by each Rating Agency then rating the Bonds, at the time each PMI Mortgage Loan under the Indenture is made or originated, as set forth in the respective series indenture (a "**Private Insurer**"). Such insurance must remain in force except as otherwise required by the Homeowners Protection Act of 1998, as amended, 12 U.S.C. 4901, et, seq. or other applicable laws, or at the option of the Authority, the private mortgage insurance (if borrower paid) may be cancelable after the outstanding principal balance of the Mortgage Loan is reduced to 80% or less of the appraised value (based on the original appraisal) of the property securing the Mortgage Loan.

As of May 1, 2017, the following Private Insurers were providing insurance for the respective percentages of PMI Mortgage Loans (based on outstanding principal balance):

PMI Mortgage Loans and Private Insurers

Name of Private Insurer [1]	Percentage of Trust Estate [2]	Percentage of PMI Mortgage Loans [3]
Mortgage Guaranty Ins.	3.80%	37.39%
Genworth	3.66	35.98
RMIC	0.86	8.49
United Guaranty Corp.	0.64	6.28
Other	0.63	6.23
PMI Mortgage Insurance Co.	0.27	2.61
Triad Guaranty Insurance	0.20	1.95
Radian Guaranty Inc.	0.11	1.07
Total Percentage	**10.17%**	**100.00%**

(1) The ratings of several of these Private Insurers have been downgraded since the time that the PMI Mortgage Loans in the Trust Estate which are insured by such Private Insurers were originated, and such ratings are in most cases below the rating levels which were required for such Private Insurers by the applicable series indentures at the time of such originations.
(2) Aggregate principal balance of Mortgage Loans in the Trust Estate as of May 1, 2017 was approximately $390.8 million.
(3) Aggregate principal balance of Mortgage Loans as of May 1, 2017 which were PMI Mortgage Loans was approximately $40 million.

As of May 1, 2017, 10.17% of the $390.8 million aggregate principal amount of Mortgage Loans in the Trust Estate were PMI Mortgage Loans. The Authority is not presently financing new Mortgage Loans under the Indenture. See "Part II – THE SINGLE FAMILY MORTGAGE LOAN PROGRAM – Background" for a description of the Authority's current financing activities with respect to its single family mortgage loan program.

Investments

In connection with the issuance of Bonds outstanding under the Master Indenture, the Authority has invested certain amounts in Series subaccounts of Funds related to such Bonds in investment agreements with the investment providers and amounts invested, and at the rates, as of May 1, 2017 as set forth in the following table.

Outstanding Investment Agreements
(as of May 1, 2017)

Series	Funds Invested (in related Series subaccounts)	Investment Providers[1]	Amounts Invested	Rates	Termination Dates
2001AA	Revenue Fund, Redemption Fund, Debt Service Reserve Fund	Trinity Funding Company, LLC	$26,670,587	5.30%/ 3 month LIBOR	3/1/36
2002A	Revenue Fund, Redemption Fund	Trinity Funding Company, LLC	41,715	5.10%	11/1/32
2002A	Debt Service Reserve Fund	Trinity Funding Company, LLC	4,475,500	5.60%	11/1/32
2002B	Revenue Fund, Redemption Fund [2]	Natixis Funding Corp. [2]	444,980	4.60%	11/1/32
2006A	Revenue Fund, Redemption Fund [2]	Natixis Funding Corp. [2]	404,000	4.60%	11/1/36
2006A	Debt Service Reserve Fund	Rabobank International	5,500,000	4.71%	11/1/36
2006B	Debt Service Reserve Fund	Royal Bank of Canada	3,133,250	5.56%	11/1/36
2008A	Revenue Fund, Redemption Fund [3]	Natixis Funding Corp. [3]	2,107,260	4.27%	11/1/38

(1) Neither the Authority nor the Underwriters make any representation about the financial condition or creditworthiness of the Investment Providers. Prospective investors are urged to make their own investigation into the financial condition and creditworthiness of the Investment Providers.

(2) These funds are invested under a master repurchase agreement entered with Natixis Funding Corp. on January 29, 2010 (the "**Master Repurchase Agreement**"). The Master Repurchase Agreement replaced the investment agreements previously in effect, and provides for the delivery of securities to the Trustee at a collateralization level of 105%.

(3) This investment agreement has not been collateralized. However, the Authority has the right to terminate this investment agreement without penalty at any time.

In accordance with the terms of the Master Indenture, the Authority has also instructed and will instruct the Trustee from time to time to invest certain moneys held by the Trustee in Funds and Accounts relating to Bonds in permitted Investment Securities under the Indenture other than investment agreements, including mortgage-backed securities. Information about such investments is available in filings with national repositories that the Authority is obligated to make on an annual basis in connection with certain outstanding Bonds under the Master Indenture. See "Part I – AVAILABILITY OF CONTINUING INFORMATION."

The assumptions made by the Authority as to projected cashflows under the Indenture include the assumption that the investment rates provided by the Investment Agreements shown on the preceding table will be available as described. However, in the event that any Investment Agreement shown on the preceding table is terminated as a result of default by the respective investment provider or for any other reason, it may not be possible to reinvest such proceeds and deposits at these assumed rates and the cashflows may be adversely affected.

APPENDIX C

Summary of Certain Provisions of the 2017B-1 Liquidity Facility

The Standby Bond Purchase Agreement by and among Colorado Housing and Finance Authority (the "**Authority**"), Zions Bank, a Division of ZB, National Association, as trustee and as paying agent (the "**Trustee**"), and Royal Bank of Canada (the "**Facility Provider**" or "**2017B-1 Liquidity Facility Provider**"), acting through its branch located at 200 Vesey Street, New York, New York 10281, relating to $10,000,000 Colorado Housing and Finance Authority Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1 (the "**2017 Series B-1 Bonds**") (the "**Facility**" or the "**2017B-1 Liquidity Facility**") provides liquidity support only for the 2017 Series B-1 Bonds.

This Appendix contains a brief summary of certain provisions of the 2017B-1 Liquidity Facility and does not purport to be comprehensive or definitive and is subject to all the terms and provisions of the Facility to which reference is made hereby. Investors are urged to obtain and review a copy of the Facility in order to understand all of the terms of that document. A copy of the Facility may be obtained from the Authority. Capitalized terms used in this Appendix and not otherwise defined in this Appendix have the meanings given said terms in the Facility.

The 2017B-1 Liquidity Facility may be amended at any time without the consent of or notice to the owners of the 2017 Series B-1 Bonds. Any Substitute Liquidity Facility may have terms substantially different from those of the Facility.

For information regarding the 2017B-1 Liquidity Facility Provider, see ***Appendix D*** *to this Official Statement.*

Pursuant to the Facility, the Facility Provider agrees, subject to the terms and conditions therein, to purchase Eligible Bonds not remarketed by the Remarketing Agent.

THE FACILITY PROVIDES FUNDS ONLY FOR PAYMENT OF THE PURCHASE PRICE OF THE 2017 SERIES B-1 BONDS, DOES NOT SECURE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2017 SERIES B-1 BONDS AND MAY BE TERMINATED OR SUSPENDED AS DESCRIBED BELOW.

Defined Terms

"Act" means the Colorado Housing and Finance Authority Act, being Part 7, Article 4, Title 29 of Colorado Revised Statutes.

"Authorized Denominations" has the meaning assigned to such term in the 2017 Series A/B Indenture.

"Available Commitment" as of any day means the sum of the Available Principal Commitment and the Available Interest Commitment, in each case, as of such day.

"Available Interest Commitment" means an amount equal to one hundred eighty-seven (187) days' interest on the 2017 Series B-1 Bonds, computed as if such 2017 Series B-1 Bonds bore interest at the rate of ten percent (10%) per annum and on the basis of a 365-day year. The Available Interest Commitment may be adjusted from time to time as follows:

(a) downward by an amount that bears the same proportion to the Available Interest Commitment prior to such reduction as the amount of the related reduction in the Available Principal Commitment pursuant to the definition in the Facility of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; and

(b) upward by an amount that bears the same proportion to the Available Interest Commitment prior to such increase as the amount of the related increase in the Available Principal Commitment pursuant to clause (c) of the definition in the Facility of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase;

provided that after giving effect to such adjustment, the Available Interest Commitment with respect to a Facility shall never exceed the amount listed in the definition of "Available Interest Commitment" in such Facility. Any adjustment to the Available Interest Commitment pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" means, initially, the aggregate principal amount of the 2017 Series B-1 Bonds Outstanding (as detailed on the cover page hereof) and, thereafter, means such initial amount adjusted from time to time as follows:

(a) downward by the amount of any mandatory reduction of the Available Principal Commitment pursuant to the Facility;

(b) downward by the principal amount of the 2017 Series B-1 Bonds purchased by the Facility Provider pursuant to the Facility; and

(c) upward by the principal amount of the 2017 Series B-1 Bonds previously purchased by the Facility Provider pursuant to the Facility that a Bank Bondholder elects to retain pursuant to such Facility or that are sold or deemed sold by a Bank Bondholder pursuant to such Facility (regardless of the Purchase Price received for such 2017 Series B-1 Bonds).

Any adjustment to the Available Principal Commitment as described in clauses (a), (b) or (c) above shall occur simultaneously with the occurrence of the events described in such clauses.

"Bank Bond" means any Bond purchased by the Facility Provider pursuant to the Facility and held by or for the account of a Bank Bondholder in accordance with the terms of the Facility, until purchased from the Bank Bondholder or retained by the Bank Bondholder or redeemed in accordance with the Facility or otherwise.

"Bank Bondholder" means the Facility Provider (but only in its capacity as owner (which as used herein shall mean the beneficial owner if at the relevant time Bank Bonds are held in book entry form) of Bank Bonds pursuant to the Facility) and any other person to which a Bank Bondholder has sold Bank Bonds pursuant to the Facility.

"Bank Rate" has the meaning assigned to such term in the Facility.

"Business Day" has the meaning assigned to such term in the 2017 Series A/B Indenture.

"Covered Rate" means the Weekly Rate (as defined in the 2017 Series A/B Indenture).

"Debt" has the meaning assigned to such term in the Facility.

"Defaulted Interest" means accrued interest on the 2017 Series B-1 Bonds which was not paid when due under the terms of the Indenture and any amounts accruing on amounts owed on such 2017 Series B-1 Bonds by reason of such amounts being not paid when due.

"Effective Date" has the meaning assigned to such term in the Facility.

"Eligible Bonds" means any 2017 Series B-1 Bonds Outstanding that bear interest at the Covered Rate and that are tendered or deemed tendered for purchase pursuant to the 2017 Series A/B Indenture other than any such Bond which (a) is a Bank Bond or (b) is owned by or on behalf of or is held for the account or for the benefit of the Authority or any affiliate of the Authority.

"Expiration Date" means August 1, 2019, as such date may be extended from time to time by the Facility Provider pursuant to the terms of the Facility.

"Fee Letter" means the Fee Letter dated July 19, 2017, between the Authority and the Facility Provider relating to the 2017 Series B-1 Bonds.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof, any other governmental, quasi governmental, judicial, public or statutory instrumentality, authority, body, tribunal, court, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation, the Federal Reserve Board, any central bank and any comparable authority), or any arbitrator with authority to bind a party at law.

"Indenture" means, collectively, the Master Indenture and the 2017 Series A/B Indenture.

"Interest Component" has the meaning assigned to such term in the Facility.

"Interest Payment Date" has the meaning assigned to such term in the 2017 Series A/B Indenture.

"Interest Rate Protection Agreement" means an interest rate swap, cap or collar agreement or similar arrangement between any person and a financial institution providing for the transfer or mitigation of interest rate risks either generally or under specific contingencies and shall include all Interest Rate Contracts (as defined in the Master Indenture).

"Master Indenture" means the Master Indenture of Trust dated as of October 1, 2001, by and between the Authority and the Trustee and the Master Indenture Amendments (as defined in the Facility).

"Material Debt" means (a) the 2017 Series B-1 Bonds, or (b) any other obligation which is secured by a lien on the Trust Estate on a parity with or senior to the lien which secures such 2017 Series B-1 Bonds, including Class I Obligations and Class II Obligations (as such terms are defined in the Master Indenture).

"Maximum Rate" means the lower of (a) 25% per annum and (ii) the maximum rate of interest on the relevant obligation permitted by law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Notice of Bank Purchase" shall have the meaning assigned to such term in the Facility.

"Notice of Termination Date" shall have the meaning assigned to such term in the Facility.

"Outstanding" has the meaning assigned to such term in the Master Indenture.

"Parity Debt" means (a) the 2017 Series B-1 Bonds (other than Bank Bonds) and (b) any other obligation of the Authority secured by a lien on the Trust Estate on a parity with the lien which secures the 2017 Series B-1 Bonds (other than Bank Bonds).

"Paying Agent" means Zions Bank, a Division of ZB, National Association, in its capacity as paying agent under the Indenture, and any permitted successors as paying agent under the Indenture.

"Purchase Date" means any Business Day during the Purchase Period on which the Facility Provider is required to purchase Eligible Bonds pursuant to the Facility.

"Purchase Period" means the period from the Effective Date of the Facility to and including the close of business on the earliest of (a) August 1, 2019 (as such date may be extended from time to time by the Facility Provider under the Facility), (b) the day immediately succeeding the date on which no 2017 Series B-1 Bonds are Outstanding, and (c) the date on which the Available Commitment and the Facility Provider's obligation to purchase Eligible Bonds has been terminated in their entireties pursuant to the Facility.

"Purchase Price" means, with respect to any Eligible Bond as of any date, 100% of the principal amount of such Eligible Bond plus accrued and unpaid interest thereon to the Purchase Date but in no event to exceed the Available Commitment; provided, however, that if the Purchase Date for any Eligible Bond is also an Interest Payment Date for such Eligible Bond, the Purchase Price for such Eligible Bond shall not include accrued but unpaid interest on such Eligible Bond; and provided, further, that in no event shall the Purchase Price of any Bond include Defaulted Interest accrued on such Bond or any premium owed with respect to such Bond.

"Purchaser" has the meaning assigned to such term in the Facility.

"Related Documents" shall have the meaning assigned to such term in the Facility.

"Remarketing Agent" shall have the meaning assigned to such term in the Facility.

"Sale Date" has the meaning assigned to such term in the Facility.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, or any successor thereto.

"State" means the State of Colorado.

"Substitute Liquidity Facility" means a replacement standby bond purchase agreement or other liquidity facility which is delivered to the Trustee pursuant to the 2017 Series A/B Indenture in replacement of the Facility.

"Trust Estate" has the meaning assigned to such term in the Master Indenture.

More Favored Provisions Covenant

In the event that the Authority has entered into or shall, directly or indirectly, enter into or otherwise consent to any contract or agreement (or any amendment, supplement or modification thereto) under which, directly or indirectly, any person undertakes to purchase any Debt of the Authority secured by the Trust Estate or to make, loan or provide funds, liquidity or credit enhancement to the Authority with respect to any such Debt, or under which, directly or indirectly, the obligation of the Authority to reimburse such person is secured by the Trust Estate (each, an "**Other Facility**"), which Other Facility (or amendment, supplement or modification thereto) gives or grants to such person (a) covenants (excluding covenants of the Authority to pay a specific price or fee for such Other Facility but including, without limitation, all other covenants such as financial covenants, financial covenant levels or financial covenant testing periods) which are more restrictive or more favorable to the person which is a party to such Other Facility or (b) additional or greater rights or remedies (including, without limitation, more stringent or shorter periods of time that must elapse prior to such person's right to exercise remedies under such Other Facility upon the occurrence of a default or event of default thereunder) (such more favorable covenants or greater rights or remedies in (a) and (b), each a "**More Favorable Provision**"), in each case than are given or granted to the Facility Provider under the Facility, then simultaneously with the execution of such Other Facility, the Authority has agreed to provide the Facility Provider a copy of such Other Facility, and the More Favorable Provision(s) therein (as determined by the Facility Provider and communicated to the Authority in writing within 60 days of the Facility Provider's receipt of such Other Facility) shall automatically be incorporated into the Facility for so long as such Other Facility remains in effect; provided, however, that if at the time such More Favorable Provision(s) would have been so incorporated the Facility Provider has failed to honor a Notice of Bank Purchase delivered in accordance with the terms of the Facility, such More Favorable Provision(s) shall not be automatically incorporated into such Facility for so long as such failure continues to exist. At the request of the Facility Provider, the Authority shall promptly enter into amendments to the Facility to include such More Favorable Provision(s) for so long as such Other Facility remains in effect (provided that the Facility Provider shall maintain the benefit of the More Favorable Provision(s) even if the Authority fails to provide such amendment). Upon receipt by the Facility Provider of a copy of such Other Facility, the Facility Provider may elect, in its sole discretion, that any More Favorable Provision therein shall not be incorporated into the Facility and, upon such determination, any incorporation of such More Favorable Provision into the Facility shall be deemed to be void ab initio and of no force and effect. Notwithstanding anything to the contrary contained in the provision described under this caption, the Authority and the Facility Provider have agreed that (i) to the extent that the incorporation of any More Favorable Provision adds any Immediate Termination Event (as defined in the Facility) or Immediate Suspension Event (as defined in the Facility) or changes any existing Immediate Termination Event or Immediate Suspension Event, such More Favorable Provision shall only become effective upon an amendment to the Facility pursuant to the terms thereof, and (ii) no More Favorable Provision shall be deemed incorporated into the Facility if (a) such incorporation would affect provisions related to automatic termination or suspension of the obligation to advance funds for the purchase of Eligible Bonds or the conditions precedent to the Facility Provider's obligation to make such advances, or (b) such incorporation would modify the provisions of paragraph (b) under the subheading "Remedies" below, unless prior to such provisions being incorporated, the rating agencies then providing a rating on the 2017 Series B-1 Bonds have confirmed in writing that the incorporation of such provisions will not, by themselves, cause a reduction, suspension or withdrawal of the rating they assign to the 2017 Series B-1 Bonds.

Notwithstanding the provisions described in the immediately preceding paragraph, the Authority may appeal the incorporation of any More Favorable Provision(s) by delivering written notice to the Facility Provider within fifteen (15) days after the incorporation of such More Favorable Provision(s) pursuant to the provisions described in the immediately preceding paragraph, which written notice shall (1) specify the reason or reasons for the Authority's appeal of said incorporation and (2) request that said More Favorable Provision(s) not be incorporated for the reason or reasons specified pursuant to clause (1) or request that the Authority and the Facility Provider negotiate in good faith an amendment to the Facility in connection with said More Favorable Provision(s). If the Authority does not deliver the written notice as provided above, the Authority shall be deemed to have waived its right to appeal the incorporation of such More Favorable Provision(s). If the Authority delivers the written notice as described above, then the Authority and the Facility Provider shall promptly negotiate, in good faith, an amendment to the Facility to include the More Favorable Provision(s) with such changes specified by the Authority in such written notice as the parties agree (it being understood that any such agreement by the Facility Provider shall be in the Facility Provider's sole discretion), but, prior to the effective date of any such amendment and whether or not the Facility Provider and the Authority ultimately agree to the terms of any amendment to a Facility, the Facility Provider shall have and maintain the benefit of the More Favorable Provision(s).

Events of Default not Permitting Immediate Termination

The occurrence of any of the following events shall constitute an "Event of Default" under the Facility.

(a) Payments. The Authority shall fail to pay (i) when due certain amounts owed by the Authority to the Facility Provider pursuant to the Facility or any General Obligations (as defined in the Master Indenture) of the Authority (other than as specified under the caption "Events of Default Permitting Immediate Suspension or Termination" below); or (ii) within five (5) Business Days after the same shall become due any amount owed to the Facility Provider pursuant to certain other provisions of the Facility (other than as specified under the caption "Events of Default Permitting Immediate Suspension or Termination" below) or the Fee Letter.

(b) Representations. Any representation or warranty made by or on behalf of the Authority in the Facility or in any other Related Documents or in any certificate or statement delivered thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) Covenants. The Authority shall fail to observe or perform certain covenants in the Facility.

(d) Other Covenants. The Authority shall fail to perform or observe any term, covenant or agreement (other than ones described in any other paragraph under this caption) contained in the Facility or any other Related Documents on its part to be performed or observed which failure continues for 30 days or more.

(e) Other Documents. Any event of default under any of the other Related Documents shall occur.

(f) Downgrade. The rating assigned to the 2017 Series B-1 Bonds or to any other Parity Debt (without regard to third party credit enhancement) by Moody's or S&P shall be withdrawn or suspended or fall below "A2" by Moody's or "A" by S&P.

(g) Cross Acceleration. Any act or omission by the Authority shall occur under any mortgage, agreement or other instrument under or pursuant to which any Material Debt is incurred or issued which results in such Material Debt becoming, or being capable of becoming, immediately due and payable.

(h) Cross Default. The Authority shall default under any mortgage, agreement or other instrument under or pursuant to which any Material Debt is incurred or issued, and such default shall continue beyond the period of grace, if any, allowed with respect thereto.

(i) Invalidity or Contest of Validity. Other than as described under the below caption "Events of Default Permitting Immediate Suspension or Termination," (i) the Facility, any other Related Documents or any provision thereof shall at any time for any reason cease to be valid and binding on the Authority or shall be declared in a final, non appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable or (ii) the Authority, the State or any other Governmental Authority with appropriate jurisdiction shall contest the validity or enforceability of the Authority's obligations under the Facility or under the other Related Documents or deny that the Authority has any further liability or obligation under the Facility or under the other Related Documents.

(j) Default. The Authority shall default in the payment of any regularly scheduled amount due in respect of any Interest Rate Protection Agreement with the Facility Provider or in the payment due in respect of any principal of or interest on any Debt owed to the Facility Provider.

(k) Cross Default to Certain Debt. The Authority shall default in the payment of any amount due in respect of any Debt in an aggregate amount in excess of Five Million Dollars ($5,000,000), as and when the same shall become due, or default under any mortgage, agreement or other instrument pursuant to which such Debt is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto, or the occurrence of any act or omission by the Authority under any such mortgage, agreement or other instrument which results in such Debt becoming, or being capable of becoming, immediately due and payable (or, with respect to any Interest Rate Protection Agreement, which results in such Interest Rate Protection Agreement being terminated early or being capable of being terminated early).

Events of Default Permitting Immediate Suspension or Termination

The occurrence of any of the following events shall constitute an "Event of Default" under the Facility.

(a) Event of Insolvency. Any of the following shall have occurred with respect to the Authority:

i. the issuance, under the laws of any state or under the laws of the United States of America, of an order for relief, rehabilitation, liquidation or dissolution of the Authority;

ii. the commencement by or against the Authority of a case or other proceeding seeking an order for relief, liquidation, reorganization or other relief with respect to the Authority or its debts under any bankruptcy, insolvency, reorganization or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for the Authority or any substantial part of its property or the appointment, or the designation with respect to it, of an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or the declaration of, or the introduction or proposal for consideration by it or by any legislative or regulatory body with competent jurisdiction over it of, the existence of a state of financial emergency or similar state of financial distress in respect of it;

iii. the making of an assignment for the benefit of creditors by the Authority;

iv. the Authority is "insolvent" as defined in Section 101(32) of the United States Bankruptcy Code;

v. the declaration of a moratorium with respect to the payment of the debts of the Authority which means that a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction is declared by, or imposed on, Material Debt as a result of a finding or ruling of a Governmental Authority with jurisdiction over the Authority;

vi. the admission by the Authority in writing of its inability to pay its debts when due; or

vii. the initiation of any actions to authorize any of the foregoing by or on behalf of the Authority.

(b) Payment Default. Any principal or interest due with respect to the 2017 Series B-1 Bonds (including regularly scheduled payments of principal and interest on Bank Bonds) is not paid when due or the Authority fails to make or otherwise defaults in any payment of regularly scheduled principal of or interest on any other Material Debt beyond any grace period provided with respect thereto.

(c) Invalidity. (i) The Act, the 2017 Series B-1 Bonds (including Bank Bonds), the Facility, the Indenture, any Material Debt, or any material provision thereof relating to the payment of principal of or interest on the 2017 Series B-1 Bonds or other Material Debt, shall at any time for any reason cease to be valid and binding on the Authority or shall be declared in a final, non appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable; (ii) the pledge of and lien on the Trust Estate shall at any time for any reason cease to be valid and binding on the Authority or shall be declared in a final, non appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable; or (iii) any Governmental Authority with jurisdiction to rule on the validity of the Facility, the Act, the 2017 Series B-1 Bonds (including Bank Bonds), the Indenture or any Material Debt shall find or rule that any of the Act, the Facility, the 2017 Series B-1 Bonds (including Bank Bonds), the Indenture or any Material Debt, as the case may be, or any provision thereof relating to (A) the payment of principal of or interest on the 2017 Series B-1 Bonds (including Bank Bonds) or any Material Debt or (B) the pledge of and lien on the Trust Estate is not valid or not binding on the Authority or is null and void.

(d) Contest of Validity. The Authority or any Governmental Authority with appropriate jurisdiction (i) shall repudiate or deny that the Authority has any further liability or obligation under the Facility, the 2017 Series B-1 Bonds (including Bank Bonds), the Act, the Indenture or any Material Debt or (ii) shall claim that any of the provisions that provide (A) for the payment of principal of or interest on the 2017 Series B-1 Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2017 Series B-1 Bonds (including Bank Bonds) or the Facility, is not valid or not binding on the Authority; or (iii) shall initiate any legal proceedings to seek an adjudication that any of the provisions that provide (A) for the payment of principal of or interest on the 2017 Series B-1 Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2017 Series B-1 Bonds (including Bank Bonds) or the Facility is not valid or not binding on the Authority; (iv) shall have taken or permitted to be taken any official action, or shall have duly enacted any statute, which would materially adversely affect the enforceability of any of the provisions that provide (A) for the payment of principal of or interest on the 2017 Series B-1 Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and lien on the Trust Estate, in the Indenture, the 2017 Series B-1 Bonds (including Bank Bonds) or the Facility.

(e) Investment Grade Rating. The unenhanced rating of the 2017 Series B-1 Bonds or any other Material Debt shall be (i) withdrawn or suspended for credit-related reasons or reduced below "Baa3" by Moody's and (ii) withdrawn or suspended for credit-related reasons or reduced below "BBB-" by S&P.

(f) Judgment. (i) One or more final, non appealable judgments or orders in an amount in excess of $5,000,000 in the aggregate shall be rendered against the Authority and (ii) such judgments or orders shall not have been paid in accordance with the terms of such judgments or orders or discharged, vacated, satisfied or stayed within 60 days after entry thereof or if, after the expiration of any such stay, such judgments or orders shall not have been paid in accordance with the terms of such judgments or orders or discharged.

Remedies

(a) Immediate Termination. Upon the occurrence of any Event of Default described in (a), (b), (c)(i), (c)(ii), (d), (e) or (f) under the caption "Events of Default Permitting Immediate Suspension or Termination" (each an "**Immediate Termination Event**"), the Available Commitment, the Purchase Period and the obligation of the Facility Provider to purchase Eligible Bonds under the Facility shall immediately terminate without notice or demand, and thereafter the Facility Provider shall be under no obligation to purchase Eligible Bonds under the Facility. Upon an Immediate Termination Event, the Facility Provider shall promptly give written notice of the same to the Authority, the Trustee, the Paying Agent and the Remarketing Agent; provided that the Facility Provider shall incur no liability of any kind by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Available Commitment, the Purchase Period and the Facility Provider's obligation to purchase Eligible Bonds pursuant to the Facility.

(b) Termination with Notice. Upon the occurrence of any Event of Default described under the caption "Events of Default not Permitting Immediate Termination," the Facility Provider may terminate the Available Commitment and the Purchase Period by giving a Notice of Termination Date to the Authority, the Paying Agent, the Trustee and the Remarketing Agent, specifying the date on which such Available Commitment and Purchase Period shall terminate, which date shall be not less than thirty (30) days after the date of receipt of such Notice of Termination Date by the Trustee. On and after the date specified in a Notice of Termination Date, the Available Commitment and the Purchase Period shall terminate and the Facility Provider shall be under no further obligation to purchase Eligible Bonds under the Facility.

(c) Suspension Events. In the case of an Event of Default specified in clause (c)(iii) under the caption "Events of Default Permitting Immediate Suspension or Termination" (following the entry of a judgment subject to further proceedings and prior to the entry of a final, non appealable judgment) (an "**Immediate Suspension Event**"), the Facility Provider's obligation under the Facility to purchase Eligible Bonds shall be immediately suspended without notice or demand and thereafter the Facility Provider shall be under no obligation to purchase Eligible Bonds until such obligation is reinstated pursuant to such clause. Promptly upon the Facility Provider obtaining knowledge of any such Immediate Suspension Event, the Facility

Provider shall give written notice to the Authority, the Paying Agent, the Trustee and the Remarketing Agent of such suspension; provided that the Facility Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Facility Provider's obligation to purchase Eligible Bonds pursuant to the Facility. If a court with jurisdiction to rule on the validity of the provisions described in such clause (c)(iii) shall enter a final, non appealable judgment that any such provision is not valid and binding on the Authority, then the Purchase Period, the Available Commitment and the Facility Provider's obligation to purchase Eligible Bonds under the Facility shall immediately terminate. If a court with jurisdiction to rule on the validity of the provisions described in such clause (c)(iii) shall thereafter find or rule that such provisions are valid and binding on the Authority, the Facility Provider's obligation to purchase Eligible Bonds under the Facility shall be automatically reinstated and the terms of such Facility will continue in full force and effect (unless the obligation of the Facility Provider to purchase Eligible Bonds under such Facility shall otherwise have terminated or been suspended as provided in such Facility). Notwithstanding the foregoing, if, upon the earlier of the expiration of the Purchase Period and the date which is two (2) years after the effective date of suspension of the Facility Provider's obligation pursuant to the provision described in this clause (c), litigation is still pending and a judgment regarding the validity of the provisions described in such clause (c)(iii) that are the cause of such Immediate Suspension Event has not been obtained, then the Available Commitment, the Purchase Period and the obligation of the Facility Provider to purchase Eligible Bonds pursuant to the Facility shall at such time immediately terminate and thereafter the Facility Provider shall be under no obligation to purchase Eligible Bonds under the Facility.

(d) Other Remedies. In addition to the rights and remedies described in clauses (a), (b) and (c) under this caption "Remedies," upon the occurrence of any Event of Default specified in the Facility, upon the election of the Facility Provider: (i) all amounts payable under the Facility, under the Fee Letter and under the Bank Bonds shall, upon demand by the Facility Provider given to the Authority and the Trustee, become immediately due and payable without other presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Authority in the Facility; and (ii) all Bank Bonds shall, upon demand by the Facility Provider made to the Authority and the Trustee, become subject to immediate mandatory redemption. Upon the occurrence of any Event of Default specified in the Facility, the Facility Provider shall have all the rights and remedies available to it under the Facility, the other Related Documents or otherwise pursuant to law or equity; provided, however, that the Facility Provider shall not have the right to terminate its obligation to purchase Eligible Bonds or to declare any amount due under the Facility due and payable except as expressly provided in the Facility.

(e) Remedies Non-Exclusive. The remedies described above shall only be exclusive with respect to Events of Default to the extent described above and to the extent they are obtained by the Facility Provider. If, for any reason whatsoever, the Facility Provider is not able to obtain all such remedies, then the Facility Provider reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity, or any Related Documents.

Notwithstanding the provisions described above, if, upon the occurrence of an Event of Default under the caption "Events of Default not Permitting Immediate Termination", the Facility Provider exercises its rights under the Facility to declare the amounts owed thereunder, under the Fee Letter and under the Bank Bonds to be immediately due and payable or to have the Bank Bonds become subject to immediate mandatory redemption, the failure by the Authority to pay such accelerated amounts shall not, by itself, permit the immediate termination of the Available Commitment, the Purchase Period or the Facility Provider's obligation to purchase Eligible Bonds pursuant to the Facility.

Bank Bonds; Accelerated Payments

Notwithstanding anything to the contrary contained in any Bank Bond, the Authority agrees in the Facility that (a) the Authority shall pay the Facility Provider interest at the Bank Rate on the Interest Component, if any, included in the Purchase Price from the Purchase Date until, and the Interest Component (together with interest thereon at the Bank Rate) shall be due and payable on, the earliest of (i) the Interest Payment Date next succeeding the Purchase Date, (ii) the Sale Date or the date such Bank Bond is paid at maturity or redeemed and (iii) the last day of the Purchase Period and (b)(i) interest on the unpaid principal amount of each Bank Bond from and including the Purchase Date shall be computed at a rate per annum equal to the Bank Rate, subject to the provisions of the Facility, and (ii) interest payable as described in clause (b)(i) above shall be payable (each date described in this clause (b)(ii) being a "**Bank Bond Interest Payment Date**") (A) on the first Business Day of each February, May, August and November, (B) upon redemption or purchase in lieu of redemption of such Bank Bond pursuant to the 2017 Series A/B Indenture (to the extent of the interest accrued on the amount being redeemed), (C) on each Sale Date (to the extent of the interest accrued on the amount being sold or deemed sold after a credit for any interest included in the Sale Price and as provided in the Facility), (D) on the date the Purchase Period is terminated pursuant to the terms of the Facility and (E) at maturity (whether by acceleration or otherwise). In the event any Bank Bond is remarketed or otherwise transferred by the Facility Provider before payment in full of the funds advanced by the Facility Provider under the Facility with respect thereto, together with interest thereon at the Bank Rate, the provisions of the Facility shall continue to apply to such indebtedness until all sums owing for all periods during which the same was a Bank Bond are paid. All or any portion of the Bank Bonds may be optionally redeemed at any time without penalty, but only in Authorized Denominations. The obligation of the Authority to make the payments described under this caption shall be reduced to the extent that such obligations are paid pursuant to the 2017 Series A/B Indenture or as part of the Sale Price.

Subject to the conditions that (a) no Event of Default shall have occurred and be continuing and (b) the representations and warranties contained in the Facility are true and correct (except for representations and warranties which relate to a specific date, in which case such representations and warranties will be true as of such date), in each case on the Term-Out Commencement Date (as defined below) immediately following a Purchase Date, Bank Bonds purchased on such Purchase Date shall not be subject to mandatory redemption on such Term-Out Commencement Date and, instead, shall be subject to mandatory redemption as described in the immediately succeeding sentence. If the conditions described in the preceding sentence are satisfied on such Term-Out Commencement Date, such Bank Bonds shall be subject to mandatory redemption in equal quarterly principal installments, the first such installment being payable on the first Business Day of February, May, August or November, whichever first occurs on or following the earlier of (i) the Expiration Date and (ii) 90 days after the Purchase Date (the "**Term Out Commencement Date**"), and on the first Business Day of each February, May, August and November thereafter so that such Bank Bonds are paid in full no later than the third (3rd) anniversary of such Purchase Date (the date of each such redemption being a "**Bank Bond Redemption Date**"). If the conditions of the first sentence of this paragraph are not satisfied on such Term-Out Commencement Date, such Bank Bonds shall be subject to mandatory redemption on such Term-Out Commencement Date. Interest on such Bank Bonds shall be payable as provided in the Facility. Notwithstanding the foregoing, the Authority may optionally redeem any Bank Bond without penalty. All Authority obligations with respect to all Bank Bonds (including the payment of the Interest Component with interest) shall be due and payable in full on the earliest of (a) the date such Bank Bonds are remarketed and sold or deemed sold by the Facility Provider or a Bank Bondholder to a Purchaser pursuant to the Facility, (b) the date the interest rate borne by the 2017 Series B-1 Bonds is converted to a rate other than a Covered Rate, (c) the date of the delivery of a Substitute Liquidity Facility in substitution for the Facility, (d) the date such Bank Bonds are purchased in lieu of redemption in accordance with the Master Indenture and (e) any date determined pursuant to the Facility.

If the amount of interest payable on any Bank Bond for any period in accordance with terms of the Facility exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate for such period.

Any interest that would have been due and payable for any period but for the operation of terms in the Facility shall accrue and be payable as provided in the Facility and shall, less interest actually paid to the Facility Provider for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount under the Facility with respect to which interest is payable, together with the Bank Bonds, if any, shall bear interest at the Maximum Rate until payment to the Facility Provider of the entire Excess Interest Amount.

Notwithstanding the foregoing, on the date on which no principal amount under the Facility remains unpaid and no Bank Bonds are outstanding, the Authority shall pay to the Facility Provider a fee equal to any accrued and unpaid Excess Interest Amount to the extent such payment may be made without violating law.

Amendments and Waivers

No amendment or waiver of any provision of the Facility nor consent to any departure by the Authority from any such provision shall in any event be effective unless the same shall be in writing and signed by the Facility Provider in the case of waivers and signed by the parties thereto in the case of amendments; provided, however, that the Expiration Date may be extended in accordance with the Facility by instruments in writing signed solely by the Facility Provider and with written notice to the Trustee, the Paying Agent, the Remarketing Agent, the Authority, S&P and Moody's; provided, further, that no amendment to any Immediate Termination Event or Immediate Suspension Event (each, an "**EMMA Amendment**") shall become effective for (a) ten (10) calendar days after the Authority has posted such EMMA Amendment on Electronic Municipal Market Access ("**EMMA**") (or such other service or services of the Municipal Securities Rulemaking Board ("**MSRB**"), or any successor to the MSRB, that may replace EMMA) and (b) fifteen (15) calendar days after the Trustee has provided notice of such EMMA Amendment to the holders of the 2017 Series B-1 Bonds. Additionally, the Authority will use its best efforts to post such EMMA Amendment on Bloomberg ten (10) calendar days prior to the effective date of such EMMA Amendment. In the event that the Authority and the Facility Provider enter into any EMMA Amendment, the Authority has covenanted (1) to post a final draft of such EMMA Amendment on EMMA ten (10) calendar days prior to the effective date of such EMMA Amendment (such effective date to be a date as determined by the Authority and the Facility Provider) and (2) to cause the Trustee to provide notice of such EMMA Amendment to the holders of the 2017 Series B-1 Bonds fifteen (15) calendar days prior to the effective date of such EMMA Amendment (such effective date to be a date as determined by the Authority and the Facility Provider). Failure of the Authority to comply with the covenants described in the preceding sentence shall be considered a covenant default under the Facility. Notwithstanding anything set forth in the provision described above, any amendment to any provision of the Facility other than an EMMA Amendment, whether or not contained in an amendment to the Facility which includes an EMMA Amendment, shall become effective on the date set forth in such amendment whether or not the Authority has complied with the third to last sentence of this paragraph prior to the effective date of such amendment.

Any waiver of or amendment to any provision of the Facility shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in the Facility should be breached by the Authority and thereafter waived by the Facility Provider, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach under the Facility.

APPENDIX D

Certain Information Concerning the 2017B-1 Liquidity Facility Provider

Royal Bank of Canada (referred to in this section as "**Royal Bank**") is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec H3C 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC, the Remarketing Agent.

Royal Bank is Canada's largest bank, and one of the largest banks in the world, based on market capitalization. Royal Bank is one of North America's leading diversified financial services companies and provides personal and commercial banking, wealth management, insurance, investor services and capital markets products and services on a global basis. Royal Bank and its subsidiaries have approximately 80,000 full- and part-time employees who serve more than 16 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 35 other countries.

Royal Bank had, on a consolidated basis, as at April 30, 2017, total assets of C$1,202.9 billion (approximately US$881.3 billion[*]), equity attributable to shareholders of C$72.6 billion (approximately US$53.2 billion[*]) and total deposits of C$785.6 billion (approximately US$575.5 billion[*]). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended April 30, 2017.

The senior long-term unsecured debt of Royal Bank has been assigned ratings of AA- (negative outlook) by S&P Global Ratings, A1 (negative outlook) by Moody's Investors Service and AA (negative outlook) by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Swiss Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Official Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 155 Wellington Street West, 13th Floor, Toronto, Ontario, M5W 3K7, Canada, or by calling (416) 955-7802, or by visiting rbc.com/investorrelations.[**]

The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

[*] As at April 30, 2017: C$1.00 = US$0.732601.

[**] This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Official Statement.

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APPENDIX E

Form of 2017A/B Bond Counsel Opinion

[Closing Date]

Colorado Housing and Finance Authority
1981 Blake Street
Denver, Colorado 80202

Colorado Housing and Finance Authority
Federally Taxable Single Family Mortgage Class I Bonds
(GNMA MBS Pass-Through Program)
2017 Series A

Colorado Housing and Finance Authority
Federally Taxable Single Family Mortgage Class II
Adjustable Rate Bonds
2017 Series B-1

Colorado Housing and Finance Authority
Federally Taxable Single Family Mortgage Class II
Bonds
2017 Series B-2

Ladies and Gentlemen:

We have acted as bond counsel to the Colorado Housing and Finance Authority (the "Authority") in connection with the issuance of its Federally Taxable Single Family Mortgage Class I Bonds (GNMA MBS Pass-Through Program), 2017 Series A, its Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1, and its Federally Taxable Single Family Mortgage Class II Bonds, 2017 Series B-2 (collectively, the "Bonds") in the aggregate principal amount of $72,895,000. In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. The Bonds are authorized and issued pursuant to the Master Indenture of Trust dated as of October 1, 2001, as amended, and as supplemented by the 2017 Series A/B Indenture dated as of July 1, 2017 (together, the "Indenture"), between the Authority and Zions Bank, a Division of ZB, National Association (formerly, Zions First National Bank), as trustee (the "Trustee"). Capitalized terms used herein, unless parenthetically defined herein, have the meanings ascribed to them in the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the Authority's certified proceedings and other representations and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding special, limited obligations of the Authority, payable solely from the Revenues and other assets pledged thereto under the Indenture.

2. The Indenture has been duly authorized by the Authority, duly executed and delivered by authorized officials of the Authority, and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms.

3. Interest on the Bonds is included in gross income for federal income tax purposes.

4. The Bonds, their transfer and the income therefrom shall at all times be free from taxation by the State of Colorado under Colorado laws in effect as of the date hereof.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the Authority incurred pursuant to the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We understand that Royal Bank of Canada, acting through a branch located at 200 Vesey Street, New York, New York, has delivered a Standby Bond Purchase Agreement with respect to the 2017 Series B-1 Bonds. We express no opinion as to the validity or enforceability of such Standby Bond Purchase Agreement or the security afforded thereby.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not opining upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX F

Class Asset Requirements for Bonds

The "*Class I Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held (or deemed held in) in the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of the related series of Class I Bonds), the related subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem the related series of Class I Bonds), the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) in the case of certain series of Bonds, the amounts held in the respective subaccounts of the Accounts and Funds noted in clause (a) above (or deemed held in) that are unrelated to such series of Bonds (including amounts in such subaccounts of the Class I Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Class I Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding as shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class I Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the Series of Bonds to which each respective "Class I Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of related series of Class I Bonds then Outstanding, or such different percentage as shall be approved or required by each Rating Agency in writing.

The "*Class II Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held in (or deemed held in) the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccounts of the Class I Debt Service Fund and the Class II Debt Service Fund (to the extent such amounts are required to be used to pay principal of the related series of Class I Bonds or Class II Bonds), the related subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem the related series of Class I Bonds or Class II Bonds), the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) the amounts held in the respective subaccounts of the Accounts and Funds listed in clause (a) above (or deemed held in) that are Unrelated to such series of Bonds (including amounts in such subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund and the Redemption Fund only to the extent such amounts are required to be used to pay principal of or to redeem Class I Bonds or Class II Bonds) plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class II Bonds of such series of Unrelated Bonds then Outstanding as such percentages shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class II Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the series of Bonds to which each respective "Class II Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class I Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class II Bonds then Outstanding, or such different percentages as shall be approved or required by each Rating Agency in writing.

The "*Class III Asset Requirement*" means the requirement that, as of any date of calculation, the sum of:

(a) amounts held in (or deemed held in) the related subaccount or subaccounts of the Acquisition Account, the related subaccount of the Loan Recycling Account, the related subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of related Series of Class I Bonds), the related subaccount of the Class II Debt Service Fund (to the extent such amounts are required to be used to pay principal of related series of Class II Bonds) and the related subaccount of the Class III Debt Service Fund, the related subaccounts of the Redemption Fund, the related subaccount of the Debt Service Reserve Fund and the related subaccount of the Revenue Fund after all transfers and payments made pursuant to the Master Indenture,

(b) the amounts held in (or deemed held in) the respective subaccounts of the Accounts and Funds listed in clause (a) above that are Unrelated to such series of Bonds plus the aggregate unpaid principal balance of Mortgage Loans Unrelated to such series of Bonds to the extent the aggregate amount held in such subaccounts for each Series of such Unrelated Bonds and the aggregate unpaid principal balance of such Mortgage Loans exceeds the percentage of the aggregate principal amount of the Class I Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class II Bonds of such series of Unrelated Bonds then Outstanding plus the percentage of the aggregate principal amount of the Class III Bonds of such Series of Unrelated Bonds then Outstanding as such percentages shall be approved or required by each Rating Agency in writing, but only to the extent that such amounts have not been or are not being taken into account in satisfying the "Class III Asset Requirement" for any other series of Bonds Unrelated to such series of Bonds other than the series of Bonds to which each respective "Class III Asset Requirement" relates, and

(c) the aggregate unpaid principal balance of Mortgage Loans Related to the related series of Bonds, be at least equal to the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class I Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class II Bonds then Outstanding plus the percentage set forth in the Series Indenture of the aggregate principal amount of the related series of Class III Bonds then Outstanding, or such different percentages as may be approved or required by each Rating Agency in writing.

The Class I Asset Requirement, Class II Asset Requirement and Class III Asset Requirement, respectively, with respect to a series of Bonds shall include the percentages set forth in the Related Series Indenture. The percentages for the Class Asset Requirements for each series of the Outstanding Bonds, approved at this time by each Rating Agency are 113.75% for the Class I Asset Requirement, 106% for the Class II Asset Requirement and 102% for the Class III Asset Requirement (except, in each case, with respect to the Short-Term Bonds, for which the applicable Class Asset Requirement is 100%). These percentages are subject to change and reevaluation upon the issuance of each series of Bonds and from time to time as reviewed by the Rating Agencies.

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APPENDIX G

Annual Financial Report
(With Independent Auditors' Report Thereon)
December 31, 2016 and 2015

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COLORADO HOUSING AND FINANCE AUTHORITY
ANNUAL FINANCIAL REPORT
(With Independent Auditors' Report Thereon)
December 31, 2016 and 2015

Prepared by:
Accounting Division

COLORADO HOUSING AND FINANCE AUTHORITY – Annual Financial Report

Table of Contents

EXECUTIVE LETTER
(UNAUDITED)

Message from Cris White,
Executive Director and CEO
March 23, 2017

CHFA's programs to support housing stability and economic prosperity were in demand throughout Colorado in 2016. CHFA was pleased to exceed production goals in all three lines of CHFA's business, in addition to setting a new record for the most single family mortgage production in our history - a significant indicator of the great need for affordable homeownership options in Colorado.

Overall in 2016, CHFA supported:

- 6,114 Colorado households in obtaining home purchase loans, mortgage refinance loans, or mortgage credit certificates;

- the development or preservation of 62 affordable rental housing projects, supporting a total of 5,573 rental housing units; and

- 414 businesses with our capital access and business lending programs, which combined supported 4,486 jobs.

CHFA made a $1.7 billion direct investment into our mission last year. The economic activity estimated to occur as a result of this investment is $2.5 billion.

Home prices grew by more than 8 percent in 2016, bringing the median sales price to $310,000. To support the growing need for affordable homeownership, CHFA invested $1.3 billion in first mortgage home loans in 2016. This surpassed our previous record for highest annual production of $745.9 million, achieved in 2015. Additionally, enrollment in statewide CHFA-sponsored homebuyer education classes reached an all-time high in 2016, with 10,719 households served.

In 2016's third quarter, the median rent in Colorado was $1,267, which is a 48.8% increase over the last five years. As unaffordability became more widespread across Colorado last year, CHFA invested $323.2 million in multifamily loans and Low Income Housing Tax Credits to support the development or preservation of affordable rental housing properties. This investment translates to 5,573 units to be developed or preserved throughout Colorado.

CHFA's investment in economic development via our business finance programs strengthened Colorado communities in 2016. We exceeded our 2016 business finance production goal by more than 200 percent, investing $70.0 million to help businesses grow across the state. In addition, credit enhancement programs administered by CHFA, Colorado Credit Reserve and Cash Collateral Support, leveraged a combined $52.0 million in private sector lending to support Colorado businesses in 2016.

CHFA's Housing Opportunity Fund (HOF) remains an important resource to support our mission. In 2016, we doubled its balance by contributing $23.8 million, bringing the balance available to $42.2 million. HOF supported 652 new or preserved rental housing units in 2016, including 100 units serving formerly homeless families and individuals, and 196 serving seniors and disabled individuals. In addition, $11.6 million in HOF has been committed to support future projects. In the coming years, we expect HOF to continue to be a source of funding that accommodates an array of affordable housing and community development activities throughout Colorado.

As Colorado continues to grow and change, CHFA will continue to fulfill our mission and aspire to realize our vision that everyone in Colorado will have the opportunity for housing stability and economic prosperity. This will take strong partnerships, creative solutions, and a continued commitment to our values.

Cris A. White

Cris A. White
Executive Director and CEO

INDEPENDENT AUDITORS' REPORT

RSM US LLP

Independent Auditor's Report

The Board of Directors
Colorado Housing and Finance Authority
Denver, Colorado

Report on the Financial Statements
We have audited the accompanying financial statements of Colorado Housing and Finance Authority (the Authority) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Colorado Housing and Finance Authority as of December 31, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of selected pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The executive letter and the supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The executive letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by* Government Auditing Standards**
In accordance with *Government Auditing Standards,* we have also issued our report dated March 23, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
March 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

This section of the Colorado Housing and Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations as of and for the years ended December 31, 2016 and 2015. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The Authority is a public purpose financial enterprise, a body corporate and political subdivision of the State of Colorado (the State), that finances affordable housing, business and economic growth opportunities for residents and businesses of Colorado. Its dual mission is to increase the availability of affordable, decent and accessible housing for lower- and moderate-income Coloradans, and to strengthen the state's development by providing financial assistance to businesses.

Established by the Colorado General Assembly in 1973, the Authority raises funds through the public and private sale of bonds and notes, which are not obligations of the State. The proceeds are loaned to eligible borrowers, primarily through private lending institutions across the state under sound fiscal practices established by the Authority. As a self-sustaining organization, the Authority's operating revenues come from loan and investment income, program administration fees, loan servicing and gains on sales of loans. The Authority receives no tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings.

The Authority participates in the Government National Mortgage Association (Ginnie Mae) Mortgage Backed Securities (MBS) Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and that are backed by pools of mortgage loans. Ginnie Mae securities, which can be held or sold, carry the full faith and credit guaranty of the United States government. Holders of the securities receive a "pass-through" of the principal and interest payments on a pool of mortgage loans, less amounts required to cover servicing costs and Ginnie Mae guaranty fees. The Ginnie Mae guaranty ensures that the holder of the security issued by the Authority receives the timely payment of scheduled monthly principal and any unscheduled recoveries of principal on the underlying mortgage loans, plus interest at the rate provided for in the securities. All loans pooled under the Ginnie Mae MBS Programs are either insured by the Federal Housing Administration or are guaranteed by the United States Department of Agriculture Rural Development or the Veterans Administration.

The Authority also participates in the Federal National Mortgage Association (Fannie Mae) Mortgage Backed Securities (MBS) and Whole Loan Commitment Programs. Fannie Mae is a Government-Sponsored Enterprise with a public mission to provide stability in and to increase the liquidity of the residential mortgage market for homebuyers. The Authority is a Fannie Mae Seller/Servicer, either selling whole loans to Fannie Mae for cash or swapping pooled loans for mortgage-backed securities (MBS) issued by Fannie Mae, which securities can be held or sold.

The Authority also participates in the Federal Home Loan Corporation (Freddie Mac) Whole Loan Commitment Program. Freddie Mac is a Government-Sponsored Enterprise with a public mission to provide liquidity, stability and affordability to the nation's housing market. The Authority is a Freddie Mac Seller/Servicer, selling whole loans to Freddie Mac for cash.

Overview of the Financial Statements

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes thereto. The Authority follows enterprise fund accounting. The financial statements offer information about the Authority's activities and operations.

The Statement of Net Position includes all of the Authority's assets and liabilities, presented in order of liquidity, along with deferred outflows and deferred inflows. The resulting net position presented in these statements is displayed as invested in capital assets, restricted or unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes.

All of the Authority's current year revenues and expenses are recorded in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the activities of the Authority's operations over the past year and presents the resulting change in net position.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments and net changes in cash resulting from operating, noncapital financing, capital and related financing and investing activities. The statement provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

Required and other supplementary information is presented following the notes to financial statements to provide selected pension information and other supplemental information, such as combining schedules for the Authority's programs.

Debt Activity

On May 5, 2016, the Authority issued $12.5 million in tax exempt, Federally Insured Multi-Family Pass-Through, Series 2016-I Bonds to fund the construction and permanent loan for Montbello VOA Senior Housing Project.

On July 20, 2016, the Authority issued $18.0 million in tax exempt, Federally Insured Multi-Family Pass-Through, Series 2016-II Bonds to fund the construction and permanent loan for Crisman Apartments Project.

On August 31, 2016, the Authority issued $7.5 million in tax exempt, Federally Insured Multi-Family Pass-Through, Series 2016-III Bonds to fund the construction and permanent loan for Willow Street Residences Project.

On September 29, 2016, the Authority issued $12.4 million in tax exempt, Federally Insured Multi-Family Pass-Through, Series 2016-IV Bonds to fund the construction and permanent loan for Porter House Apartments Project.

On October 25, 2016, the Authority issued $1.2 million in Federally Taxable 2016 Series A-1 Bonds and $10.5 million in non-AMT 2016 Series A-2 bonds to fund building improvements at the Authority's headquarters.

On December 14, 2016 the Authority issued $44.0 million in tax exempt, Federally Insured Multi-Family Pass-Through, Series 2016-V Bonds to refund a portion of bonds within the Multi-Family Project Indenture. In connection with the refunding, certain outstanding Federally Insured mortgage loans were transferred and pledged to the 2016-V Series Bonds.

Programs – The financial statements present the activities of the Authority's housing and lending programs. Information regarding these programs is provided in the supplemental schedules.

Financial Highlights

- Total cash and investments as of December 31, 2016 were $698.8 million, a decrease of $48.1 million, or 6.4%, compared to the amount outstanding as of December 31, 2015. The decrease was primarily the result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding.

- Total net loans receivable as of December 31, 2016 were $1.2 billion, a decrease of $46.7 million, or 3.8%, compared to the amount outstanding as of December 31, 2015. Loan repayments occurred without a corresponding increase in new loans retained as the Authority continued in 2016 to sell all of its single family loan production through four vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae or Freddie Mac. During 2016, $972.3 million in loans were sold through the issuance and sale of Ginnie Mae securities, $202.1 million in loans were pooled and swapped for Fannie Mae mortgage backed securities, which were subsequently sold, $66.9 million in loans were sold directly to Fannie Mae and $25.5 million in loans were sold directly to Freddie Mac.

- Total deferred outflows as of December 31, 2016 were $108.2 million, a decrease of $22.1 million, or 17.0%, compared to the amount outstanding as of December 31, 2015, reflecting an increase in market interest rates.

- As of December 31, 2016, bonds, notes payable and short-term debt were $1.3 billion, a decrease of $174.6 million, or 11.5%, compared to the balance at December 31, 2015. Payments of loans, together with available cash, have been used to reduce bond balances.

- Net position as of December 31, 2016 was $364.5 million, an increase of $24.4 million, or 7.2%, compared to the balance at December 31, 2015. Net position as a percent of total assets increased from 16.9% as of December 31, 2015 to 18.9% as of December 31, 2016.

- As reflected in the Statement of Revenues, Expenses and Changes in Net Position, the change in net position was $8.0 million or 48.5% more than the results at December 31, 2015. The increase in the change in net position compared to prior year was primarily composed of the following:
  - A $1.4 million increase in net interest income as a result of lower bond expense.
  - A $48.4 million increase in other operating income is a result of the following:
    - $36.5 million increase in gain on sale of loans
    - $1.1 million increase in investment derivative activity
    - $8.1 million increase in fair value of investments
    - $2.7 million increase in loan servicing and other revenues
  - A $41.1 million increase in operating expenses due primarily to expenses related to the down payment assistance program.

Analysis of Financial Activities

Condensed Summary of Net Position
(in thousands of dollars)

As of December 31,	2016	2015	2014
Assets			
Cash	**$ 161,081**	$ 144,488	$ 118,512
Investments	**537,674**	602,402	715,558
Loans receivable, net	**1,039,324**	1,165,675	1,385,457
Loans receivable held for sale	**128,425**	48,762	44,463
Capital assets, net	**4,441**	5,544	6,363
Other assets	**58,317**	42,455	42,460
Total assets	**1,929,262**	2,009,326	2,312,813
Deferred outflows of resources			
Accumulated increase in fair value of hedging derivatives	**95,952**	120,171	129,664
Pension contributions and investment earnings	**6,507**	2,558	-
Refundings of debt	**5,741**	7,584	12,472
Total deferred outflows of resources	**108,200**	130,313	142,136
Liabilities			
Bonds, notes payable and short-term debt	**1,340,147**	1,514,701	1,856,112
Derivative instruments and related borrowings	**118,072**	158,786	181,616
Net pension liability - proportionate share	**25,185**	19,395	-
Other liabilities	**184,462**	102,687	72,378
Total liabilities	**1,667,866**	1,795,569	2,110,106
Deferred inflows of resources			
Accumulated decrease in fair value of hedging derivatives	**4,830**	3,843	4,614
Pension investment differences	**296**	193	-
Total deferred inflows of resources	**5,126**	4,036	4,614
Net position			
Investment in capital assets	**4,441**	5,543	6,363
Restricted primarily by bond indentures	**155,022**	142,115	139,680
Unrestricted	**205,007**	192,376	194,186
Total net position	**$ 364,470**	$ 340,034	$ 340,229

Comparison of Years Ended December 31, 2016 and 2015

Total assets decreased $80.1 million, or 4.0%, from the prior year. Total cash and investments decreased $48.1 million, or 6.4% primarily as a result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding. Net loans receivable decreased by $46.7 million, or 3.8%, as a result of loan repayments occurring without a corresponding increase in new loans retained as the Authority continued in 2016 to sell all of its single family loan production through four vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae or Freddie Mac. Deferred outflows decreased $22.1 million, or 17.0%, from the prior year, reflecting an increase in market interest rates.

Total liabilities decreased $127.7 million, or 7.1%, from the prior year. Bonds, notes payable and short-term debt decreased $174.6 million, or 11.5% from the prior year, primarily due to scheduled bond payments and additional unscheduled redemptions. Derivative instruments and related borrowings decreased $40.7 million, or 25.6%, from the prior year due to an increase in market interest rates.

Comparison of Years Ended December 31, 2015 and 2014

Total assets decreased $303.5 million, or 13.1%, from the prior year. Total cash and investments decreased $87.2 million, or 10.5% primarily as a result of payments made against interest rate swap agreements and scheduled payments of principal and interest on bonds outstanding. Net loans receivable, including loans receivable held for sale, decreased by $215.5 million, or 15.1%, as a result of loan repayments occurring without a corresponding increase in new loans retained as the Authority continued in 2015 to sell all of its single family loan production through three vehicles: sales of Ginnie Mae and Fannie Mae mortgage backed securities or by direct sale to Fannie Mae. Deferred outflows decreased $11.8 million, or 8.3%, from the prior year, reflecting an increase in market interest rates.

Total liabilities decreased $314.5 million, or 14.9%, from the prior year. Bonds, notes payable and short-term debt decreased $341.4 million, or 18.4% from the prior year, primarily due to scheduled bond payments and additional unscheduled redemptions. Derivative instruments and related borrowings decreased $22.8 million, or 12.6%, from the prior year due to an increase in market interest rates.

Condensed Summary of Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

For the years ended December 31,	2016	2015	2014
Interest income and expense:			
Interest on loans receivable	**$ 63,648**	$ 72,283	$ 83,347
Interest on investments	**14,472**	23,667	21,522
Interest on debt	**(53,367)**	(72,616)	(80,603)
Net interest income	**24,753**	23,334	24,266
Other operating income (loss):			
Rental income	**17**	17	32
Gain on sale of loans	**86,527**	50,065	23,846
Investment derivative activity gain (loss)	**2,651**	1,569	(3,194)
Net increase (decrease) in the fair value of investments	**(5,032)**	(13,123)	8,790
Other revenues	**29,487**	26,749	22,739
Total other operating income	**113,650**	65,277	52,213
Total operating income	**138,403**	88,611	76,479
Operating expenses:			
Salaries and related benefits	**22,207**	18,647	16,977
General operating	**90,306**	51,872	24,489
Depreciation	**932**	1,109	1,197
Provision for loan losses	**(180)**	525	(2,698)
Total operating expenses	**113,265**	72,153	39,965
Net operating income	**25,138**	16,458	36,514
Nonoperating expenses:			
Federal grant receipts	**129,405**	120,224	116,944
Federal grant payments	**(129,405)**	(120,224)	(116,944)
Loss on sale of capital assets	**(702)**	-	(20)
Total nonoperating income and expenses, net	**(702)**	-	(20)
Change in net position	**24,436**	16,458	36,494
Net position:			
Beginning of year	**340,034**	340,229	303,735
Restatement due to GASB 68	**-**	(16,653)	-
End of year	**$ 364,470**	$ 340,034	$ 340,229

Comparison of Years Ended December 31, 2016 and 2015

Total operating income increased by $49.8 million in 2016, or 56.2%, compared to 2015. The following contributed to the increase:

- Interest income decreased by $17.8 million in 2016 as a result of higher loan prepayments without a corresponding increase in new loan production retained.
- Interest expense related to debt decreased by $19.2 million due to lower outstanding balances and reducing interest through actions to restructure debt.
- Gain on sale of loans increased $36.5 million due to increased loan activity related to the down payment assistance grant program offered in 2016.
- The fair value of investments and investment derivative activity collectively increased by $9.2 million due primarily to changes in market rates during 2016.
- Other revenues increased $2.7 million due to higher servicing fee income collected.

Total operating expenses increased $41.1 million in 2016, or 57.0%, compared to 2015. The increase was primarily due to expenses related to the down payment assistance program that began in 2015.

The federal grant receipts/payments consisted primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid by federal subsidy.

Comparison of Years Ended December 31, 2015 and 2014

Total operating income increased by $12.1 million in 2015, or 15.9%, compared to 2014. The following contributed to the increase:

- Interest income decreased by $8.9 million in 2015 as a result of higher loan prepayments without a corresponding increase in new loan production retained.
- Interest expense related to debt decreased by $8.0 million due to lower outstanding balances and reducing interest through actions to restructure debt.
- Gain on sale of loans increased $26.2 million due to increased loan activity related to the down payment assistance grant program offered in 2015.
- The fair value of investments and investment derivative activity collectively decreased by $17.2 million due primarily to changes in market rates during 2015.
- Other revenues increased $4.0 million due to higher servicing fee income collected.

Total operating expenses increased $32.2 million in 2015, or 80.5%, compared to 2014. The increase was primarily due to expenses related to the down payment assistance program that began in 2015.

The federal grant receipts/payments consisted primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid by federal subsidy.

BASIC FINANCIAL STATEMENTS

Colorado Housing and Finance Authority
Statement of Net Position
As of December 2016 and 2015
(in thousands of dollars)

	2016	2015
Assets		
Current assets:		
Cash		
Restricted	**$ 117,993**	$ 97,753
Unrestricted	**43,088**	46,735
Investments (partially restricted, see note 2)	**291,336**	317,090
Loans receivable (partially restricted, see note 3)	**34,644**	87,617
Loans receivable held for sale	**128,425**	48,762
Other current assets	**25,792**	15,325
Total current assets	**641,278**	613,282
Noncurrent assets:		
Investments (partially restricted, see note 2)	**246,338**	285,312
Loans receivable, net (partially restricted, see note 3)	**1,004,680**	1,078,058
Capital assets, net	**4,441**	5,544
Other assets	**32,525**	27,130
Total noncurrent assets	**1,287,984**	1,396,044
Total assets	**1,929,262**	2,009,326
Deferred outflows of resources		
Accumulated increase in fair value of hedging derivatives	**95,952**	120,171
Pension contributions and investment earnings	**6,507**	2,558
Refundings of debt	**5,741**	7,584
Total deferred outflows of resources	**108,200**	130,313
Liabilities		
Current liabilities:		
Short-term debt	**61,005**	77,505
Bonds payable	**46,947**	84,192
Notes payable	**103**	102
Other current liabilities	**172,899**	95,498
Total current liabilities	**280,954**	257,297
Noncurrent liabilities:		
Bonds and notes payable	**1,232,092**	1,352,902
Derivative instruments	**91,385**	121,187
Hybrid instrument borrowing	**26,687**	37,599
Net pension liability - proportionate share	**25,185**	19,395
Other liabilities	**11,563**	7,189
Total noncurrent liabilities	**1,386,912**	1,538,272
Total liabilities	**1,667,866**	1,795,569
Deferred inflows of resources		
Accumulated decrease in fair value of hedging derivatives	**4,830**	3,843
Pension investment differences	**296**	193
Total deferred inflows of resources	**5,126**	4,036
Net position		
Investment in capital assets	**4,441**	5,543
Restricted primarily by bond indentures	**155,022**	142,115
Unrestricted	**205,007**	192,376
Total net position	**$ 364,470**	$ 340,034

See accompanying notes to basic financial statements.

Colorado Housing and Finance Authority
Statement of Revenues, Expenses and Changes in Net Position
For the years ended December 2016 and 2015
(in thousands of dollars)

	2016	2015
Interest income and expense:		
Interest on loans receivable	$ 63,648	$ 72,283
Interest on investments	14,472	23,667
Interest on debt	(53,367)	(72,616)
Net interest income	24,753	23,334
Other operating income (loss):		
Rental income	17	17
Gain on sale of loans	86,527	50,065
Investment derivative activity gain	2,651	1,569
Net decrease in the fair value of investments	(5,032)	(13,123)
Other revenues	29,487	26,749
Total other operating income	113,650	65,277
Total operating income	138,403	88,611
Operating expenses:		
Salaries and related benefits	22,207	18,647
General operating	90,306	51,872
Depreciation	932	1,109
Provision for loan losses	(180)	525
Total operating expenses	113,265	72,153
Net operating income	25,138	16,458
Nonoperating income and expenses:		
Federal grant receipts	129,405	120,224
Federal grant payments	(129,405)	(120,224)
Loss on sale of capital assets	(702)	-
Total nonoperating income and expenses	(702)	-
Change in net position	24,436	16,458
Net position:		
Beginning of year	340,034	340,229
Restatement due to GASB 68	-	(16,653)
End of year	$ 364,470	$ 340,034

See accompanying notes to basic financial statements.

Colorado Housing and Finance Authority
Statement of Cash Flows
For the years ended December 2016 and 2015
(in thousands of dollars)

	2016	2015
Cash flows from operating activities:		
Principal payments received on loans receivable and receipts from dispositions of other real estate owned	**$ 974,533**	$ 450,109
Interest payments received on loans receivable	**64,917**	74,123
Payments for loans receivable	**(1,405,172)**	(807,829)
Receipts from sales of Ginnie Mae securities	**614,840**	623,901
Receipts from rental operations	**17**	17
Receipts from other revenues	**29,774**	26,724
Payments for salaries and related benefits	**(15,675)**	(17,177)
Payments for goods and services	**(91,997)**	(52,078)
All other, net	**14,990**	32,020
Net cash provided by operating activities	**186,227**	329,810
Cash flows from noncapital financing activities:		
Net increase (decrease) in short-term debt	**(16,500)**	15,700
Proceeds from issuance of bonds	**106,041**	125,300
Proceeds from issuance of notes payable	**-**	266
Receipts from federal grant programs	**129,941**	119,282
Payments for federal grant programs	**(129,405)**	(120,224)
Principal paid on bonds	**(264,573)**	(483,652)
Interest rate swap activity, net	**(5,793)**	(5,754)
Principal paid on notes payable	**(103)**	(104)
Interest paid on short-term debt	**(504)**	(235)
Interest rate swap settlements	**(44,674)**	(60,485)
Interest paid on bonds	**(18,159)**	(17,757)
Interest paid on notes payable	**(10)**	(10)
Net cash used in noncapital financing activities	**(243,739)**	(427,673)
Cash flows from capital and related financing activities:		
Purchase of capital assets	**(530)**	(291)
Net cash used in capital and related financing activities	**(530)**	(291)
Cash flows from investing activities:		
Proceeds from maturities and sales of investments	**2,140,154**	2,593,526
Purchase of investments	**(2,080,462)**	(2,493,489)
Income received from investments	**14,943**	24,093
Net cash provided by investing activities	**74,635**	124,130
Net increase in cash	**16,593**	25,976
Cash at beginning of year	**144,488**	118,512
Cash at end of year	**$ 161,081**	$ 144,488
Restricted	**$ 117,993**	$ 97,753
Unrestricted	**43,088**	46,735
Cash, end of year	**$ 161,081**	$ 144,488

Continued on the next page

Colorado Housing and Finance Authority
Statement of Cash Flows *(continued)*
For the years ended December 2016 and 2015
(in thousands of dollars)

	2016	2015
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income	**$ 25,138**	$ 16,458
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	**932**	1,109
Amortization and fair value adjustments of service release premiums	**15,657**	8,212
Proportionate share of net pension expense	**1,943**	377
Amortization of derivatives related borrowings	**(10,912)**	(7,657)
Provision for loan losses	**(180)**	525
Interest on investments	**(14,472)**	(23,667)
Interest on debt	**64,279**	80,273
Unrealized gain on investment derivatives	**(2,651)**	(1,569)
Unrealized loss on investments	**5,032**	13,123
Gain on sale of REO	**(59)**	(278)
Gain on sale of loans receivable held for sale	**(86,527)**	(50,065)
Changes in assets and liabilities:		
Loans receivable and other real estate owned	**116,370**	257,870
Accrued interest receivable on loans and investments	**1,269**	1,840
Other assets	**(18,620)**	(3,409)
Accounts payable and other liabilities	**89,028**	36,668
Net cash provided by operating activities	**$ 186,227**	$ 329,810

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1) Organization and Summary of Significant Accounting Policies

(a) Authorizing Legislation and Reporting Entity

Authorizing Legislation - The Colorado Housing and Finance Authority (the Authority) is a body corporate and a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Housing and Finance Authority Act, Title 29, Article 4, Part 7 of the Colorado Revised Statutes (the Statutes), as amended (the Act). The Authority is not a state agency and is not subject to administrative direction by the State. The governing body of the Authority is its board of directors (the Board). Operations of the Authority commenced in 1974. The Authority is not a component unit of the State or any other entity.

The Authority was created for the purpose of making funds available to assist private enterprise and governmental entities in providing housing facilities for lower- and moderate-income families. Under the Act, the Authority is also authorized to finance projects and working capital loans to industrial and commercial enterprises (both for-profit and nonprofit) of small and moderate size.

In 1992, Colorado voters approved an amendment to the State Constitution, Article X, Section 20, which, among other things, imposes restrictions on increases in revenue and expenditures of state and local governments. In the opinion of its bond counsel, the Authority qualifies as an enterprise under the amendment and, therefore, is exempt from its provisions.

In 2001, the Colorado state legislature repealed the limitation on the amount of debt that the Authority can issue as well as removed the moral obligation of the State on future debt issues of the Authority. The bonds, notes and other obligations of the Authority do not constitute debt of the State.

Lending and Housing Programs – The Authority accounts for its lending and operating activities in the following groups:

General Program – The General Program is the Authority's primary operating program. It accounts for assets, liabilities, revenues and expenses not directly attributable to a bond program. Most of the bond resolutions of the programs permit the Authority to make cash transfers to the general accounts after establishing reserves required by the bond resolutions. The general accounts financially support the bond programs when necessary. The general accounts include proprietary loan programs developed by the Authority to meet the needs of low- and moderate-income borrowers not served by traditional lending programs. The general accounts also include administrative activities related to the federal government's Section 8 housing assistance payments program.

Single Family Program – The Single Family Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of single family bond issues include Federal Housing Administration (FHA), conventional, United States Department of Agriculture (USDA) Rural Development, Rural Economic and Community Development Department (RD), and Veterans Administration (VA) loans made under various loan programs.

Multi-Family/Business Program – The Multi-Family/Business Program includes bonds issued and assets pledged for payment of the bonds under the related indentures. Loans acquired under this program with the proceeds of multi-family and business (sometimes referred to as project) bond issues include loans made for the purchase, construction or rehabilitation of multi-family rental housing. In addition, business loans are made to both for-profit and nonprofit organizations primarily for the purpose of acquisition or expansion of their facilities or for the purchase of equipment.

(b) Basis of Accounting

The Authority presents its financial statements in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). For financial purposes, the

Authority is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

(c) Summary of Significant Accounting Policies

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Significant estimates to the Authority's financial statements include the allowance for loan losses and fair value estimates. Actual results could differ from those estimates.

Cash and Restricted Cash – The Authority's cash and cash equivalents are represented by cash on hand and demand deposits held in banks. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits.

Restricted Assets – Amounts related to Single Family and Multi-Family/Business Programs are considered restricted and are detailed in the supplemental schedules. Restricted assets are held for the benefit of respective bondholders and accounted for by program. Certain other assets are held on behalf of various governmental housing initiatives or regulations.

Investments – Noncurrent investments of the Authority, representing those investments which are held as reserves under indenture or other restrictions, are reported at fair value based on values obtained from third-party pricing services. The values are based on quoted market prices when available or on adjusted value in relation to observable prices on similar investments. Money market investments are reported at amortized cost. Investment amounts related to Single Family and Multi-Family/Business Programs are considered restricted and are detailed in the supplemental schedules.

Loans Receivable – Mortgage loans receivable are reported at their unpaid principal balance net of an allowance for estimated loan losses. Loans related to Single Family and Multi-Family/Business Programs are considered restricted and are detailed in the supplemental schedules.

Loans Receivable Held for Sale – Loans originated or acquired and intended for sale in the secondary market are carried at the lower of cost or fair value. Gains and losses on loan sales (sales proceeds minus carrying value) are reported as other operating income.

Allowance for Loan Losses – The allowance for loan losses is a reserve against current operations based on management's estimate of expected loan losses. Management's estimate considers such factors as the payment history of the loans, the projected cash flows of the borrowers, estimated value of the collateral, subsidies, guarantees, mortgage insurance, historical loss experience for each loan type, additional guarantees provided by the borrowers and economic conditions. Based on review of these factors, a total reserve amount is calculated and a provision is made against current operations to reflect the estimated balance.

Troubled Debt Restructuring – A restructuring of a debt constitutes a troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Whatever the form of concession granted by the creditor to the debtor in a troubled debt restructuring, the creditor's objective is to make the best of a difficult situation. That is, the creditor expects to obtain more cash or other value from the debtor, or to increase the probability of receipt, by granting the concession than by not granting it.

Interest income is recognized using the new interest rate after restructuring, which approximates the effective interest rate. Additional information is disclosed in the loans receivable note. See note 3.

Capital Assets – Capital assets are defined by the Authority as assets with an initial, individual cost of $10 thousand or greater. Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives, which are 30 years for buildings and from 3 to 10 years for furniture and equipment.

Other Assets – Other assets is primarily made up of mortgage servicing rights. Mortgage servicing rights are amortized over the estimated life of the related loans using the effective interest method. Unamortized costs totaling $29.2 million and $23.3 million were outstanding at December 31, 2016 and 2015, respectively. Included in these amounts are mortgage servicing rights of $24.4 million and $18.6 million as of December 31, 2016 and 2015, respectively, related to loans sold by the Authority for which the Authority retained the mortgage servicing. These mortgage servicing rights are reported at the lower of cost or fair value.

The Authority recorded impairment losses of $4.1 million and $1.1 million on mortgage servicing rights as of December 31, 2016 and 2015, respectively. The impairment losses are reported in general operating expense on the Statement of Revenues, Expenses and Changes in Net Position.

Bonds – Bonds payable are general and limited obligations of the Authority, and are not a debt or liability of the State or any subdivisions thereof. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, moneys, investments, mortgage loans, and other assets in the accounts of the program. Virtually all of the Authority's loans and investments are pledged as security for the bonds. The provisions of the applicable trust indentures require or allow for redemption of bonds through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and program certificates. All outstanding bonds are subject to redemption at the option of the Authority, in whole or in part at any time after certain dates, as specified in the respective series indentures.

The Authority issues fixed rate and variable rate bonds. The rate on the fixed rate bonds is set at bond closing. The variable rate bonds bear interest at either a monthly or a weekly rate until maturity or earlier redemption. For bonds that pay weekly rates, the remarketing agent for each bond issue establishes the weekly rate according to each indenture's remarketing agreement. The weekly rates are communicated to the various bond trustees for preparation of debt service payments. The weekly rate, as set by the remarketing agent, allows the bonds to trade in the secondary market at a price equal to 100% of the principal amount of the bonds outstanding, with each rate not exceeding maximum rates permitted by law.

The Authority has variable rate demand bonds that have Stand-by Purchase Agreements (SBPA), which state that the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in marketing the bonds. In this event, the interest rate paid by the Authority will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of 90 days, they are deemed to be "bank bonds" and the Authority is required to repurchase the bonds from the SBPA issuer. The timing of this repurchase, or term out, will vary by issuer from two to five years.

Bond Discounts and Premiums – Discounts and premiums on bonds payable are amortized to interest expense over the lives of the respective bond issues using the effective interest method.

Debt Refundings – For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter. The difference is amortized using the effective interest method, with the exception of the amount relating to deferred loss on terminated interest rate swap hedging relationships, which is amortized on a straight-line basis. The deferred refunding amounts are classified as a component of deferred outflows on the Statement of Net Position.

Derivative Instruments – Derivative instruments, as defined in GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, are measured on the Statement of Net Position at fair value. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB No. 53 are reported as deferred inflows and outflows. Changes in fair value of investment derivative instruments, which are ineffective derivative instruments, are reported within investment derivative activity loss starting in the period of change.

Derivative Instruments – Interest Rate Swap Agreements – The Authority enters into interest rate swap agreements (swap) with rated swap counterparties in order to (1) provide lower cost fixed rate financing for its loan production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The interest differentials to be paid or received under such swaps are recognized as an increase or decrease in interest expense of the related bond liability. The Authority enters into fixed payor swaps, where it pays a fixed interest rate in exchange for receiving a variable interest rate from the counterparty. The variable interest rate may be based on either a taxable or tax-exempt index. By entering into a swap agreement, the Authority hedges its interest rate exposure on the associated variable rate bonds. The Authority's interest rate swaps are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments. Additional information about the swap agreements is provided in note 8.

Derivative Instruments – Forward Sales Contracts – Forward sales of mortgage backed securities within the To-Be-Announced market are utilized to hedge changes in fair value of mortgage loan inventory and commitments to purchase mortgage loans at fixed rates. At December 31, 2016, the Authority had executed 114 forward sales transactions with a $384.0 million notional amount with six counterparties with concentrations and ratings (Standard and Poor's/Moody's Investors Service) as shown in note 8. The forward sales will all settle by March 21, 2017. These contracts are considered investment derivative instruments and carry a fair value of $2.4 million as of December 31, 2016.

Hybrid Instrument Borrowings – Hybrid instrument borrowings represent cash premiums received on interest rate swaps that had a fair value other than zero at the date of execution, generally because the fixed rates were different from market rates at that date. Interest expense is imputed on these borrowings, which are reported at amortized cost.

Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Public Employee's Retirement Association of Colorado (PERA) pension plan and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Other Liabilities – The major other liabilities are as follows:

- *Servicing escrow:* The net amount of collected escrow funds currently being held on behalf of borrowers to pay future obligations of property taxes and insurance premiums due on real properties. The Authority has a corresponding asset that is recorded in restricted cash.
- *Deferred Low Income Housing Tax Credit (LIHTC) Income:* Compliance monitoring fees collected in advance on multi-family properties that have been awarded low-income housing tax credits to be used over a 15-year period. These fees cover the ongoing cost the Authority incurs to certify that these properties remain low-income compliant during the 15-year period and continue to be eligible to use the tax credits awarded.
- *Compensated Absences*: Employees accrue paid time off at a rate based on length of service. Employees may accrue and carry over a maximum of 150% of their annual paid time off benefit. The liability for compensated absences is based on current salary rates and is reported in the Statement of Net Position.

Classification of Revenues and Expenses – The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are interest income on loans, gain on sale of loans and investment income. The Authority also recognizes revenues from rental operations and other revenues, which include loan servicing fees and other administrative fees. Operating expenses include interest expense, administrative expenses, depreciation, and the provision for loan losses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority's nonoperating revenues and expenses consist primarily of pass-through amounts related to the Authority's role as a contract administrator of the U.S. Department of Housing and Urban Development's Section 8 subsidy program. Under the Section 8 subsidy program, tenants pay 30% of their income toward rent and the balance is paid to the Authority by federal subsidy.

New Accounting Principles – As of December 31, 2016, the Authority implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The Statement establishes a hierarchy of inputs to valuation techniques to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions of the default rate among underlying mortgages of a mortgage-backed security.

The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The provisions of this statement were implemented as of December 31, 2016.

GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This statement was applicable to the Authority's investments in external investment pools as of December 31, 2016.

Future Accounting Principles – GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for financial statements for periods beginning after June 15, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be applicable to the Authority in 2018; however, the financial impact of the applicability of Statement No. 75 on the Authority's financial statements has not yet been determined.

GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, which is effective for reporting periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement will be applicable to the Authority in 2017; however, the financial impact of the applicability of Statement No. 80 on the Authority's financial statements has not yet been determined.

GASB issued Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No.73.* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans,* No. 68*, Accounting and Financial Reporting for Pensions,* and No. 73*, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement clarifies that payments made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions for purposes of Statement No. 67 and as employee contributions for the purposes of Statement No. 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. As the Authority does not currently participate in fiduciary activities subject to this Statement, no impact to Authority's financial statements is anticipated at this time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

(tabular dollar amounts are in thousands)

Reclassifications – Certain reclassifications have been made to the statement of net position as of December 31, 2015 in order to conform to the presentation used for December 31, 2016. These reclassifications had no effect on the change in net position or net position as previously reported.

(2) Cash and Investments

Cash and Cash Equivalents – The Authority's cash and cash equivalents are reported as either restricted or unrestricted and are represented by cash on hand and demand deposits held in banks. Cash is classified as restricted when its use is subject to external limits such as bond indentures, legal agreements or statutes. Restricted cash includes payments received on pledged assets and used for the payment of bonds under the related indenture agreements. Also included in restricted cash are escrow balances, payments in process and various government deposits. As of December 31, 2016 and 2015, the Authority had unrestricted cash of $43.1 million and $46.7 million, respectively.

Restricted cash as of December 31, 2016 and 2015 was as follows:

Summary of Restricted Cash	2016	2015
Customer escrow accounts	$ 101,524	$ 73,901
Payments in process	12,454	20,398
Administered program deposits	4,015	3,454
Total fair value	$ 117,993	$ 97,753

Custodial Credit Risk – Cash Deposits – In the case of cash deposits, custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. All deposit accounts were either covered by the Federal Deposit Insurance Corporation or fully collateralized in accordance with the State of Colorado's Division of Banking's Public Deposit Protection Act.

Included in cash deposits are escrow deposits in the amount of $101.5 million and $73.9 million held in a fiduciary capacity as of December 31, 2016 and 2015, respectively. These escrow deposits are primarily held for the payment of property taxes and insurance on behalf of the mortgagors whose loans are owned or serviced by the Authority.

Investments – The Authority is authorized by means of a Board-approved investment policy to invest in notes, bonds and other obligations issued or guaranteed by the U.S. government and certain governmental agencies. Additionally, the Authority is permitted to invest, with certain restrictions as to concentration of risk, collateralization levels, maximum periods to maturity, and/or underlying rating levels applied, in revenue or general obligations of states and their agencies, certificates of deposits, U.S. dollar denominated corporate or bank debt, commercial paper, repurchase agreements backed by U.S. government or agency securities, money market mutual funds and investment agreements. The Authority's investment policy requires 1) staggered maturities to avoid undue concentrations of assets in a specific maturity sector, 2) stable income, 3) adequate liquidity to meet operations and debt service obligations and 4) diversification to avoid overweighting in any one type of security. The Authority is also subject to permissible investments as authorized by Title 24, Article 75, Part 6 of the Statues. Permissible investments pursuant to the Statutes are either identical to or less restrictive than the Authority's investment policy. In addition, each of the trust indentures established under the Authority's bond programs contains requirements as to permitted investments of bond fund proceeds, which may be more or less restrictive than the

(tabular dollar amounts are in thousands)

Authority's investment policy. These investments are included in the disclosures below under State and political subdivision obligations.

General Program investments of $22.5 million include investments pledged as of December 31, 2016 as follows: a $9 million overnight deposit pledged to the FHLB line of credit and Colorado Local Government Liquid Asset Trust (COLOTRUST) investments of Rural Development Loan Program (RDLP), RDLP II and RDLP V in the amounts of $856 thousand, $740 thousand and $262 thousand, respectively; each pledged as collateral for the RDLP notes payable and $98 thousand of investments pledged as collateral for private placement bonds.

General Program investments of $89.1 million include investments pledged as of December 31, 2015 as follows: a $18.4 million certificate of deposit and a $57.0 million Federal Home Loan Bank (FHLB) discount note pledged to the FHLB line of credit and Colorado Local Government Liquid Asset Trust (COLOTRUST) investments of Rural Development Loan Program (RDLP), RDLP II and RDLP V in the amounts of $811 thousand, $423 thousand and $503 thousand, respectively; each pledged as collateral for the RDLP notes payable and $945 thousand of investments pledged as collateral for private placement bonds.

All Single Family and Multi-Family/Business Program investments, which total $515.2 million and $513.3 million as of December 31, 2016 and 2015, respectively, are restricted under bond indentures or other debt agreements, or otherwise pledged as collateral for borrowings. These amounts are detailed in the supplemental schedules.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Except for the money market mutual fund investments, substantially all of the Authority's investments are subject to this risk.

As of December 31, 2016, the Authority had the following investment maturities:

	Investment Maturities (In Years)				
Investment Type	Less Than 1	1-5	6-10	More Than 10	Total
External investment pool	$ 8,831	$ -	$ -	$ -	$ 8,831
Investment agreements - uncollateralized	50,010	-	-	22,830	72,840
Money market mutual fund	96,483	-	-	-	96,483
Overnight deposit	9,000	-	-	-	9,000
Repurchase agreement	8,539	-	-	4,506	13,045
State & political subdivision obligations	393	-	-	-	393
U.S. government agencies	117,910	25,947	-	192,500	336,357
U.S. Treasury	170	555	-	-	725
Total	$ 291,336	$ 26,502	$ -	$ 219,836	$ 537,674

(tabular dollar amounts are in thousands)

As of December 31, 2015, the Authority had the following investment maturities:

Investment Type	Investment Maturities (In Years) Less Than 1	1-5	6-10	More Than 10	Total
Certificate of deposit	$ 18,400	$ -	$ -	$ -	$ 18,400
External investment pool	7,124	-	-	-	7,124
Investment agreements - uncollateralized	79,166	-	-	27,148	106,314
Money market mutual fund	42,196	-	-	-	42,196
Repurchase agreement	19,652	-	-	4,506	24,158
State & political subdivision obligations	-	-	-	425	425
U.S. government agencies	77,083	31,195	-	221,464	329,742
U.S. Treasury	73,468	-	575	-	74,043
Total	$ 317,089	$ 31,195	$ 575	$ 253,543	$ 602,402

Credit Risk – The following table provides credit ratings of the Authority's investments as determined by Standard and Poor's and/or Moody's Investors Service.

Investment Type	2016 Rating	2016 Total	2015 Rating	2015 Total
Certificate of deposit	Not Rated	$ -	Not Rated	$ 18,400
External investment pool	AAAm	8,831	AAAm	7,124
Investment agreements - uncollateralized	AA+/A1	1,983	AA+/A1	10,794
Investment agreements - uncollateralized	A/A2	13,419	A/A2	17,134
Investment agreements - uncollateralized	A+/Aa2	5,500	A+/Aa2	5,500
Investment agreements - uncollateralized	AA-/Aa3	3,339	AA-/Aa3	4,376
Investment agreements - uncollateralized	AA/Aa2	15,487	AA/Aa2	30,683
Investment agreements - uncollateralized	AA+/Aa2	33,112	AA+/Aa2	37,827
Money market mutual fund	AAAm/Aaa	96,483	AAAm/Aaa	42,196
Overnight deposit	Not Rated	9,000	Not Rated	-
Repurchase agreements	AA+/Aaa	13,045	AA+/Aaa	24,158
State and political subdivision obligations	AAA/Aaa	393	AAA/Aaa	425
U.S. government agencies	AA+/Aaa	336,357	AA+/Aaa	329,742
U.S. Treasury	AA+/Aaa	725	AA+/Aaa	74,043
Total		$ 537,674		$ 602,402

Of the investments in securities issued by state and political subdivisions, 100% are rated AAA as of December 31, 2016 and 2015. Investment agreements meet the requirements of the rating agency providing the rating on the related debt issue and of the Board's investment policy. The Board's investment policy states that the Authority is empowered to invest in any security that is a revenue or general obligation of any political subdivision. The credit rating at the time of purchase must be rated in one of its two highest rating categories by one or more nationally recognized organizations, which regularly rate such obligations and concentration limits may not exceed more than 20% of the investment portfolio.

(tabular dollar amounts are in thousands)

As of December 31, 2016 and 2015, the Authority had invested in COLOTRUST, an investment vehicle established for local governmental entities in Colorado to pool funds available for investment. COLOTRUST is reflected in the above tables as an external investment pool. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share's fair value is $1.00.

Concentration of Credit Risk – The Authority has various maximum investment limits both by type of investment and by issuer to prevent inappropriate concentration of credit risk. The following table provides information on issuers in which the Authority has investments representing more than 5% of its total investments as of December 31, 2016 and 2015.

Issuer	2016	2015
FHLB	19.67%	16.14%
FHLMC	15.29%	15.72%
FNMA	3.94%	5.36%
GNMA	17.56%	20.58%
Goldman Sachs	5.70%	0.00%
Invesco	7.77%	0.00%
IXIS	7.80%	11.95%
Mass Mutual	6.16%	0.00%
Trinity	0.00%	6.28%
US Treasury	0.13%	12.29%
Wells Fargo	12.25%	4.26%

Custodial Credit Risk – Investments – Custodial credit risk is the risk that, in the event of the failure of the custodian, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of the custodian. All securities owned by the Authority are either in the custody of the related bond indenture trustees or held in the name of the Authority by a party other than the issuer of the security.

(tabular dollar amounts are in thousands)

(3) Loans Receivable, Related Allowances and Troubled Debt Restructuring

Loans receivable and loans receivable held for sale at December 31, 2016 and 2015 consisted of the following:

	2016	2015
General Fund	$ 236,464	$ 164,902
Single Family Fund	418,446	536,362
Multi-Family/Business Fund:		
Multi-Family/Project	456,321	499,457
Multi-Family Pass Through	74,579	24,734
Total Multi-Family/Business Fund	530,900	524,191
Less intercompany loans, included in Multi-Family/Project above	(11,679)	(1,443)
Total loans receivable	1,174,131	1,224,012
Payments in process	(762)	(2,844)
Allowance for loan losses	(5,620)	(6,731)
Total loans receivable, net	$ 1,167,749	$ 1,214,437

Loans in the Single Family Program and the Multi-Family/Business Program in the table above are grouped based on the related bond type (see note 6 for additional information). Amounts related to these programs are considered restricted and are detailed in the supplemental schedules.

General Program loans include single family, multi-family and business finance loans acquired under various programs of the General Program, loans to be sold through the issuance of Ginnie Mae securities, loans to be sold to Fannie Mae and Freddie Mac, loans to be pooled and swapped for securities issued by Fannie Mae, loans held as investments and loans backed by bonds within the General Program. These loans are typically collateralized by mortgages on real property and improvements. Certain of these loans are also insured or guaranteed by agencies of the U.S. government.

Single family bond program loans are collateralized by mortgages on applicable real property and, in the case of loans with an initial loan-to-value ratio of 80% or more, are generally either insured by the FHA or guaranteed by the VA or RD or insured by private mortgage insurance.

The single family loan portfolio included in the general and single family programs as of December 31, 2016 was comprised of $376.5 million of FHA insured loans, $18.9 million of VA guaranteed loans, $18.5 million of RD guaranteed loans and $68.4 million of conventional insured loans with the balance of $112.0 million made up of uninsured conventional and second mortgage loans.

The single family loan portfolio included in the general and single family programs as of December 31, 2015 was comprised of $404.3 million of FHA insured loans, $27.3 million of VA guaranteed loans, $20.8 million of RD guaranteed loans and $73.8 million of conventional insured loans with the balance of $113.4 million made up of uninsured conventional and second mortgage loans.

The Authority is exposed to operational risk, which makes it subject to loss or repurchase of insured FHA loans if specific guidelines are not met. As of December 31, 2016 and 2015, the Authority recorded a reserve of $202 thousand and $205 thousand, respectively, for claim refunds to be paid to the U.S. Department of Housing and Urban Development (HUD).

(tabular dollar amounts are in thousands)

As of December 31, 2016 and 2015, single family mortgage loans with pending foreclosure actions have aggregate principal balances of approximately $6.9 million and $7.9 million, respectively. As of December 31, 2016 and 2015, the aggregate principal balance of single family mortgage loans delinquent 91 days or greater was approximately $31.9 million and $39.2 million, respectively.

The Multi-Family/Business Program loans and a portion of General Program loans are commercial loans. Commercial loans are collateralized by mortgages on applicable real estate and, in some cases, are insured by an agency of the U.S. government, which reduces the credit risk exposure for that type of insured loan.

As of December 31, 2016, approximately $306.7 million, or 72.2%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $203.2 million of Section 542(c) risk share loans, which are 50% insured, and $3.4 million of Section 221(d) new construction and rehabilitation loans, which are 99% insured.

As of December 31, 2015, approximately $313.8 million, or 72.9%, of the commercial loan balances are not covered by insurance. The insured loans were comprised of $184.5 million of Section 542(c) risk share loans, which are 50% insured, and $7.2 million of Sections 221(d) and 223(f) new construction and rehabilitation loans, which are 99% insured.

As of December 31, 2016 and 2015, there were no commercial loans with pending foreclosure actions. As of December 31, 2016 and 2015, commercial loans delinquent 91 days or greater aggregate principal balances were approximately $0 and $161 thousand, respectively.

Activity in the allowance for loan loss for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Beginning balance	$ 6,731	$ 8,948
Provision	(179)	525
Net charge-offs		
Single-family	(714)	(1,835)
Multi-family/Business	(218)	(907)
Ending balance	$ 5,620	$ 6,731

The Authority services loans that it securitizes as Ginnie Mae mortgage-backed securities and sells. As of December 31, 2016 and 2015, these loans totaled $1.9 billion and $1.5 billion, respectively.

The Authority services loans on the behalf of others, primarily for Fannie Mae and Freddie Mac, which are not reported on the Statement of Net Position. As of December 31, 2016 and 2015, these outstanding loan balances were $564.8 million and $411.5 million, respectively.

(tabular dollar amounts are in thousands)

The Authority has granted terms and interest rate concessions to debtors, which are considered troubled debt restructurings, as of December 31, 2016 and 2015, as summarized below:

Single Family Program Loans:	**2016**	**2015**
Aggregate recorded balance	$ 46,768	$ 46,047
Number of loans	386	369
Gross interest revenue if receivables had been current	$ 2,619	$ 2,223
Interest revenue included in changes in net position	$ 1,801	$ 1,807

Multi-Family/Business Program Loans:	**2016**	**2015**
Aggregate recorded balance	$ 18,971	$ 17,351
Number of loans	19	22
Gross interest revenue if receivables had been current	$ 1,126	$ 966
Interest revenue included in changes in net position	$ 961	$ 991

(tabular dollar amounts are in thousands)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,573	$ -	$ -	$ 1,573
Construction in progress	-	475	-	475
Total nondepreciable capital assets	1,573	475	-	2,048
Depreciable capital assets:				
Cost:				
Computer equipment/software *	15,196	55	(8,176)	7,075
Furniture and equipment	1,116	-	(862)	254
Buildings and related improvements	8,042	-	(3,506)	4,536
Total depreciable capital assets	24,354	55	(12,544)	11,865
Less accumulated depreciation:				
Computer equipment/software *	(14,359)	(510)	8,172	(6,697)
Furniture and equipment	(919)	(77)	862	(134)
Buildings and related improvements	(5,105)	(345)	2,809	(2,641)
Total accumulated depreciation	(20,383)	(932)	11,843	(9,472)
Total depreciable capital assets, net	3,971	(877)	(701)	2,393
Total capital assets, net	$ 5,544	$ (402)	$ (701)	$ 4,441

* Includes capital lease

(tabular dollar amounts are in thousands)

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,573	$ -	$ -	$ 1,573
Construction in progress	234	301	(535)	-
Total nondepreciable capital assets	1,807	301	(535)	1,573
Depreciable capital assets:				
Cost:				
Computer equipment/software *	14,678	518	-	15,196
Furniture and equipment	1,116	-	-	1,116
Buildings and related improvements	8,035	7	-	8,042
Total depreciable capital assets	23,829	525	-	24,354
Less accumulated depreciation:				
Computer equipment/software *	(13,701)	(658)	-	(14,359)
Furniture and equipment	(831)	(88)	-	(919)
Buildings and related improvements	(4,741)	(364)	-	(5,105)
Total accumulated depreciation	(19,273)	(1,110)	-	(20,383)
Total depreciable capital assets, net	4,556	(585)	-	3,971
Total capital assets, net	$ 6,363	$ (284)	$ (535)	$ 5,544

* Includes capital lease

(5) Short-Term Debt

The Authority has agreements with the FHLB of Topeka for collateralized borrowings in an amount not to exceed the lending limit internally established by the FHLB, which is 40% of the Authority's total assets, or $771.7 million. As of December 31, 2016 and 2015, the Authority had $61.0 million and $77.5 million of short-term debt outstanding with the FHLB, respectively. Borrowings under these agreements are used to support the Authority's various lending programs, to purchase loans to be sold through the issuance and sale of Ginnie Mae securities and activities related to the Authority's private activity bond volume cap preservation program. Amounts drawn under the agreements bear interest at the same rates charged by the FHLB to its member banks and are collateralized by certain mortgage loans and investments. There are no commitment fees associated with these agreements.

The Authority also has a revolving, unsecured, commercial bank line of credit agreement for borrowings of up to $50.0 million. Amounts drawn under the agreement bear interest fixed at 1.5% per annum above the one week or one-month LIBOR rate. This line of credit agreement terminates on October 3, 2017. The Authority pays an unused line fee at the rate of 0.2% per annum, payable in arrears on the first business day after each calendar quarter. The fee is based upon the average daily unused amount of the line of credit computed on the basis of a 360-day year. As of December 31, 2016 and 2015, there were no outstanding balances.

(tabular dollar amounts are in thousands)

Short-term debt activity for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Beginning balance	$ 77,505	$ 61,805
Additions	4,817,491	4,160,340
Reductions	(4,833,991)	(4,144,640)
Ending balance	$ 61,005	$ 77,505

(6) Bonds, Notes Payable and Other Liabilities

The Authority issues bonds and notes payable to finance its lending programs. Proceeds from long-term debt of the Single Family and Multi-Family/Business bonds are used for funding of single family, multi-family and business loans. Long-term debt of the General Program (including notes payable) is used to finance single family and business loans. The aggregate principal amounts of bonds and notes payable outstanding as of December 31, 2016 and 2015 are shown in the table on the following pages. Interest is payable semiannually unless otherwise noted. Interest rates on variable rate debt reset on a weekly or monthly basis. At December 31, 2016, these rates ranged from 0.57% to 1.32%. At December 31, 2015, these rates ranged from 0.01% to 0.98%.

(tabular dollar amounts are in thousands)

Outstanding Bonds at December 31, 2016:

Descripton and due date		Interest rate (%)	2016	2015
Bonds payable:				
General Fund (prior to 2011, all General Fund bonds carry the Authority's general obligation pledge):				
Multi-Family/Business Finance:				
Guaranteed Loan Participation Purchase Bonds: *(* principal and interest payable monthly)*				
2004 Series B*	2016 - 2016	4.88	$ -	$ 1,074
2011 Series A*	2017 - 2031	2.92	426	528
2012 Series A*	2017 - 2025	2.84	4,187	5,100
Total Guaranteed Loan Participation Purchase Bonds			4,613	6,702
Taxable Rental Project Revenue Bonds: *(* principal and interest payable monthly)*				
2000 Series A	2017 - 2020	6.15	2,240	2,884
2002 Series AV*	2017 - 2022	5.55	1,138	1,250
2003 Series AV*	2017 - 2024	5.19	605	655
2004 Series A*	2017 - 2024	4.90	7,937	8,467
Total Taxable Rental Project Revenue Bonds			11,920	13,256
Total Multi-Family/Business Finance			16,533	19,958
Total General Fund			16,533	19,958
Single Family Fund:				
Single Family Mortgage Bonds:				
2001 Series AA	2017 - 2038	Variable	69,695	79,030
2002 Series A	2017 - 2021	Variable	8,905	11,255
2002 Series B	2017 - 2021	Variable	23,240	23,240
2002 Series C	2017 - 2022	Variable	18,990	22,175
2003 Series B	2017 - 2028	Variable	33,990	36,485
2006 Series A	2017 - 2036	Variable	32,170	38,585
2006 Series B	2017 - 2036	Variable	66,780	79,925
2006 Series C	2016 - 2016	Variable	-	12,395
2007 Series A	2017 - 2037	Variable	39,300	45,895
2007 Series B	2017 - 2038	Variable	99,940	102,545
2008 Series A	2017 - 2038	Variable & 5.00	70,015	87,555
2009 Series A	2016 - 2016	3.85 - 4.35	-	7,360
2011 Series AA	2017 - 2029	3.00 - 5.00	9,615	15,275
2011 Series D	2016 - 2016	Variable	-	4,055
2012 Series A	2017 - 2038	Variable	53,110	68,655
2013 Series AA	2017 - 2041	2.80	21,485	29,150
2013 Series B	2017 - 2036	Variable	28,645	34,290
2014 Series A	2017 - 2027	1.17 - 3.53	33,240	43,490
2015 Series A	2017 - 2031	1.09 - 4.00	64,675	84,220
2015 Series B	2017 - 2026	1.02 - 3.42	17,285	22,975
Total Single Family Mortgage Bonds			691,080	848,555
Total Single Family Fund			691,080	848,555

Table continued on following page.

(tabular dollar amounts are in thousands)

Descripton and due date		Interest rate (%)		2016		2015
Multi-Family/Business Fund:						
Multi-Family/Project Bonds: *(* principal and interest payable quarterly on some of the bonds)*						
2000 Series A	2017 - 2030	Variable		8,225		13,500
2000 Series B*	2017 - 2020	Variable		2,710		3,260
2002 Series A	2016 - 2016	Variable		-		2,490
2002 Series C	2017 - 2032	Variable		15,675		61,315
2003 Series A	2017 - 2033	Variable		31,560		31,560
2004 Series A	2017 - 2034	Variable		15,140		38,610
2005 Series A	2017 - 2036	Variable		18,605		26,750
2005 Series B	2017 - 2040	Variable		14,295		17,660
2006 Series A	2017 - 2036	Variable		36,930		36,930
2007 Series B	2017 - 2038	Variable		49,905		56,120
2008 Series A	2017 - 2043	Variable		21,440		24,165
2008 Series B	2017 - 2052	Variable		153,245		155,470
2008 Series C	2017 - 2038	Variable		14,300		14,350
2009 Series A	2017 - 2041	Variable & 4.00 - 5.40		24,945		27,105
2012 Series A	2017 - 2051	2.75 - 4.50		10,190		10,330
2012 Series B	2017 - 2054	2.55 - 4.20		17,025		17,240
2013 Series A	2017 - 2023	Variable		3,670		4,165
2013 Series I	2017 - 2044	3.20		24,262		24,776
2016 Series A	2017 - 2041	0.88 - 4.00		11,725		-
2016 Series I	2017 - 2056	1.05 - 3.45		12,500		-
2016 Series II	2017 - 2056	0.90 - 3.00		18,000		-
2016 Series III	2017 - 2052	2.15 - 3.10		7,500		-
2016 Series IV	2017 - 2056	2.20 - 3.13		12,365		-
2016 Series V	2017 - 2045	3.40		43,951		-
Total Multi-Family/Project Bonds				568,163		565,796
Total Multi-Family/Business Fund				568,163		565,796
Total bonds payable			$	1,275,776	$	1,434,309
Premiums and losses classified as bonds payable						
Bond premiums (unamortized)				2,297		1,715
Bonds payable			$	1,278,073	$	1,436,024
Notes payable				1,069		1,172
Bonds and notes payable			$	1,279,142	$	1,437,196
Current:						
Bonds payable			$	46,947	$	84,192
Notes payable				103		102
Noncurrent:						
Bonds and notes payable				1,232,092		1,352,902
Total			$	1,279,142	$	1,437,196

(tabular dollar amounts are in thousands)

A breakdown of bonds payable as of December 31, 2016 and 2015, by fixed and variable interest rates, follows in the table below. Certain of the Authority's variable rate debt has been hedged by entering into pay fixed/receive variable rate interest rate swap agreements as further described in note 8. Such debt is referred to in the table as synthetic fixed rate debt.

Description	2016	2015
Fixed rate debt	$ 326,652	$ 286,679
Synthetic fixed rate debt	784,889	948,625
Unhedged variable rate debt	164,235	199,005
Total	$ 1,275,776	$ 1,434,309

Also included in the table of bonds and notes payable outstanding are certain Single Family and Multi-Family/Project bonds, which carry the Authority's general obligation pledge. These general obligation bonds are presented in the following table as of December 31, 2016 and 2015:

Description	2016	2015
General Fund Program Bonds	$ 11,920	$ 14,330
Single Family Mortgage Bonds, Class III	4,585	8,655
Multi-Family/Project Bonds, Class I	164,220	195,165
Multi-Family/Project Bonds, Class II	17,210	17,210
Total	$ 197,935	$ 235,360

(tabular dollar amounts are in thousands)

Standby Purchase Agreements provide liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees vary by agreement and are based on a percentage of the outstanding bond balance, payable monthly or quarterly. During 2016 and 2015, the Authority renewed or replaced expiring liquidity facilities of $399.8 million and $482.6 million, respectively. Liquidity fees for the years ended December 31, 2016 and 2015 were $4.0 million and $4.9 million, respectively.

A schedule of providers and maturities is presented below, as of December 31, 2016:

Liquidity Expiration	Bank of America (1)	FHLB (2)	Royal Bank of Canada (3)	Sumitomo MBC (4)	Grand Total
2018	$ 42,230	$ 359,625	$ -	$ 6,275	$ 408,130
2019	-	94,800	102,970	-	197,770
2020	-	98,950	-	-	98,950
2021	-	-	-	40,920	40,920
Total	$ 42,230	$ 553,375	$ 102,970	$ 47,195	$ 745,770

The following provides the terms of the debt service requirements that would result if the SBPA commitments were to be exercised (bank bond rate, accelerated payment schedule, and lien):

(1) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate", for any day, a per annum rate to the highest of (a) the Federal Fund Rate plus 2.00%, (b) the prime rate plus 1.00%, (c) the LIBOR Rate plus 2.00%, and (d) seven and one-half percent (7.50%), then from and after the ninety-first (91st) day, the Base Rate plus 1.00% per annum.
(b) Term out provisions: three hundred sixty-six (366) days following the earlier of (x) the Purchase Date, or (y) the last day of the Purchase Period. Semiannual Principal payment due the date that is the earlier of (x) the five year anniversary of the related Purchase Date, or (y) the five year anniversary of the last day of the Purchase Period.

(2) (a) Bank Rate: One-Month LIBOR plus 2.00%.
(b) Term out provisions: repayments due 366 days following the purchase date in equal semiannual installments until fifth anniversary of the purchase date.

(3) (a) Bank Rate: for the first 90 days following the purchase date, the "Base Rate", which equals the highest of (i) the prime rate plus 2.50%, (ii) the Fed funds rate plus 3.00% and (iii) 8.00%; then for the period 91-180 days following the purchase date, the Base Rate plus 1.00%; then for the period 181 days and higher following the purchase date, the Base Rate plus 2.00%.
(b) Term out provisions: repayments due on the first business day of February, May, August or November on or following 90 days following purchase date and thereafter quarterly on each such dates in equal installments to the third anniversary of such purchase date. Class I lien.

(4) (a) Bank Rate: for the first 60 days following the purchase date, the "Base Rate", for any day, a per annum rate to the highest of (i) prime rate plus 2.00%, (ii) the Federal Fund Rate plus 3.00%, (iii) the One Month LIBOR Rate plus 3.00%, (iv) the SIFMA Rate plus 3.00%, and (v) six and one-half percent (6.50%), then from and after the ninety-first (91st) day, the Base Rate plus 1.00% per annum.
(b) Term out provisions: repayments due 366 days following the Purchase date in quarterly installments to the fifth anniversary of purchase date.

(tabular dollar amounts are in thousands)

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2016:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Bonds payable	$ 1,434,309	$ 106,041	$ (264,574)	$ 1,275,776	$ 46,863	$ 1,228,913
Bond premiums - unamortized	1,715	776	(194)	2,297	84	2,213
Total bonds payable	1,436,024	106,817	(264,768)	1,278,073	46,947	1,231,126
Notes payable	1,172	-	(103)	1,069	103	966
Arbitrage rebate payable	499	5	(504)	-	-	-
Unearned revenue	2,902	791	(426)	3,267	218	3,049
Other liabilities	4,066	5,076	(509)	8,633	119	8,514
Total other liabilities	7,467	5,872	(1,439)	11,900	337	11,563
Total	$ 1,444,663	$ 112,689	$ (266,310)	$ 1,291,042	$ 47,387	$ 1,243,655

The following table presents the detail of bonds, notes payable and certain other liabilities that include current and noncurrent activity for the year ended December 31, 2015:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Bonds payable	$ 1,792,660	$ 125,300	$ (483,651)	$ 1,434,309	$ 84,092	$ 1,350,217
Bond premiums - unamortized	638	1,324	(247)	1,715	100	1,615
Total bonds payable	1,793,298	126,624	(483,898)	1,436,024	84,192	1,351,832
Notes payable	1,009	266	(103)	1,172	102	1,070
Arbitrage rebate payable	488	11	-	499	-	499
Unearned revenue	2,557	737	(392)	2,902	193	2,709
Other liabilities	1,858	2,614	(406)	4,066	85	3,981
Total other liabilities	4,903	3,362	(798)	7,467	278	7,189
Total	$ 1,799,210	$ 130,252	$ (484,799)	$ 1,444,663	$ 84,572	$ 1,360,091

(tabular dollar amounts are in thousands)

Bonds and notes payable sinking fund installments and contractual maturities subsequent to December 31, 2016, using rates in effect as of December 31, 2016, are as follows:

Years Ending	General Fund		Single Family		Multi-Family / Business		Notes Payable	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 648	$ 742	$ 38,500	$ 8,935	$ 7,715	$ 8,090	$ 103	$ 11
2018	661	703	39,455	8,463	17,080	8,016	104	10
2019	598	662	41,000	8,005	12,790	7,734	105	9
2020	333	625	42,010	7,503	3,595	7,660	90	8
2021	-	615	43,180	6,951	3,100	7,612	57	7
2022 - 2026	13,867	1,460	154,715	27,039	16,115	37,386	260	25
2027 - 2031	426	62	128,815	15,368	48,185	35,529	130	15
2032 - 2036	-	-	157,605	8,404	119,535	32,277	137	8
2037 - 2041	-	-	45,800	3,070	80,200	26,332	83	1
2042 - 2046	-	-	-	-	73,954	19,877	-	-
2047 - 2051	-	-	-	-	5,960	11,186	-	-
2052 - 2056	-	-	-	-	179,934	4,082	-	-
Total	$ 16,533	$ 4,869	$ 691,080	$ 93,738	$ 568,163	$ 205,781	$ 1,069	$ 94

(7) Conduit Debt Obligation

The Authority has issued certain conduit bonds, the proceeds of which were made available to various developers and corporations for rental housing and commercial purposes. Other conduit proceeds were made available to the State of Colorado for the Colorado Unemployment Insurance Trust Fund. The bonds are payable solely from amounts received by the trustees. The faith and credit of the Authority is not pledged for the payment of the principal or interest on the bonds. Accordingly, these obligations are excluded from the Authority's financial statements.

As of December 31, 2016 and 2015, the aggregate principal amount of conduit debt outstanding totaled $942.6 million and $954.1 million, respectively.

(8) Derivative Instruments

The Authority reports derivative instruments at fair value. The fair value of all derivatives is reported on the Statement of Net Position as a derivative instrument at the end of the year. If an interest rate hedge is considered ineffective, it is referred to as an investment derivative and the change in fair value is reported on the Statement of Revenues, Expenses and Changes in Net Position as investment derivative activity loss. The annual changes in the fair value of effective hedging derivative instruments are reported as deferred inflows and outflows, as appropriate, on the Statement of Net Position.

Swaps Transactions – The Authority has entered into pay fixed, receive variable interest rate swaps in order to (1) provide lower cost fixed rate financing for its production needs through synthetic fixed rate structures and (2) utilize synthetic fixed rate structures with refunding bonds in order to generate cash flow savings. The objective of the swaps is to hedge interest rate risk.

The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon rate bonds due on the date of each future net settlement payment on the swaps.

The Authority's interest rate swaps, which were used to hedge interest rate risk, are generally considered to be hedging derivative instruments under GASB No. 53. However, certain interest rate swaps have been deemed ineffective and are classified as investment derivative instruments.

On February 8, April 4, August 19, October 1, and December 12, 2016, the Authority partially redeemed from loan prepayments certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $34.7 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2016.

On April 1, 2016, the Authority partially or fully redeemed certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $6.0 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2016.

On May 1 and November 1, 2016, the Authority partially redeemed from loan repayments and prepayments certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $24.7 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2016.

On December 14, 2016, the Authority partially or fully redeemed from refunding bond proceeds certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $12.4 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2016.

On February 5, 2015, the Authority fully redeemed and refunded with fixed rate bonds certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemption and refunding, $113.9 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On May 1 and November 1, 2015, the Authority partially redeemed from loan repayments and prepayments certain single family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $20.2 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On February 12, April 6, and September 1, 2015, the Authority partially redeemed from loan prepayments certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $30.9 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

On January 9, February 20, April 1, and October 1, 2015, the Authority partially or fully redeemed from surplus funds certain multi-family bonds subject to existing interest rate swap agreements that were considered effective interest rate hedges. As a result of the redemptions, $20.0 million of the existing swaps were reclassified from effective hedges to investment derivative instruments during 2015.

(tabular dollar amounts are in thousands)

A summary of interest rate swaps for the years ended December 31, 2016 and 2015 was as follows:

Summary of Interest Rate Swaps	2016 Fair Value	2015 Fair Value
Par optional termination right with trigger	$ 15,230	$ 24,490
Par optional termination right	9,518	17,947
Trigger	7,287	9,878
Plain	61,728	68,678
Total fair value	$ 93,763	$ 120,993

Trigger: The variable rate received on these swaps is 68% of the one-month LIBOR, if LIBOR is equal to or greater than 3.5%. The variable rate received on these swaps is SIFMA plus a spread if the one-month LIBOR is less than 3.5%. See further discussion in the basis risk section below.

Par Optional Termination Right: Certain swaps contain a cancellation clause that provides the Authority the option to cancel a certain amount of the swaps on certain dates. The Authority may cancel the optional termination amount for no payment (callable at par). The optional termination dates coincide with the debt service dates on the associated hedged bonds payable. These dates and amounts are provided in the table below.

Detail of Outstanding Interest Rate Swaps – The key terms, including the fair values and counterparty credit ratings of the outstanding swaps as of December 31, 2016, are shown in the table below. Except as discussed under amortization risk below, the Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable. Based on the standard swap agreement, payments are settled on a net basis.

The Authority enters into master netting arrangements with each of its swap counterparties. All of the agreements provide for the netting of the value of assets and liability positions of all transactions with the respective counterparty. There are no other significant transactions with these counterparties outside of these swap agreements, such that the aggregate amount of liabilities included in the master netting arrangements is equal to the net fair value of the swaps.

(tabular dollar amounts are in thousands)

Outstanding Swaps at December 31, 2016:

Swap Series	Current Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received *	Embedded Options	Optional Termination Date, at Par	Optional Termination Amount	Counterparty Rating S&P/Moody's	2016 Fair Value **	Change in Fair Value	2015 Fair Value **
Single Family:												
Investment derivatives (includes overhedged portion of interest rate swaps):												
2001AA-1 ****	$ 22,500	12/1/2009	11/1/2038	4.4850%	Trigger, SIFMA + .15% or 68% LIBOR	***	1) 11/1/2017 2) 11/1/2019	Up to: 1) 7,500 2) all remaining	A- / A1	$ (485)	$ (617)	$ 132
2002C-3 ****	8,315	12/4/2008	5/1/2022	4.4220%	Trigger, SIFMA + .15% or 68% LIBOR				A- / A1	425	48	377
2006A-3	10,065	1/18/2006	11/1/2036	4.3129%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	9,514	A+ / A1	688	183	505
2006B-2	6,770	7/26/2006	11/1/2034	4.1951%	Trigger, SIFMA + .05% or 68% LIBOR	***	5/1/2019	4,134	A+ / A1	42	(111)	153
2006B-3	16,745	7/26/2006	11/1/2036	4.5445%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	15,746	A+ / A1	624	21	603
2006C-2 (C)	5,305	12/20/2006	11/1/2017	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A+ / A1	152	152	-
2006C-2 (D)	340	12/20/2006	11/1/2034	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***	11/1/2019	249	A+ / A1	28	28	-
2007A-2	28,785	5/9/2007	11/1/2037	4.1530%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	26,597	A+ / A1	1,827	(371)	2,198
2012A-2 (SPV)	825	6/4/2008	5/1/2038	4.4140%	65% LIBOR + .10%	***	5/1/2018	all remaining	AA- / Aa2	39	(52)	91
Total	99,650									3,340	(719)	4,059
Hedging derivatives:												
2001AA-2 ****	40,920	12/4/2008	5/1/2031	4.6000%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A1	4,117	(936)	5,053
2001AA-3	6,275	12/2/2008	5/1/2018	5.5260%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A1	139	(326)	465
2002A-3 ****	8,905	12/4/2008	11/1/2021	4.7490%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A1	339	(207)	546
2002B-3 ****	23,240	12/4/2008	11/1/2021	4.5060%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A1	977	(511)	1,488
2002C-3 ****	21,225	12/4/2008	5/1/2022	4.4220%	Trigger, SIFMA + .15% or 68% LIBOR				A- / A1	1,286	(385)	1,671
2003B-2	9,355	10/29/2008	5/1/2028	4.9380%	LIBOR + .05%	***	11/1/2018	8,050	AA- / Aa3	550	(348)	898
2006A-3	29,935	1/18/2006	11/1/2036	4.3129%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	28,296	A+ / A1	1,849	(1,411)	3,260
2006B-2	20,580	7/26/2006	11/1/2034	4.1951%	Trigger, SIFMA + .05% or 68% LIBOR	***	5/1/2019	12,566	A+ / A1	1,208	(1,065)	2,273
2006B-3	46,200	7/26/2006	11/1/2036	4.5445%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	43,444	A+ / A1	3,728	(2,108)	5,836
2006C-2 (A)	-	12/20/2006	5/1/2016	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A+ / A1	-	(89)	89
2006C-2 (B)	-	12/20/2006	11/1/2016	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A+ / A1	-	1	(1)
2006C-2 (C)	-	12/20/2006	11/1/2017	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***			A+ / A1	-	(328)	328
2006C-2 (D)	28,645	12/20/2006	11/1/2034	4.2884%	Trigger, SIFMA + .05% or 68% LIBOR	***	11/1/2019	20,961	A+ / A1	(1,460)	(713)	(747)
2007A-2	39,300	5/9/2007	11/1/2037	4.1530%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	36,313	A+ / A1	2,126	(1,673)	3,799
2007B-1	25,615	11/1/2007	11/1/2026	5.5800%	LIBOR + .05%	***	11/1/2017	23,585	A+ / Aa3	951	(1,165)	2,116
2007B-2	49,325	10/18/2007	5/1/2038	4.5075%	Trigger, SIFMA + .15% or 68% LIBOR	***	5/1/2019	46,545	A+ / A1	3,316	(1,626)	4,942
2007B-3 ****	25,000	12/2/2008	5/1/2038	4.4050%	Trigger, SIFMA + .15% or 68% LIBOR	***	11/1/2017	all remaining	A- / A1	638	(800)	1,438
2008A-1	12,800	6/4/2008	5/1/2038	5.4450%	LIBOR + .05%	***	11/1/2018	all remaining	A+ / Aa3	879	(1,033)	1,912
2008A-2	37,070	6/4/2008	11/1/2027	4.5960%	LIBOR + .05%	***	5/1/2018	33,105	AA- / Aa2	1,527	(1,239)	2,766
2012A-1 ****	13,935	12/2/2008	11/1/2021	4.1600%	Trigger, SIFMA + .05% or 68% LIBOR				A- / A1	(148)	(10)	(138)
2012A-2 (SPV)	39,175	6/4/2008	5/1/2038	4.4140%	65% LIBOR + .10%	***	5/1/2018	all remaining	AA- / Aa2	197	(33)	230
Total	477,500									22,219	(16,005)	38,224
Total Single Family	577,150									25,559	(16,724)	42,283

Table continued on following page.

(tabular dollar amounts are in thousands)

Swap Series	Current Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received *	Embedded Options	Optional Termination Date, at Par	Optional Termination Amount	Counterparty Rating S&P/Moody's	2016 Fair Value **	Change in Fair Value	2015 Fair Value **
Multi-Family:												
Investment derivatives (includes overhedged portion of interest rate swaps):												
2002A-1 ****	6,055	11/21/2008	10/1/2022	5.1000%	SIFMA + .15%				A- / A1	660	(323)	983
2002C-2 ****	45,885	11/21/2008	10/1/2032	5.1240%	Trigger, SIFMA + .15% or 68% LIBOR	***	4/1/2018	42,940	A- / A1	2,240	177	2,063
2002C-4 ****	28,635	11/21/2008	10/1/2032	5.0440%	Trigger, SIFMA + .05% or 68% LIBOR	***	4/1/2018	26,785	A- / A1	475	(261)	736
2005B-2 (B)	2,700	9/1/2006	10/1/2038	4.5270%	SIFMA + .15%	***	10/1/2021	2,311	A+ / A1	337	(126)	463
2007B-2 (A) ****	1,220	12/3/2008	10/1/2036	4.2870%	SIFMA + .15%	***	10/1/2017	1,152	A- / A1	30	(49)	79
2007B-2 (C) ****	2,865	12/3/2008	4/1/2038	4.4695%	SIFMA + .15%	***	10/1/2017	2,820	A- / A1	75	(12)	87
2007B-2 (D) ****	4,400	12/3/2008	4/1/2028	4.6510%	SIFMA + .15%	***	4/1/2023	3,835	A- / A1	699	(219)	918
2007B-3 (A) ****	2,150	12/3/2008	10/1/2037	4.2970%	SIFMA + .05%	***	10/1/2017	2,065	A- / A1	12	12	-
2007B-3 (C) ****	2,220	12/3/2008	4/1/2038	4.8805%	SIFMA + .05%	***	10/1/2017	2,205	A- / A1	64	64	-
2008A-2 ****	2,530	12/3/2008	4/1/2043	4.4540%	SIFMA + .15%	***	4/1/2019	2,373	A- / A1	174	174	-
2008C-3 ****	3,450	12/3/2008	10/1/2038	4.3400%	SIFMA + .05%	***	4/1/2019	3,222	A- / A1	228	(150)	378
2009A-1 ****	3,930	6/24/2009	10/1/2041	4.7900%	SIFMA + .05%	***	4/1/2024	3,216	A- / A1	736	600	136
2013A ****	2,125	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A1	345	(117)	462
Total	108,165									6,075	(230)	6,305
Hedging derivatives:												
2000A-1 ****	8,225	11/21/2008	10/1/2020	5.2350%	SIFMA + .05%				A- / A1	459	(424)	883
2000B-1 (SPV)	-	10/19/2000	7/1/2020	7.3900%	Citigroup 3 month + .25%				A+ / A3	-	(462)	462
2002C-2 ****	17,525	11/21/2008	10/1/2032	5.1240%	Trigger, SIFMA + .15% or 68% LIBOR	***	4/1/2018	16,400	A- / A1	(1,614)	429	(2,043)
2002C-4 ****	-	11/21/2008	10/1/2032	5.0440%	Trigger, SIFMA + .05% or 68% LIBOR	***	4/1/2018		A- / A1	-	658	(658)
2003A ****	11,210	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A1	103	(228)	331
2005B-2 (B)	2,580	9/1/2006	10/1/2038	4.5270%	SIFMA + .15%	***	10/1/2021	2,209	A+ / A1	226	(121)	347
2006A-1 ****	13,245	12/3/2008	4/1/2027	5.7100%	LIBOR + .05%	***			A- / A1	(371)	(704)	333
2006A-1 (F)	9,800	12/1/2006	10/1/2036	5.3420%	LIBOR + .05%	***	4/1/2021	8,040	A+ / A1	1,243	(404)	1,647
2007B-1 ****	24,505	12/3/2008	4/1/2038	5.6400%	LIBOR + .05%	***	1) 10/1/2017 2) 4/1/2022	Up to: 1) 14,220 2) all remaining	A- / A1	21	(771)	792
2007B-1 (G)	7,040	10/1/2007	4/1/2028	5.2200%	LIBOR + .05%	***	10/1/2022	6,190	A+ / A1	1,003	(282)	1,285
2007B-2 (A) ****	940	12/3/2008	10/1/2036	4.2870%	SIFMA + .15%	***	10/1/2017	888	A- / A1	(39)	(32)	(7)
2007B-2 (B) ****	1,830	12/3/2008	4/1/2038	4.5350%	SIFMA + .15%	***	10/2/2017	1,780	A- / A1	(7)	(73)	66
2007B-2 (C) ****	1,600	12/3/2008	4/1/2038	4.4695%	SIFMA + .15%	***	10/1/2017	1,575	A- / A1	7	(171)	178
2007B-2 (D) ****	-	12/3/2008	4/1/2028	4.6510%	SIFMA + .15%	***			A- / A1	-	110	(110)
2007B-3 (A) ****	-	12/3/2008	10/1/2037	4.2970%	SIFMA + .05%	***	10/1/2017		A- / A1	-	(78)	78
2007B-3 (C) ****	-	12/3/2008	4/1/2038	4.8805%	SIFMA + .05%	***	10/1/2017		A- / A1	-	(141)	141
2008A-1 ****	12,085	12/3/2008	4/1/2029	5.1300%	LIBOR + .05%	***	1) 4/1/2018 2) 4/1/2019	Up to: 1) 3,070 2) 7,350	A- / A1	(49)	(345)	296
2008A-2 ****	4,230	12/3/2008	4/1/2043	4.4540%	SIFMA + .15%	***	4/1/2019	3,967	A- / A1	158	(465)	623
2008B (a) ****	108,495	12/3/2008	10/1/2044	5.1722%	LIBOR				AA- / Aa3	40,837	(3,893)	44,730
2008B (b) ****	44,750	12/3/2008	3/1/2047	5.2071%	LIBOR				AA- / Aa3	19,481	(1,485)	20,966
2008C-3 ****	3,510	12/3/2008	10/1/2038	4.3400%	SIFMA + .05%	***	4/1/2019	3,278	A- / A1	167	(149)	316
2009A-1 ****	9,650	6/24/2009	10/1/2041	4.7900%	SIFMA + .05%	***	4/1/2024	7,899	A- / A1	661	(1,227)	1,888
2013A ****	3,670	11/21/2008	10/1/2023	6.0350%	SIFMA + .05%				A- / A1	(157)	(18)	(139)
Total	284,890									62,129	(10,276)	72,405
Total Multi-Family	393,055									68,204	(10,506)	78,710
Total	$970,205									$ 93,763	$ (27,230)	$ 120,993

(*) SIFMA is the Securities Industry Financial Markets Association Municipal Swap Index. LIBOR is the London Interbank Offered Rate.
(**) All fair values include the effect of any related embedded option.
(***) Par optional termination right.
(****) Swaps for which cash premiums were received in the amount of $73.4 million in 2008. The outstanding unamortized balance of the premium is reported on the Statement of Net Position as hybrid instrument borrowings.
(SPV) Counterparty operates as a special-purpose vehicle.

(tabular dollar amounts are in thousands)

Risk Disclosure

Credit Risk: All of the Authority's swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result, the Authority is exposed to credit risk – that is, the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the column labeled "Fair Value" in the outstanding swaps table above. The Authority is exposed to credit risk in the amount of any positive net fair value exposure to each counterparty. As of December 31, 2016 and 2015, the Authority was exposed to minimal credit risk to any of its counterparties. To mitigate credit risk, the Authority maintains strict credit standards for swap counterparties. All swap counterparties must be rated in the AA/Aa or higher category by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's), respectively, at the time the contract is executed. Since the time of contract execution, certain counterparty ratings were lowered due to the national recession.

At December 31, 2016, the Authority had executed 43 swap transactions with five counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

Swap Count	Notional Amount	Concentration	Counterparty Rating (S&P / Moody's)
26	$ 388,005	39.99%	A- / A1
10	304,115	31.35%	A+ / A1
3	162,600	16.76%	AA- / Aa3
2	77,070	7.94%	AA- / Aa2
2	38,415	3.96%	A+ / Aa3
43	$ 970,205	100.00%	

At December 31, 2015, the Authority had executed 45 swap transactions with six counterparties with concentrations and ratings (Standard and Poor's/ Moody's Investors Service) as shown in the following table:

Swap Count	Notional Amount	Concentration	Counterparty Rating (S&P / Moody's)
25	$ 446,105	40.42%	A- / A2
12	335,365	30.39%	A / A1
3	165,475	14.99%	AA- / Aa3
2	99,565	9.02%	AA- / Aa2
2	53,775	4.87%	A+ / Aa3
1	3,260	0.30%	A+ / A3
45	$ 1,103,545	100.00%	

Interest Rate Risk: The Authority is exposed to interest rate risk in that as the variable rates on the swaps agreements decrease, the Authority's net payment on the swap agreement would increase.

Basis Risk: The Authority is exposed to basis risk when the variable interest rate paid to the holders of its variable rate demand obligations (VRDOs) is not equivalent to the variable interest rate received from its counterparties on the related swap agreements. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated.

The Authority's tax-exempt variable rate bond interest payments are substantially equivalent to the SIFMA rate (plus a trading spread). Certain tax-exempt swaps, as indicated in the table above, contain a trigger feature in which the Authority receives a rate indexed on SIFMA should LIBOR be less than a predetermined level (the trigger level, 3.5%), or a rate pegged at a percentage of LIBOR should LIBOR be equal to or greater than the predetermined trigger level. For these swaps, the Authority would be negatively exposed to basis risk during the time period it is receiving the rate based on a percentage of LIBOR should the relationship between LIBOR and SIFMA converge.

The Authority's taxable variable rate bond interest payments are substantially equivalent to LIBOR (plus a trading spread) and are reset on a weekly basis. The Authority is receiving one-month LIBOR (plus a trading spread) or LIBOR flat for all of its taxable swaps and therefore is only exposed to basis risk to the extent that the Authority's bonds diverge from their historic trading relationship with LIBOR.

Termination Risk: The Authority's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the Authority or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination a swap has a negative value, the Authority would be liable to the counterparty for a payment equal to the fair value of such swap.

There are certain termination provisions relevant to the Authority's counterparties operating as special-purpose vehicles (SPV) with a terminating structure. In the case of certain events, including the credit downgrade of the SPV or the failure of the parent company to maintain certain collateral levels, the SPV would be required to wind up its business and terminate all of its outstanding transactions with all clients, including the Authority. All such terminations would be at mid-market pricing. In the event of such termination, the Authority would be exposed to the risk of market re-entry and the cost differential between the mid-market termination and the offered price upon re-entry.

Rollover Risk: The Authority is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of December 31, 2016 and 2015, the Authority was not exposed to rollover risk.

Amortization Risk: The Authority is exposed to amortization risk in the event that the swap amortization schedules fail to match the actual amortization of the underlying bonds as a result of loan prepayments, which significantly deviate from expectations. If prepayments are significantly higher than anticipated, the Authority would have the option of reinvesting or recycling the prepayments, or calling unhedged bonds. Alternatively, if the Authority chose to call bonds associated with the swap, the Authority could elect an early termination of the related portions of the swap at a potential cost to the Authority. If prepayments are significantly lower than anticipated and the associated bonds remained outstanding longer than the relevant portion of the swap, the Authority could experience an increase in its exposure to unhedged variable rate bonds. Alternatively, the Authority could choose to enter into a new swap or an extension of the existing swap. If interest rates are higher at the time of entering into a new swap or swap extension, such action would result in an increased cost to the Authority.

Collateral Requirements: As of December 31, 2016 and 2015, swaps with a fair value of $81.4 million and $100.7 million, respectively, require the Authority to post collateral in the event that the underlying Class I bond rating drops below Aa3 as issued by Moody's Investor Service or AA- as issued by Standard & Poor's. Collateral requirements range up to 100% of the fair value of the swap depending on the bond rating. Over collateralization is required for investments posted in lieu of cash. At December 31, 2016 and 2015, the ratings of bonds subject to collateral requirements exceed the levels specified in the swap agreements.

(tabular dollar amounts are in thousands)

Swap Payments – Using interest rates as of December 31, 2016, debt service requirements of the Authority's outstanding variable rate debt and net swap payments were as follows. As rates vary, variable rate interest rate payments on the bonds and net swap payments will change.

Years Ending December 31,	Principal	Interest	Swaps, Net	Total
2017	$ 75,065	$ 6,376	$ 37,805	$ 119,246
2018	45,465	5,973	34,993	86,431
2019	46,880	5,665	33,163	85,708
2020	48,455	5,354	31,270	85,079
2021	50,325	5,018	29,336	84,679
2022-2026	189,605	20,875	121,711	332,191
2027-2031	206,405	14,079	81,179	301,663
2032-2036	199,200	7,773	42,444	249,417
2037-2041	67,940	2,726	15,097	85,763
2042-2046	32,665	872	4,845	38,382
2047	8,200	27	152	8,379
Total	$ 970,205	$ 74,738	$ 431,995	$ 1,476,938

Hybrid Instrument Borrowings – Certain interest rate swaps, as identified on the detailed swap table above, include fixed rates that were off-market at the execution of the interest rate swaps. For financial reporting purposes, these interest rate swaps are considered hybrid instruments and are bifurcated between borrowings, with an aggregate original amount of $98.0 million reflecting the fair value of the instrument at its execution, and an interest rate swap with a fixed rate that was considered at-the-market at execution. Activity for the hybrid instrument borrowings for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Beginning balance	$ 37,599	$ 49,399
Reductions	(10,912)	(11,800)
Ending balance	$ 26,687	$ 37,599

(tabular dollar amounts are in thousands)

The following table sets forth as of December 31, 2016, payments of principal and interest on the hybrid instrument borrowings for the next five years and thereafter. The total payments generally reflect the difference between the stated fixed rate of the hybrid instrument and the at-the-market fixed rate at the execution of the instrument.

Years Ending December 31,	Principal and Interest
2017	$ 5,120
2018	3,750
2019	2,914
2020	2,476
2021	2,016
2022-2026	6,360
2027-2031	3,063
2032-2036	845
2037-2041	129
2042-2046	14
Total	$ 26,687

Forward Sales Contracts – The Authority has entered into forward sales of mortgage backed securities with the To-Be-Announced market in order to lock in the sales price of certain single family loans to be securitized and later sold. The contracts offset potential changes in interest rates between the time of the loan reservation and the securitization and sale of such loans into Ginnie Mae and Fannie Mae securities. These contracts are considered investment derivative instruments, such that their change in fair value is reported as investment derivative activity gains or losses on the Statement of Revenues, Expenses and Changes in Net Position.

The outstanding forward contracts, summarized by counterparty as of December 31, 2016, were as follows:

Count	Par	Exposure	Original Sales Price	12/31/16 Premium	Fair Value	Counterparty Rating (S&P / Moody's)
31	$ 72,000	18.80%	$ 76,453	$ 75,598	$ (855)	A+ / A1
18	46,000	12.00%	48,646	48,130	(516)	A- / A1
7	13,000	3.40%	13,612	13,531	(81)	AA- / Aa2
10	68,000	17.70%	72,041	71,864	(177)	A- / Baa1
18	68,000	17.70%	72,342	72,086	(256)	A+ / A3
30	117,000	30.40%	124,316	123,823	(493)	AA- / Aa2
114	$ 384,000	100.00%	$ 407,410	$ 405,032	$ (2,378)	

(tabular dollar amounts are in thousands)

The outstanding forward contracts, summarized by counterparty as of December 31, 2015, were as follows:

Count	Par	Exposure	Original Sales Price	12/31/14 Premium	Fair Value	Counterparty Rating (S&P / Moody's)
5	$ 28,500	17.90%	$ 30,711	$ 30,645	$ (66)	A / A1
11	15,000	9.40%	15,848	15,868	20	A- / A2
9	21,500	13.50%	22,910	22,948	38	AA- / Aa2
10	19,500	12.20%	20,603	20,668	65	A+ / A3
31	75,000	47.00%	80,235	80,372	137	AA- / Aa2
66	$ 159,500	100.00%	$ 170,307	$ 170,501	$ 194	

Summary

A summary of derivative instruments activity for the years ended December 31, 2016 and 2015 is as follows:

	2016				2015			
	Hedging	Investments			Hedging	Investments		
	Swaps	Swaps	Forwards	Total	Swaps	Swaps	Forwards	Total
Fair value, beginning	$ 110,629	$ 10,364	$ 194	$ 121,187	$ 121,908	$ 9,864	$ 445	$ 132,217
Settlements	(25,679)	(8,084)	(194)	(33,957)	(44,675)	(8,152)	(445)	(53,272)
Change in fair value	(1,585)	8,118	(2,378)	4,155	33,396	8,652	194	42,242
Fair value, ending	$ 83,365	$ 10,398	$ (2,378)	$ 91,385	$ 110,629	$ 10,364	$ 194	$ 121,187

(9) Debt Refundings

On December 14, 2016, the Authority issued Federally Taxable, Federally Insured Multi-Family Pass-Through, Series 2016-V Bonds in the aggregate principal amount of $44.0 million. The entire proceeds of the bonds were used to defease (refund) portions of the Multi-Family/Project Bonds 2002 Series C-2, 2002 Series C-4, 2004 Series A-1, 2005 Series A-1, 2005 Series A-3 and 2005 Series B-1. The refund resulted in an overall reduction of locked in interest rate spread on variable rate debt.

On February 5, 2015, the Authority issued Single Family Mortgage Bonds 2015 Series A in the aggregate principal amount of $99.8 million. The entire proceeds of the bonds were used to refund the Single Family Mortgage Bonds 2003 Series C-1 and C-2, 2004 Series B-2, 2005 Series B1-A and B1-B, Series 2005 B-2, and 2011 Series D-2. The refunding resulted in a decrease in the aggregate future debt service requirement of approximately $10.1 million and an approximate economic gain to the Authority of $8.7 million. In accordance with GASB No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, a gain of $1.2 million was deferred and is being amortized over the contractual life of the new debt as an adjustment to interest expense.

On April 29, 2015, the Authority issued Single Family Mortgage Bonds 2015 Series B in the aggregate principal amount of $25.5 million. The entire proceeds of the bonds were used to refund the Single Family Mortgage Bonds 2003 Series B-3. The refunding resulted in a decrease in the aggregate future debt service requirement of approximately $2.5 million and an approximate economic gain to the Authority of $2.4 million. In accordance with GASB No. 23, *Accounting and Financial*

(tabular dollar amounts are in thousands)

Reporting for Refundings of Debt Reported by Proprietary Activities, a gain of $1.5 million was deferred and is being amortized over the contractual life of the new debt as an adjustment to interest expense.

Economic gain or loss is calculated as the difference between the present value of the old debt service requirements, including related fees, and the present value of the new debt service requirements less related upfront costs of issuance, bond call premiums and bond insurance premiums, discounted at the effective interest rate.

(10) Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities and gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These measurements are described as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Authority has the following recurring fair value measurements as of December 31, 2016:

		Fair Value Measurements Using		
	12/31/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Money market mutual funds	$ 96,483	$ 96,483	$ -	$ -
State & policital subdivision obligations	393	-	393	-
U.S. government agencies	336,358	78,923	257,435	-
U.S. Treasuries	724	555	170	-
Total investments by fair value level		$ 175,960	$ 257,998	$ -
Other investments not subject to the leveling hierarchy				
Investment agreements - uncollaterlized	72,840			
Repurchase agreements	13,045			
Overnight deposit	9,000			
External investment pools	8,831			
Total investments	$ 537,674			
Derivative instuments				
Forward sale agreements	$ (2,378)	$ -	$ (2,378)	$ -
Hedging and investment derivatives	93,763	-	93,763	-
Total derivative instruments	$ 91,385	$ -	$ 91,385	$ -

(tabular dollar amounts are in thousands)

Investments and derivative instruments classified as Level 2 are valued using either bid evaluation or a matrix-based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on a securities' relationship to benchmark quoted prices.

As of December 31, 2016 the Authority held investments totaling $94.9 million that were not subject to the leveling hierarchy. These investments consisted of private, guaranteed investment contracts categorized as either investment agreements, repurchase agreements or overnight deposits. Additionally, the Authority held investments in an external governmental investment pool totaling $8.8 million which were not subject to the leveling hierarchy.

(11) Restricted and Unrestricted Net Position

The amounts restricted for the Single Family bond programs and the Multi-Family/Business bond programs are for the payment of principal, redemption premium, if any, and interest, including net swap payments, on all outstanding single family and multi-family/business bond issues, in the event that no other funds are legally available for such payments. Such assets are segregated within the Single Family and Multi-Family/Business bond programs and are held in cash, loans receivable and investments.

The Board may authorize the withdrawal of all or part of this restricted balance if (1) updated cash flow projections indicate that adequate resources will exist after any withdrawal to service the outstanding debt, subject to approval by the bond trustee and the rating agency review; (2) the Authority determines that such funds are needed for the implementation or maintenance of any duly adopted program of the Authority; and (3) no default exists in the payment of the principal, redemption premium, if any, or interest on such bonds.

The Board has designated certain amounts of the unrestricted net position of the General Programs as of December 31, 2016 and 2015, for various purposes, as indicated in the following table. These designations of net position are not binding, and can be changed by the Board.

Unrestricted Net Position for the years ended December 31, 2016 and 2015:

	2016	2015
Designations:		
Housing lending program	$ 127,367	$ 108,142
Commerical lending program	7,482	16,584
General operating and working capital reserves	23,624	23,227
Debt reserves	46,534	44,423
Total general programs unrestricted net position	$ 205,007	$ 192,376

(12) Retirement Plans

(a) Summary of Significant Accounting Policies

Pensions – The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(b) General Information about the Pension Plan

Plan description – Eligible employees of the Authority are provided with pensions through the LGDTF. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided – PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions – Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

(tabular dollar amounts are in thousands)

	Rate
Employer Contribution Rate [1]	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) [1]	-1.02%
Amount Apportioned to the LGDTF [1]	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	1.50%
Total Employer Contribution Rate to the LGDTF [1]	12.68%

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were $1.6 million and $1.5 million for the years ended December 31, 2016 and 2015, respectively.

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31 2016, the Authority reported a liability of $25.2 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Authority's proportion of the net pension liability was based on the Authority's contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the Authority's proportion was 2.3%, which was a decrease of 0.1% from its proportion measured as of December 31, 2014.

(tabular dollar amounts are in thousands)

For the year ended December 31, 2016, the Authority recognized pension expense of $1.9 million. At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 105	$ -
Change of assumptions or other inputs		255
Net difference between projected and actual earnings on pension plan investments	3,843	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	629	41
Contributions subsequent to the measurement date	1,930	n/a
Total	$ 6,507	$ 296

The $1.9 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	Pension Expense
2017	$ 1,359
2018	1,106
2019	1,013
2020	803
2021	-
Thereafter	-

(tabular dollar amounts are in thousands)

Actuarial assumptions – The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90% - 10.85%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18 month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

(tabular dollar amounts are in thousands)

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real rate of Return *
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.5%.

Discount rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projections years, total covered payroll was assumed to increase annually at a rate of 3.9%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103.0%, at which point, the AED and SAED will each drop 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have not impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e. the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

(tabular dollar amounts are in thousands)

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate – The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Proportionate share of the net pension liability	$ 38,612	$ 25,185	$ 14,049

Pension plan fiduciary net position – Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

(d) Defined Contribution Retirement Plans

PERAPlus 401(k) Plan

Plan Description - Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the PERAPlus 401(k) plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 401(k) plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the Authority has agreed to match employee contributions up to 3.5% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2016 and 2015, program members contributed $1.2 million and $1.1 million, respectively, and the Authority recognized expense of $430 thousand and $401 thousand, respectively, related to the PERAPlus 401(k) plan.

PERAPlus 457 Plan

Plan Description - Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the PERAPlus 457 plan, an Internal Revenue Code Section 457 defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 457 plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The Authority does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the years ended December 31, 2016 and 2015, program members contributed $76 thousand and $55 thousand, respectively.

(e) Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Authority contributes to the Health Care Trust Fund (HCTF), a cost sharing multiple employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Authority is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Authority are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016 and 2015, the Authority's contributions to the HCTF were $144 thousand and $132 thousand, respectively, equal to their required contributions for each year.

(13) Risk Management

The Authority's Legal and Risk Management function consists of Legal Operations, Internal Audit, Regulatory Compliance and Information Security and Privacy. The Authority embraces the Three Lines of Defense Model to enterprise risk management, in which senior management and the board of directors can look to (a) operating management, (b) the risk and compliance functions and (c) internal audit testing to appropriately manage risk. The Enterprise Risk Management (ERM) program oversight is through the ERM Committee. The Committee consists of General Counsel, Executive Director, Chief Financial Officer, Chief Operating Officer, Director of IT, and the Director of Enterprise Risk. The risk management techniques utilized include annual risk assessments with periodic updates, established policies and procedures, which are tested based on risk, and purchased insurance. Commercial general liability, property losses, automobile liability, worker's compensation, crime, Executive Risk package with Directors' and Officer and Employed Lawyers Professional Liability, cyber coverage and public officials liability are all shared risk managed through purchased insurance. Settled claims did not exceed insurance coverage in the past three years.

(14) Related-Party Transactions

As of the year ended December 31, 2016, the Authority allocated Federal and State Low Income Housing Tax Credits in the amount of $4.6 million to housing projects in which the Fort Collins Housing Authority (FCHA) is the general partner. Federal tax credits are provided annually for each of ten years and State tax credits are provided annually for each of six years. In addition, the Authority has an outstanding loan with the FCHA. As of December 31, 2016 and 2015, the unpaid principal balance on the loan was $4.3 million and $1.0 million, respectively. The Executive Director of the FCHA is a member of the Authority's Board.

As of the year ended December 31, 2016, the Authority allocated Federal Low Income Housing Tax Credits in the amount of $2.3 million to housing projects in which the Grand Junction Housing Authority (GJHA) is the general partner. The allocated tax credits will be provided annually for each of ten years. In addition, the Authority has three outstanding loans with the

GJHA. As of December 31, 2016 and 2015, the unpaid principal balance on the loans totaled $5.1 million and $3.6 million, respectively. The Executive Director of the GJHA is a member of the Authority's Board.

As of the year ended December 31, 2016, the Authority allocated Federal and State Low Income Housing Tax Credits in the amount of $5.1 million to housing projects in which the Housing Authority of the City of Loveland, Colorado (HACL) is the developer or a limited partner. Federal tax credits are provided annually for each of ten years and State tax credits are provided annually for each of six years. In addition, the Authority has four outstanding loans with the HACL. As of December 31, 2016 and 2015, the unpaid principal balance on the loans totaled $5.8 million and $2.5 million, respectively. The Executive Director of the HACL was a member of the Authority's Board.

(15) Commitments and Contingencies

The Authority had outstanding commitments to make or acquire single family and multi-family/business loans of $55.3 million and $28.5 million, respectively, as of December 31, 2016. The Authority had outstanding commitments to make or acquire single family and multi-family/business loans of $57.2 million and $71.4 million, respectively, as of December 31, 2015. As of December 31, 2016 and 2015 the Authority also had outstanding commitments to various vendors related to building improvements at the Authority's headquarters totaling $10.8 million and $0, respectively.

There are a limited number of claims or suits pending against the Authority arising in the Authority's ordinary course of business. In the opinion of the Authority's management and counsel, any losses that might result from these claims and suits are either covered by insurance or, to the extent not covered by insurance, would not have a material adverse effect on the Authority's financial position.

The Authority participates in the Ginnie Mae Mortgage Backed Securities (MBS) Programs. Through the MBS Programs, Ginnie Mae guarantees securities that are issued by the Authority and backed by pools of mortgage loans. If a borrower fails to make a timely payment on a mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. All loans pooled under the Ginnie Mae MBS Program are either insured by the FHA or are guaranteed by the VA or RD. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and advances funds to repurchase the loans as necessary. Advances are recovered as claims are processed or loans are modified. The Authority repurchased $35.4 million and $34.6 million of these loans in 2016 and 2015, respectively. Claims, recoveries and proceeds from re-pooled, modified loans substantially reimburse the Authority over time.

The Authority also participates in the Whole Loan Sales and Mortgage-Backed Securities (MBS) programs with Fannie Mae. Through the consideration of Whole Loan Sales to Fannie Mae, the Authority receives cash for mortgages. Through the MBS program, the Authority swaps loans for securities issued by Fannie Mae. Whole Loans Sales are serviced by the Authority in an Actual/Actual remittance method and the MBS loans are serviced by the Authority in a Schedule/Schedule remittance method. Under the Schedule/Schedule method if a borrower fails to make a timely payment on a MBS mortgage loan, the Authority must advance its own funds to ensure that the security holders receive timely payment. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. The Authority repurchased $201 thousand and $1.0 million of these loans in 2016 and 2015, respectively. The Authority did not have any repurchase obligations as of December 31, 2016.

Beginning 2016, the Authority also participates in the Whole Loan Sales program with Freddie Mac. Through the consideration of Whole Loan Sales to Freddie Mac, the Authority receives cash for mortgages. Whole Loans Sales are serviced by the Authority in a Schedule/Actual remittance method. Under the Schedule/Actual method if a borrower fails to make a timely payment on a mortgage loan, the Authority must advance its own funds to ensure that the interest is current. The Authority assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. The Authority repurchased $0 of these loans in 2016. The Authority did not have any repurchase obligations as of December 31, 2016.

REQUIRED SUPPLEMENTAL INFORMATION

Colorado Housing and Finance Authority
Schedule of the Authority's Share of Net Pension Liability
Last 10 Fiscal Years*
(in thousands of dollars)

	2014	2015
Proportion of the net pension liability	2.16%	2.29%
Proportionate share of net pension liability	$ 19,360	$ 25,185
Covered-employee payroll	$ 11,857	$ 12,984
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.28%	193.97%
Plan fiduciary net position as a percentage of the total pension plan liability	80.72%	76.87%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Colorado Housing and Finance Authority
Schedule of Authority Contributions
Local Government Division Trust Fund
Last 10 Fiscal Years*
(in thousands of dollars)

	2014	2015
Contractually required contribution	$ 1,504	$ 1,646
Contributions in relation to the contractually required contribution	1,504	1,646
Contribution deficiency	$ -	$ -
Covered-employee payroll	$ 11,857	$ 12,984
Contributions as a percentage of covered-employee payroll	12.68%	12.68%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTAL INFORMATION

Colorado Housing and Finance Authority

Combining Schedule - Statement of Net Position

As of December 31, 2016

(with summarized financial information for December 31, 2015)

(in thousands of dollars)

	General Programs	Single Family	Multi-Family/ Business	Eliminations	2016	Summarized 2015
Assets						
Current assets:						
Cash *(Note 2)*						
Restricted	$ 117,993	$ -	$ -	$ -	**$ 117,993**	$ 97,753
Unrestricted	43,088	-	-	-	**43,088**	46,735
Investments *(Note 2)*	17,924	146,519	126,893	-	**291,336**	317,090
Loans receivable *(Note 3)*	3,535	13,883	17,615	(389)	**34,644**	87,617
Loans receivable held for sale *(Note 3)*	128,425	-	-	-	**128,425**	48,762
Accrued interest receivable	3,013	3,584	1,762	(38)	**8,321**	10,346
Other assets	17,415	30	26	-	**17,471**	4,979
Due (to) from other programs	(31,884)	15,734	16,150	-	**-**	-
Total current assets	299,509	179,750	162,446	(427)	**641,278**	613,282
Noncurrent assets:						
Investments *(Note 2)*	4,583	186,198	55,557	-	**246,338**	285,312
Loans receivable, net *(Note 3)*	102,529	402,598	510,843	(11,290)	**1,004,680**	1,078,058
Capital assets - nondepreciable *(Note 4)*	2,048	-	-	-	**2,048**	1,573
Capital assets - depreciable, net *(Note 4)*	2,393	-	-	-	**2,393**	3,971
Other real estate owned, net	246	653	571	-	**1,470**	1,988
Other assets	31,055	-	-	-	**31,055**	25,142
Total noncurrent assets	142,854	589,449	566,971	(11,290)	**1,287,984**	1,396,044
Total assets	442,363	769,199	729,417	(11,717)	**1,929,262**	2,009,326
Deferred outflows of resources						
Accumulated increase in fair value of hedging derivatives	-	31,139	64,813	-	**95,952**	120,171
Pension contributions and investment earnings	6,507	-	-	-	**6,507**	2,558
Refundings of debt	-	3,942	1,799	-	**5,741**	7,584
Total deferred outflows of resources	6,507	35,081	66,612	-	**108,200**	130,313
Liabilities						
Current liabilities:						
Short-term debt *(Note 5)*	61,005	-	-	-	**61,005**	77,505
Bonds payable *(Note 6)*	648	38,556	7,743	-	**46,947**	84,192
Notes payable *(Note 6)*	103	-	-	-	**103**	102
Accrued interest payable	87	4,932	5,766	(38)	**10,747**	12,176
Federally assisted program advances	1,111	-	-	-	**1,111**	896
Accounts payable and other liabilities	107,243	301	53,497	-	**161,041**	82,426
Total current liabilities	170,197	43,789	67,006	(38)	**280,954**	257,297
Noncurrent liabilities:						
Bonds payable *(Note 6)*	15,885	654,050	561,191	-	**1,231,126**	1,351,831
Derivative instruments	(2,378)	25,559	68,204	-	**91,385**	121,187
Derivatives related borrowing	-	14,705	11,982	-	**26,687**	37,599
Net pension liability - proportionate share	25,185	-	-	-	**25,185**	19,395
Notes payable *(Note 6)*	12,645	-	-	(11,679)	**966**	1,071
Other liabilities *(Note 6)*	11,563	-	-	-	**11,563**	7,189
Total noncurrent liabilities	62,900	694,314	641,377	(11,679)	**1,386,912**	1,538,272
Total liabilities	233,097	738,103	708,383	(11,717)	**1,667,866**	1,795,569
Deferred inflows of resources						
Accumulated decrease in fair value of hedging derivatives	-	1,608	3,222	-	**4,830**	3,843
Pension investment differences	296	-	-	-	**296**	193
Total deferred inflows of resources	296	1,608	3,222	-	**5,126**	4,036
Net position						
Investment in capital assets, net of related debt	4,441	-	-	-	**4,441**	5,543
Restricted primarily by bond indentures	6,029	64,569	84,424	-	**155,022**	142,115
Unrestricted *(Note 11)*	205,007	-	-	-	**205,007**	192,376
Total net position	$ 215,477	$ 64,569	$ 84,424	$ -	**$ 364,470**	$ 340,034

Colorado Housing and Finance Authority

Combining Schedule - Statement of Revenues, Expenses and Changes in Net Position

For the year ended December 31, 2016

(with summarized financial information for the year ended December 31, 2015)

(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2016**	Summarized 2015
Interest income and expense:						
Interest on loans receivable	$ 8,145	$ 24,357	$ 31,291	$ (145)	**$ 63,648**	$ 72,283
Interest on investments	570	10,534	3,368	-	**14,472**	23,667
Interest on debt	(1,395)	(31,097)	(21,020)	145	**(53,367)**	(72,616)
Net interest income	7,320	3,794	13,639	-	**24,753**	23,334
Other operating income (loss):						
Rental income	17	-	-	-	**17**	17
Loan servicing income	19,502	-	(29)	-	**19,473**	17,854
Section 8 administration fees	-	-	-	-	**-**	-
Gain on sale of loans	86,527	-	-	-	**86,527**	50,065
Investment derivative activity gain (loss)	2,572	835	(756)	-	**2,651**	1,569
Net decrease in the fair value of investments	(106)	(3,901)	(1,025)	-	**(5,032)**	(13,123)
Other revenues	9,927	36	51	-	**10,014**	8,895
Total other operating income (loss)	118,439	(3,030)	(1,759)	-	**113,650**	65,277
Total operating income	125,759	764	11,880	-	**138,403**	88,611
Operating expenses:						
Salaries and related benefits	22,207	-	-	-	**22,207**	18,647
General operating	87,095	639	2,572	-	**90,306**	51,872
Depreciation	932	-	-	-	**932**	1,109
Provision for losses	662	(257)	(585)	-	**(180)**	525
Total operating expenses	110,896	382	1,987	-	**113,265**	72,153
Net operating income (loss)	14,863	382	9,893	-	**25,138**	16,458
Nonoperating income and expenses:						
Federal grant receipts	129,405	-	-	-	**129,405**	120,224
Federal grant payments	(129,405)	-	-	-	**(129,405)**	(120,224)
Loss on sale of capital assets	(702)	-	-	-	**(702)**	-
Total nonoperating income and expenses, net	(702)	-	-	-	**(702)**	-
Income (loss) before transfers	14,161	382	9,893	-	**24,436**	16,458
Transfers from (to) other programs	(2,414)	(537)	2,951	-	**-**	-
Change in net position	11,747	(155)	12,844	-	**24,436**	16,458
Net position:						
Beginning of year	203,730	64,724	71,580	-	**340,034**	340,229
Restatement due to GASB 68	-	-	-	-	**-**	(16,653)
End of year	$ 215,477	$ 64,569	$ 84,424	$ -	**$ 364,470**	$ 340,034

Colorado Housing and Finance Authority

Combining Schedule - Statement of Cash Flows

For the year ended December 31, 2016

(with summarized financial information for the year ended December 31, 2015)

(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2016**	Summarized 2015
Cash flows from operating activities:						
Principal payments received on loans receivable & receipts from dispositions of other real estate owned	$ 782,780	$ 118,011	$ 63,507	$ 10,235	**$ 974,533**	$ 450,109
Interest payments received on loans receivable	8,087	25,066	31,900	(136)	**64,917**	74,123
Payments for loans receivable	(1,385,114)	(313)	(19,745)	-	**(1,405,172)**	(807,829)
Receipts from sales of Ginnie Mae securities	614,840	-	-	-	**614,840**	623,901
Receipts from rental operations	17	-	-	-	**17**	17
Receipts from other revenues	29,714	38	22	-	**29,774**	26,724
Payments for salaries and related benefits	(15,675)	-	-	-	**(15,675)**	(17,177)
Payments for goods and services	(91,466)	(531)	-	-	**(91,997)**	(52,078)
All other, net	14,990	-	-	-	**14,990**	32,020
Net cash provided by (used in) operating activities	(41,827)	142,271	75,684	10,099	**186,227**	329,810
Cash flows from noncapital financing activities:						
Net increase (decrease) in short-term debt	(16,500)	-	-	-	**(16,500)**	15,700
Proceeds from issuance of bonds	-	-	106,041	-	**106,041**	125,300
Proceeds from issuance of notes payable	-	-	-	-	**-**	266
Receipts from federal grant programs	129,941	-	-	-	**129,941**	119,282
Payments for federal grant programs	(129,405)	-	-	-	**(129,405)**	(120,224)
Principal paid on bonds	(3,425)	(157,475)	(103,673)	-	**(264,573)**	(483,652)
Interest rate swap activity, net	(3,847)	(1,819)	(127)	-	**(5,793)**	(5,754)
Principal paid on notes payable	(103)	-	-	-	**(103)**	(104)
Interest paid on short-term debt	(504)	-	-	-	**(504)**	(235)
Interest rate swap settlements	-	(25,053)	(19,621)	-	**(44,674)**	(60,485)
Interest paid on bonds	(830)	(10,135)	(7,194)	-	**(18,159)**	(17,757)
Interest paid on notes payable	(10)	-	-	-	**(10)**	(10)
Transfers to (from) other programs	6,450	1,904	(8,354)	-	**-**	-
Net cash used in noncapital financing activities	(18,233)	(192,578)	(32,928)	-	**(243,739)**	(427,673)
Cash flows from capital and related financing activities:						
Purchase of capital assets	(530)	-	-	-	**(530)**	(291)
Proceeds from issuance of capital-related debt	11,725	-	-	(11,725)	**-**	-
Principal paid on capital-related debt	(1,490)	-	-	1,490	**-**	-
Interest paid on capital-related debt	(136)	-	-	136	**-**	-
Net cash provided by (used in) capital and related financing activities	9,569	-	-	(10,099)	**(530)**	(291)
Cash flows from investing activities:						
Proceeds from maturities and sales of investments	1,115,086	662,532	362,536	-	**2,140,154**	2,593,526
Purchase of investments	(1,048,587)	(622,953)	(408,922)	-	**(2,080,462)**	(2,493,489)
Income received from investments	585	10,728	3,630	-	**14,943**	24,093
Net cash provided by (used in) investing activities	67,084	50,307	(42,756)	-	**74,635**	124,130
Net increase in cash	16,593	-	-	-	**16,593**	25,976
Cash at beginning of year	144,488	-	-	-	**144,488**	118,512
Cash at end of year	$ 161,081	$ -	$ -	$ -	**$ 161,081**	$ 144,488
Restricted	$ 117,993	$ -	$ -	$ -	**$ 117,993**	$ 97,753
Unrestricted	43,088	-	-	-	**43,088**	46,735
Cash, end of year	$ 161,081	-	$ -	$ -	**$ 161,081**	$ 144,488

Continued on the next page.

Colorado Housing and Finance Authority

Combining Schedule - Statement of Cash Flows ***(continued)***

For the year ended December 31, 2016

(with summarized financial information for the year ended December 31, 2015)

(in thousands of dollars)

	General Program	Single Family	Multi-Family/ Business	Eliminations	**2016**	Summarized 2015
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Net operating income	$ 14,863	$ 382	$ 9,893	$ -	**$ 25,138**	$ 16,458
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	932	-	-	-	**932**	1,109
Amortization and fair value adjustments of service release premiums	15,657	-	-	-	**15,657**	8,212
Proportionate share of net pension expense	1,943	-	-	-	**1,943**	377
Amortization of imputed debt associated with swaps	-	(4,449)	(6,463)	-	**(10,912)**	(7,657)
Provision for losses	662	(257)	(585)	-	**(180)**	525
Interest on investments	(570)	(10,534)	(3,368)	-	**(14,472)**	(23,667)
Interest on debt	1,395	35,546	27,483	(145)	**64,279**	80,273
Unrealized (gain) loss on investment derivatives	(2,572)	(835)	756	-	**(2,651)**	(1,569)
Unrealized loss on investments	106	3,901	1,025	-	**5,032**	13,123
(Gain) loss on sale of REO	28	(36)	(51)	-	**(59)**	(278)
Gain on sale of loans	(86,527)	-	-	-	**(86,527)**	(50,065)
Changes in assets and liabilities:						
Loans receivable and other real estate owned	(5,122)	117,734	(6,477)	10,235	**116,370**	257,870
Accrued interest receivable on loans and investments	(58)	709	609	9	**1,269**	1,840
Other assets	(18,762)	109	33	-	**(18,620)**	(3,409)
Accounts payable and other liabilities	36,198	1	52,829	-	**89,028**	36,668
Net cash provided by (used in) operating activities	$ (41,827)	$ 142,271	$ 75,684	$ 10,099	**$ 186,227**	$ 329,810

APPENDIX H

Book-Entry System

The following information in this section regarding DTC and the book entry system is based solely on information provided by DTC. No representation is made by the Authority or the Remarketing Agent as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC is acting as securities depository for the 2017 Series A/B Bonds. The 2017 Series A/B Bonds have been 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. A fully-registered Bond certificate has been issued for each maturity of the 2017 Series A/B Bonds, in the aggregate principal amount of such maturity, and has been deposited with DTC.

DTC 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 (the "**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. *The Authority, the Trustee, and the Remarketing Agent undertake no responsibility for and make no representation as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.*

Purchases of 2017 Series A/B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Series A/B Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Series A/B Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners 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 2017 Series A/B Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2017 Series A/B Bonds, except in the event that use of the book-entry system for the 2017 Series A/B Bonds is discontinued.

To facilitate subsequent transfers, all 2017 Series A/B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2017 Series A/B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Series A/B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Series A/B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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 2017 Series A/B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017 Series A/B Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2017 Series A/B Bond documents. For example, Beneficial Owners of 2017 Series A/B Bonds may wish to ascertain that the nominee holding the 2017 Series A/B Bonds 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 Bond Registrar and request that copies of notices be provided directly to them.

As described in this Official Statement in "Part I – TERMS OF THE 2017 SERIES A/B BONDS – Terms of the 2017 Series A Bonds – Prior Redemption – Mandatory Special Redemption," it is the intention that the allocations for mandatory redemption of the 2017 Series A Bonds be made by DTC on a pro rata basis in accordance with DTC's "Pro-Rata Pass-Through Distribution of Principal" rules and procedures. If DTC's operational arrangements do not allow for payment of the 2017 Series A Bonds on a pro-rata pass-through payment distribution of principal basis, then the 2017 Series A Bonds selected for payment will be made in accordance with DTC's procedures then in effect.

While the 2017 Series A/B Bonds are in the book-entry system, redemption notices will be sent to DTC. If less than all of the 2017 Series A/B Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2017 Series A/B Bonds to be redeemed.

Neither DTC nor Cede (nor any other DTC nominee) will consent or vote with respect to 2017 Series A/B Bonds, unless authorized by a Direct Participant in accordance with DTC MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Series A/B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2017 Series A/B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Direct and Indirect Participant and not of DTC, the Trustee, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of

DTC), is the responsibility of the Trustee or the Authority, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2017 Series A/B Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such 2017 Series A/B Bonds by causing the Direct Participant to transfer the Participant's interest in the 2017 Series A/B Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of 2017 Series A/B Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2017 Series A/B Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of such tendered 2017 Series A/B Bonds to the Paying Agent's DTC account.

THE AUTHORITY, THE TRUSTEE, THE PAYING AGENT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO ANY OWNERSHIP INTEREST IN THE 2017 SERIES A/B BONDS, THE DELIVERY TO ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY NOTICE WITH RESPECT TO THE 2017 SERIES A/B BONDS, INCLUDING ANY NOTICE OF REDEMPTION, THE PAYMENT TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN CEDE & CO., AS NOMINEE OF DTC, AS SHOWN ON THE BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE 2017 SERIES A/B BONDS OR ANY CONSENT GIVEN BY CEDE & CO., AS NOMINEE OF DTC. SO LONG AS CERTIFICATES FOR THE 2017 SERIES A/B BONDS ARE NOT ISSUED PURSUANT TO THE INDENTURE AND THE 2017 SERIES A/B BONDS ARE REGISTERED TO DTC, THE AUTHORITY, THE PAYING AGENT, THE REMARKETING AGENT AND THE TRUSTEE SHALL TREAT DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY AS, AND DEEM DTC OR ANY SUCCESSOR SECURITIES DEPOSITORY TO BE, THE ABSOLUTE OWNER OF THE 2017 SERIES A/B BONDS FOR ALL PURPOSES WHATSOEVER, INCLUDING WITHOUT LIMITATION (1) THE PAYMENT OF PRINCIPAL AND INTEREST ON THE 2017 SERIES A/B BONDS, (2) GIVING NOTICE OF REDEMPTION AND OTHER MATTERS WITH RESPECT TO THE 2017 SERIES A/B BONDS, (3) REGISTERING TRANSFERS WITH RESPECT TO THE 2017 SERIES A/B BONDS AND (4) THE SELECTION OF 2017 SERIES A/B BONDS FOR REDEMPTION.

DTC may discontinue providing its services as securities depository with respect to the 2017 Series A/B Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

APPENDIX I

Insurance and Guarantee Programs; Foreclosure

The Mortgage Loans are required by the Master Indenture to be subject to mortgage insurance or guaranty to the extent required by any Series Indenture. For a description of the requirements of the 2017 Series A/B Indenture, see ***Appendix B-2*** *– "THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES – Insurance Limitations and Requirements." The following is a description of the various insurance and guarantee programs which may be applicable in connection with certain Mortgage Loans. The following also includes a description of the Colorado foreclosure procedures which may apply to a Mortgage Loan in the case of a Mortgagor default.*

FHA Insurance

The National Housing Act (the "**NHA**") of 1934, as amended, provides for various FHA mortgage insurance programs. The regulations governing the single family programs under which the FHA-insured Mortgage Loans are insured provide that a Mortgage Loan will be considered to be in default if the Mortgagor fails to make any payment or perform any other obligation under the Mortgage, and such failure continues for a period of thirty days. Insurance benefits are payable to the Mortgagee upon acquisition of title (through foreclosure or otherwise) and conveyance of the Eligible Property to HUD.

HUD requires Mortgagees to explore alternatives to foreclosure. These may include a forbearance, a forbearance with a partial claim, or modification agreement, a pre-foreclosure sale, repayment plan, payment moratorium, HAMP (Home Affordable Modification Plan), or a deed in lieu of foreclosure. Utilization of certain alternatives to foreclosure may result in quicker receipt of the FHA insurance claim because the time required to complete a foreclosure is eliminated. Attempts to utilize alternatives to foreclosure which are unsuccessful may delay receipt of the FHA insurance claim due to a delay in commencement of foreclosure proceedings.

The FHA insurance claim for a Mortgage Loan will be paid in an amount equal to the outstanding principal balance plus allowable interest and, given that DMI (sub-servicer to the Authority) is ranked as a Tier 2 loan servicer as described in "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM – Servicing of the Mortgage Loans," approximately two thirds (66 and 2/3%) of the permitted costs and expenses of acquiring title to the Eligible Property. Interest is allowed (except for two months which is disallowed) at the HUD debenture rate which may be less than the Mortgage Loan interest rate.

Payment for insurance claims may include reimbursement to the Mortgagee for tax, insurance, and similar advances made by the Mortgagee, as well as deductions for amounts received or retained by the Mortgagee after default. Under most FHA insurance programs for single-family residences, the Federal Housing Commissioner has the option of paying insurance claims in cash or in debentures. The HUD debenture rate may be less than the interest rate on the Mortgage Loans, and any debentures would mature 20 years after the date of issue, pay interest semiannually and may be redeemable at par at the option of HUD. Current FHA policy, which is subject to change at any time, is to pay insurance claims in cash.

Except in limited circumstances as approved by HUD properties conveyed to HUD upon completion of the foreclosure process or other acquisition of title must be conveyed vacant. In some circumstances it may be necessary to evict a tenant or Mortgagor upon the completion of the foreclosure proceedings before the Eligible Property can be conveyed to HUD and the FHA insurance claim can be filed.

FHA insurance claims may be denied or curtailed in limited circumstances. An FHA insurance claim may be denied if there was fraud in the origination of the Mortgage Loan or if the Mortgagee is unable to deliver marketable title to HUD. Claims may be curtailed if DMI, as sub-servicer of the Mortgage Loans, fails to process the foreclosure in accordance with the FHA requirements or fails to adequately protect the Eligible Property. The Authority relies on the warranties and representations of the originating Mortgage Lenders with respect to proper origination of the Mortgage Loans. If an insurance claim is denied or curtailed due to an error of the Mortgage Lender or DMI as sub-servicer, the Authority would have recourse to such Mortgage Lender for reimbursement. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's financial condition at the time the claim arises.

VA Guaranty

The Veteran's Benefits Act of 1957, Public Law 85-857, as amended, permits a veteran (or in certain circumstances a veteran's spouse) to obtain a mortgage loan guaranty to finance the purchase of a one-to-four unit family dwelling at interest rates permitted by the VA.

The VA expects every realistic alternative to foreclosure which may be appropriate in each case to be explored before a Mortgage Loan is terminated through foreclosure. The VA will frequently request the servicer to pursue alternatives since the results are either reinstatement of the account or a faster termination than would be obtained through foreclosure.

Claims for the payment of a VA guaranty may be submitted when any default of the Mortgagor continues for a period of three months. A guaranty may be paid without the Mortgagee instituting foreclosure proceedings or otherwise acquiring title. A Mortgagee intending to institute foreclosure proceedings must send to the Administrator of Veteran Affairs a Notice of Default and Intention to Foreclose 120 days from the date of delinquency. The guaranty provisions for mortgage loans generally are as follows: (i) for home and condominium loans of $45,000 or less, 50% of the loan is guaranteed; (ii) for home and condominium loans above $45,000 but not more than $56,250, $22,500 of the loan is guaranteed; (iii) for home and condominium loans above $56,250 but not more than $144,000, the lesser of $36,000 or 40% of the loan is guaranteed; and (iv) for home and condominium loans above $144,000, the lesser of $50,750 or 25% of the loan is guaranteed. The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness. Notwithstanding the dollar and percentage limitations of the guaranty, a Mortgagee will ordinarily suffer a monetary loss only when the difference between the unsatisfied indebtedness and the proceeds of any foreclosure sale of an Eligible Property is greater than the original guaranty as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a Mortgagee of unsatisfied indebtedness on a Mortgage upon the Mortgagee's obtaining title and assigning it to the VA.

In the case of a Mortgage Loan originated by a Mortgage Lender, the Authority relies on the originating Mortgage Lender for proper origination of such Mortgage Loan. If a guaranty claim is denied or curtailed due to the error of the Mortgage Lender or the sub-servicer, the Authority would have recourse to such Mortgage Lender or sub-servicer for reimbursement. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's or sub-servicer's financial condition at the time the claim arises.

Rural Housing Service Guarantee

Under the Rural Housing Service's Rural Housing Loan Guarantee Program, a Mortgagor may obtain a Mortgage Loan guaranteed by the Rural Housing Service ("**RHS**") covering mortgage financing of the purchase of an Eligible Property located in a RHS-designated rural area at interest rates permitted by the RHS. The RHS Rural Housing Loan Guarantee program will be limited to only certain rural areas of the State. Mortgagor and Mortgage Loan eligibility for such guarantees is subject to certain income, purchase price and other limitations in addition to the limitations applicable to all Mortgagors and Mortgage Loans.

The amount of the RHS loan guarantee is 90% of the principal amount of the Mortgage Loan. The maximum loss payment under the RHS guarantee will be the lesser of: (i) 90 percent of the Original Loan Amount or (ii) 100 percent of any loss equal to or less than 35 percent of the Original Loan Amount plus 85 percent of any remaining loss up to 65 percent of the Original Loan Amount. The Original Loan Amount is defined for these purposes as the original promissory note amount minus any loans funds not actually disbursed to the Mortgagor or on behalf of the Mortgagor at the time the loan was made or thereafter. Loss includes only: (a) principal and interest evidenced by the promissory note; (b) any Mortgage Loan subsidy due and owing; and (c) any principal and interest indebtedness on RHS-approved protective advances for protection and preservation of the Eligible Property. Interest (including any subsidy) will be covered by the RHS guarantee to the date of the final loss settlement when the Mortgagee conducts liquidation of the Eligible Property in an expeditious manner in accordance with RHS regulations.

When a Mortgage Loan becomes three payments delinquent, the Mortgagee may proceed with foreclosure of the Mortgage Loan unless extenuating circumstances exist. The RHS requires Mortgagees to explore an acceptable alternative to foreclosure, although incentives are not paid to mortgagees to implement the alternatives. Acceptable foreclosure alternatives include forbearance, modifications, repayment plan, pre-foreclosure sales and deeds in lieu of foreclosure.

Payment of loss is made within 60 days after the Mortgagee files a claim. A claim must be filed within 45 days after sale of the Eligible Property. Loss is determined by the difference between the unpaid principal balance of the mortgage loan, unpaid interest and advances approved by RHS and net proceeds from the Eligible Property. Normal costs of liquidation are also included in the loss payment. If the Mortgagee acquires title to the Eligible Property through the foreclosure process, the Mortgagee must submit a disposition plan to RHS for RHS concurrence. The Mortgagee has six months from the date of acquisition to sell the Eligible Property. If the Eligible Property is sold in accordance with the plan, the actual net proceeds from the sale of the Eligible Property will be used to calculate the loss payment. If the Eligible Property is not sold within 6 months from the acquisition date (which period may be extended for 30 days with RHS approval to permit the closing on an offer received near the end of the 6 month period) RHS will obtain a liquidation value appraisal of the Eligible Property which will be used to determine net proceeds for calculation of the loss payment.

If a third party acquires title to the Eligible Property from the foreclosure sale or as a result of a sale by the Mortgagor to cure or avoid a default, the actual net proceeds from the sale will be used to calculate the loss payment. In some circumstances, the Mortgagee may be required to enforce a deficiency judgment against the Mortgagor before the loss payment will be paid. This may substantially delay payment. Any recovery on the mortgage loan by the Mortgagee after receipt of a loss payment must be shared with RHS in proportion to the loss borne by RHS and the Mortgagee.

RHS claims may be denied or curtailed in limited circumstances. A claim may be denied if there was fraud or misrepresentation that the Mortgagee knew about, participated in or condoned. Claims may be curtailed as a result of violation of usury laws, negligent servicing or failure to obtain required collateral.

In the case of a Mortgage Loan originated by a Mortgage Lender, the Authority relies on the originating Mortgage Lender for proper origination of such Mortgage Loan. If a guaranty claim is denied or curtailed due to the error of the Mortgage Lender or the sub-servicer, the Authority would have recourse to such Mortgage Lender for reimbursement. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's or sub-servicer's financial condition at the time the claim arises.

Private Mortgage Insurance and Uninsured Mortgage Loans

Private Mortgage Insurance

Under each Series Indenture, the Authority is authorized in certain circumstances to purchase PMI Mortgage Loans which are insured by a private mortgage insurance company approved by the Authority, which is qualified to do business in the State and qualified to provide insurance on mortgages purchased by Freddie Mac or Fannie Mae and which is rated, at the time each PMI Mortgage Loan is made or originated, by the agency then rating the Bonds at certain ratings designated in the Series Indenture. See **Appendix B-2** – "THE MORTGAGE LOAN PORTFOLIO AND FUND BALANCES – Insurance Limitations and Requirements" for a description of the ratings requirements under the Indenture applicable to the 2017 Series A/B Bonds.

The amount of private mortgage insurance plus the Eligible Borrower's down payment must at least equal the amount by which the PMI Mortgage Loan exceeds 80% of the appraised value (at the time of origination) or purchase price, whichever is less, of the mortgaged property securing such PMI Mortgage Loan. The private mortgage insurance may either be Borrower Paid Mortgage Insurance (BPMI) where mortgage insurance is paid by the Mortgagor; or Lender Paid Mortgage Insurance (LPMI) where mortgage insurance is paid by a person other than the Mortgagor. LPMI cannot be cancelled by the mortgagor and is not automatically terminated under federal law. LPMI may result in a mortgage with a higher interest rate and terminates only when the Mortgage is refinanced, paid off, or otherwise terminated. Federal law requires BPMI to be cancelled at the Mortgagor's request on or after either of the following dates: (1) the date the principal balance of the loan is first scheduled to reach eighty percent (80%) of the original value of the property; or (2) the date the principal balance actually reaches eighty percent (80%) of the original value of the property. BPMI will only be canceled on these dates if the Mortgagor submits a written request for cancellation; has a good payment history; is current on the mortgage loan; and the Authority receives evidence that the value of the property has not declined below its original value and certification that there are not subordinate liens on the property. Federal law also requires BPMI to automatically terminate on the date that the principal balance of the loan is first scheduled to reach seventy eight percent (78%) of the original value of the property if the Mortgagor is current on loan payments. In any event, BPMI will terminate on the first day of the month immediately following the date that is the midpoint of the amortization period for the loan, if the Mortgagor is current on that date.

The Private Insurers expect every realistic alternative to foreclosure which may be appropriate in each case to be explored when the Mortgagors have the desire and financial ability to continue to maintain the mortgaged property before a Mortgage Loan is terminated through foreclosure.

Generally, delinquencies must be reported to the Private Insurer at day 45 of the delinquency and then on a monthly basis thereafter, and proceedings to recover title are required to commence by the end of the fourth month of default. It is also required that prior to presenting a claim under the PMI, title to the mortgaged property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor, must be acquired and tendered to the Private Insurer. Private mortgage insurance policies ordinarily will provide that the Private Insurer, upon taking title to the mortgaged property securing a PMI Mortgage Loan, must pay the Mortgagee a percentage of the unrecovered balance of its loss at a level established upon origination of the Mortgage Loan. The amount of the loss payable also generally includes usual and customary attorneys' fees, real estate taxes, hazard and private mortgage insurance premiums necessarily advanced by the insured, expenses incurred in preservation and maintenance of the mortgaged property, and other costs and expenses incurred to acquire the mortgaged property. Private Insurers may require or permit the Mortgagee to forbear from foreclosing a defaulted Mortgage Loan, offer a preforeclosure sale or deed in lieu of foreclosure, or enter into an agreement modifying the terms of a Mortgage Loan in certain circumstances.

In the case of a Mortgage Loan originated by a Mortgage Lender, the Authority relies on the originating Mortgage Lender for proper origination of such Mortgage Loan. If an insurance claim is denied or curtailed due to the error of the Mortgage Lender or sub-servicer, the Authority would have recourse to such Mortgage Lender for reimbursement. See "Part II – THE SINGLE FAMILY MORTGAGE PROGRAM." The Authority's ability to collect claims for reimbursement may depend in part on the Mortgage Lender's financial condition at the time the claim arises.

Uninsured Mortgage Loans

Each Series Indenture also permits the Authority in certain circumstances to make or purchase Uninsured Mortgage Loans which are neither governmentally-guaranteed or insured nor insured by a private mortgage insurance company, as long as the outstanding principal balance of each such Uninsured Mortgage Loan is less than or equal to 80% of the appraised value (at the time of origination of such Mortgage Loan) or the purchase price, whichever is less, of the mortgaged property securing such Uninsured Mortgage Loan.

Colorado Foreclosure Law and Procedure

The Mortgage Loans are evidenced by promissory notes and secured by deeds of trust encumbering the mortgaged property. The Colorado form of deed of trust is a unique three-party instrument that involves a public official, known as a public trustee, rather than a private trustee. The parties to a deed of trust are the borrower (i.e., the Mortgagor), the public trustee of the county in which the mortgaged property is located and the Mortgage Lender (generally referred to in a deed of trust as the beneficiary and herein as the Mortgagee). A deed of trust creates a lien on the mortgaged property in favor of the Mortgagee to secure repayment of the debt.

The public trustee's duties are generally limited to foreclosure of deeds of trust, issuance of certificates of purchase and deeds following foreclosure, releases of deeds of trust, and related matters. The public trustee will rarely have notice of a deed of trust until the Mortgagee elects to have the public trustee foreclose the deed of trust. Public trustees do not have discretionary or decision-making authority like judges. Rather, they perform the ministerial and procedural acts necessary to complete foreclosures in accordance with Colorado law.

A mortgagor's failure to perform a material covenant of the deed of trust (like failure to pay taxes or failure to pay the debt) generally constitutes a default entitling the Mortgagee to accelerate the debt and foreclose. To start foreclosure proceedings, the Mortgagee must present to the public trustee (i) the original or, for certain qualified holders (including the Authority), a copy of the promissory note or evidence of debt (or, except as provided in the following sentence with respect to "qualified holders," a lost instruments bond if the note or evidence of debt has been lost), (ii) any modifications to the original evidence of debt and the original endorsements or assignments to the current holder of the original evidence of debt, (iii) the original or copy of the recorded deed of trust together with any modifications or partial releases (and if copies are provided, in some cases they must be certified by the Clerk and Recorder or in other cases accompanied by the certificate of the holder that such holder is a "qualified holder"), (iv) an originally executed Notice of Election and Demand for Sale, and (v) the so-called

Combined Notice and other required notices, certificates and affidavits and mailing list for the notices. Certain types of Mortgagees, which include the Authority, are defined to be "qualified holders" and may commence foreclosure by presenting a copy of the original evidence of debt instead of the original instrument or a bond. If the Mortgagee presents a copy of the evidence of debt, the Mortgagee is liable to a person incurring a loss if the original evidence of debt is subsequently presented for payment. The public trustee must record the Notice of Election and Demand for Sale in the appropriate clerk and recorder's office within ten business days after receipt of a complete filing.

The public trustee also causes the Combined Notice to be published. The Combined Notice must be published once per week for five successive weeks in a newspaper of general circulation in the county where the mortgaged property is located. Within 20 days after the recording of the Notice of Election and Demand, copies of the Combined Notice must be sent to the borrower, Grantor of the Deed of Trust, Guarantors, and "occupants" as designated by statute and who are listed on a mailing list provided by the mortgagee's attorney. No more than sixty (60) nor fewer than forty-five (45) days prior to the first scheduled date of sale, the public trustee is required to again send the Combined Notice to the persons identified in the preceding sentence as well as to the owner of the property as of the date of recording of the Notice of Election and Demand and each person who appears to have an interest in the property prior to the date of the recording of the Notice of Election and Demand (if such person's interest in the property may be extinguished by the foreclosure).

The Mortgagee may elect to preserve certain junior interests (like easements or leases) that would otherwise be extinguished by the foreclosure by recording a Notice to Affirm.

A right to redeem inures to certain holders of recorded junior interests that were recorded prior to the recording of the Notice of Election and Demand for Sale. A right to cure inures to the owner of the mortgaged property as of the recording of the Notice of Election and Demand and certain transferees, parties liable on the debt, sureties and guarantors of the debt and holders of an interest junior to the lien being foreclosed that was recorded prior to the recording of the Notice of Election and Demand for Sale.

A public trustee foreclosure sale is scheduled by the public trustee to occur no fewer than 110 days and no more than 125 days after the date of recording the Notice of Election and Demand for Sale for non-agricultural property. For agricultural property the sale is to be scheduled 215 to 230 days after the recording of the Notice of Election and Demand. If it is not evident from the legal description in the deed of trust, the public trustee will determine if the property is agricultural based on certain evidence such as the property being part of a subdivision plat or a written statement of an official that the property was within incorporated city limits. The public trustee shall accept as evidence that the property is agricultural a written statement from the assessor that all of the property is assessed as agricultural property. The sale date may be extended by the Mortgagee from time to time and by the public trustee for other reasons provided by statute.

Prior to the foreclosure sale, the Mortgagee must obtain an Order Authorizing Sale in an appropriate Colorado District Court pursuant to Rule 120 of the Colorado Rules of Civil Procedure. Notice of a Rule 120 hearing must be provided to the persons designated by Rule 120, and in the case of residential property, notice of the hearing must be posted in a conspicuous place on the property not less than 14 days before the date set for the hearing. An order authorizing the public trustee foreclosure sale will be issued if the court determines there is a reasonable probability that a default has occurred entitling the mortgagee to foreclose and no interested party is entitled to protection of the Servicemembers' Civil Relief Act of 1940, as amended (the "**Relief Act**"). The scope of the Rule 120 hearing is limited to determining the reasonable probability that a default has occurred, determining whether under the deed of trust foreclosure is authorized, and determination of issues related to the Relief Act.

Mortgagors called to active duty after obtaining a Mortgage Loan are entitled to the benefit of the Relief Act. Under the Relief Act a mortgagor may be granted certain relief from the mortgage obligations during active military service and for one year after the end of the period of military service. Such relief includes: (i) an adjustment of the service member's obligation to preserve the interest of all parties; and (ii) a stay of foreclosure proceedings. Such relief may reduce revenues received by the Authority during such period.

When foreclosure is initiated due to the nonpayment of sums due under the promissory note or deed of trust (such as principal, interest or real estate taxes), parties entitled by statute to cure who wish to exercise such cure rights must preserve the right to cure by filing a Notice of Intent to Cure with the public trustee at least fifteen days prior to the date of the foreclosure sale. The Public Trustee is then required to promptly (but no later than twelve calendar days prior to the date of sale) request the amount required to cure the default from the Mortgagee. The Mortgagee must file with the public trustee a statement of the amount needed to cure the foreclosure no later than the earlier of ten business days after receipt of the request or the eighth business day prior to the foreclosure sale. If these deadlines are not met, the foreclosure will be postponed thereafter from week to week. The party wishing to cure the default must pay the public trustee all delinquent principal, interest and other amounts due plus the costs and expense of the foreclosure, including attorneys' fees, on or before noon of the day prior to the foreclosure sale to effectuate the cure. After the default is cured the Mortgagee must terminate the foreclosure proceedings. The Mortgagee may, but is not obligated to, accept a cure and terminate the foreclosure proceedings even if the statutory requirements are not met.

If the Mortgage Loan is not cured, the public trustee will sell the mortgaged property at the foreclosure sale to the highest bidder. Anyone may bid at the sale. There is no obligation for the mortgagee to bid any amount in excess of the outstanding debt. Any bid by the mortgagee which is less than the outstanding debt must be at least the mortgagee's good faith estimate of the fair market value of the mortgaged property (less unpaid taxes, the amount of senior liens and estimated reasonable costs and expenses, net of income, of holding, marketing and selling such property). The failure of the mortgagee to bid a good faith estimate of the fair market value of the mortgaged property will not affect the validity of the foreclosure sale but may be raised as a defense by a person sued on a deficiency. The public trustee will issue a Certificate of Purchase to the successful bidder. Title to the property vests in the holder of the Certificate of Purchase upon the close of business, eight days after the sale date if no notice of intent to redeem was filed. If a notice of intent to redeem was filed, the title vests upon the expiration of all redemption periods.

Certain holders of recorded junior interests have redemption rights if they timely file a Notice of Intent to Redeem. The most senior junior lienholder may redeem between 15 and 19 business days after the sale date and each subsequent junior lienholder has (in order of priority of the liens) five business days to redeem. To preserve the right to redeem, a junior lienholder must file a notice of intent to redeem and other documents with the public trustee within eight business days after the foreclosure sale. Title to the property will vest in the holder of the Certificate of Purchase upon the close of business eight days after the sale date if no notice of intent to redeem was filed. If a notice of intent to redeem was filed, and no redemption has occurred, the title vests in the holder of the Certificate of Purchase upon the expiration of all redemption periods. The public trustee will issue a deed to the holder of the Certificate of Purchase or the last redeeming junior lienholder, as the case may be. The public trustee deed will convey the mortgaged property free of all junior interests except junior interests the mortgagee elected to affirm or which were not sent proper notices of the foreclosure as required by statute. Special rules apply with respect to junior liens which are held by the IRS or other federal agencies. The public trustee's deed will be junior to the lien for real property taxes and assessments and to all liens and interests, if any, which were senior to the deed of trust foreclosed and possibly to a portion of a lien for unpaid homeowner association dues equal to approximately six months of regular installments.

Judicial foreclosure may be required or advisable in certain circumstances including where there are defects in title, where there is a need to reform the Mortgage Loan documents to correct an error, or where there is a dispute about the priority of the deed of trust. Generally a judicial foreclosure will take substantially longer and be significantly more expensive than a public trustee foreclosure.

In addition to the statutory requirements with respect to a foreclosure in Colorado, other restrictions may be imposed by the Mortgage Loan documents or by the VA, FHA, Rural Housing Service, FNMA/FHLMC, or a private insurer. FNMA/FHLMC, VA, and FHA encourage Mortgage Lenders to avoid foreclosure wherever possible. VA, FHA and Rural Housing Service also have special programs for certain borrowers whose defaults are caused by circumstances outside of their control, as described in "VA Guaranty," "Rural Housing Service Guarantee" and "FHA Insurance" under this caption. Certain loan documents for the Mortgage Loans may incorporate restrictions from the FNMA/FHLMC Colorado Uniform Security Instrument which require the mortgagee to give the Mortgagor 30 days' notice prior to accelerating the Mortgage Loan unless the default is violation of the due-on-sale clause.

In the event a Mortgagor files a bankruptcy petition, the foreclosure proceedings are automatically stayed until the Mortgagee is granted relief from stay or the Bankruptcy action is dismissed. The Mortgagee may not be granted relief from stay in certain cases. If a bankruptcy petition is filed after all publications of the Combined Notice as required by Colorado law have been completed, the Mortgagee may continue the sale for as long as the automatic stay is in effect. Upon obtaining relief from stay or upon dismissal of the Bankruptcy, the sale can be held at the next available sale date. If a bankruptcy petition is filed prior to completion of the publication of all of the Combined Notices as required by Colorado law, the remaining notices must be cancelled. If the Mortgagee obtains relief from stay or the Bankruptcy is dismissed, the Mortgagee must re-record the Notice of Election and Demand for Sale and all required notices must be given before a foreclosure sale may be held.

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APPENDIX J

Form of Continuing Disclosure Undertaking

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "**Disclosure Certificate**") is executed and delivered by the COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the "**Authority**"), in connection with the offering of the Authority's Federally Taxable Single Family Mortgage Class I Bonds (GNMA MBS Pass-Through Program), 2017 Series A, Federally Taxable Single Family Mortgage Class II Adjustable Rate Bonds, 2017 Series B-1 and Federally Taxable Single Family Mortgage Class II Bonds, 2017 Series B-2 (collectively, the "**Series Bonds**"). The Series Bonds have been issued pursuant to a Master Indenture of Trust dated as of October 1, 2001, as supplemented and amended (the "**Master Indenture**") and pursuant to a 2017 Series A/B Indenture dated as of July 1, 2017 (the "**Series Indenture**" and, together with the Master Indenture, the "**Indenture**"), each between the Authority and Zions First National Bank, Denver, Colorado, as trustee. The Authority may issue additional series of bonds under the Master Indenture upon satisfaction of the conditions set forth in the Master Indenture. All bonds and notes issued under the Master Indenture, including the Series Bonds, are referred to herein as the "**Bonds**." Capitalized terms used but not defined herein shall have meanings ascribed thereto in the Indenture. The Authority covenants and agrees as follows:

<u>BACKGROUND</u>

1. The Series Bonds have been issued to provide funds to finance or refinance the purchase of mortgage loans under the Authority's Single Family Mortgage Program (as defined in the Official Statement), to establish necessary reserves, or to otherwise attain the goals of the Authority pursuant to the Colorado Housing and Finance Authority Act.

2. In order to allow the Participating Underwriter (as defined in the Rule defined below) of the Series Bonds to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934 (17 CFR § 240.15c2-12) as amended to the date hereof (the "**Rule**" or "**Rule 15c2-12**"), the Authority has agreed to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Series Bonds.

3. This Disclosure Certificate is intended to satisfy the requirements of said Rule 15c2-12, as in effect on the date hereof.

<u>AUTHORITY COVENANTS AND AGREEMENTS</u>

Section 1. <u>Definitions</u>.

(a) "**Annual Financial Information**" means the financial information or operating data with respect to the Authority and any loan program financed under the Master Indenture, delivered at least annually pursuant to Sections 2(a) and 2(b) hereof, substantially similar to the type set forth in the Official Statement as described in **Exhibit A** hereto, including but not limited to such financial information and operating data set forth in (i) "Part I – CERTAIN PROGRAM ASSUMPTIONS" and (ii) "Part II – COLORADO HOUSING AND FINANCE AUTHORITY" in the Official Statement.

(b) "**Audited Financial Statements**" means the annual financial statements for the Authority, prepared in accordance with generally accepted accounting principles consistently applied, as in effect from time to time, audited by a firm of certified public accountants.

(c) "**EMMA**" means the MSRB's Electronic Municipal Market Access System, with a portal at http://emma.msrb.org.

(d) "**Events**" means any of the events listed in Section 2(d) hereof.

(e) "**MSRB**" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, #600, Alexandria, Virginia 22314; fax: 703-797-6700.

(f) "**Official Statement**" means the Official Statement delivered in connection with the offering of the Series Bonds.

(g) "**Participating Underwriter**" means RBC Capital Markets, LLC, as senior underwriter.

(h) "**Rule 15c2-12**" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR § 240.15c2-12), as the same may be amended from time to time.

(i) "**SEC**" means the Securities and Exchange Commission.

Section 2. Provision of Annual Information and Reporting of Events.

(a) Commencing with the fiscal year ending December 31, 2017 and annually while the Bonds remain outstanding, the Authority agrees to provide or cause to be provided annually to EMMA (with a copy, upon request, to the Participating Underwriter) the following information:

i. Annual Financial Information; and

ii. Audited Financial Statements, if prepared.

(b) Such Annual Financial Information shall be provided not later than 240 days after the end of each fiscal year for the Authority (i.e., each December 31). If not provided at the same time as the Annual Financial Information, the Audited Financial Statements will be provided when available.

(c) The Authority may provide Annual Financial Information and Audited Financial Statements by specific reference to other documents, including information reports and Official Statements relating to other debt issues of the Authority, which have been submitted to each repository or repositories as required by Rule 15c2-12; provided, however, that if the document so referenced is a final Official Statement within the meaning of Rule 15c2-12, such final Official Statement must also be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by cross-reference.

(d) (1) At any time the Series Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an event, the Authority shall provide to EMMA notice of the occurrence of any of the following Events with respect to the Series Bonds:

(A) principal and interest payment delinquencies;

(B) unscheduled draws on debt service reserves reflecting financial difficulties;

(C) unscheduled draws on credit enhancements reflecting financial difficulties;

(D) substitution of credit or liquidity providers, or their failure to perform;

(E) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices 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;

(F) tender offers;

(G) defeasances;

(H) rating changes; and

(I) bankruptcy, insolvency, receivership, or similar event of the obligated person.

For the purposes of the event identified in paragraph (2)(d)(1)(I) hereof, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(2) At any time the Series Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an event, the Authority shall provide to EMMA notice of the occurrence of any of the following Events with respect to the Bonds, <u>if material</u>:

(A) non-payment related defaults;

(B) modifications to the rights of the beneficial owners of the Bonds;

(C) bond calls;

(D) release, substitution or sale of property securing repayment of the Bonds;

(E) 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; and

(F) appointment of a successor or additional trustee or a change in the name of a trustee.

(e) At any time the Series Bonds are outstanding, the Authority shall provide, in a timely manner, to EMMA, with a copy to the Participating Underwriter, notice of any failure of the Authority to timely provide the Annual Financial Information as specified in Sections 2(a) and 2(b) hereof.

Section 3. Method of Transmission. The Authority shall employ such methods of electronic or physical information transmission, and include such identifying information, as is requested or recommended by the MSRB unless otherwise required by law.

Section 4. Enforcement. The obligations of the Authority hereunder shall be for the benefit of the owners (including beneficial owners) of the Series Bonds. The owner or beneficial owner of any Series Bonds is authorized to take action to seek specific performance by court order to compel the Authority to comply with its obligations under this Disclosure Certificate, which action shall be the exclusive remedy available to it or to any other owners or beneficial owners of the Series Bonds; provided, that any owner or beneficial owner of Series Bonds seeking to require the Authority to comply with this Disclosure Certificate shall first provide at least 30 days' prior written notice to the Authority of the Authority's failure, giving reasonable detail of such failure following which notice the Authority shall have 30 days to comply. Any such action shall be brought only in a court of competent jurisdiction in the City and County of Denver, Colorado. Breach of the obligations of the Authority hereunder shall not constitute an Event of Default under the Indenture and none of the rights and remedies provided by the Indenture shall be available to the owners of the Series Bonds or the Trustee therein appointed.

Section 5. Additional Information. Nothing in the Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Certificate; provided that the Authority shall not be required to do so. If the Authority chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include such information in any future annual filing or Event filing.

Section 6. Term. This Disclosure Certificate shall be in effect from and after offering and delivery of the Series Bonds and shall extend to the earliest of (i) the date all principal and interest on the Series Bonds shall have been deemed paid or legally defeased pursuant to the terms of the Indenture; (ii) the date that the Authority shall no longer constitute an "obligated person" with respect to the Series Bonds within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 which require this Disclosure Certificate are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series Bonds, the determination of (i), (ii) or (iii) herein to be made in any manner deemed appropriate by the Authority, including by an opinion of counsel experienced in federal securities law selected by the Authority.

Section 7. Amendments and Waivers. Notwithstanding any other provision of the Disclosure Certificate, the Authority may amend this Disclosure Certificate from time to time, and any provision of this Disclosure Certificate may be waived, without the consent of the owners or beneficial owners of the Series Bonds upon the Authority's receipt of an opinion of counsel experienced in federal securities laws to the effect that such amendment or waiver will not adversely affect compliance with Rule 15c2-12. Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The Authority shall provide notice of such amendment or waiver to EMMA as required by Rule 15c2-12 and the Participating Underwriter.

Section 8. Beneficiaries. The Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter and the owners (including beneficial owners) from time to time of the Series Bonds, and shall create no rights in any other person or entity.

Dated as of July 19, 2017.

COLORADO HOUSING AND FINANCE AUTHORITY

By: ________________________________

Chief Financial Officer

EXHIBIT A

The Authority's Annual Financial Information shall contain or include by reference tables setting forth the following information, as of the end of the Authority's fiscal year (December 31):

(i) For each maturity of each series of Bonds outstanding under the Master Indenture: (i) the maturity date of such Bonds, Bond type (serial or term), the interest rate on such Bonds, principal redemptions, original aggregate principal amount of such Bonds and the principal amount of such Bonds remaining Outstanding; and (ii) a list of unscheduled redemptions including the date of call, amount and type of call.

(ii) During the period for the acquisition of Mortgage Loans with the proceeds of the Series Bonds, the original amount of funds available for the acquisition of Mortgage Loans, the total amount of funds committed by the Authority for individual Mortgage Loans, and the total principal amount of Mortgage Loans purchased by the Authority. This information will not be provided after the period for the acquisition of Mortgage Loans with the proceeds of the Series Bonds.

(iii) The amount and type of assets (and, if applicable, the rate and maturity date of such assets) credited to the Acquisition Account, the Revenue Account, the Loan Recycling Account, the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund,, the Redemption Fund, the Short Term Bond Account and the various subaccounts in each of the above-referenced funds or accounts; and the current amount of assets credited to the Debt Service Reserve Fund and its various subaccounts.

(iv) With respect to each Series of Bonds, the outstanding aggregate principal balance of Mortgage Loans, the aggregate number of outstanding Mortgage Loans, the average principal balance per Mortgage Loan, average coupon and weighted average maturity.

(v) With respect to each Series of Bonds, a breakdown of the type of housing, expressed as a percentage of Mortgage Loans outstanding, showing the extent to which: (i) the housing is single family detached, condominium/townhomes or other (specify); (ii) the housing is new construction or existing homes; and (iii) the housing is insured by the FHA, insured by private mortgage insurance, insured by the Rural Housing Service, guaranteed by the VA or uninsured.

(vi) With respect to each Series of Bonds, the number of loans financed, the number of loans prepaid in full, the number of loans foreclosed to date, the number of loans outstanding, the number of delinquent 30-90 days, the percentage of total loans delinquent 30-90 days, the number of delinquencies 90 or more days, the percentage of total loans delinquent 90 or more days, the number of loans in foreclosure, the percentage of total loans in foreclosure and the percentage of all loans delinquent.

(vii) With respect to each Series of Bonds, the amount of total assets, the amount of total liabilities and the amount of surplus or deficit.

APPENDIX K

GNMA Mortgage- Backed Securities Program

*The summary of the GNMA Program, Ginnie Mae Certificates and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide (the "**GNMA Guide**") (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410, or at http://www.ginniemae.gov) and to the Ginnie Mae Certificates and other documents for full and complete statements of their provisions. Neither the Authority nor the Underwriters make any representation with respect to the accuracy or completeness of this summary.*

General. Ginnie Mae is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("**HUD**") with its principal office located in Washington, D.C.

Ginnie Mae is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "**National Housing Act**"), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by trusts or pools composed of Mortgage Loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen's Readjustment Act of 1944, as amended, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the United States Department of Agriculture under the Rural Development Program. Section 306(g) further provides that "[t]he 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 9, 1969, of an Assistant Attorney General of the United States states that such guarantees under Section 306(g) of mortgage-backed certificates are authorized to be made by Ginnie Mae and "would constitute general obligations of the United States backed by its full faith and credit."

There are two GNMA Mortgage-Backed Securities Programs, GNMA I MBS and GNMA II MBS.

Any Ginnie Mae Certificates acquired by the Authority will be a "fully modified pass-through" security (guaranteed by Ginnie Mae pursuant to its GNMA I or GNMA II mortgage-backed securities program) which will require the servicer to pass through to the holder the regular monthly payments on the underlying mortgage loans (less the service fees), whether or not the servicer receives such payments from the Mortgagors on the underlying Mortgage Loans, plus any prepayments or other unscheduled recoveries of principal of the mortgage loans received by the servicer during the previous month. Upon issuance of each Ginnie Certificate, Ginnie Mae will guarantee to the holder of the GNMA Security the timely payment of principal of and interest on the Ginnie Mae Certificate. In order to meet its obligations under such guaranty, Ginnie Mae, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department (the "**Treasury**") in an amount outstanding at any one time sufficient to enable Ginnie Mae, 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 Ginnie Mae Certificate. The Treasury is authorized to purchase any obligations so issued by Ginnie Mae 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 Ginnie Mae, if needed, to implement the aforementioned guaranty.

Under the terms of its guaranty, Ginnie Mae also warrants to the holder of the Ginnie Mae Certificate that, in the event Ginnie Mae is called upon at any time to make payment on its guaranty of the principal of and interest on the Ginnie Mae Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Treasury for a loan or loans in amounts sufficient to make such payments of principal and interest.

Servicing of the Mortgages. Under contractual agreements entered into by and between the servicer and Ginnie Mae, the servicer is responsible for servicing and otherwise administering the Mortgage Loans underlying the Ginnie Mae Certificates in accordance with generally-accepted practices of the mortgage lending industry and the GNMA Guide. The Authority acts as the Servicer of the GNMA MBS in the Trust Estate which secure the Bonds under the Master Indenture.

The monthly remuneration of the servicer, for its servicing and administrative functions, and the guaranty fee charged by Ginnie Mae, are based on the unpaid principal amount of the Ginnie Mae Certificates outstanding. The Ginnie Mae I Certificates carry an interest rate that is fixed at .50% below the interest rate on the underlying Mortgage Loans; the service fees (equal on a monthly basis to 1/12 of .50% of the outstanding principal balance of the Mortgage Loans) are deducted from interest payments on the Mortgage Loans before payments are passed through to the owner of the Ginnie Mae Certificate.

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

The servicer is required to advise Ginnie Mae in advance of any impending default on scheduled payments so that Ginnie Mae, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. If, however, such payments are not received as scheduled, the Trustee has recourse directly to Ginnie Mae.

Default by Servicer. In the event of a default by the servicer, Ginnie Mae will have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the Mortgage Loans underlying the Ginnie Mae Certificates, and such Mortgage Loans will thereupon become the absolute property of Ginnie Mae, subject only to the unsatisfied rights of the owner of the Ginnie Mae Certificate. In such event, Ginnie Mae will be the successor in all respects to the servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

Payment of Principal and Interest on the Ginnie Mae Certificates. Under the GNMA I MBS Program, the servicer is to make separate payments, by the fifteenth day of each month (or, if the fifteenth day is not a business day, then the next business day), directly to each owner of Ginnie Mae Certificates for each of the Ginnie Mae Certificates held. Under the GNMA II MBS Program, the servicer is to make separate payments by the nineteenth day of each month (or, if the nineteenth day is not a business day, then the next business day).

Payment of principal of each Ginnie Mae Certificate is expected to commence on the fifteenth day of the month following issuance of the Ginnie Mae Certificate.

Each installment on a Ginnie Mae Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the Ginnie Mae Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the Ginnie Mae Certificate. The amount of principal due on the Ginnie Mae Certificate will be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans based on reporting from the issuer. However, payment of principal and interest is to be adjustable as set forth below.

Each of the monthly installments on a Ginnie Mae Certificate is subject to adjustment by reason of any prepayments or other unscheduled recoveries of principal on the underlying Mortgage Loans. In any event, the servicer will pay to the holder of the Ginnie Mae Certificate monthly installments of not less than the interest due on the Ginnie Mae Certificate at the rate specified in the Ginnie Mae Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagors, and any prepayments or early recovery of principal. Final payment will be made only upon surrender of the outstanding Ginnie Mae Certificate.

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