

OFFICIAL STATEMENT

RATINGS:
Moody's: Aa2
S & P: A+
See "RATINGS" herein

Interest on the Series 2002A Bonds is includable in gross income for federal income tax purposes under existing law. See "TAX MATTERS" herein.

NEW ISSUE - BOOK-ENTRY ONLY

\$10,000,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Taxable Junior Lien Single Family Mortgage Revenue Bonds
Series 2002A

Interest Accrues: March 1, 2002

Due: September 1, 2026

The Texas Department of Housing and Community Affairs Taxable Junior Lien Single Family Mortgage Revenue Bonds, Series 2002A (the "Series 2002A Bonds") are issuable by the Texas Department of Housing and Community Affairs (the "Department") only as fully registered bonds, without coupons, and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2002A Bonds. The Series 2002A Bonds will be available to purchasers only in book-entry form in denominations of \$5,000 or any integral multiple thereof. For as long as Cede & Co. is the exclusive registered owner of the Series 2002A Bonds, the principal of or redemption price, and interest on the Series 2002A Bonds will be payable by Bank One, National Association, Austin, Texas, as Trustee, to DTC, which will be responsible for making such payments to DTC Participants (as defined herein), for subsequent remittance to the owners of beneficial interests in the Series 2002A Bonds. The purchasers of the Series 2002A Bonds will not receive certificates representing their beneficial ownership interest. See "THE SERIES 2002A Bonds - DTC and Book-Entry."

The Series 2002A Bonds will accrue interest from the date shown above until maturity or prior redemption at the rate of 7.01% per annum. Interest on the Series 2002A Bonds will be payable to DTC commencing on September 1, 2002, and semi-annually thereafter on each March 1 and September 1 until maturity or prior redemption thereafter, all as more fully described on the inside cover page hereof.

THE SERIES 2002A BONDS ARE SUBJECT TO SPECIAL REDEMPTION, MANDATORY SINKING FUND REDEMPTION, AND OPTIONAL REDEMPTION ON THE DATES AND AT THE REDEMPTION PRICES, INCLUDING REDEMPTION AT PAR UNDER CERTAIN CIRCUMSTANCES, WHICH ARE MORE FULLY DESCRIBED HEREIN. See "THE SERIES 2002A BONDS -- Redemption Provisions."

The Series 2002A Bonds are being issued for the primary purpose of providing funds to finance single-family mortgage loans, multifamily mortgage loans, downpayment assistance for eligible very low income first-time homebuyers in connection with the purchase or development of homes located primarily in rural and border regions of the State of Texas, to pay the costs of issuance of the Series 2002A Bonds and other permitted programs and purposes as determined by the Department from time to time. The Series 2002A Bonds are payable solely from the Revenues and Funds pledged to the payment thereof, as more fully described herein, on a basis which is junior and subordinate to the pledge securing the Department's Senior Lien Bonds (as defined herein). See "SECURITY FOR THE BONDS" and "THE JUNIOR LIEN TRUST INDENTURE."

THE SERIES 2002A BONDS ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THE PAYMENT THEREOF AS MORE FULLY DESCRIBED HEREIN. NEITHER THE STATE OF TEXAS (THE "STATE") NOR ANY AGENCY OF THE STATE, OTHER THAN THE DEPARTMENT, NOR THE UNITED STATES OF AMERICA OR ANY AGENCY, DEPARTMENT OR OTHER INSTRUMENTALITY THEREOF, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2002A BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR THE UNITED STATES OF AMERICA IS PLEDGED, GIVEN OR LOANED TO SUCH PAYMENT. THE DEPARTMENT HAS NO TAXING POWER.

The Series 2002A Bonds are offered when, as, and if issued by the Department. Delivery of the Series 2002A Bonds is subject to approval of the legality thereof by Vinson & Elkins L.L.P., Bond Counsel, and by the Attorney General of the State of Texas, and certain other conditions. Certain legal matters will be passed upon for the Department by its General Counsel, Betty J. Marks, Esq. and by its Disclosure Counsel, McCall, Parkhurst & Horton L.L.P. Certain legal matters will be passed upon for the Underwriters by their counsel Wickliff & Hall, P.C. It is expected that the Series 2002A Bonds will be available for delivery to DTC in book-entry only form on or about March 27, 2002.

March 6, 2002

M.R. BEAL & COMPANY

GEORGE K. BAUM & COMPANY

SIEBERT BRANDFORD SHANK & CO., LLC