

# OFFICIAL STATEMENT

RATINGS:  
Moody's: Aaa  
S & P: AAA

*Vinson & Elkins L.L.P., Bond Counsel, is of the opinion that, subject to certain conditions described herein, (i) interest on the Series 2000A Bonds is excludable from gross income for federal income tax purposes under existing law and (ii) interest on the Series 2000A Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for a discussion of Bond Counsel's opinion, including a description of the federal alternative minimum tax on individuals and corporations.*

NEW ISSUE - BOOK-ENTRY ONLY

**\$50,000,000**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Residential Mortgage Revenue Refunding Bonds**  
**Series 2000A**

Interest Accrues: April 1, 2000

Due: As shown on inside cover page

The Texas Department of Housing and Community Affairs Residential Mortgage Revenue Refunding Bonds, Series 2000A, in the principal amount of \$50,000,000 (the "Series 2000A 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 2000A Bonds. The Series 2000A 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 2000A Bonds, the principal of or redemption price, and interest on the Series 2000A Bonds will be payable by Bank One, Texas, N.A., 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 2000A Bonds. The purchasers of the Series 2000A Bonds will not receive certificates representing their beneficial ownership interest. See "THE SERIES 2000A BONDS - DTC and Book-Entry."

The Series 2000A Bonds will accrue interest from the date shown above until maturity or prior redemption. The Series 2000A Bonds shall bear interest at the respective per annum rates of interest set forth on the inside cover page hereof. Interest on the Series 2000A Bonds will be payable to DTC commencing on January 1, 2001, and semi-annually thereafter on each July 1 and January 1 until maturity or prior redemption thereafter, all as more fully described on the inside cover page hereof.

**THE SERIES 2000A BONDS ARE SUBJECT TO SPECIAL REDEMPTION, OPTIONAL REDEMPTION, AND MANDATORY SINKING FUND 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 2000A BONDS - Redemption Provisions."

The Series 2000A Bonds are being issued for the purpose of refunding all outstanding bonds of that issue of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 1999B-2, in the principal amount of \$50,000,000, thereby making available funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates") backed by qualifying FHA-insured or VA-or RHS-guaranteed mortgage loans, or conventional mortgage loans made to eligible borrowers for single-family residences located in the State of Texas. For certain geographic and income restrictions, see "THE PROGRAM AND THE MORTGAGE LOANS." The Mortgage Certificates will be guaranteed as to timely payment of principal and interest by either the Government National Mortgage Association ("GNMA") (the "GNMA Certificates") or the Federal National Mortgage Association ("Fannie Mae") (the "Fannie Mae Certificates"). See APPENDIX C-1 and APPENDIX C-2. The Series 2000A Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."

**THE SERIES 2000A 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, INCLUDING GNMA, NOR FANNIE MAE, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2000A 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. GNMA AND FANNIE MAE GUARANTEE ONLY THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE GNMA CERTIFICATES AND FANNIE MAE CERTIFICATES, RESPECTIVELY, WHEN DUE AND DO NOT GUARANTEE THE PAYMENT OF THE SERIES 2000A BONDS OR ANY OTHER OBLIGATIONS ISSUED BY THE DEPARTMENT.**

The Series 2000A Bonds are offered when, as, and if issued by the Department. Delivery of the Series 2000A 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 co-counsel, Kutak Rock LLP and Wickliff & Hall, P.C. It is expected that the Series 2000A Bonds will be available for delivery to DTC in book-entry form only on or about May 1, 2000.

March 9, 2000

**M.R. BEAL & COMPANY**

**BEAR, STEARNS & CO. INC.**

**GEORGE K. BAUM & COMPANY**

**SALOMON SMITH BARNEY**

**SIEBERT BRANDFORD SHANK & CO., LLC**      **SOUTHWESTERN CAPITAL MARKETS, INC.**