

In the opinion of Holland & Knight LLP, Washington, D.C., Bond Counsel, assuming continuing compliance with certain covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Program Bonds (as defined herein) is not excluded from gross income for federal income tax purposes. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Program Bonds.

\$168,100,000
District of Columbia Housing Finance Agency
Multifamily Housing Revenue Bonds
2009 Series A (NIB Program)(Program Bonds – Taxable)



Dated: December 30, 2009
Interest Accrual Date: January 12, 2010

Due: as shown on inside cover

The District of Columbia Housing Finance Agency (the "Agency") has agreed to issue its Multifamily Housing Revenue Bonds 2009 Series A (the "Program Bonds") in the aggregate principal amount of \$168,100,000. The Program Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. The Program Bonds will be issued in book-entry form in denominations of \$5,000 or any integral multiple thereof, and for purposes of initial issuance and redemption of Program Bonds, \$10,000, or any integral multiple thereof. The Program Bonds will begin to accrue interest on January 12, 2010 and will be payable upon the applicable Release Date for the Program Bonds being Converted as described herein or upon the redemption date thereof for any Program Bonds that have not Converted.

The Program Bonds are being issued by the Agency pursuant to the Multifamily Housing Revenue Bonds (NIB Program) General Indenture, dated as of December 1, 2009, as amended and supplemented between the Agency and U.S. Bank National Association, as trustee (the "Trustee") (the "General Indenture") and are being issued pursuant to a First Supplemental Indenture Authorizing the Issuance of \$168,100,000 Multifamily Housing Revenue Bonds (NIB Program) 2009 Series A dated as of December 1, 2009 (the "2009 Series A Indenture"). The General Indenture and the 2009 Series A Indenture are collectively referred to as the "Indenture" herein.

The Program Bonds are subject to Conversion and are subject to optional and special redemption prior to their stated maturity as set forth herein.

THIS OFFICIAL STATEMENT IS INTENDED TO DESCRIBE THE PROGRAM BONDS ONLY TO THE APPLICABLE RELEASE DATE, IF ANY, FOR THE PROGRAM BONDS THAT ARE CONVERTED OR TO THE REDEMPTION DATE FOR PROGRAM BONDS THAT ARE NOT CONVERTED. THIS OFFICIAL STATEMENT IS NOT INTENDED TO DESCRIBE ANY PROGRAM BONDS AFTER THE RELEASE DATE THEREOF.

The Program Bonds are issued under the Indenture in connection with the New Issue Bond Program of the Housing Finance Agency Initiative described herein and, upon initial issuance and delivery, proceeds of the Program Bonds (along with an additional deposit of the Agency) shall be deposited in the escrow fund established under the 2009 Series A Indenture (the "Escrow Fund") and held therein until released and transferred by the Trustee pursuant to the 2009 Series A Indenture on the Release Date as more fully described herein.

THE PROGRAM BONDS, THE PRINCIPAL OF, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY PAYABLE SOLELY FROM THE REVENUES AND ASSETS OF THE AGENCY PLEDGED UNDER THE INDENTURE AND FROM NO OTHER REVENUES OR ASSETS OF THE AGENCY. THE PROGRAM BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE DISTRICT OF COLUMBIA, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT OF COLUMBIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE PROGRAM BONDS. THE AGENCY HAS NO TAXING POWER.

The Program Bonds are offered when, as and if issued and received by the purchasers thereof, subject to the approval of legality by Holland & Knight LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Agency by its General Counsel, Maria Day-Marshall. It is expected that the Program Bonds will be available for delivery through the facilities of DTC in New York, NY on or about December 30, 2009.

Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

Dated: December 18, 2009

MATURITY SCHEDULE

\$168,100,000 2009 SERIES A BONDS

Maturity Date	Principal Amount	Price	CUSIP
December 30, 2051	\$168,100,000	100%	25477PKP9

This Official Statement, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the Program Bonds. No dealer, broker, salesperson or other person has been authorized by the Agency to give any information or to make any representations with respect to the Program Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Program Bonds offered herein, nor shall there be any sale of the Program Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Agency and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Agency. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Agency or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that 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.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE AGENCY	2
APPLICATION OF THE PROCEEDS OF THE PROGRAM BONDS	7
THE PROGRAM BONDS	7
SECURITY FOR THE BONDS	11
TAX MATTERS	11
LEGAL MATTERS	13
LITIGATION	14
CONTINUING DISCLOSURE	14
RATING	14
SPECIAL ADVISOR	15
FINANCIAL ADVISOR	15
PLACEMENT OF THE PROGRAM BONDS	15
OTHER MATTERS	15
APPENDIX A – Summary of Certain Provisions of the General Indenture	A-1
APPENDIX B – Form of Appendix to the 2009 Series A Indenture	B-1

APPENDIX C – Form of Bond Counsel Opinion	C-1
APPENDIX D – Form of Continuing Disclosure Agreement	D-1

\$168,100,000
District of Columbia Housing Finance Agency
Multifamily Housing Revenue Bonds (NIB Program)
2009 Series A

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by the District of Columbia Housing Finance Agency (the "Agency") of its \$168,100,000 Multifamily Housing Revenue Bonds 2009 Series A (the "Program Bonds").

The Program Bonds are authorized to be issued pursuant to the District of Columbia Housing Finance Agency Act (Chapter 27, Title 42 of the District of Columbia Code), as amended (the "Act"), the Multifamily Housing Revenue Bonds (NIB Program) General Indenture, dated as of December 1, 2009, as amended and supplemented (the "General Indenture") and are being issued pursuant to a First Supplemental Indenture Authorizing the Issuance of \$168,100,000 Multifamily Housing Revenue Bonds (NIB Program) 2009 Series A dated as of December 1, 2009 (the "2009 Series A Indenture"), each by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The General Indenture and the 2009 Series A Indenture are collectively referred to as the "Indenture" herein. The Program Bonds are the first Series of Bonds issued under the General Indenture. The Agency may issue additional series of Multifamily Housing Revenue Bonds pursuant to a Supplemental Indenture. The Program Bonds, together with any additional series of Multifamily Housing Revenue Bonds issued under the General Indenture are herein called the "Bonds." All capitalized terms used in this Official Statement that are not defined herein but are defined in the Indenture shall have the respective meanings set forth in the Indenture. Prior to the issuance of the Program Bonds, the Agency will transfer to the Trustee for deposit into the Escrow Fund (as defined on the cover) an amount equal to \$220,600 (the "Shortfall Amount").

Under the New Issue Bond Program ("NIBP") announced by the United States Treasury, the Agency will deliver, subject to certain conditions, the Program Bonds to Fannie Mae and Freddie Mac (each a "GSE") under the terms of the Placement Agreement (the "Placement Agreement") among the GSEs and the Agency. See PURCHASE OF THE PROGRAM BONDS.

Pursuant to the terms of the Indenture, proceeds of the Program Bonds will initially be held in the Escrow Fund until released and transferred by the Trustee, as set forth in the Indenture. The proceeds in the Escrow Fund are intended to be used for the purpose of financing Mortgage Loans (as defined by the Indenture), or until applied to the redemption of Program Bonds. The Agency may establish, subject to the approval of the GSEs, up to three release dates (each, a "Release Date") and the respective amounts of proceeds to be released on each such Release Date. On the date two months after each Release Date, the interest rate on a principal amount of Program Bonds equal to the amount of proceeds released on such Release Date will be converted ("Converted") to an interest rate permitted by the Indenture (each such conversion, a "Conversion"). The proceeds the Agency receives from the GSEs along with the Shortfall Amount will be placed in the Escrow Fund for the Program Bonds.

THIS OFFICIAL STATEMENT IS INTENDED TO DESCRIBE THE PROGRAM BONDS ONLY TO THE APPLICABLE RELEASE DATE, IF ANY, FOR THE PROGRAM BONDS THAT ARE CONVERTED OR TO THE REDEMPTION DATE FOR PROGRAM BONDS THAT ARE NOT CONVERTED. THIS OFFICIAL STATEMENT IS NOT INTENDED TO DESCRIBE ANY PROGRAM BONDS AFTER THE RELEASE DATE THEREOF.

Pursuant to the Indenture, proceeds held in the Escrow Fund are to be invested in Permitted Escrow Investments and are pledged exclusively to the repayment of the Program Bonds prior to the Release Date thereof. Any amounts remaining on deposit in the Escrow Fund on January 1, 2011 will be applied to pay the redemption price of, and accrued interest on, the Program Bonds for which no Release Date has occurred.

The General Indenture authorizes the financing of the acquisition, construction, development and equipping of multifamily housing developments in the District of Columbia.

The references to and summaries and descriptions of the Act, the Indenture, the Program Bonds, the NIBP, and the other statutes, instruments and documents which are included or are referred to in this Official Statement do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by references to the appropriate statute, instrument or document.

THE AGENCY

The Agency

The Agency is a body corporate and an instrumentality of the District of Columbia (the “District”), created under the District of Columbia Housing Finance Agency Act, Chapter 27 of Title 42 of the District of Columbia Code, as amended (the “Act”). The Program Bonds do not constitute obligations of the District, but are special limited obligations of the Agency payable solely from and secured by the revenues and properties of the Agency pledged under the Indenture and not from any other revenues or property of the Agency, and do not constitute an indebtedness or obligation (legal, general, moral, special or otherwise) of the District. Neither the full faith and credit nor the taxing power of the District is pledged for the payment of the principal of, premium, if any, or interest on, the Program Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Agency, and none of the Program Bonds or any of the agreements or obligations of the Agency shall be construed to constitute an indebtedness of the District within the meaning of any constitutional or statutory provision whatsoever. The Agency has no taxing power. See “SECURITY FOR THE PROGRAM BONDS.”

General

The Agency was established in 1979 pursuant to the Act as a body corporate which has a legal existence separate from the government of the District but which is an instrumentality of the government of the District created to effectuate certain public purposes. The Act declares that there exists in the District a critical shortage of adequate housing for low and moderate income families, and empowers the Agency to generate funds from private and public sources to increase the supply and lower the cost of funds available for residential mortgages and construction loans and thereby help alleviate the shortage of adequate housing. The principal office of the Agency is located at 815 Florida Avenue, N.W., Washington, D.C., 20001; telephone (202) 777-1600.

From the Agency’s inception to September 30, 1992, the Agency’s operations were primarily funded by interest-bearing, unsecured advances appropriated by the District. The unsecured advances were to be repaid from income of the Agency in excess of operating expenses in future years, to the extent such net income was available for such repayment. Pursuant to Public Law 104-194 (enacted September 9, 1996), the appropriated debt of the Agency including interest thereon was eliminated. Since October 1, 1992, the Agency’s operating expenses have been funded solely from income derived from certain multifamily financial activities, other financial activities of the Agency and certain program income derived from its Single Family Mortgage Revenue Bond Program.

Board of Directors

The Act provides for the Agency to be governed by a Board of Directors (the “Board”) consisting of five members appointed by the Mayor with the advice and consent of the Council of the District of Columbia (the “Council”). The current members of the Board are as follows:

Chairperson – Michael L. Wheat

Currently serving as Managing Director with Frasca and Associates, a leading independent financial advisor primarily to transportation clients, Michael L. Wheat has more than 22 years of experience in the area of public finance. Mr. Wheat has participated as issuer, lawyer, financial advisor and investment banker, in the issuance of over \$10 billion of bonds during his career. Before joining Frasca and Associates, Mr. Wheat’s vast array of experience includes: 4 years as Managing Director in the Public Finance Department of Merrill Lynch &

Co; 11 years as Director in the Public Finance Department of Citigroup Global Markets, Inc., a New York based investment bank, formerly named Salomon Smith Barney; and several years as a Vice President with Lazard Freres and Co., where he was responsible for a number of that firm's financial advisory clients, including the District of Columbia and the Metropolitan Washington Airport Authority.

Prior to becoming an investment banker, Mr. Wheet was a lawyer and local government official in the District. During the period from 1981-1986, he was employed in the Office of the Deputy Mayor for Finance, where he worked on the District's reentry into the capital markets through the first sale of bonds by the City in the twentieth century. During his employment with the District, he was responsible for overseeing the issuance of over \$1 billion of general obligation and revenue bonds by the District. He has also been employed as an attorney by two national law firms engaged in the practice of municipal finance and state and local government law from 1979-1981 and from 1986-1988.

Mr. Wheet received his Juris Doctorate degree from the University of Pennsylvania Law School in 1979 and his A.B. degree from Harvard University in 1976.

Vice Chairperson – Jacque D. Patterson

As Project Director with the Federal City Council, Mr. Jacque D. Patterson focuses on affordable housing, libraries, government operations, education and public safety issues confronting the District of Columbia government. Before joining the Federal City Council, he served in the District of Columbia Executive Office of the Mayor's Office of Community Affairs as the Community Affairs Coordinator. Mr. Patterson's career in public service began when he was selected for the Capital City Fellows' Program. His assignments during the Fellowship were with the Deputy Chief Finance Officer, Office of Tax & Revenue and the DC Brownfields Program. He also served as a Policy Analyst in the Office of Policy, Planning, and Program Evaluation for the DC Department of Health.

In 2006, Mr. Patterson was selected as a Fannie Mae Fellow to receive additional housing policy training while attending the Harvard University John F. Kennedy School of Government's Senior Executives in State & Local Governments Program. Mr. Patterson received his Masters of Public Administration from Central Michigan University and a graduate certification as a Certified Public Manager from the George Washington University. He holds an undergraduate degree in Education from Southern Illinois University and is currently pursuing a doctorate in Law & Policy at Northeastern University. He brings to the DC Housing Finance Agency Board of Directors a deep knowledge of urban affairs, public policy, government operations and finance.

Member – Derek Ford

Mr. Derek Ford has more than 13 years of progressive financial experience with both private and government sector entities. Currently serving as Senior Auditor for the District of Columbia Office of the Inspector General, Mr. Ford performs financial statement audits, compliance, control and substantive testing; and examines internal control cycles and operational compliance of government agencies. During his career, and in addition to holding the position as an Auditor, Mr. Ford has held positions as an Accountant, Tax Associate, Consultant and Entrepreneur in areas related to real estate, transportation and commerce. Mr. Ford is also a Real Estate Agent with Senate Realty Company.

As a Ward 7 resident of the District of Columbia, he served as Campaign Treasurer for both the Committee to Elect, as well as the Committee to Re-elect, Ward 7 Councilwoman Yvette Alexander (D). Mr. Ford also serves as Treasurer for the Ward 7 Democrats.

Mr. Ford was a member of the US Army Reserve for 8 years and he received his Bachelor of Science degree from North Carolina A&T University in 1996.

Member – Buwa Binitie

Mr. Buwa Binitie has more than 7 years of experience in real estate development and advisory services. He is instrumental in assessing development opportunities, managing development teams, as well as planning and

underwriting budgets for development projects. Mr. Binitie's development experience also extends to the creation and preservation of affordable housing. Currently, Mr. Binitie is a principal of Dantes Partners where his work focuses on the financing and development of affordable housing and charter school facilities.

Previously, Mr. Binitie, on behalf of the District, administered and managed the implementation of the New Communities Initiative for the Mayor of the District of Columbia. The New Communities Initiative is a billion dollar comprehensive partnership designed to improve the quality of life for families and individuals living in distressed neighborhoods in Washington, DC. The New Communities Initiative will fight these conditions by transforming highly concentrated low-income neighborhoods into healthy mixed-income neighborhoods.

Prior to serving the District, Mr. Binitie consulted with The Neighborhood Development Company to build a \$27 million, 100% affordable 72 unit apartment building along Georgia Ave, NW. Mr. Binitie has also been engaged by owners and tenant associations alike to guide them through the D.C. Tenant's Rights Act which enables renters to acquire their units at below market rates. Mr. Binitie also served as the Director of Quality Control and Client Relations at Real Estate Resource Group ("RRG") where he realized over \$5 million in savings for Fortune 1000 clients during his first two years. At RRG, he was primarily responsible for managing the strategic and logistic aspect of every lease audit campaign.

In addition to the above, Mr. Binitie serves on the Board of Capital City Charter School and the Washington Area Community Investment Fund ("WACIF"). Mr. Binitie received a B.S. from New York University and is a graduate of Johns Hopkins University's Master in Real Estate Development Program.

Secretary to the Board – Harry D. Sewell. See "Management" below.

Management

The Act authorizes the Board to appoint, with the advice and consent of the Council of the District of Columbia, an Executive Director who serves as Secretary to the Board. The Executive Director is the Chief Executive Officer of the Agency and is responsible to the Agency's Board of Directors for the operation of the Agency.

Executive Director and Secretary to the Board – Harry D. Sewell

On June 6, 2006, the Board of Directors selected Harry D. Sewell as its Executive Director. Mr. Sewell has more than 30 years of public and private sector housing experience. During his professional career, he has held many executive-level positions in housing agencies on the east coast as well as senior positions within private sector development companies. Within the public sector, Mr. Sewell has served as Executive Director of the Housing Authority of the City of Annapolis. As Assistant Secretary for the Maryland Department of Housing and Community Development, he managed the state's Housing Finance Agency, increasing production in its single family and multifamily programs. Mr. Sewell also led the effort for the first in the nation HFA sponsored pooled Capital Fund securitization transaction, and as Director of the Department of Real Estate and Housing in Wilmington, Delaware, he was credited with the innovative reuse of vacant city-owned properties through the creation of several homeownership programs.

Mr. Sewell's private sector experience also demonstrates his commitment to the production of affordable housing. Among the positions he has held are Program Manager for Mid-City Urban, LLC in Silver Spring, MD, Senior Vice President of A&R Management, Inc. and Vice President of ABG Financial Services in Baltimore, Maryland. At Mid-City, Mr. Sewell managed the Planned Unit Development approval process for the Arthur Capper HOPE VI project in SE, Washington. As Vice President at ABG Financial Services in Baltimore, Maryland, he was responsible for originating, underwriting and closing over \$75 million in multifamily loans using FHA Coinsurance and Ginnie Mae ("GNMA") Mortgage Backed Securities.

Mr. Sewell received a B.A. in Labor Management Relations from Pennsylvania State University in State College, Pennsylvania. He has served on several boards and held key positions in numerous industry organizations including being a board member for the National Organization of African Americans in Housing and the Maryland

Affordable Housing Coalition; Commissioner for the Philadelphia Housing Authority and President of the Quaker Hill Housing Corporation in Wilmington, Delaware.

Deputy Executive Director – Fran D. Makle

Ms. Makle has almost 30 years of housing finance experience, including eleven years of management with a nationally-recognized state housing finance agency. Ms. Makle has extensive experience in mortgage lending for both single-family and multifamily housing and has been instrumental in the development and implementation of three consecutive award-winning housing programs. In November 2006, Ms. Makle joined the Agency and currently serves as its Deputy Executive Director. In this capacity, Ms. Makle serves as the Chief Operating Officer for the Agency and manages the day to day operations.

Previously, Ms. Makle served as the Program Director for Arundel Community Development Services, Inc., the Acting Director and the Deputy Director of the Community Development Administration at the Maryland Department of Housing and Community Development (DHCD), and the Deputy Director of the Division of Development Finance, which includes the Community Development Administration at the Maryland Department of Housing and Community Development.

In 1999, she completed a seven-month executive leadership program with the National Forum for Black Public Administrators. Ms. Makle also received her certification in Housing Finance Development from the University of Maryland School of Public Affairs, and studied Business and Public Administration at Charles Community College.

Associate Executive Director – Allison Ladd

Ms. Ladd has over 10 years of experience in housing finance, community development, and government affairs. Throughout her career, Ms. Ladd has served on the senior management teams in various housing finance entities - state, county and local.

Currently, Ms. Ladd serves as the Associate Executive Director of the Agency. Ms. Ladd joined the Agency in February 2007 and her primary responsibility is to manage the communications, marketing, and government affairs for the Agency.

Previously, Ms. Ladd served as the Chief of Staff to the Maryland Department of Housing and Community Development. Prior to joining the Maryland state government, she served as the Special Assistant to the Director of the Prince George's County (MD) Department of Housing and Community Development. While in Prince George's County, Ms. Ladd provided technical oversight and counsel regarding the issuance of over \$75 million in tax exempt bonds for multifamily and single-family purposes.

Ms. Ladd received a Masters of Community Planning from the University of Maryland, College Park, Maryland and a Bachelor of Arts degree from the University of Rhode Island, Kingston, Rhode Island.

General Counsel – Maria Day-Marshall

Ms. Day-Marshall joined the District of Columbia Housing Finance Agency in November, 2009, and serves as General Counsel to the Agency. She is responsible for the overall supervision, coordination and management of all legal matters for the Agency.

Prior to joining the Agency, Ms. Day-Marshall was a Senior Business Development Manager in Fannie Mae's Community Lending Channel. Ms. Day-Marshall was responsible for business development, underwriting, legal documentation review, and transaction execution and closing related to two direct loan products that finance housing development and rehabilitation projects and are offered to governmental entities.

Ms. Day-Marshall has been involved in the municipal finance industry for over twenty years. Prior to joining Fannie Mae from 1982 to 1996, she served in financially and legally related positions in the District

government. During her tenure, she served as Treasurer of the District of Columbia, Deputy Treasurer and Debt Manager. As Treasurer, she was responsible for the issuance of over \$6 billion of debt for the District and other D.C. government issuers. Subsequently, Ms. Day-Marshall served as a financial consultant to the D.C. Water and Sewer Authority. Ms. Day-Marshall joined Columbia Equity Financial Corp., an independent financial advisory firm, in 1999. While working at the firm, she was involved in an array of tax-exempt and taxable bond transactions totaling over \$3 billion, and served as financial advisor to, among others, Public Housing Authorities, Housing Finance Agencies and Redevelopment Authorities.

Ms. Day-Marshall currently serves as an adjunct professor in the University of Maryland's Colvin Institute of Real Estate Development. She is a member of the District of Columbia Bar, and other associations. She earned a Master of Laws in Taxation degree from Georgetown University Law Center, a Juris Doctorate degree from the Columbus School of Law, Catholic University of America, and her undergraduate degree from Fisk University.

Acting Deputy General Counsel – Michael Winter

Mr. Winter is the Agency's Acting Deputy General Counsel. He provides legal assistance to the Agency in structuring single-family bond transactions and has structured a variety of multifamily housing bond transactions. Mr. Winter has over eight years of legal experience in the mortgage revenue bond and low income housing tax credit programs. He graduated from the Duke University School of Law and is a member of the District of Columbia Bar.

Chief Financial Officer — Sergei V. Kuzmenchuk

Mr. Kuzmenchuk joined the Agency as its Chief Financial Officer in October 2008. Mr. Kuzmenchuk has over 10 years of housing finance agency experience. Prior to joining the Agency, he served as the Director of Finance and the Deputy Director of Finance for Community Development Administration (CDA), Maryland Department of Housing and Community Development. Mr. Kuzmenchuk led a team of financial analysts and accountants and managed a portfolio of more than \$3 billion of mortgage revenue bonds, mortgage loans and investments. Throughout his career, Mr. Kuzmenchuk has structured and managed tax-exempt/taxable bond transactions, including variable rate debt structures with swaps. Prior to his work at CDA, Mr. Kuzmenchuk worked in various financial management and international trade and banking capacities, domestically and overseas. Mr. Kuzmenchuk earned his M.B.A in Accounting from the Joseph A. Sellinger, S.J., School of Business and Management, Loyola College in Maryland in 2002. He was granted a M.P.M. degree in Public Sector Financial Management from the School of Public Policy, University of Maryland, College Park, in 1995. Mr. Kuzmenchuk received his B.A. and M.A. degrees in English and French Interpretation from the Minsk State Linguistic University, Minsk, Belarus in 1993.

Director of Public Finance – Anthony L. Waddell

Mr. Waddell has over 10 years of experience in complex mixed-use, mixed-income, mixed-finance (LIHTC, historic tax credits, taxable/tax-exempt bonds, conventional), urban development projects as both a lender and developer. Early in his career, Mr. Waddell served as the Executive Director of Coppin Heights CDC in Baltimore, and led the Commercial and Multifamily Lending Division of the public-private lending conduit, the Baltimore Community Development Financing Corporation (CDFC), to its highest annual production in its 10-year history, investing/leveraging over \$25 million in debt in difficult to develop Baltimore neighborhoods. After CDFC, Mr. Waddell was hired by Mid-City Urban (MCU) of Washington (now Urban Atlantic) as a development manager and led its HOPE VI joint ventures with Integral Properties of Atlanta and Forest City of Washington. The two projects together consisted of the development of over 2,100 units of housing (for sale and rental) and over 800,000 square feet of office/retail/community space. During his 5-year stay with Mid-City, Mr. Waddell managed over \$700 million worth of development activity. Mr. Waddell joined the Agency as its Director of Public Finance in July 2006. The Public Finance Department is primarily responsible for originating, underwriting, structuring and closing the issuance of multifamily tax exempt/taxable mortgage revenue bonds and 4% low income housing tax credit projects. Mr. Waddell is a graduate of The Johns Hopkins University School of Professional Studies, now The Carey Business School, where he earned a Masters of Science Degree in Real Estate with a concentration in Institutional Investment and Development.

Director, Compliance and Asset Management – David L. Jefferson

David L. Jefferson began his 15-year career in affordable housing in Washington, D.C. Originally from Cleveland, Ohio, Mr. Jefferson attended Howard University and currently serves as the Director of Compliance and Asset Management for the Agency, where he provides Asset Management to over 80 Agency financed projects.

Mr. Jefferson has served the public sector as the Executive Director of Rockville Housing Enterprises where he oversaw the development of a 60-unit homeownership community. He served as the Deputy Executive Director of the Housing Authority of the City of Annapolis, a mid-sized Housing Authority, where he managed operations. As Regional Director of the Housing Authority of Baltimore City, he directed operations for over 8,000 units of conventional public housing.

In the private sector, Mr. Jefferson served as a Vice President for A&R Management Inc. in Baltimore, MD where he oversaw operations of an over 3,000 unit mixed portfolio. He gained a strong background in asset management as a Property Manager for the Trammel Crow Company in Washington, D.C.

Mr. Jefferson currently serves on the Board of Directors of the Community Housing Associates, a non-profit providing affordable housing for the mentally challenged in Baltimore City. The recipient of numerous awards, Mr. Jefferson has been traveling the country speaking on LIHTC development and inclusionary zoning.

APPLICATION OF THE PROCEEDS OF THE PROGRAM BONDS

The following sets forth the sources and uses of funds in connection with the Program Bonds:

Sources

Bond Principal	\$168,100,000
Less GSE Legal Fees	(52,500)
Less Securitization Fee	(168,100)
Shortfall Amount	<u>220,600</u>
Total.....	<u>\$168,100,000</u>

Uses

2009 Series A Escrow Fund.....	<u>\$168,100,000</u>
Total.....	<u>\$168,100,000</u>

THE PROGRAM BONDS

Prior to the Release Date for such Program Bonds, the Program Bonds will be payable solely from and secured solely by the net proceeds derived from the sale of the Program Bonds and other moneys held in the Escrow Fund for such purpose. NO MORTGAGE LOANS OR MORTGAGE-BACKED SECURITIES WILL BE PURCHASED UNTIL THE RELEASE DATE APPLICABLE TO SUCH PROGRAM BONDS AS DESCRIBED HEREIN.

See Appendices A and B to this Official Statement for the definitions of certain capitalized terms with respect to the Program Bonds and for a more detailed description of the terms of the Program Bonds and the process of Conversion.

General

The Program Bonds will be dated December 30, 2009 and will start to accrue interest from January 12, 2010 at an interest rate which produces an interest payment on the applicable Release Date relative to the Program Bonds with respect to which escrowed proceeds are subject to release on such Release Date equal to investment

earnings, payable upon the Release Date or redemption date of such Program Bonds. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months. If the date of payment of principal of, premium, if any, and interest on the Program Bonds shall not be a Business Day, then such payment shall be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

The Program Bonds will be issued in book-entry form in denominations of \$5,000 or any integral multiple thereof, and for purposes of initial issuance and redemption of Program Bonds, \$10,000, or any integral multiple thereof. When issued, the Program Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”).

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s Book-Entry System has been obtained from DTC. The Agency does not make any representation or warranty or takes any responsibility for the accuracy or completeness of such information. Additional information can be found in the 2009 Series A Indenture and the Appendix to the 2009 Series A Indenture.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Program Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17 A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. 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 and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Agency or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Agency or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the tender agent or the remarketing agent, as applicable, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the tender agent or the remarketing agent, as applicable. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the DTC account of the tender agent or the remarketing agent, as applicable.

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

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

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

Redemption Provisions Relating to the Program Bonds

Optional Redemption

The Program Bonds are subject to redemption in authorized denominations, at the option of the Agency, in whole or in part, from any source of funds, on the first Business Day of any month, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest, if any, to the redemption date.

Special Redemptions

Failure to Establish Release Date. Any Program Bonds, for which the interest rate has not been the subject of a Conversion ("Pre-Conversion Bonds") with respect to which a Release Date has not occurred prior to January 1, 2011 are subject to mandatory redemption on February 1, 2011 (or an earlier date selected by the Agency), at a redemption price equal to the principal amount thereof plus accrued interest, without premium, from amounts then on deposit in the Escrow Fund.

Withdrawal of Closing Certificates. The Pre-Conversion Bonds are subject to mandatory redemption in whole, at a redemption price equal to the principal amount thereof, plus accrued interest, on the first Business Day at least thirty (30) days after the Settlement Date, if there is delivered by mail or by electronic means to the Trustee on or prior to the Settlement Date a Certificate of Adverse Change and the GSEs have not, prior to the date 20 days following the Settlement Date, provided the Trustee a written waiver, from amounts then on deposit in the Escrow Fund and any other available moneys under the Indenture.

2009 Series A Bonds Not Meeting Rating Thresholds. The Pre-Conversion Bonds are subject to mandatory redemption within ten (10) Business Days of receipt by the Trustee of notice that the Bond Rating has been withdrawn or fallen below "A3" at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, from amounts then on deposit in the Escrow Fund and any other available moneys under the Indenture. The Agency hereby covenants to provide such notice to the Trustee promptly upon receipt by the Agency of notice of any such withdrawal or downgrade.

Available Moneys for Redemption. With respect to the redemptions set forth above, moneys still on deposit in the Escrow Fund shall be used for any such redemption; if Escrow Fund moneys are not sufficient, then any available moneys under the Indenture, if any, shall also be used for any such redemption.

Selection of Program Bonds to be Redeemed

If less than all of a maturity of the Program Bonds is to be redeemed, the particular Program Bonds or the respective portions thereof to be redeemed shall be selected by lot by the Trustee.

Additional information regarding the redemption provisions for the Program Bonds can be found in the 2009 Series A Indenture and the Appendix to the 2009 Series A Indenture.

Notice of Redemption

Notice of redemption shall be mailed, first-class postage prepaid, by the Trustee not less than 10 days nor more than 30 days prior to the redemption date, the Trustee shall give the maximum notice possible to the respective holders of any Program Bonds or portions thereof to be redeemed at their last addresses, if any, appearing upon the registry books and to at least two Information Services identified in the Indenture, but failure by the Trustee to give such notice pursuant to the Indenture shall not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption pursuant to the Indenture to any one or more of the respective holders of any Program Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Bondholder or Bondholders to whom such notice was mailed.

Notice of redemption having been given in the manner provided above, and money sufficient for the redemption being held by the Trustee for that purpose, the Program Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. The holders of the Program Bonds so called for redemption shall thereafter no longer have any security or benefit under the Indenture except to receive payment of the redemption price for such Program Bonds from such money on deposit with the Trustee.

Additional information regarding notice requirements for the Program Bonds can be found in the 2009 Series A Indenture and the Appendix to the 2009 Series A Indenture.

SECURITY FOR THE PROGRAM BONDS

General

Moneys in the 2009 Series A Escrow Fund will be invested pursuant to the Global Escrow Agreement, pursuant to which U.S. Bank National Association, as Escrow Agent, will invest in several money market funds satisfying the requirements set forth in the Indenture. No deposit will be made to the Debt Service Reserve Account in connection with the Program Bonds prior to any Release Date.

The Agency represents and warrants that the Program Bonds are not secured on a subordinate or parity basis with any other Bonds of the Agency secured, in whole or in part, with multifamily loans which are not Permitted Mortgage Loans. The Agency covenants that it will not issue Bonds or other Debt senior to or on a parity with the Program Bonds which additional parity or senior Bonds or Debt is secured, in whole or in part, with multifamily loans which are not Permitted Mortgage Loans. Additional information regarding the Trust Estate Limitations can be found in section 2.13 of the Appendix to the 2009 Series A Indenture.

Limited Obligations of the Agency

THE PROGRAM BONDS, THE PRINCIPAL OF, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY PAYABLE SOLELY FROM THE REVENUES AND ASSETS OF THE AGENCY PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND FROM NO OTHER REVENUES OR ASSETS OF THE AGENCY. THE PROGRAM BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE DISTRICT OF COLUMBIA, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT OF COLUMBIA IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE PROGRAM BONDS. THE AGENCY HAS NO TAXING POWER.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law, the Program Bonds will be exempt from taxation by the District of Columbia, except estate, inheritance and gift taxes. In addition, in the opinion of Bond Counsel, under existing law, interest, including any original issue discount properly allocated to the bondholders, on the Program Bonds will be treated as interest income for federal income tax purposes. ALSO, IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE PROGRAM BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Reference is made to the proposed form of the opinion of Bond Counsel as to the Program Bonds attached hereto as "APPENDIX C" for the complete text thereof.

Original Issue Premium

In general, if an owner acquires of a taxable bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (“Taxable Premium Bond”). Section 171 of the Code provides rules under which a premium paid for Taxable Premium Bonds may be amortized. Those rules permit the interest paid on a Taxable Premium Bond that would otherwise be included in the bondholder’s gross income for federal income tax purposes to be reduced by the amount of the amortizable bond premium for the taxable year. Each holder of Taxable Premium Bonds may elect whether to amortize the original issue premium paid by it for federal income tax purposes. An election to amortize the original issue premium shall apply to all Taxable Premium Bonds held by the bondholder at the beginning of the first taxable year to which the election applies or thereafter acquired by the bondholder, and would be irrevocable without the consent of the Internal Revenue Service. If an election to amortize the original issue premium is made, Section 1016(a)(5) of the Code generally requires a reduction of the bondholder’s basis in the Taxable Premium Bonds held by it by the amount of the amortizable bond premium applied to reduce the interest income received on those Taxable Premium Bonds. Proceeds received from the sale, exchange, redemption or payment of a Taxable Premium Bond in excess of the bondholder’s adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Taxable Premium Bond and not as interest.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Taxable Premium Bonds should consult their own tax advisors in order to determine the federal income tax consequences to them of purchasing, holding, selling or surrendering Taxable Premium Bonds at their maturity.

Original Issue Discount

Original issue discount on a taxable bond (“Taxable Discount Bond”) is the excess of the stated redemption price at maturity of such Taxable Discount Bond over the initial offering price to the public (excluding the Initial Purchaser and other intermediaries) at which price a substantial amount of that maturity of the Taxable Discount Bond was sold. However, if the amount of the original issue discount is less than .25% of the stated redemption price at maturity of such Taxable Bond multiplied by the number of complete years from the issue date of such Taxable Discount Bond to its stated maturity, the amount of original issue discount will be considered to be zero. Original issue discount represents interest which is includable in gross income for federal income tax purposes.

Under Section 1272 of the Code, original issue discount accrues on a compounded basis. The amount of original issue discount that accrues to a holder of a Taxable Discount Bond who acquires the Taxable Discount Bond in this initial offering during any accrual period generally equals (i) the issue price of such Taxable Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Taxable Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Taxable Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period. Accordingly, federal income taxes may be payable with respect to accrued original issue discount, despite the fact that no such discount is actually received in cash by a holder of Taxable Discount Bonds until such time as a holder of Taxable Discount Bonds either sells such Taxable Discount Bond or receives payment of the principal amount thereof at maturity.

The federal income tax treatment of original issue discount under the Code, including the determination of the amount thereof that is includable in gross income each year, is complicated and holders of Taxable Discount Bonds should consult their own tax advisors in order to determine the federal income tax consequences to them of purchasing, holding, selling and surrendering Taxable Discount Bonds at their maturity. The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Taxable Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above.

Tax Treatment of Foreign Investors

Under Sections 871 and 881 of the Code, interest income with respect to the Program Bonds held by non-resident alien individuals, foreign corporations or other non-United States persons (“Non-residents”) may be subject to a 30% United States withholding tax unless that tax is reduced or eliminated pursuant to an applicable tax treaty. That withholding tax will generally not be imposed, however, if the paying agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement identifying the beneficial owner of the Program Bonds and stating, among other things, that the beneficial owner is a Non-resident. The withholding tax will also not apply if interest on the Program Bonds is effectively connected with a United States business conducted by the Non-resident. Foreign investors should consult their tax advisors regarding potential imposition of the 30% withholding tax.

Information Reporting and Backup Withholding

The Code subjects certain non-corporate owners of Program Bonds, under certain circumstances, to “backup withholding” at (i) the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) for taxable years beginning on or before December 31, 2010; and (ii) the rate of 31% for taxable years beginning after December 31, 2010, with respect to payments on the Program Bonds and proceeds from the sale of Program Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Program Bonds. This withholding generally applies if the owner of Program Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Program Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

Sales, Exchanges, and Transfers

If a holder of Program Bonds sells or otherwise transfers a Program Bond, taxable gain or loss may result, as in the case with any sale or other transfer of an investment.

Limitation on Advice

Bond Counsel notes that with respect to the Program Bonds:

- (A) The advice contained in this Tax Matters section was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer;
- (B) The advice was written to support the promotion or marketing of the transaction or matter addressed by the advice contained in this Tax Matters section; and
- (C) The taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Program Bonds will be subject to the approving opinion of Holland & Knight LLP, Washington, D.C., as Bond Counsel. Certain legal matters will be passed upon for the Agency by its General Counsel, Maria Day-Marshall.

LITIGATION

There is not now pending or, to the Agency's knowledge, threatened any proceeding or litigation restraining or enjoining the issuance or delivery of the Program Bonds or questioning or affecting the validity of the Program Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence, nor the title of the present members or other officers of the Agency to their respective offices is being contested.

CONTINUING DISCLOSURE

The Agency has determined that no financial or operating data concerning the Agency is material to an evaluation of the offering of the Program Bonds or to any decision to purchase, hold or sell the Program Bonds and the Agency will not provide any such information. The Agency has undertaken all responsibilities for any continuing disclosure to the Beneficial Owners and Holders of any of the Program Bonds as described below, and the Agency shall have no liability to the Beneficial Owners or Holders of any of the Program Bonds or any other person with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

The Agency has entered into a disclosure agreement (the "Continuing Disclosure Undertaking"). Digital Assurance Certification LLC, its successors and assigns, have been designated as the dissemination agent under the Continuing Disclosure Undertaking, obligating the Agency to send, or cause to be sent, certain financial information annually and to provide notice, or cause notice to be provided to the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board upon the occurrence of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Program Bonds, pursuant to the requirements of Section (b)(5)(i) of the Rule. See "APPENDIX D - FORM OF THE CONTINUING DISCLOSURE UNDERTAKING" attached hereto. With respect to the Program Bonds, the Agency has not entered into any other such undertaking with respect to the Rule.

A failure by the Agency to comply with the provisions of the Continuing Disclosure Undertaking will not constitute a default under the Indenture. Nevertheless, such a failure to comply must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Program Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Program Bonds.

After each Release Date as provided in the Indenture, each borrower may be required to enter into a Continuing Disclosure Undertaking with respect to the series of the Bonds, the proceeds of which are released to provide funding for the related Project of that borrower, and thereafter the Agency will have no further obligation under the Continuing Disclosure Undertaking with respect to that series of the Bonds.

RATING

The Program Bonds are given the rating set forth on the cover page hereof by Moody's Investors Service.

Such rating reflects only the views of such rating agency at the time such ratings are issued and an explanation of the significance of such ratings may be obtained only from such rating agency.

There is no assurance that such ratings will continue for any given period of time or that any one or more of such ratings will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal can be expected to have an adverse effect on the market price of the Program Bonds. The Agency has undertaken no responsibility after issuance of the Program Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

SPECIAL ADVISOR

Loop Capital Markets is acting as special advisor to the Agency in connection with certain administrative duties associated with the delivery of the Program Bonds. Loop Capital Markets does not have a financial advisory relationship with the Agency with respect to the Program Bonds and, in its capacity as special advisor, has no fiduciary obligations to the Agency.

FINANCIAL ADVISOR

Caine Miter & Associates Incorporated (the “Financial Advisor”) has served as financial advisor to the Agency in connection with the issuance of the Program Bonds.

PLACEMENT OF THE PROGRAM BONDS

Under the NIBP, the Agency will exchange, subject to certain conditions, the Program Bonds for securities issued by the GSEs that will be backed by the Program Bonds (the “GSE Securities”). The GSE Securities will be purchased by the U.S. Treasury from the Agency at a price of par, net of certain securitization fees and expenses owed to the GSEs pursuant to the Placement Agreement and the Settlement Agreement. The net purchase proceeds to the Agency are estimated to be approximately \$167,879,400.

OTHER MATTERS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Any other documents referred to herein may be obtained from the Trustee. Any statements in the Indenture involving matters of opinion or forecast, 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 a contract or agreement between the Agency and the purchasers or owners of any Program Bonds.

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

By: _____
Harry D. Sewell
Executive Director

Summary of Certain Provisions of the General Bond Indenture

The Multifamily Housing Revenue Bonds (NIB Program) General Indenture (the “General Indenture”) contains terms and conditions relating to the issuance and sale of Program Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture, to which reference is hereby made, copies of which are available from the Agency or the Trustee. This summary uses various terms defined in the General Indenture or in the Appendix to the 2009 Series A Indenture and such terms as used herein shall have the same meanings as so defined. See Appendix B for the “Appendix to the 2009 Series A Indenture”.

The provisions of the General Indenture may be modified pursuant to a Supplemental Indenture adopted in accordance with the provisions of the General Indenture and the Appendix to the 2009 Series A Indenture and in the event of a conflict between terms of the General Indenture and the Appendix to the 2009 Series A Indenture, the Appendix to the 2009 Series A Indenture controls.

Defined Terms

“Account” means one of the accounts (other than the Rebate Fund and the Special Agency Fund) created and established pursuant to the General Indenture or a Supplemental Indenture.

“Accountant” means such reputable and experienced independent certified public accountant or firm of independent certified public accountants as may be selected by the Agency and satisfactory to the Trustee and may be the accountant or firm of accountants who regularly audit the books and accounts of the Agency.

“Act” means the District of Columbia Housing Finance Agency Act, Chapter 27, Title 42, of the District of Columbia Code, as amended.

“Agency” means the District of Columbia Housing Finance Agency, a corporate body and an instrumentality of the District, organized and existing under the laws of the District, or any body, agency or instrumentality of the District which shall hereafter succeed to the powers, duties and functions of the Agency.

“Agency Purposes” means any purpose for which the Agency may issue bonds pursuant to the Act or other applicable law.

“Appendix to the 2009 Series A Indenture” or “Appendix A” means the Appendix to the 2009 Series A Indenture substantially in the form attached hereto as Appendix B and any modifications or changes to the Program.

“Authorized Officer” means the Chair and the Vice-Chair of the Board, the Executive Director and, in the case of any act to be performed or duty to be discharged, any other director, officer or employee of the Agency then authorized to perform such act or discharge such duty.

“Bond” means one of the bonds to be authenticated and delivered pursuant to the General Indenture.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Agency.

“Bond Counsel’s Opinion” means an opinion signed by Bond Counsel.

“Bond owner” or “owner” or words of similar import, when used with reference to a Bond, means

any person who shall be the registered owner of any Outstanding Bond.

“Bond Proceeds Account” means the Bond Proceeds Account established pursuant to the General Indenture.

“Bond Year” means a period ending on the first day of January of any year.

“Cash Flow Certificate” means a Cash Flow Certificate conforming to the requirements of the General Indenture.

“Cash Flow Statement” means a Cash Flow Statement conforming to the requirements of the General Indenture.

“Certificate” means (i) a signed document by an Authorized Officer either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the General Indenture or (ii) the report of an accountant as to audit or other procedures called for by the General Indenture.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Agency and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with the original issuance of Bonds and the making, purchasing, acquiring or financing of Mortgage Loans (including initial premiums on any special hazard insurance or Mortgage Pool Insurance) or Mortgage-Backed Securities.

"Council" means the Council of the District of Columbia.

“Credit Facility” means letter of credit, credit enhancement agreement, guaranty or other form of credit enhancement for a Mortgage Loan as provided in a Supplemental Indenture.

“Credit Facility Provider” means the issuer of or obligor under a Credit Facility.

“Debt Service Reserve Account” means the Debt Service Reserve Account established pursuant to the General Indenture and the applicable Supplemental Indenture.

“Debt Service Reserve Account Requirement” means as of any date of calculation, the aggregate of the amounts specified as the Debt Service Reserve Account Requirement for each Series of Bonds in the Supplemental Indenture authorizing the issuance of a Series of Bonds; provided, however, that a Supplemental Indenture may provide that the Debt Service Reserve Account Requirement for the Series of Bonds authorized thereunder may be funded, in whole or in part, through a Credit Facility or Investment Securities.

“District” means the District of Columbia.

“Escrow Payments” means and includes all amounts whether paid directly to the Agency or to the servicer of any Mortgage Loan representing payments to obtain or maintain mortgage insurance or any subsidy with respect to a Mortgage Loan or the mortgaged premises or payments in connection with real estate taxes, assessments, water charges, sewer rents, ground rents, fire or other insurance, replacement or operating reserves or other like payments in connection therewith.

“Escrowed Proceeds” is defined in the Appendix to the 2009 Series A Indenture.

“Event of Default” means as defined in the Indenture.

“Fannie Mae” means the Federal National Mortgage Association and any successor thereto.

“Federal Agency Facilities” means any credit enhancement facility issued by a federal instrumentality or federally chartered entity whose obligations are backed by the full faith and credit of the Federal Government, or whose long term unsecured debt obligations are rated in the two highest rating categories by the Rating Agency at the time such credit enhancement facility is entered into, provided, however, that such long term unsecured debt obligations may be rated lower than the two highest ratings categories so long as the providing of such credit enhancement facility does not, in and of itself, result in a reduction or withdrawal of the then existing rating on the Bonds by the Rating Agency.

“FHA” means the Federal Housing Administration of the United States Department of Housing and Urban Development or other agency or instrumentality created or chartered by the United States to which the powers of the Federal Housing Administration have been transferred.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation and any successor thereto.

“GNMA” means the Government National Mortgage Association and any successor thereto.

“Government Obligations” means direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations, Separate Trading of Registered Interest and Principal of Securities (STRIPS) and Coupons Under Book-Entry Safekeeping (CUBES), provided the underlying United States Treasury Obligation is not callable prior to maturity.

“GSE” means, individually or collectively as the context may appear, Fannie Mae, Freddie Mac or any successor thereto which is a GSE under the Appendix to the 2009 Series A Indenture.

“Information Depository” means any Nationally Recognized Municipal Securities Information Repository or any similar or successor entity approved by the United States Securities and Exchange Commission as a depository for information about municipal securities, as designated by the Agency from time to time.

“Interest Payment Date” means any date upon which interest on the Bonds is due and payable in accordance with their terms.

“Investment Securities” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Agency under the Act and under the Appendix to the 2009 Series A Indenture for the particular purpose for which such funds are held, including the amendments thereto hereafter made:

(1) Government Obligations;

(2) Obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase, such obligations are rated in either of the two highest rating categories by the Rating Agency;

(3) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer’s Home Administration (or its successor, the Rural Housing and Community Development Service), Freddie Mac, GNMA, Small Business Administration, Resolution Funding Corporation (REFCORP), or any other Federal agency or instrumentality backed by the full faith and credit of the United States of America;

(4) Deposits in interest-bearing time or demand deposits, or certificates of deposit, secured by obligations described in clause (1), (2) or (3) above or fully insured by the Federal Deposit Insurance Agency or its successor;

(5) Money market funds with ratings in the highest category of the Rating Agency;

(6) Unsecured certificates of deposit, time deposits, banker's acceptances, repurchase agreements and commercial paper having maturities of not more than 365 days provided that such obligations are rated in the highest short term rating category of the Rating Agency;

(7) Stripped Securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York;

(8) Guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, provided the ratings on general unsecured obligations of such an institution are not lower than one rating below the rating on the Bonds by the Rating Agency; and

(9) Bonds issued under the General Indenture.

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 General Indenture, thus permitting investments with different characteristics from those permitted which an Authorized Officer deems from time to time to be in the interest of the Agency to include as Investment Securities, as reflected in a Certificate of an Authorized Officer or in a Supplemental Indenture, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then existing ratings on the Bonds assigned to them by the Rating Agency. All Escrowed Proceeds shall be invested pursuant to the GSE Global Escrow Agreement on and after January 12, 2010.

"Mortgage" means a mortgage, deed of trust or other instrument securing a Mortgage Loan.

"Mortgage-Backed Security" means (A) a mortgage pass through security issued by or guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae, Freddie Mac or, to the extent set forth in a Supplemental Indenture, any other agency or instrumentality of or chartered by the United States to which the powers of GNMA, Fannie Mae or Freddie Mac have been transferred or which have similar powers or (B) such other security backed by mortgage loans which is specified in a Supplemental Indenture, the purchase of which will not adversely affect the rating on the Bonds by the Rating Agency as in effect on the date of acquisition of such Mortgage-Backed Security by the Trustee and is permitted under the NIB Program.

"Mortgage Loan" means any Permitted Mortgage Loan as defined in the Appendix to the 2009 Series A Indenture.

"Mortgage Loan Funding Date" means the Release Date as defined in the Appendix to the 2009 Series A Indenture.

"Mortgage Note" means the note evidencing the obligation to repay a Mortgage Loan.

"Mortgage Reserve Account" means the account established pursuant to Section 5.1 hereof.

"Mortgage Reserve Account Requirement" means the amount established by the Agency in a Supplemental Indenture.

"Mortgagor" means a mortgagor with respect to any Mortgage Loan.

“NIB Program Documents” means the documents required by the GSEs in connection with the initial issuance of the Program Bonds.

“Opinion of Counsel” means an opinion of an attorney retained by the Agency to render an opinion required under the General Indenture (including a Bond Counsel’s Opinion) or an opinion of an attorney that is a full time employee of the Agency and duly appointed as the general counsel of the Agency.

“Outstanding”, when used with reference to Bonds, means, as of any date, except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, all Bonds theretofore or thereupon being authenticated and delivered under the General Indenture except:

(1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(2) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in a Redemption Account hereunder either:

(a) monies in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such monies to such payment or redemption on the date so specified; or

(b) Government Obligations, as described in the Indenture, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide monies in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such monies to such payment or redemption on the date so specified; or

(c) any combination of (a) and (b) above;

(3) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to certain sections of the General Indenture; and

(4) any Bond deemed to have been paid as provided in the Indenture.

“Permitted Encumbrances” means such liens, encumbrances, reservations, easements, rights of way and other clouds on title as do not impair the use or value of the premises or such other liens, encumbrances, reservations, easements, rights of way and other clouds on title as are specified in an Title Policy as subordinate to the lien of a Mortgage and that have been approved by the Agency.

“Pledged Receipts” means, except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, (i) the scheduled or other payments required by any Mortgage Loan or Mortgage-Backed Security and paid to or to be paid to the Agency from any source, including, but not limited to, interest, rents and government subsidy payments, and including both timely and delinquent payments, (ii) accrued interest received at the sale of Bonds and (iii) all income earned or gain realized in excess of losses suffered on any investment or deposit of monies in the Accounts established and maintained pursuant to the General Indenture or a Supplemental Indenture, or monies provided by the Agency and held in trust for the benefit of the Bond owners pursuant to the General Indenture, but shall not mean or include amounts required to be deposited into the Rebate Fund, Recoveries of Principal, any payments with respect to any Mortgage Loan or Mortgage-Backed Securities received prior to the date that Revenues therefrom are pledged under the General Indenture, Escrow Payments, late charges,

administrative fees, if any, of the Agency, any amount retained by the servicer (which may include the Agency) of any Mortgage Loan, as financing, servicing, extension or settlement fees, or any amount received by the Agency upon a sale of the servicing rights with respect to the Mortgage Loans.

“Principal” or “principal” means the principal amount at maturity of any Bond.

“Principal Installment” means, as of any particular date of computation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the General Indenture of Sinking Fund Payments payable before such future date plus (ii) the unsatisfied balance of any Sinking Fund Payments due on such certain future date.

“Project” means any multifamily rental housing development containing five (5) or more units, or other facility reasonably related and subordinate to such housing development, that is financeable by the Agency under the Act or other applicable law and approved by the Agency.

“Rating Agency” means, collectively, (i) Standard & Poor’s Agency or any successor thereto (“S&P”) when the Bonds are rated by S&P pursuant to a request for a rating by the Agency, (ii) Moody’s Investors Service Inc. or any successor thereto (“Moody’s”) when the Bonds are rated by Moody’s pursuant to a request for a rating by the Agency, or (iii) Fitch Ratings or any successor thereto (“Fitch”) when the Bonds are rated by Fitch pursuant to a request for a rating by the Agency, or if neither S&P, Moody’s or Fitch is maintaining a rating on the Bonds, then any other nationally recognized rating agency when the Bonds are rated by such agency, pursuant to a request for a rating by the Agency.

“Rebate Amount” means, with respect to a particular Series of Bonds, the amount, if any, required to be deposited in the Rebate Fund in order to comply with the covenants contained in the Indenture.

“Rebate Fund” means the Rebate Fund established pursuant to the General Indenture.

“Refunding Bonds” means Bonds of the Agency issued under the General Indenture to refund Bonds issued under the General Indenture.

“Record Date” means, with respect to the payment of interest on a Series of Bonds, the date or dates specified in the applicable Supplemental Indenture.

“Recoveries of Principal” means, except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, all amounts received by the Agency as a recovery of the principal amount disbursed by the Agency in connection with any Mortgage Loan or Mortgage-Backed Security, including any premium or penalty with respect thereto, on account of (i) the advance payment of amounts to become due pursuant to such Mortgage Loan, at the option of the Mortgagor, (ii) the advance payments of a Mortgage-Backed Security representing a prepayment of a mortgage loan made at the option of the mortgagor (iii) the sale, assignment, endorsement or other disposition of any Mortgage Loan or Mortgage-Backed Security, (iv) the acceleration of payments due under any Mortgage Loan or mortgage loan underlying a Mortgage-Backed Security or other remedial proceedings taken in the event of the default thereon, (v) proceeds of any insurance award resulting from the damage or destruction of a Project which is required to be applied to payment of a Mortgage Note pursuant to the related Mortgage or to payment of a mortgage note pursuant to the related mortgage underlying a Mortgage-Backed Security, (vi) proceeds of any condemnation award resulting from the taking by condemnation (or by agreement of interested parties in lieu of condemnation) by any governmental body or by any person, firm, or corporation acting under governmental authority, of title to or any interest in or the temporary use of, a Project or any portion thereof, which proceeds are required to be applied to payment of a Mortgage Note pursuant to the related Mortgage or to the payment of a mortgage note pursuant to the related mortgage underlying the Mortgage-Backed Security, and (vii) proceeds of any mortgage insurance or credit enhancement with respect to a Mortgage Loan or mortgage loan underlying a Mortgage-Backed Security which is in default, and including but not limited to any payment made as a result of a purchase of a mortgage loan by the issuer of a security backed by such mortgage loan pursuant to the terms of such security.

“Redemption Account” means the Redemption Account established pursuant to the General Indenture and the applicable Supplemental Indenture.

“Redemption Date” means the date or dates upon which Bonds are to be called for redemption pursuant to the applicable Supplemental Indenture.

“Redemption Price” means with respect to any Bonds, the principal amount thereof.

“Revenue Account” means the Revenue Account established pursuant to the General Indenture.

“Revenues” means the Pledged Receipts and Recoveries of Principal unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds.

“Risk Sharing Program” means the FHA Risk Sharing Program created pursuant to Section 542 of the Housing and Community Development Act of 1992, as implemented by the Agency’s Risk Sharing Agreement with HUD and the regulations, policies and procedures promulgated by HUD in connection therewith, as the same may be modified, amended or supplemented.

“Series” means any Series of Bonds issued pursuant to the General Indenture and a Supplemental Indenture and includes any subseries that may be issued pursuant to a Supplemental Indenture.

“Sinking Fund Payment” means, with respect to a particular Series, as of any particular date of calculation, the amount required to be paid at all events by the Agency on a single future date for the retirement of any particular Series of Bonds which mature after said future date, but does not include any amount payable by the Agency by reason of the maturity of a Bond or by call for redemption at the election of the Agency.

“Special Agency Fund” means the account established pursuant to the General Indenture, which is not subject to the pledge and lien of the Indenture.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the General Indenture, adopted by the Agency and effective in accordance with the General Indenture.

“Treasury” means the United States Department of the Treasury.

“Trustee” means, initially, U.S. Bank National Association, and its successor or successors and any other person at any time substituted in its place pursuant to the General Indenture.

Financing of Mortgage Loans

Except as otherwise provided in the applicable Supplemental Indenture, amounts in the Bond Proceeds Account shall not be disbursed for financing a Mortgage Loan, including either advances during construction or permanent financing thereof, unless certain conditions as set forth in the General Indenture and the Appendix to the 2009 Series A Indenture have been met.

Financing of Mortgage-Backed Securities

Except as otherwise provided in the applicable Supplemental Indenture, amounts in the Bond Proceeds Account shall not be disbursed for the acquisition of Mortgage-Backed Securities unless certain conditions as set forth in the General Indenture and the Appendix to the 2009 Series A Indenture have been met.

Bond Proceeds Account

There shall be deposited from time to time in the Bond Proceeds Account any proceeds of the sale of Bonds representing principal or premium or other amounts required to be deposited therein pursuant to the General Indenture and any Supplemental Indenture, and any other amounts determined by the Agency to be deposited therein from time to time. Upon the issuance, sale and delivery of any Series of Bonds pursuant to the General Indenture, or upon the Release Date, in the case of the Program Bonds, the Agency shall establish on the books of the Agency a separate sub-account for such proceeds in the Bond Proceeds Account. Upon payment of any amounts from the Bond Proceeds Account, such payments shall be charged to the appropriate Bond Proceeds Sub-Account on the books of the Agency.

Revenue Account

The Agency shall cause all Pledged Receipts to be deposited promptly with the Trustee in the Revenue Account or subaccount created therein. There shall also be deposited in the Revenue Account any other amounts required to be deposited therein pursuant to the General Indenture and any Supplemental Indenture.

Subject to the terms of a Supplemental Indenture, the Trustee shall pay out of the Revenue Account (i) on or before each Interest Payment Date, the amounts required for the payment of the Principal Installments, if any, and interest due on a Series of Bonds on such date, and (ii) on or before the Redemption Date or date of purchase, the amounts required for the payment of accrued interest on a Series of Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by the Trustee to such payments; provided, however, that if, pursuant to a Supplemental Indenture, amounts obtained under a Credit Facility are to be used to make the payments referred to in this paragraph (A), then amounts in the Revenue Account which would have otherwise been used to make such payments may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Indenture.

Redemption Account

There shall be deposited in the Redemption Account all amounts which are required to be deposited therein pursuant to the General Indenture and any Supplemental Indenture and any other amounts available therefor and determined by the Agency to be deposited therein. Subject to the provisions of the General Indenture or of any Supplemental Indenture authorizing the issuance of a Series of Bonds, requiring the application thereof to the payment, purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Redemption Account to the purchase or redemption of Bonds at the times and in the manner provided in the General Indenture.

Debt Service Reserve Account

There shall be deposited in the Debt Service Reserve Account all amounts required to be deposited therein pursuant to the General Indenture and any Supplemental Indenture and any other amounts received and determined to be deposited therein by the Agency.

Mortgage Reserve Account

There shall be deposited into the Mortgage Reserve Account, from the proceeds of the Sale of Bonds or such other sources as specified by a direction of an Authorized Officer of the Agency, the amounts specified by a Supplemental Indenture, if any, provided that, as a result of such deposit, the amount on deposit in the Mortgage Reserve Account shall be at least equal to the Mortgage Reserve Account Requirement.

Accounts and Reports

(A) The Agency shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Mortgage Loans,

Mortgage-Backed Securities and all Accounts established by the General Indenture and any Supplemental Indenture. The Agency may authorize or permit the Trustee to keep such books on behalf of the Agency provided that the Trustee agrees in writing in a manner satisfactory to the Agency to comply with any applicable District or Federal privacy or similar laws or regulations governing access to, or use or dissemination of, information relating to the Borrowers or the Projects.

(B) The Agency, or a dissemination agent selected by the Agency, shall annually, within one hundred twenty (120) days after the close of each fiscal year of the Agency, file with an Information Depository a copy of an annual report as to the operations and accomplishments of the various funds and programs of the Agency during such fiscal year, and financial statements for such fiscal year, setting forth in reasonable detail:

- (1) the balance sheet with respect to the Bonds, Mortgage Loans and Mortgage-Backed Securities, showing the assets and liabilities of the Agency at the end of such fiscal year;
- (2) a statement of the Agency's revenues and expenses in accordance with the categories or classifications established by the Agency in connection with the Bonds, Mortgage Loans and Mortgage-Backed Securities during such fiscal year;
- (3) a statement of changes in fund balances, as of the end of such fiscal year; and
- (4) a statement of cash flows, as of the end of such fiscal year.

The financial statements shall be accompanied by the Certificate of an Accountant stating that the financial statements examined present fairly the financial position of the Agency at the end of the fiscal year, the results of its operations and the changes in its fund balances and its cash flows for the period examined, in conformity with generally accepted accounting principles applied on a consistent basis except for changes with which such Accountant concurs.

(C) Except as provided in subsection (B) above, any such financial statements may be presented on a consolidated or combined basis with other reports of the Agency.

(D) The Agency will post a copy of each annual report and any Accountant's Certificate relating thereto on the Agency's website.

Cash Flow Statements and Cash Flow Certificates

(A) To the extent required by a Supplemental Indenture with respect to a Series of Bonds the Agency shall file with the Trustee a Cash Flow Statement (i) whenever any Series of Bonds is issued; (ii) upon purchase or redemption of Bonds of a Series in a manner other than as contemplated in the last Cash Flow Statement filed by the Agency with the Trustee; (iii) prior to withdrawing moneys for payment to the Agency free and clear of the pledge and lien of the General Indenture (iv) prior to selling Mortgage Loans or Mortgage-Backed Securities not in default; (v) prior to consenting to any material changes in the payment terms of Mortgage Loans to be financed or that have been financed; (vi) prior to the releasing of any Mortgage Loan or Mortgage-Backed Security from the pledge and lien of the General Indenture or any Supplemental Indenture; (vii) prior to the application of Recoveries of Principal to any use other than the purchase or redemption of Bonds; (viii) prior to the purchase of Bonds at prices in excess of the Redemption Price; or (ix) prior to the application of monies in the Redemption Account resulting from Recoveries of Principal to the purchase or redemption of Bonds of a Series other than the Series issued to finance the Mortgage Loans or Mortgage-Backed Securities which gave rise to the Recoveries of Principal. In addition, the Agency shall not take any of the actions described in (ii) through (ix) above unless subsequent to such action the amount of moneys and Investment Securities held in the Bond Proceeds Account, the Redemption Account, the Revenue Account and the Debt Service Reserve Account, if applicable (valued at their cost to the Agency, as adjusted by amortization of the discount or premium paid upon purchase of such obligations ratably to their respective maturities), together with accrued but unpaid interest thereon, and the outstanding principal balance of Mortgage Loans and Mortgage-Backed Securities,

together with accrued but unpaid interest thereon and any other assets, valued at their realizable value as determined by the Agency in good faith, pledged for the payment of the Bonds will exceed the aggregate principal amount of and accrued but unpaid interest on Outstanding Bonds of a Series; provided, however, that in the event that a Supplemental Indenture authorizing the issuance of a Series of Bonds specifies that, for purposes of the requirements of this paragraph, the Mortgage Loans or Mortgage-Backed Securities financed by such Series of Bonds shall be valued at other than their outstanding principal balance, then, with respect to such Mortgage Loans or Mortgage-Backed Securities, such other value shall be used in the calculations required by this paragraph.

(B) A Cash Flow Statement shall consist of a statement of an Authorized Officer giving effect to the action proposed to be taken and demonstrating in the current and each succeeding Bond Year in which Bonds of a Series are scheduled to be Outstanding that amounts then expected to be on deposit in the Accounts in each such Bond Year will be at least equal to all amounts required by the General Indenture to be on deposit in the Accounts for the payment of the principal and Redemption Price of and interest on the Bonds of a Series and for the funding of the Debt Service Reserve Account to the Debt Service Reserve Account Requirement, except that, to the extent specified in a Supplemental Indenture, an Account established in said Supplemental Indenture shall not be taken into account when preparing such Cash Flow Statement. The Cash Flow Statement shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Agency's reasonable expectations at the time such Statement is filed. Upon filing a Cash Flow Statement with the Trustee, the Agency shall thereafter perform its obligations hereunder in accordance, in all material respects, with the assumptions set forth in such Cash Flow Statement. Except with respect to actions being taken contemporaneously with the delivery of a Cash Flow Statement, facts reflected in a Cash Flow Statement may be as of a date or reasonably adjusted to a date not more than 180 days prior to the date of delivery of such statement.

In lieu of filing a Cash Flow Statement, a Cash Flow Certificate may be filed in order to take the actions (a) described in clause (ii), (iv), (vi), (vii), (viii) or (ix) (of paragraph (A) above, (b) described in clause (iii) of paragraph (A) above provided that amounts to be withdrawn by the Agency are not in excess of amounts determined to be available for such purpose in the last Cash Flow Statement filed with the Trustee or (c) described in clause (v) of paragraph (A) above relating to amending the payment terms of Mortgage Loans or Mortgaged-Backed Securities to be financed or that have been financed but only if, in the judgment of the Agency, such amendments do not constitute materially adverse changes from the payment terms for such Mortgage Loans or Mortgaged-Backed Securities set forth in the last Cash Flow Statement filed with the Trustee. A Cash Flow Certificate shall consist of a statement of an Authorized Officer of the Agency to the effect of one of the following:

(1) The proposed action is consistent with the assumptions set forth in the latest Cash Flow Statement; or

(2) After giving effect to the proposed action, in the current and each succeeding Bond Year in which Bonds of a Series are scheduled to be Outstanding, amounts expected to be on deposit in the Accounts in each such Bond Year will be at least equal to all amounts required by the General Indenture to be on deposit in such Accounts for the payment of the principal and Redemption Price of and interest on the Bonds of a Series, and for the funding of the Debt Service Reserve Account to the Debt Service Reserve Account Requirement, except that to the extent specified in a Supplemental Indenture an Account established in said Supplemental Indenture shall not be taken into account in connection with such Cash Flow Certificate.

The Trustee shall have no obligation to review, verify, or confirm the accuracy of any Cash Flow Statement or its compliance with the terms hereof.

Supplemental Indentures

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 of the Agency may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer, shall be fully effective in accordance with its terms:

(1) to close the General Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the General Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) to add to the covenants and agreements of the Agency in the General Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with the General Indenture as theretofore in effect;

(3) to add to the limitations and restrictions in the General Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with the General Indenture as then in effect;

(4) to surrender any right, power or privilege reserved to or conferred upon the Agency by the terms of the General Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Agency contained in the General Indenture;

(5) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the General Indenture, of the Revenues or of any other revenues or assets;

(6) to modify any of the provisions of the General Indenture in any respect whatever, but only if (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(7) to authorize the issuance of a Series of Bonds in accordance with Sections 2.6, 2.7 and 2.8 and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Bonds may be issued;

(8) to comply with regulations or rulings issued with respect to the Code to the extent determined as necessary or desirable in Bond Counsel's opinion;

(9) to pledge under the General Indenture any additional collateral as further security for the Bonds or specific Series of Bonds, including, but not limited to, additional Mortgage Loans, Mortgage-Backed Securities or other assets or revenues;

(10) to modify or supplement the definition of Investment Securities, provided that any such modification shall not result in a reduction or withdrawal of the then existing ratings on the Bonds by the Rating Agency;

(11) to comply with the requirements of the Appendix to the 2009 Series A Indenture to the extent applicable to the Bonds; and

(12) to make any additions, deletions or modifications to the General Indenture as long as the additions, deletions or modifications, as the case may be, will not, in and of

themselves, result in a reduction or withdrawal of the then existing ratings on the Bonds by the Rating Agency.

Supplemental Indentures Effective Upon Consent of Trustee.

(A) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer, and (ii) the filing with the Trustee and the Agency of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the General Indenture; or

(2) to insert such provisions clarifying matters or questions arising under the General Indenture as are necessary or desirable and are not contrary to or inconsistent with the General Indenture as theretofore in effect; or

(3) to provide for additional duties of the Trustee in connection with the Mortgage Loans or Mortgage-Backed Securities; or

(B) Any such Supplemental Indenture may also contain one or more of the purposes specified in Section 8.1, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth in subsection (A) above.

Supplemental Indentures Effective Upon Consent of Bond Owners.

At any time or from time to time, a Supplemental Indenture may be adopted subject to consent by Bond owners in accordance with and subject to the provisions of the Indenture with regard to notice and consent.

(A) The General Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the General Indenture and the Appendix to the 2009 Series A Indenture.

(B) The copy of every Supplemental Indenture filed with the Trustee shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions of the General Indenture, is authorized or permitted by the General Indenture, is valid and binding upon the Agency, and, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally and general principles of equity, is enforceable in accordance with its terms.

(C) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by the Indenture and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected (except for the Trustee's own negligence or willful misconduct) in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of the General Indenture.

Defaults

Each of the following events is hereby declared an "Event of Default" with respect to a Series of Bonds:

(1) payment of the principal or Redemption Price, if any, of or interest on any Bond of such Series when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; or

(2) the Agency shall fail or refuse to comply with the provisions of the General Indenture or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any applicable Supplemental Indenture or the Bonds, and such failure, refusal or default shall continue for a period of forty-five days after written notice thereof to the Agency by the Trustee or the owners of not less than a majority in principal amount of the Outstanding Bonds.

Remedies

(A) Upon the happening and continuance of any Event of Default with respect to a Series of Bonds specified in paragraph (1) above, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in paragraph (2) of Section 10.1, the Trustee may proceed and, upon the written request of the owners of not less than a majority in principal amount of the Outstanding Bonds of such Series, shall proceed, in its own name, subject to the provisions of the Indenture, to protect and enforce the rights of such Bond owners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners of such Series, including the right to require the Agency to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loans and Mortgage-Backed Securities and to require the Agency to carry out any other covenants or agreements with such Bond owners of such Series, including the assignment of the Mortgage Loans and Mortgage-Backed Securities, and to perform its duties under the Act;

(2) by bringing suit upon the Bonds of such Series;

(3) by action or suit in equity, to require the Agency to account as if it were the trustee of an express trust for the owners of the Bonds of such Series;

(4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds of such Series;

(5) subject to the provisions of the Indenture, by declaring all Outstanding Bonds due and payable (provided that with respect to an Event of Default specified in clause (2) in the description of Events of Default above, no such declaration shall be made without the consent of the owners of 100% in principal amount of the Outstanding Bonds of such Series), and if all defaults shall be cured, then, with the written consent of the owners of not less than a majority in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences;
or

(6) in the event that all Outstanding Bonds are declared due and payable, by selling Mortgage Loans, Mortgage-Backed Securities and any Investment Securities securing such Bonds.

(B) In the enforcement of any rights and remedies under the General Indenture or any Supplemental Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Agency for principal, Redemption Price, interest or otherwise, under any provisions of the General Indenture or a Supplemental Indenture or of the Bonds with interest on overdue payments at the rate of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bond owners, and to recover and enforce a judgment or decree against the Agency for any portion of such amounts

remaining unpaid, limited, however, in all cases, to the Revenues and other assets pledged under the General Indenture to the extent available therefor, with interest, costs and expenses (including without limitation pre-trial, trial and appellate attorneys' fees), and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

(C) Upon the occurrence of any Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond owners under the General Indenture or any Supplemental Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and of the Pledged Receipts pending such proceedings, with such powers as the court making such appointment shall confer.

(D) Except upon the occurrence and during the continuance of an Event of Default hereunder, the Agency hereby expressly reserves and retains the privilege to receive and, subject to the terms and provisions of the General Indenture or any Supplemental Indenture, to keep or dispose of, claim, bring suit upon or otherwise exercise, enforce or realize upon its rights and interest in and to the Mortgage Loans and Mortgage-Backed Securities and the proceeds and collections therefrom, and neither the Trustee nor any Bond owner shall in any manner be or be deemed to be an indispensable party to the exercise of any such privilege, claim or suit.

Defeasance

(A) If the Agency shall pay or cause to be paid to the owners of all Bonds of a particular Series then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this General Indenture and the applicable Supplemental Indenture, then the pledge of any Revenues and other monies, securities, funds and property pledged to the payment of such Series of Bonds and all other rights granted hereby and under the applicable Supplemental Indenture shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Agency, execute and deliver to the Agency all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Agency all monies or securities held by it pursuant to this General Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) Bonds or interest installments for the payment or redemption of which monies, Government Obligations or other obligations described in clause (c) below shall have been set aside and shall be held in trust by the Trustee (through deposit by the Agency of funds 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 subsection (A) of this Section. Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, all Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section if: (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to give as provided in Article VI notice of redemption on said date of such Bonds, (ii) there shall have been set aside and shall be held in trust by the Trustee (through deposit by the Agency of funds for such payment or redemption or otherwise) either (a) monies in an amount which shall be sufficient, or (b) Government Obligations or (c) obligations (1) validly issued by or on behalf of a state or political subdivision thereof, (2) the interest on which is excluded from gross income for Federal income taxation purposes pursuant to Section 103(a) of the Code and (3) fully secured by a first lien on Government Obligations, the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, 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, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to give by mail, as soon as practicable, notice to the owners of such Bonds that the deposit required by this subsection has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this

Section and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal or Redemption Price, if any, on said Bonds.

APPENDIX B

FORM OF THE APPENDIX TO THE 2009 SERIES A INDENTURE

**APPENDIX A
TO 2009 SERIES A INDENTURE**

HFA Initiative New Issue Bond Program

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

Section 1.1	Appendix Definitions.....	1
Section 1.2	Inconsistent Defined Terms	7
Section 1.3	Other Defined Terms	7

ARTICLE II
TERMS OF PROGRAM BONDS

Section 2.1	Date, Maturities and Denominations	7
Section 2.2	Interest Rates.....	7
Section 2.3	Release and Conversion.....	8
Section 2.4	[Reserved].....	9
Section 2.5	Taxable Bond Representation.....	9
Section 2.6	Special Redemptions.....	10
Section 2.7	Redemption Restrictions and Recycling Prohibition.....	10
Section 2.8	Mandatory Sinking Fund Redemption.....	11
Section 2.9	Optional Redemption	11
Section 2.10	Changes Permitted Upon Conversion.....	11
Section 2.11	Redemption Notice Requirements	11
Section 2.12	DTC Provisions.....	11
Section 2.13	General Indenture Trust Estate Limitations.....	12

ARTICLE III
PROCEEDS OF PROGRAM BONDS

Section 3.1	Escrow of Proceeds of Program Bonds	12
Section 3.2	Use of Proceeds of Program Bonds	13

ARTICLE IV
SPECIAL GSE RIGHTS

Section 4.1	Removal of Trustee.....	13
Section 4.2	GSEs as Third-Party Beneficiaries	13

ARTICLE V
COVENANTS

Section 5.1	Special Agency Covenants	14
-------------	--------------------------------	----

Section 5.2	Covenants Regarding Administration of General Indenture and Program Bonds.....	16
Section 5.3	Reporting Requirements	17
Section 5.4	Covenant Enforcement by GSEs	20
Section 5.5	Special Notices.....	20

**ARTICLE VI
MISCELLANEOUS**

Section 6.1	Notices	20
Section 6.2	Appendix to Control	22
Section 6.3	Termination.....	23

**EXHIBIT A—NOTIFICATION OF INTEREST RATE CONVERSION/RELEASE
CERTIFICATE**

EXHIBIT B—INTEREST RATE CONVERSION CERTIFICATE

SCHEDULE A—QUARTERLY PORTFOLIO PERFORMANCE INFORMATION

APPENDIX A
TO FIRST SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS (NIB PROGRAM) 2009 SERIES A

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Appendix Definitions. The following terms shall, with respect to the Program Bonds, have the following meanings in this Appendix to the First Supplemental Indenture Authorizing the Issuance of Multifamily Housing Revenue Bonds (NIB Program) 2009 Series A dated as of December 1, 2009 (the “2009 Series A Indenture”) and the Multifamily Housing Revenue Bond (NIB Program) General Indenture dated as of December 1, 2009 (the “General Indenture”, and collectively with the 2009 Series A Indenture, the “Indenture”) for so long as the Program Bonds remain Outstanding:

“*Administrator*” means U.S. Bank National Association, as administrator pursuant to that certain Administration Agreement by and among U.S. Bank National Association, Fannie Mae and Freddie Mac and concerning the administration of the Program, together with its successors and assigns in such capacity.

“*Annual Filing*” means the annual financial information required to be provided by the Agency pursuant to a continuing disclosure undertaking of the Agency pursuant to Rule 15c2-12, which information shall be provided to the GSEs pursuant to Section 5.3 hereof as and when required by Rule 15c2-12, whether or not Rule 15c2-12 applies to the Program Bonds.

“*Authorized Denominations*” means \$5,000 and integral multiples thereof and, for purposes of initial issuance and redemption of Program Bonds, \$10,000 or any integral multiple of \$10,000 in excess thereof.

“*Bond Counsel*” means nationally recognized bond counsel selected by the Agency.

“*Bond Rating*” means the long-term credit rating (without regard to any bond insurance or any other form of credit enhancement on the Bonds) assigned to the Program Bonds or Parity Debt by each Rating Agency then providing its long-term rating therefor. If more than one rating agency provides a rating, the “Bond Rating” is the lowest such rating.

“*Certificate of Adverse Change*” means a written notice from or on behalf of the GSEs or the Agency stating that one or more of the certificates or opinions required to be delivered by the Agency pursuant to the Placement Agreement has been revised or withdrawn prior to the receipt by the Agency of proceeds of the Program Bonds on the Settlement Date.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Construction Program Bond Conversion Date*” means the first day of the first month which is more than 48 months after the Settlement Date.

“*Construction Program Bond Variable Rate*” means a variable rate equal to the sum of (i) the index of the weekly index rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data, a Thomson Financial Services Company, or its successors, which meet specific criteria established by The Securities Industry and Financial Markets Association, such index currently known as The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index or any successor to such index plus (ii) .50% per annum.

“*Construction Program Bonds*” means bonds designated by the Agency as Construction Program Bonds issued to finance a multifamily mortgage loan meeting the requirements of Section 3.2(a)(iii) hereof, which bonds mature less than 34 years after the Settlement Date and bear interest and have the terms set forth in Section 2.2(b) hereof. Construction Program Bonds may be either fixed rate Construction Program Bonds (which shall bear interest at the Permanent Rate on and after the Conversion Date) or Variable Rate Construction Program Bonds, which bear interest at the Construction Program Bond Variable Rate on and after the Release Date and at the Permanent Rate on and after the Construction Program Bond Conversion Date.

“*Conversion*” or “*Converting*” or “*Converted*” means the conversion or the converting of the interest rate on all or a portion of the Pre-Conversion Bonds from a Short-Term Rate to a Permanent Rate as provided herein.

“*Conversion Date*” means, with respect to all or a portion of Pre-Conversion Bonds that are converting to a Permanent Rate, the date two (2) months after the related Release Date; provided that there shall be no more than three (3) Conversion Dates.

“*Converted Bonds*” means Program Bonds that have been through the process of Conversion.

“*Debt*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all debt of others secured by a lien on any asset of such Person, whether or not such debt is assumed by such Person, and (f) all Guarantees by such Person of debt of other Persons.

“*Escrow Fund*” means the 2009 Series A Escrow Fund, which is created hereby as a separate, noncommingled fund in which the Trustee will hold the Pre-Conversion Bond until the applicable Release Date or until such Pre-Conversion Bonds are redeemed.

“*Escrowed Proceeds*” means the portion of the proceeds of the Pre-Conversion Bonds that, together with the Shortfall Amount, must be set aside in the Escrow Fund pending the related Release Date.

“*Fannie Mae*” means the Federal National Mortgage Association, a federally-chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et. seq.

“*FHA*” means the Federal Housing Administration or its successors.

“*FHA Loan*” means a multifamily mortgage loan guaranteed as to payment of principal and interest (subject to standard limitations and qualifications) by FHA, with a fixed rate and a final maturity prior to the date which is no more than 42 years after the Settlement Date.

“*First Available Issue Date*” means the first date following the Settlement Date on which Four Week Treasury Bills are available to be purchased by the Trustee at the U.S. Treasury’s weekly auction.

“*Four Week T-Bill Rate*” means the interest rate for Four Week Treasury Bills (secondary market) as reported by the Federal Reserve on its website at the following internet address -<http://www.federalreserve.gov/releases/h15/update/h15upd.htm>.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

“*GNMA*” means the Government National Mortgage Association, a government-sponsored enterprise organized and existing under the laws of the United States.

“*GSE*” means either Fannie Mae or Freddie Mac or both, collectively, as the context may require.

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement condition or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

“*Hedge*” means any interest rate swap, interest rate cap, interest rate collar or other arrangement, contractual or otherwise, which has the effect of an interest rate swap, interest rate collar or interest rate cap or which otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt, or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

“*HUD*” means the United States Department of Housing and Urban Development.

“*Interest Payment Date*” means, with respect to Pre-Conversion Bonds, each Release Date (but such Release Date shall be an Interest Payment Date only for that portion of Pre-Conversion Bonds with respect to which Escrowed Proceeds are subject to release on such date), each Conversion Date (but such Conversion Date shall be an Interest Payment Date only with respect to those Pre-Conversion Bonds which are to become, as of such date, Converted

Bonds), and each redemption date. Interest Payment Dates for each Converted Bond and each construction Program Bond which is not a Variable Rate Construction Program Bond shall be January 1 and July 1 of each year. In addition, with respect to Variable Rate Construction Program Bonds, the first Business Day of each month after the Release Date to and including the Construction Program Bond Conversion Date shall be an Interest Payment Date.

“*Issue Date*” means the date each week that Four Week Treasury Bills are issued and delivered pursuant to the U.S. Treasury’s weekly auction.

“*Material Event Filing*” means the material event notices required to be provided by the Agency pursuant to a continuing disclosure undertaking of the Agency pursuant to Rule 15c2-12, which material event notices shall be provided to the GSEs pursuant to Section 5.3 hereof as and when required by Rule 15c2-12, whether or not Rule 15c2-12 applies to the Program Bonds.

“*MBS*” means a mortgage-backed security or securities issued by either GSE or by GNMA.

“*Multifamily Program Bond Limit*” means the amount of \$168,100,959 that has been allocated to the Agency with respect to the Program Bonds.

“*Notice Parties*” means the Administrator, Fannie Mae, Freddie Mac and Treasury’s Financial Agent.

“*Notice Parties’ Addresses*” means the addresses of the Notice Parties set forth in Section 6.1 hereof as modified from time to time pursuant to Section 6.1 hereof.

“*Official Statement*” means an official statement or other offering document of the Agency with respect to the Program Bonds.

“*Official Statement Supplement*” means the supplement or amendment to the official statement of the Agency relative to the Conversion of Program Bonds to Converted Bonds.

“*Parity Debt*” means, at any given time, Debt, including the Program Bonds, that is now or hereafter Outstanding under the terms of the General Indenture; provided, that such Debt is secured and is otherwise payable on a parity with the Program Bonds pursuant to the General Indenture.

“*Permanent Rate*” means an interest rate per annum certified to the Trustee by the Special Permanent Rate Advisor on or prior to the Release Date, which shall be equal to the sum of (i) 3.49% plus (ii) the Spread.

“*Permanent Rate Calculation Date*” means the date on which the Permanent Rate is calculated with respect to all or a portion of the Program Bonds, which shall be, with respect to each applicable portion of the Pre-Conversion Bonds, a date acceptable to the GSEs selected by the Agency on or prior to December 31, 2010 by delivery of a Release Certificate as provided in Section 2.3 hereof.

“*Permitted Escrow Investments*” means the investments represented by and provided pursuant to that certain Global Escrow Agreement dated as of December __, 2009 by and among the GSEs, the Trustee and U.S. Bank National Association, as escrow agent.

“*Permitted Mortgage Loans*” means (i) loans insured by FHA, including loans under the FHA risk-sharing program, (ii) loans guaranteed by GNMA, (iii) loans guaranteed by either GSE, and (iv) loans originated pursuant to underwriting criteria agreed to by the GSEs (which criteria are provided by the GSEs in writing for use in connection with the Program Bonds) which are either newly originated or refinanced as part of a refunding of variable rate debt of the Agency issued on or before October 19, 2009, which debt was issued to acquire and finance the holding of multifamily loans described in (i)-(iv) above on or after October 19, 2004, so long as all such loans are eligible to be financed on a tax-exempt basis under applicable federal income tax law.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“*Placement Agreement*” means the Placement Agreement among the Agency and the GSEs, concerning the acquisition of the Program Bonds from the Agency.

“*Pre-Conversion Bonds*” means Program Bonds for which the interest rate has not been the subject of a Conversion.

“*Pre-Settlement Date*” means December 30, 2009.

“*Program*” means the Housing Finance Agency Initiative announced by Treasury on October 19, 2009.

“*Program Bonds*” means the Program Bonds authorized to be issued pursuant to Section 2.5 of the General Indenture and Section 2.1 of the Series Indenture, and includes Pre-Conversion Bonds and Converted Bonds.

“*RDA*” means the Rural Development Agency of the United States Department of Agriculture or its successors.

“*Related Documents*” means this Appendix, the Program Bonds, the Series Indenture, the General Indenture, any investment agreement or repurchase agreement relating to security for Parity Debt, any surety bond or other credit or liquidity support relative to Parity Debt, and any Hedge entered into with respect to Parity Debt and payable on a parity therewith, as the same may be amended or modified from time to time in accordance with their respective terms.

“*Release Date*” means such date or dates (not to exceed three (3) dates) on or prior to December 31, 2010 and which dates are acceptable to the GSEs and are Issue dates, on which dates the requirements of Section 2.3 hereof are satisfied, including, without limitation, delivery of a Release Certificate as set forth hereto as Exhibit A.

“*Rule 15c2-12*” means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“*Settlement Date*” means January 12, 2010.

“*Shortfall Amount*” means the difference, as of the Settlement Date, between the proceeds of the Program Bonds to be received on such Settlement Date and the initial principal amount of such Program Bonds.

“*Short-Term Rate*” means, (i) for the period from the Settlement Date to the applicable Release Date, the interest rate which produces an interest payment on such Release Date relative to the Program Bonds with respect to which Escrowed Proceeds are subject to release on such Release Date equal to Investment Earnings and (ii) with respect to Program Bonds which are not Variable Rate Construction Program Bonds, from the Release Date to the Conversion Date, an interest rate equal to the sum of the Spread plus the lesser of (A) the Four Week T-Bill Rate as of the Business Day prior to the Release Date or (B) the Permanent Rate less the Spread. For purposes of this provision, “*Investment Earnings*” means total investment earnings on the portion of the Escrow Fund related to Program Bonds with respect to which a Release Date is occurring.

“*Special Permanent Rate Advisor*” means State Street Bank and Trust Company, and any successor or assign designated by Treasury.

“*Spread*” means (i) with respect to Program Bonds which are not Variable Rate Construction Program Bonds, additional per annum interest on the Program Bonds based upon the lowest Bond Rating of the Program Bonds effective as of the Permanent Rate Calculation Date under the Indenture by the rating agencies rating the Program Bonds, as follows:

Rating	Additional Spread
‘Aaa’/‘AAA’	60 bps
‘Aa’/‘AA’	75 bps
‘A’	110 bps

and, (ii) with respect to Program Bonds which are Variable Rate Construction Program Bonds, additional per annum interest on the Variable Rate Construction Program Bonds based upon the lowest Bond Rating of the Program Bonds effective as of the Permanent Rate Calculation Date under the Indenture by the rating agencies rating the Variable Rate Construction Program Bonds, as follows:

Rating	Additional Spread
‘Aaa’/‘AAA’	140 bps
‘Aa’/‘AA’	155 bps
‘A’	190 bps

“*Treasury*” means the United States Department of the Treasury.

“*Treasury’s Financial Agent*” means JPMorgan Chase Bank, N.A., as Treasury’s financial agent, or such other party as Treasury may appoint for such purpose from time to time.

“*VA*” means the United States Department of Veterans Administration or its successors.

“*Variable Rate Construction Program Bonds*” means bonds designated by the Agency as Variable Rate Construction Program Bonds issued to finance a multifamily mortgage loan meeting the requirements of Section 3.2(a)(iii) hereof, which bonds mature no more than thirty-four (34) years after the Settlement Date and which bear interest and have the terms set forth herein.

“*Volume Cap*” means tax-exempt bond volume cap as described in Section 146 of the Code.

Section 1.2 Inconsistent Defined Terms. To the extent that any defined terms contained in Section 1.1 hereof are inconsistent with any terms in the General Indenture, the defined terms contained herein shall control with respect to the Program Bonds.

Section 1.3 Other Defined Terms. Other capitalized terms contained in this Series Indenture and not otherwise defined herein, shall have the same meanings ascribed thereto in the General Indenture.

ARTICLE II

TERMS OF PROGRAM BONDS

Section 2.1 Date, Maturities and Denominations.

(a) ***Program Bonds.*** The Program Bonds shall be dated December 30, 2009, shall bear interest from the Settlement Date and shall mature on the dates and in the principal amounts set forth below, except as otherwise provided herein:

2009 SERIES A BONDS

Maturity	Principal Amount
December 30, 2051	\$168,100,000

(b) ***Denominations.*** The Program Bonds shall be issued only in Authorized Denominations and each Release Date shall apply to Program Bonds in Authorized Denominations.

Section 2.2 Interest Rates.

(a) Each Pre-Conversion Bond which is not a Variable Rate Construction Program Bond shall bear interest at the Short-Term Rate from the Settlement Date to the related Conversion Date. The interest rate on some or all of the Pre-Conversion Bonds which are not Variable Rate Construction Program Bonds may be Converted on a Conversion Date to a Permanent Rate in accordance with the provisions hereof.

(b) Each Pre-Conversion Bond which is a Variable Rate Construction Program Bond shall bear interest at the Short-Term Rate from the Settlement Date to the Release Date. On and after the Release Date to the Variable Rate Construction Program Bond Conversion Date, the Variable Rate Construction Program Bonds shall bear interest at the Construction Program Bond Variable Rate. On and after the Construction Program Bond Conversion Date, the interest rate on the Variable Rate Construction Program Bonds shall be the Permanent Rate.

(c) Program Bonds bearing interest at the Construction Program Bond Variable Rate shall bear interest on the basis of actual days elapsed for a year of 365 or 366 days, as applicable. Program Bonds bearing interest at the Permanent Rate shall bear interest based on a 360-day year consisting of twelve 30-day months.

Section 2.3 Release and Conversion.

(a) **General.** A Conversion may involve all or only a portion of the Pre-Conversion Bonds, provided that such Pre-Conversion Bonds may only be Converted in integral multiples of \$10,000. Any particular Pre-Conversion Bond may be Converted to a Permanent Rate only once. The Agency may exercise its right of Conversion on no more than three (3) occasions and must cause each related Release Date to occur on or prior to December 31, 2010. If Pre-Conversion Bonds are Converted to Permanent Rates in part on different dates, each portion of such Program Bond may bear interest at different Permanent Rates based on their respective Conversion Dates.

(b) Release Requirements.

(i) On or prior to the date which is fourteen (14) days prior to a proposed Release Date, the Agency shall notify the Trustee, the Notice Parties (at the Notice Parties' Addresses) and the Rating Agencies, pursuant to Exhibit A hereto, of (A) the proposed Release Date, (B) the proposed Conversion Date, (C) the principal amount of Pre-Conversion Bonds to be Converted on such Conversion Date, (D) the proposed Permanent Rate Calculation Date and (E) the Bond Rating anticipated to be in effect on the Release Date.

(ii) The Agency shall deliver or cause to be delivered to the Trustee on or prior to any Release Date, the following:

(A) the certification of the Special Permanent Rate Advisor specifying, as applicable, the Permanent Rate Calculation Date and the

Four Week T-Bill Rate, Spread and Permanent Rate applicable to the relevant Conversion;

(B) an Official Statement or Official Statement Supplement relative to the Program Bonds;

(C) (I) an opinion or opinions of counsel and a certificate of an authorized officer of the Agency to the effect that nothing has come to their attention that the Official Statement or Official Statement Supplement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which there were made, not misleading and (II) a letter or letters from the counsel referenced in the foregoing clause (I) addressed to the GSEs stating that the GSEs may rely on such opinion as though it was addressed to them;

(D) confirmation by the Rating Agencies of the Bond Rating on the applicable Program Bonds after giving effect to the Release Date and related Conversion; and

(E) an opinion of Bond Counsel dated as of the Release Date to the effect that the applicable Program Bonds have been duly and validly issued and are enforceable obligations of the Agency and that interest payable on such Program Bonds is exempt from federal income taxation under Section 103 of the Code; and

(F) a Certificate of the GSEs , evidencing (I) their consent to the Release Date and (II) that the Agency has paid or made arrangements to pay the fees of the GSEs' counsel in connection with the Release Date.

The Trustee shall provide via e-mail and delivery by overnight mail (x) to the Notice Parties at the Notice Parties' Addresses copies of items (ii) (A) through (F) above and (y) to the Agency and the Notice Parties at the Notice Parties' Addresses, confirmation, as set forth in Exhibit B hereto, that the interest rate of the related Program Bonds shall be Converted to the specified Permanent Rate as of the specified Conversion Date and that the related bond proceeds shall be released to the Agency on the specified Release Date in accordance with the provisions of this Appendix.

Section 2.4 [Reserved]

Section 2.5 Taxable Bond Representation. The Agency hereby represents and warrants that (i) it reasonably expects to have Volume Cap, to the extent necessary for the Program Bonds to be tax-exempt, on a timely basis and in a manner which shall permit the Conversion of all Program Bonds to a Permanent Rate and the release of all Escrowed Proceeds by December 31, 2010 and (ii) the Agency shall use its best efforts to obtain such Volume Cap, if necessary. The Agency further represents and warrants that all tax-exempt Program Bonds issued hereunder shall be exempt facility bonds financing qualified residential rental projects within the meaning of Section 142 of the Internal Revenue Code of 1986. The Agency agrees

and acknowledges that the adjustment of interest on Program Bonds from taxable status to tax-exempt status may not be accomplished through a refunding and remarketing of the Program Bonds, and the Agency represents and warrants that the conversion of such Program Bonds to tax-exempt status will not be accomplished by such means.

Section 2.6 Special Redemptions.

(a) *Pre-Conversion Bonds.*

(i) *Failure to Convert.* Any Pre-Conversion Bonds with respect to which a Release Date has not occurred prior to January 1, 2011 are subject to mandatory redemption on February 1, 2011 (or an earlier date selected by the Agency), at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(ii) *Withdrawal of Closing Certificates.* The Program Bonds are subject to mandatory redemption in whole, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, on the first Business Day at least thirty (30) days after the Settlement Date, if there is delivered by mail or by electronic means to the Trustee on or prior to the Settlement Date a Certificate of Adverse Change and the GSEs have not, prior to the date 20 days following the Settlement Date, provided the Trustee a written waiver.

(b) ***Pre-Conversion Bonds Not Meeting Minimum Rating Thresholds.*** Within ten (10) Business Days of receipt by the Trustee of notice that the Bond Rating has been withdrawn or fallen below "A3" all proceeds that are held in the Escrow Fund shall be used to mandatorily redeem a corresponding amount of Program Bonds, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, to the redemption date. The Agency hereby covenants to provide such notice to the Trustee promptly upon receipt by the Agency of notice of any such withdrawal or downgrade.

(c) ***Available Moneys for Redemptions.*** With respect to the redemptions set forth in (a) and (b) above, moneys still on deposit in the Escrow Fund shall be used for any such redemption; if Escrow Fund moneys are not sufficient, then any available moneys under the Indenture shall also be used for any such redemption.

Section 2.7 Redemption Restrictions and Recycling Prohibition. Except as limited by tax law requirements, the Agency shall apply the following exclusively to the redemption of Program Bonds: (i) all proceeds of the Program Bonds, to the extent not used to fund Permitted Mortgage Loans, refund outstanding bond issues as herein provided, pay Program Bond issuance expenses or fund related reserve accounts and (ii) a pro rata portion (calculated based on the outstanding principal amount of the Program Bonds divided by the sum of the outstanding principal amount of the Program Bonds and the outstanding principal amount of any bonds issued in conjunction with and secured by the Trust Estate on a parity with the Program Bonds) and 100% (if no bonds issued in conjunction with and secured by the Trust Estate on a parity with the Program Bonds are then Outstanding) of all principal prepayments and recoveries of principal received with respect to the Permitted Mortgage Loans, acquired or financed with the

proceeds of the Program Bonds and any such parity bonds, to the extent not used to pay scheduled principal, interest or sinking fund redemptions on Program Bonds and any bonds issued in conjunction with and secured by the Trust Estate on a parity with the Program Bonds. Notwithstanding the foregoing, tax credit equity with respect to projects funded with Permitted Mortgage Loans may be used solely to redeem related bonds issued in conjunction with Program Bonds. Amounts set forth in clause (ii) are required to be applied to the redemption of Program Bonds promptly and as provided above shall not be recycled into new Permitted Mortgage Loans. Particular series of Program Bonds may be redeemed with payments of specified Permitted Mortgage Loans.

Section 2.8 Mandatory Sinking Fund Redemption. Program Bonds are subject to mandatory sinking fund redemption in the amounts and on the dates to be established by the Agency not later than the final Release Date (provided, however, that Construction Program Bonds shall not be subject to sinking fund redemption prior to the Construction Program Bond Conversion Date). The Agency hereby covenants to establish such sinking fund schedules as herein provided. Each such redemption shall be at a price of par plus accrued interest to the redemption date. The schedules described above shall take into account anticipated underlying Permitted Mortgage Loan amortization, and standard and customary practices of the Agency.

Section 2.9 Optional Redemption. Program Bonds are subject to redemption at the option of the Agency, in whole or in part, from any source of funds, on the first Business Day of any month, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest, if any, to the redemption date.

Section 2.10 Changes Permitted Upon Conversion. In conjunction with the Conversion of Pre-Conversion Bonds, on or prior to the Release Date, the Agency may add mandatory sinking fund redemption requirements to such Program Bonds and may agree to pay the principal of such Program Bonds prior to their stated maturity (provided, however, that Construction Program Bonds shall not be subject to sinking fund redemption prior to the Construction Program Bond Conversion Date).

Section 2.11 Redemption Notice Requirements. In addition to any other required notices under the General Indenture, written notice of each redemption of Program Bonds shall be provided by the Trustee to the Notice Parties, such notice to be provided by e-mail or facsimile transmission to the Notice Parties' Addresses. Redemption of Program Bonds shall not be conditioned on or delayed for the giving of such notice, which shall be provided to the Notice Parties at the Notice Parties' Addresses at least ten (10) days in advance of the date of such redemption (or such lesser period as is required under the General Indenture). All redemptions of Program Bonds shall be only in Authorized Denominations.

Section 2.12 DTC Provisions.

(a) The Trustee shall take all actions reasonably required by the Agency, in accordance with the policies and procedures of the Depository Trust Company, New York, New York ("DTC") to assist the Agency in the DTC aspects of the settlement process in connection with the Pre-Settlement Date, the Settlement Date, the Release Date and the Conversion Date.

(b) The Program Bonds shall initially be issued to Cede & Co., as nominee for DTC, as one fully registered Bond in the aggregate principal amount of each series of the Program Bonds. In connection with a Release Date for any of the Program Bonds, the Trustee may either accept a replacement bond certificate or make an appropriate notation thereon of the principal amount of such Program Bond certificate and the interest rate(s) to which such Bonds are being Converted and the Release Date and the Conversion Date applicable thereto.

If less than all of the Pre-Conversion Bonds are the subject of a particular Release Date, the Agency and the Trustee may arrange for the delivery of a new Program Bond certificate in an aggregate principal amount equal to the principal amount of Program Bonds for which a Release Date was established, as well as either a notation of a reduction of the principal amount of the Program Bond representing Escrowed Proceeds or the delivery of a new Bond in such reduced principal amount representing Escrowed Proceeds. If a new Program Bond at such a reduced principal amount representing Escrowed Proceeds is so delivered, it shall be exchanged for the existing Program Bond representing Escrowed Proceeds. The Agency shall arrange for a CUSIP number applicable to each Release Date, which CUSIP number the Trustee shall also note on the Program Bond certificate.

In the event DTC determines to discontinue providing its services and a successor securities depository for all the Program Bonds is not designated, the Agency and the Trustee shall arrange for the delivery of a single certificate for each series of the Program Bonds as fully registered bonds. Each such fully registered Program Bond shall be identified by a legend consisting of the letter "R" followed by the number of the Bond. The Program Bonds shall be numbered consecutively from 1 upwards.

Section 2.13 General Indenture Trust Estate Limitations. The Agency hereby represents and warrants that the Program Bonds are not secured on a subordinate or parity basis with any other Bonds of the Agency secured, in whole or in part, with multifamily loans which are not Permitted Mortgage Loans. The Agency covenants that it will not issue Bonds or other Debt senior to or on a parity with the Program Bonds which additional parity or senior Bonds or Debt is secured, in whole or in part, with multifamily loans which are not Permitted Mortgage Loans. The Agency further covenants that (i) the sum of the Program Bonds and any parity bonds which are not Program Bonds issued and Outstanding under the General Indenture shall not at any time exceed \$280,160,000, (ii) on each Release Date, Program Bonds Outstanding shall constitute not less than 30% of the aggregate amount of Program Bonds and parity bonds issued and Outstanding under the General Indenture which are not Program Bonds and, (iii) following the final Release Date, the Agency will not issue any additional parity bonds (other than parity bonds issued to refund outstanding parity bonds) under the General Indenture so long as any Program Bonds remain Outstanding.

In addition, notwithstanding anything to the contrary in the Indentures, the owners of a majority in principal amount of the Program Bonds shall have the exclusive right to direct the exercise of remedies under the Indentures and, following the occurrence of an Event of Default with respect to the Program Bonds and any such parity bonds, the Trustee shall take such

remedial actions as are directed solely by the owners of a majority in principal amount of the Program Bonds.

ARTICLE III

PROCEEDS OF PROGRAM BONDS

Section 3.1 Escrow of Proceeds of Program Bonds.

(a) *Escrowed Proceeds.* The proceeds of the Program Bonds and the Shortfall Amount shall be retained in the Escrow Fund for application as set forth herein.

If the Trustee has received a Certificate of Adverse Change, all the proceeds of the Program Bonds, together with the Shortfall Amount, shall be retained in the Escrow Fund until either the written waiver referenced in Section 2.6(a)(ii) is delivered or the Program Bonds are redeemed as provided in such Section.

In addition, the proceeds of the Program Bonds and the Shortfall Amount shall be retained in the Escrow Fund until the requirements of Section 2.3 hereof are satisfied or until applied to the redemption of the Program Bonds pursuant hereto. The Escrowed Proceeds and the Shortfall Amount held in the Escrow Fund shall be pledged exclusively to the repayment of the Program Bonds unless and until there is a default under the Indenture, in which case such funds will be applied as required by the Indentures. While such proceeds are held in the Escrow Fund, such proceeds may only be invested in Permitted Escrow Investments.

(b) *Conversion and Release of Escrowed Proceeds.* Upon the satisfaction of the requirements of Section 2.3 and to the extent provided therein, the released Escrowed Proceeds shall be transferred to such fund or account as the Agency may direct the Trustee.

Section 3.2 Use of Proceeds of Program Bonds.

(a) *Use of Proceeds.* The proceeds received from the release of Escrowed Proceeds in connection with Program Bonds shall be used only to redeem Program Bonds or as follows:

(i) to acquire and finance the holding of Permitted Mortgage Loans;

(ii) to refund, as fixed rate bonds, any of the Agency's outstanding variable rate debt (including auction rate securities) issued on or before October 19, 2009, so long as such debt, in turn, was issued to acquire and finance the holding of Permitted Mortgage Loans for projects that were initially financed on or after October 19, 2004 (proceeds used for the purpose described in this Section 3.2(b) may not exceed 30% of the principal amount of the Program Bonds, provided, however, that 'replacement refundings' where proceeds of Program Bonds are exchanged dollar-for-dollar for unexpended tax-exempt bond

proceeds and/or mortgage loan prepayments shall not be considered a refunding for purposes hereof);

(iii) acquire and finance the holding of Permitted Mortgage Loans which are either (i) loans guaranteed by either GSE or (ii) loans originated pursuant to underwriting criteria agreed to by the GSEs and which are financed with Program Bonds that the Agency elects to treat as Construction Program Bonds; and

(iv) to fund reasonably required reserves and pay costs of issuance of the Program Bonds in accordance with the requirements and limitations of applicable federal tax law.

The proceeds of the Program Bonds shall not be used for essential governmental functions within the meaning of Section 115 of the Code.

Notwithstanding anything to the contrary herein, (i) Escrowed Proceeds of Program Bonds with a maturity in excess of 34 years may only be used to fund Permitted Mortgage Loans insured by FHA, and (ii) Escrowed Proceeds of Program Bonds with a maturity of more than 32 years and 34 years or less may only be used to fund either (A) Permitted Mortgage Loans insured by FHA or (B) Permitted Mortgage Loans described in 3.2(a)(iii) above and designated Construction Program Bonds.

(b) **Taxable Bonds.** Proceeds of Program Bonds issued as taxable bonds hereunder may not be released from the Escrow Fund unless and until there is delivered to the Trustee and the GSEs the opinion of Bond Counsel required pursuant to Section 2.3(b) hereof.

ARTICLE IV

SPECIAL GSE RIGHTS

Section 4.1 Removal of Trustee. No successor Trustee under the General Indenture shall be appointed under the General Indenture without written notice to the Notice Parties at the Notice Parties' Addresses and without the prior written consent of the GSEs, which consent shall not be unreasonably withheld.

Section 4.2 GSEs as Third-Party Beneficiaries. Each GSE is intended to be and shall be a third-party beneficiary of this Appendix and the General Indenture, and each GSE shall have the right (but not the obligation) to enforce, separately or jointly with the Trustee or cause the Trustee to enforce, the provisions of this Appendix.

ARTICLE V

COVENANTS

Section 5.1 Special Agency Covenants. The Agency hereby covenants that, so long as the Program Bonds are Outstanding, it shall:

(a) if any Program Bonds are not issued on a tax-exempt basis, use its reasonable best efforts to obtain Volume Cap allocations as needed for such Program Bonds in 2010;

(b) not permit the aggregate principal amount of the Program Bonds issued hereunder to exceed the Multifamily Program Bond Limit;

(c) not allow the aggregate principal amount of Program Bonds to exceed the reasonable expectations requirement applicable to tax-exempt mortgage revenue bonds;

(d) not issue new Bonds under the General Indenture in a variable rate demand, adjustable rate or auction rate mode other than Program Bonds during the period such Program Bonds bear interest at the Short-Term Rate or the Construction Program Bond Variable Rate;

(e) take all steps necessary to assure that all assets and revenues of any description pledged to the payment of the Program Bonds and all other Bonds issued under the General Indenture shall be applied strictly in accordance with, and solely for the purposes and in the amounts specified and permitted by, the terms of the General Indenture;

(f) not exercise any rights it may have to make voluntary withdrawals of cash or other assets from the lien of the General Indenture except under the following circumstances and within the following limits:

(i) the Agency may withdraw cash from the Indenture to pay ordinary and customary administrative and operating expenses of the Agency, ordinary and customary operating expenses of any of the indentures of the Agency (such as, for example, fees and payments due on an interest rate swap entered into by the Agency) and to fund or reimburse the cost of programs sponsored by the Agency, subject to each of the following requirements:

(A) either:

(1) the cumulative amount of such withdrawals does not exceed the cumulative withdrawals as projected to the date of such withdrawal in the cash flows most recently submitted to the rating agencies in connection with the then current long term rating of the Program Bonds; or

(2) prior to and as a condition to such withdrawal, the Agency obtains and furnishes to the Administrator and to Treasury's Financial Agent a confirmation from each of the rating agencies maintaining ratings on the Program Bonds that the proposed withdrawal will not adversely affect such ratings; and

(B) prior to and as a condition to such withdrawal, the Agency provides a written certification to the Administrator and to Treasury's Financial Agent specifying the amount and purpose of the withdrawal and that all requirements of this paragraph (f)(i) have been met with respect to such withdrawal.

In spite of anything to the contrary contained in this paragraph (f)(i), no withdrawals whatsoever shall be made under this paragraph (f)(i) during any period when any of the ratings on the Program Bonds are below the level of "A3" or "A-" or has been suspended or withdrawn;

(ii) the Agency may withdraw cash or other assets from the Indenture for any purpose of the Agency other than as set out in paragraph (f)(i) above, subject to each of the following requirements:

(A) prior to and as a condition to such withdrawal, the Agency obtains and furnishes to the Administrator and to Treasury's Financial Agent a confirmation from each of the rating agencies maintaining ratings on the Program Bonds that the rating on the Program Bonds will be not less than the exact rating on the Program Bonds as of the issue date with a rating outlook that is either "stable" or "positive" or the equivalent;

(B) the cash or other assets withdrawn from the lien of the Indenture pursuant to this paragraph (f)(ii) are retained by the Agency within its funds and accounts or are expended to further the mission or otherwise for the benefit of the Agency; and

(C) prior to and as a condition of such withdrawal, the Agency provides a written certification to the Administrator and to Treasury's Financial Agent specifying the amount and purpose of the withdrawal and that all requirements of this paragraph (f)(ii) have been met with respect to such withdrawal.

(g) with respect to the purchase, origination, enforcement and servicing of Permitted Mortgage Loans, the Agency shall:

(i) originate or cause to be originated, and, if applicable, purchased, mortgage loans and purchase, or cause to be purchased, MBS in a manner consistent with applicable state law, the General Indenture and any supplements thereto, and such other related documents by which the Agency is bound,

(ii) cause all mortgage loans to be serviced pursuant to the servicing requirements of the Agency, GNMA, FHA, Fannie Mae and Freddie Mac, as applicable,

(iii) except as otherwise permitted by Treasury or the GSEs, diligently take all steps necessary or desirable to enforce all terms of the mortgage loans, MBS, loan program documents and all such other documents evidencing obligations to the Agency, and

(iv) diligently take all actions consistent with sound mortgage loan origination, purchase and servicing practices and principles as may be necessary to receive and collect sufficient revenues to pay debt service when due on the Program Bonds.

(h) not issue any bonds senior in priority to the Program Bonds and the Agency represents and warrants that the Program Bonds are at least equal in priority with respect to payment and security to the most senior Outstanding Bonds under the General Indenture.

Section 5.2 Covenants Regarding Administration of General Indenture and Program Bonds. The Agency hereby covenants, so long as the Program Bonds remain Outstanding, that it shall:

(a) not amend, supplement or otherwise modify in any material respect the General Indenture, this Appendix or any other Related Document without the prior written consent of the GSEs; provided, however, that the consent of the GSEs shall not be required with respect to supplements entered into solely for the purpose of providing for the issuance of a series of Bonds pursuant to the General Indenture, except as provided in Section 5.1(d) hereof. With respect to General Indenture amendments, the determination of the GSEs as to the materiality of an amendment shall be controlling;

(b) not permit any funds invested under the General Indenture to be invested in obligations, securities or other investments of a type not included within the categories permitted for such purposes in the General Indenture;

(c) not enter into any Hedge relating to bonds issued under, or secured by revenues or other assets pledged under, the General Indenture without the prior written consent of the GSEs;

(d) not permit any swap termination fees to be payable on a basis senior to or on a parity with the Program Bonds; and

(e) not permit any principal payment, principal prepayments and other recoveries of principal received with respect to that portion of any mortgage loans financed with the proceeds of Program Bonds to be recycled into new mortgage loans.

Section 5.3 Reporting Requirements.

(a) ***Books and Records; GAAP.*** The Agency covenants to keep proper books of record and account in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Agency in accordance with generally accepted accounting principles applicable to governmental entities, consistently applied.

(b) ***Non-Public Information.*** As used in this Section, “Information” means any information described in Subsection (c) and “Non-Public Information” means any of the Information that, as of the date that such Information is due to be provided to the GSEs pursuant to subsection (c), the Agency has not released to the general public or otherwise is not in the public domain. To the extent that any of the Information described in Subsection (c) is Non-Public Information each of the following shall apply:

(i) The Agency may provide such Non-Public Information to the GSEs, but, subject to (ii) below, is not obligated to do so. If the Agency elects not to provide Non-Public Information, it shall identify the categories of Information that are then Non-Public Information and so inform the GSEs of that fact at the time such information is otherwise due to be provided under Subsection (c).

(ii) If the Agency elects not to provide Non-Public Information as stated in (i) above, but a GSE determines that the absence of any such information is a material impairment to its obligation to conduct its business in a safe and sound manner or is inconsistent with the requirements of applicable law or regulation, then the Agency will provide such Information to that GSE at the times and as otherwise required by Subsection (c).

(iii) To the extent that the Agency actually provides Non-Public Information pursuant to Subsection (c), the Agency will label such information as Non-Public Information and will segregate all Non-Public Information so that a GSE which elects not to look at the Non-Public Information can do so;

(c) ***Information.*** The Agency agrees to furnish to each GSE a copy of each of the following:

(i) on the date that is the earlier of (A) ninety (90) days after the end of each quarter of each fiscal year of the Agency and (B) the day such information is first made available to the general public, the Agency shall provide to each GSE the financial statements of the Agency consisting of a balance sheet of the Agency as at the end of such period, a statement of operations and a statement of cash flows of the Agency for such period and, with respect to the report provided after the end of each fiscal year, there shall also be included a statement of the changes in net assets of the Agency for such period. The financial statements referred to above shall be set forth in reasonable detail and shall be accompanied by, in the case of the annual statements, an audit report of the Agency’s auditor or nationally recognized independent certified public accountants stating that they

have (except as noted therein) been prepared in accordance with generally accepted accounting principles consistently applied (provided that such audit report need not be submitted until one hundred eighty (180) days after the end of the relevant fiscal year);

(ii) on the date that is the earlier of (A) ninety (90) days after the end of each quarter of each fiscal year of the Agency and (B) the day such information is first made available to the general public, the Agency shall provide to each GSE financial statements of the Agency specific to the Indenture pursuant to which Program Bonds are outstanding consisting of a statement of operations and a statement of cash flows under the Indenture for such period and, with respect to the report provided after the end of each fiscal year, there shall also be included a statement of the changes in net assets under the Indenture for such period. The financial statements referred to above shall be set forth in reasonable detail and shall be accompanied by, in the case of the annual statements, an audit report of the Agency's auditor or nationally recognized independent certified public accountants stating that they have (except as noted therein) been prepared in accordance with generally accepted accounting principles consistently applied (provided that such audit report need not be submitted until one hundred eighty (180) days after the end of the relevant fiscal year);

(iii) immediately after any officer of the Agency obtains knowledge thereof, a certificate of the Agency setting forth the occurrence of any default or Event of Default under the General Indenture, the details thereof and the action which the Agency is taking or proposes to take with respect thereto;

(iv) quarterly, at the time each of the financial statements referenced in (a) above is provided, and otherwise at the request of a GSE, the information set forth in Schedule A hereto and a certificate of the Agency (A) stating whether there exists on the date of such certificate any default or Event of Default under the General Indenture and, if so, the details thereof and the action which the Agency is taking or proposes to take with respect thereto and (B) setting forth a description in reasonable detail of the amounts held in the Revenue Account and other accounts in the Indenture;

(v) simultaneously with their release to the general public, disclosure statements of any kind prepared by the Agency which disclose such matters as quarterly or other interim financial statements relating to the Indenture, portfolio composition information regarding the General Indenture such as the percentage of loans insured under FHA, HUD, RDA and VA programs and any pooled mortgage insurance program or securitization by GNMA or a GSE, or portfolio performance information detailing such matters as delinquencies, foreclosures and real estate-owned properties;

(vi) promptly upon receipt of notice by the Agency of any such default, the occurrence of any material event of default by any counterparty to a Related Document;

(vii) at the request of a GSE, copies of any information or request for information concerning this Appendix A or any of the Related Documents as and when provided to the Trustee;

(viii) promptly after the receipt or giving thereof, copies of all notices of resignation by or removal of the Trustee, which are received or given by the Agency;

(ix) promptly after the adoption thereof, copies of any amendments to the Indenture, any of the other Related Documents (including replacement of or any new Related Document) and the Official Statement relative to the Program Bonds;

(x) within thirty (30) days of the issuance of any public issuance of indebtedness of the Agency payable from the Revenues under the Indenture, copies of any disclosure documents distributed in connection therewith;

(xi) any Annual Filing or Material Event Filing shall be delivered to the GSEs on the day it becomes available to the general public or the Program Bondholders or would be required to become available if Rule 15c2-12 were applicable to the Program Bonds;

(xii) simultaneously with the delivery of each set of the financial statements and the annual filing referred to in clauses (i) and (xi) above and otherwise at the request of the GSEs, or with respect to (b)(iii) whenever prepared and available, (A) a copy of the most recent rating letter received relating to the Bond Rating and/or the General Indenture rating, (B) a certificate of the Agency stating that the Agency is in compliance with all financial covenants set forth in the Indenture; and (C) a copy of the most recent cash flow certificates, financial reports and statements, and annual budget (including portfolio performance reports detailing delinquencies and foreclosure rates, and percentage of loans insured under FHA, HUD, RDA and VA programs and any pooled mortgage insurance program, and the percentage of uninsured loans;

(xiii) immediately upon receipt by the Agency, any rating report or other rating action relative to the Agency, the Program Bonds or any other bonds issued under the General Indenture;

(xiv) immediately upon any such transfer, notice of any extraordinary payment or transfer of funds from the General Indenture;

(xv) in a timely manner, at the request of a GSE, any data or information required by a GSE for use in calculating performance under the Federal Housing Finance Agency's housing goal regulations or for use in complying with any other regulatory or legal requirement; and

(xvi) such other information, whether such information is published or unpublished, respecting the affairs, condition and/or operations, financial or

otherwise, of the Agency as a GSE may from time to time reasonably request (including, without limitation, data, including loan level data, required by the GSEs with respect to any asset management surveillance and/or disclosure requirement).

Section 5.4 Covenant Enforcement by GSEs. Only the GSEs may enforce, or cause the Trustee to enforce, the provisions of Sections 5.1, 5.2 and 5.3 hereof.

Section 5.5 Special Notices.

(a) ***Request to Withdraw General Indenture Funds.*** The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of any request by the Agency to withdraw funds from the General Indenture.

(b) ***Events of Default.*** The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of any default or Event of Default under the General Indenture, of which the Trustee has knowledge.

(c) ***Exercise of Remedies.*** The Trustee shall immediately deliver to the Notice Parties at the Notice Parties' Addresses notice of the exercise of any remedies under the General Indenture.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notices. Unless otherwise specified in this Appendix, all notices, requests or other communications to or upon the Notice Parties or referred to in this Appendix shall be deemed to have been given (i) in the case of notice by letter, when delivered by hand or four (4) days after the same is deposited in the mails, first class postage prepaid, and (ii) in the case of notice by telecopier or e-mail, when sent, receipt confirmed, addressed to the Notice Parties as follows or at such other address as any of the Notice Parties may designate by written notice to the Agency and the Trustee:

To Administrator: U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Structured Finance/HFA Program
E-mail: Julie.Kirby@usbank.com

To Fannie Mae: Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Attention: Carl W. Riedy, Jr.
Vice President for Public Entities
Channel, Housing and Community
Development
E-mail: Carl_W_Riedy@fanniemae.com

and

Attention: Barbara Ann Frouman
Vice President and Deputy General
Counsel, Housing and Community
Development
E-mail: Barbara_Ann_Frouman@fanniemae.com

To Freddie Mac: Freddie Mac
1551 Park Run Drive
Mail Stop D4F
McLean, Virginia 22102
Attention: Mark D. Hanson
Vice President Mortgage Funding
E-mail: Mark_Hanson@freddiemac.com

and

Attention: Joshua L. Schonfeld
Associate General Counsel
E-mail: Joshua_Schonfeld@freddiemac.com

For all notices pursuant to Section 5.3 hereof:

E-mail: HFA_Credit_Reporting@freddiemac.com

To Treasury's
Financial Agent: JPMorgan Chase Bank, N.A.
1 Chase Manhattan Plaza, Floor 19
New York, New York 10005
Attention: Lillian G. White
Phone - 212-552-2392
Fax - 212-552-0551
E-mail: Lillian.G.White@jpmorgan.com

with a copy to:

Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220
Attention: Fiscal Assistant Secretary
re: Housing Finance Agencies Initiative

and

Attention: Assistant General Counsel
(Banking and Finance)
re: Housing Finance Agencies Initiative

Section 6.2 Appendix to Control. To the extent that any provisions of this Appendix are inconsistent with any provisions of the General Indenture or the Supplemental Indenture under which the Program Bonds are issued, this Appendix shall control with respect to the Program Bonds.

Section 6.3 Termination. This Appendix shall continue in full force and effect so long as the Program Bonds remain Outstanding and shall terminate when Program Bonds are no longer Outstanding.

[remainder of page intentionally left blank]

EXHIBIT A

**NOTIFICATION OF
INTEREST RATE CONVERSION/RELEASE CERTIFICATE**

Reference is made to the General Indenture and the Series Indenture, each dated as of December 1, 2009, of the District of Columbia Housing Finance Agency (the "Agency"), as subsequently amended and modified, in particular by the Appendix to the 2009 Series A Indenture (the "Appendix"), dated as December 1, 2009 (collectively, the "Indenture"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Indenture.

I, _____, an authorized officer of the Agency, in connection with Program Bonds to be Converted to a Permanent Rate pursuant to Section 2.3 of the Appendix, hereby notify the Trustee and the Notice Parties as follows:

- (i) the proposed Release Date is _____, 2010,
- (ii) the proposed Conversion Date is _____, 201[0][1],
- (iii) the principal amount of Program Bonds to be Converted to a Permanent Rate on the proposed Conversion Date set forth in clause (ii) above is \$_____,
- (iv) the proposed Permanent Rate Calculation Date is _____, 2010,
- (v) on the Release Date, it is anticipated that the Bond Rating will be '___'/'___'; and
- (vi) the Agency hereby covenants to deliver to the Trustee on or before the Release Date the opinion of bond counsel described in Section 2.3(b)(ii)(E) of the Appendix.

IN WITNESS WHEREOF, I have set forth my hand this _____ day of _____, 2010.

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: _____
Name: _____
Title: _____

EXHIBIT B
INTEREST RATE
CONVERSION CERTIFICATE

Reference is made to the General Indenture, dated as of December 1, 2009, of the District of Columbia Housing Finance Agency (the "Agency"), as subsequently amended and modified, in particular by the First Supplemental Housing Revenue Bond (NIB Program) and the Appendix to thereto (the "Appendix"), dated as December 1, 2009 (collectively, the "Indenture"). All capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Indenture.

I, _____, an authorized officer of _____ (the "Trustee"), in connection with Program Bonds Converted to a Permanent Rate pursuant to Section 2.3 of the Appendix, hereby confirm as follows:

- (i) attached are the items required to be delivered pursuant to Section 2.3 of the Appendix,
- [(ii) the Converted Bonds are not Variable Rate Construction Program Bonds, and the Short-Term Rate applicable from the Release Date to the Conversion Date, will be the total of (a) the Four Week T-Bill Rate (____%) plus (b) the Spread applicable to the referenced Program Bonds as of the Release Date (____%), will be ____%;]
- [(ii) the Converted Bonds are Variable Rate Construction Program Bonds and the Construction Program Bond Conversion Date is _____;]
- (iii) the Permanent Rate with respect to the referenced Program Bonds will be __% as of the specified Conversion Date of _____,
- (iv) the CUSIP number for the referenced Program Bonds is _____, and
- (v) related Program Bond proceeds will be released on the specified Release Date of _____, 2010.

IN WITNESS WHEREOF, I have herewith set forth my hand this _____ day of _____, 2010.

[TRUSTEE]

By: _____
Name: _____
Title: _____

Schedule A

Quarterly Portfolio Performance Information

The information set forth in the table below should be delivered via email in Microsoft Excel.

Overall Population Unpaid Principal Balance (\$)

Current Loans (Loans with No Delinquency Status This Month)

Current Loans Unpaid Principal Balance (\$m):

Vintage (Year Originated)	Share of Current Book*	% With Primary Mortgage Insurance**	% With FHA or VA***
Pre-2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

sums to 100%

** Percent of loans within the vintage that has Primary Mortgage Insurance.

*** % of loans in each vintage that has Government Insurance.

Count of Missed Payments in Past 12 Month*	Share of Current Book**
None	
1	
2	
3	
> 3	

* In the past 12 months, any missed payment is counted once regardless if they are continuously missed or sporadically missed.

** % of Outstanding Balance of Current Loans. Sums to 100%.

Representative FICO Score	Share of Current Book
0-580	
580-620	
620-660	
660-700	
700-740	
740+	

* The minimum across borrowers, the median score for each borrower across bureaus.

** % of Outstanding Balance of Current Loans. Sums to 100%.

Delinquent Loans (Any Loan Past Due This Month)

Delinquent Loans Unpaid Principal Balance:

Vintage (Year Originated)	Share of Delinquent Book	% With Primary Mortgage Insurance	% With FHA or VA
Pre-2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

vintage. Column sums to 100%

** Percent of loans within the vintage that has Primary Mortgage Insurance.

*** % of loans in each vintage that has Government Insurance.

Delinquency Status	Share of Delinquent Book*
30	
60	
90	
120	
> 120	
Foreclosure	
Bankruptcy	
REO	

* % of Outstanding Balance of Delinquent Loans. Sums to 100%.

Cumulative Losses

Representative FICO Score	Share of Delinquent Book
0-580	
580-620	
620-660	
660-700	
700-740	
740+	

* The minimum across borrowers, the median score for each borrower across bureaus.

** % of Outstanding Balance of Delinquent Loans. Sums to 100%.

8999062_v5

FORM OF BOND COUNSEL OPINION

January 12, 2010

District of Columbia
Housing Finance Agency
815 Florida Avenue, N.W.
Washington, D.C. 20001

\$168,100,000
District of Columbia Housing Finance Agency
Multifamily Housing Revenue Bonds (NIB Program)
2009 Series A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the District of Columbia Housing Finance Agency (the "Issuer") of the above-referenced bonds (the "2009 Series A Bonds"). The Issuer is a corporate body and an instrumentality of the District of Columbia (the "District"), organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, D.C. Code. § 42-2701.01 et seq., as amended (the "Act"). The 2009 Series A Bonds are being issued pursuant to a Multifamily Housing Revenue Bonds (NIB Program) General Indenture, dated as of December 1, 2009, as amended and supplemented (the "General Indenture") and a First Supplemental Indenture Authorizing the Issuance of \$168,100,000 Multifamily Housing Revenue Bonds (NIB Program) 2009 Series A dated as of December 1, 2009 (the "2009 Series A Indenture"), each by and between the Agency and U.S. Bank National Association, Richmond, VA, as trustee (the "Trustee"). The General Indenture and the 2009 Series A Indenture are collectively referred to as the "Indenture" herein.

The 2009 Series A Bonds will be dated December 30, 2009 and will bear interest from January 12, 2010 and mature in the principal amount, as set forth in the Indenture. Interest on the 2009 Series A Bonds will be payable on the applicable Release Date on any portion of the 2009 Series A Bonds being converted as described in the 2009 Series A Indenture or on the date any portion of the 2009 Series A Bonds is redeemed prior to the maturity thereof.

The 2009 Series A Bonds are being placed with the Federal National Mortgage Association and the Federal Housing Loan Mortgage Corporation (collectively, the "GSEs") pursuant to the Housing Revenue Bonds New Issue Bond Program announced by the United States Department of the Treasury (the "Treasury") pursuant to the Housing and Economic Recovery Act of 2008, the Emergency and Economic Stabilization Act of 2008 and the American Recovery and Reinvestment Act of 2009. The GSEs will securitize the 2009 Series A Bonds and sell such securities for cash to the Treasury, which purchase price will be paid to the Issuer net of certain fees and expenses.

The 2009 Series A Bonds, the principal of, the premium, if any, and the interest thereon, do not constitute an obligation of the District, but are special limited obligations of the Issuer payable solely from and secured by the pledged property pledged therefore under the Indenture. The Issuer is not obligated to pay the principal of, premium, if any, or interest on the 2009 Series A Bonds except from the pledged property. Neither the faith and credit nor the taxing power of the District is pledged to the payment of principal of, premium, if any, and interest on the 2009 Series A Bonds. The Issuer has no taxing power.

In connection with the issuance of the 2009 Series A Bonds, we have examined the Act, the Indenture, and such other opinions, documents, letters and matters of law as we have deemed necessary to render the opinions set forth below.

Based on the foregoing, we are of the opinion that:

1. The Issuer is duly created and validly exists under the Act as a corporate body and an instrumentality of the District with full power to issue, sell and deliver the 2009 Series A Bonds.

2. The Indenture has been duly executed and delivered by the Issuer. The issuance, sale and delivery of the 2009 Series A Bonds have been duly authorized by the Issuer and the 2009 Series A Bonds have been duly executed and delivered by the Issuer, authenticated by the Trustee and are valid and binding special limited obligations of the Issuer. The 2009 Series A Bonds are secured in the manner and to the extent set forth in the Indenture and are entitled to the benefit, protection and security of the provisions, covenants, and agreements contained therein. The Indenture and the 2009 Series A Bonds are enforceable in accordance with their terms, except to the extent enforcement may be limited by general principles of equity, applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

3. Under existing law, stated interest on the 2009 Series A Bonds will be treated as income for federal income tax purposes and interest on the 2009 Series A Bonds is not excluded from gross income for federal income tax purposes.

4. Interest on the 2009 Series A Bonds is exempt from all District of Columbia taxation, except estate, inheritance and gift taxes.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof, and we assume no affirmative obligation to update the opinions expressed herein if such facts or circumstances, or laws or interpretations thereof, change after the date hereof, even if such changes come to our attention. All opinions as to legal obligations of the Issuer set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

The scope of our engagement in relation to the issuance of the 2009 Series A Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. We have not been engaged, nor have we undertaken, to confirm or verify the accuracy, completeness, fairness or sufficiency of the official statement related to the 2009 Series A Bonds or any exhibits or appendices thereto or any other offering material relating to the 2009 Series A Bonds and therefore express no opinion in regard thereto. In addition, we have not been engaged to, and therefore do not express an opinion regarding the perfection or priority of the lien on the Pledged Funds created by the Indenture or as to the compliance by the Issuer with any federal or state registration requirements or securities statutes, regulations or rulings with respect to the offer, sale or distribution of the 2009 Series A Bonds.

To ensure compliance with Treasury Regulations (31 CFR Part 10, §10.35), we inform you that any tax advice contained in this letter was not intended or written by us to be used, and cannot be used by you or anyone else, for the purpose of avoiding penalties imposed by the Code. The foregoing advice was provided to support the promotion or marketing of the 2009 Series A Bonds. A prospective purchaser of the 2009 Series A Bonds or other taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Very truly yours,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

168,100,000
District of Columbia Housing Finance Agency
Multifamily Housing Revenue Bonds (NIB Program)
2009 Series A

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), dated as of January 12, 2010 is executed and delivered by District of Columbia Housing Finance Agency (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Continuing Disclosure Undertaking shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Continuing Disclosure Undertaking.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b) (5) (i) of the Rule and specified in Section 3(a) of this Continuing Disclosure Undertaking.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Continuing Disclosure Undertaking.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Continuing Disclosure Undertaking. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Continuing Disclosure Service” means the continuing disclosure service established by the MSRB known as the Electronic Municipal Market Access (“EMMA”) system. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the Continuing Disclosure Service are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Disclosure Representative” means Sergei Kuzmenchuk, Chief Financial Officer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B (b) (1) of the Securities Exchange Act of 1934.

“Notice Event” means an event listed in Sections 4(a) of this Continuing Disclosure Undertaking.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the respective issue of Bonds, as listed on Exhibit A.

“Trustee” means the institution identified as such in the document under which the respective issue of Bonds were issued.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the Continuing Disclosure Service not later than 180 days after fiscal year end, commencing with the fiscal year ending September 30, 2010. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Continuing Disclosure Undertaking.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Continuing Disclosure Undertaking, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the Continuing Disclosure Service in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a) (12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the Continuing Disclosure Service in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with the Continuing Disclosure Service.

(e) The Disclosure Dissemination Agent shall:

- (i) determine the name and website address of the Continuing Disclosure Service each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) with the Continuing Disclosure Service;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the Continuing Disclosure Service;
- (iv) upon receipt, promptly file the text of each disclosure to be made with the Continuing Disclosure Service together with a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Continuing Disclosure Undertaking:

- 1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a) (1);
- 2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a) (2);
- 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a) (3);
- 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a) (4);
- 5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a) (5);
- 6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a) (6);
- 7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a) (7);
- 8. “Bond calls,” pursuant to Sections 4(c) and 4(a)(8);
- 9. “Defeasances,” pursuant to Sections 4(c) and 4(a)(9);
- 10. “Release, substitution, or sale of property securing repayment of the securities,” pursuant to Sections 4(c) and 4(a)(10);
- 11. “Ratings changes,” pursuant to Sections 4(c) and 4(a)(11);
- 12. “Failure to provide annual financial information as required,” pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Continuing Disclosure Undertaking;
- 13. “Other material event notice (specify),” pursuant to Section 7 of this Undertaking, together with the summary description provided by the Disclosure Representative.

- (v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Continuing Disclosure Undertaking.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the Continuing Disclosure Service, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the heading: Annual Financial Information.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Continuing Disclosure Service. If the document incorporated by reference is a final official statement, it must be available on EMMA. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes on the Bonds;
12. Failure to provide annual financial information as required; and
13. Any other material event.

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence in electronic format with the Continuing Disclosure Service in accordance with Section 2 e (iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Continuing Disclosure Undertaking. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Continuing Disclosure Undertaking.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Continuing Disclosure Service, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Continuing Disclosure Undertaking or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Continuing Disclosure Undertaking shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Continuing Disclosure Undertaking. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Continuing Disclosure Undertaking for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Continuing Disclosure Undertaking, the Holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Continuing Disclosure Undertaking. Any failure by a party to perform in accordance with this Continuing Disclosure Undertaking shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Undertaking. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Continuing Disclosure Undertaking. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Continuing Disclosure Undertaking. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer and the Disclosure Dissemination Agent may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Continuing Disclosure Undertaking necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed

amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Continuing Disclosure Undertaking shall be governed by the laws of the District of Columbia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Continuing Disclosure Undertaking 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.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Undertaking to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: Paula Stuart
Title: Chief Executive Officer

District of Columbia Housing Finance Agency,
as Issuer

By: _____
Name: Harry D. Sewell
Title: Executive Director

:

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer: District of Columbia Housing Finance Agency

Obligor: District of Columbia Housing Finance Agency

Name of Bond Issue: _____

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking, dated as of January 12, 2010, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person

**EXHIBIT C
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to the Continuing Disclosure Service, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

District of Columbia Housing Finance Agency

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached: _____

____ Description of Material Event Notice (Check One):

1. Principal and interest payment delinquencies
2. Non-Payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of securities holders
8. Bond calls
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities
11. Rating changes
12. Other material event notice (specify)

____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Employer: Digital Assurance Certification, L.L.C.

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

9039772_v2