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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

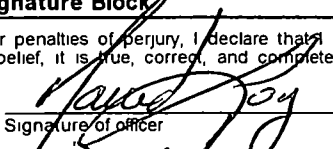
2008Open to Public
Inspection**A For the 2008 calendar year, or tax year beginning****09/01, 2008, and ending****08/31, 2009**

B Check if applicable: ☒ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization TEXAS STATE AFFORDABLE HOUSING CORPORA Doing Business As		D Employer identification number 74-2746185
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2200 EAST MLK, JR. BLVD.		E Telephone number (512) 477-3555 EXT 420
		City or town, state or country, and ZIP + 4 AUSTIN, TX 78702		G Gross receipts \$ 15,682,051.
		F Name and address of principal officer DAVID LONG 2200 EAST MLK, JR. BLVD AUSTIN, TX 78702		H(a) Is this a group return for affiliates? Yes ☐ No ☒ H(b) Are all affiliates included? Yes ☐ No ☐ If "No," attach a list (see instructions)
I Tax-exempt status ☒ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527		J Website: WWW.TSAHC.ORG		
K Type of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1994		M State of legal domicile TX

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities		
	PROVIDE LOWER INCOME TEXANS WITH HOUSING FINANCE OPTIONS, AND SERVE SPECIFIC WORKFORCE INDIVIDUALS UNDER HOME-LOAN PROGRAMS CREATED BY THE TEXAS LEGISLATURE.		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	4
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	4
	5 Total number of employees (Part V, line 2a)	5	16
	6 Total number of volunteers (estimate if necessary)	6	NONE
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	4,827.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	1,375.
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	160,000.	347,679.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,261,614.	15,184,961.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	216,392.	101,972.
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,827.	4,827.
	12	20,638,006.	15,639,439.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		450,000.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		NONE
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	877,525.	1,019,993.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		NONE
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	137,478.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	21,931,342.	15,589,657.
Net Assets or Fund Balances	18 Total expenses—add lines 13-17 (must equal Part IX, column (A), line 25)	22,808,867.	17,059,650.
	19 Revenue less expenses—subtract line 18 from line 12	-2,170,861.	-1,420,211.
	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
21 Total liabilities (Part X, line 26)	310,712,960.	299,059,501.	
22 Net assets or fund balances—subtract line 21 from line 20	308,371,777.	273,073,871.	
		2,341,183.	25,985,630.

Part II Signature Block

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	Signature of officer  DAVID LONG, PRESIDENT		Date 07-15-10
	Type or print name and title		
Paid Preparer's Use Only	Preparer's signature DONALD C. MIKESKA	Date 07/15/2010	Check if self-employed ☐
	Firm's name (or yours if self-employed), address, and ZIP + 4 MIKESKA MONAHAN & PECKHAM, P.C. 100 CONGRESS AVENUE, SUITE 990 AUSTIN, TX 78701	EIN 74-2522242	Preparer's identifying number (see instructions) P00000216

May the IRS discuss this return with the preparer shown above? (See instructions) ☒ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

JSA
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Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's mission

SEE STATEMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If "Yes" describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ 14,229,939. including grants of \$ 450,000.) (Revenue \$ 13,875,309.)

SINGLE-FAMILY PROGRAM - PROVIDES BELOW MARKET 30-YEAR FIXED RATE
MORTGAGE LOANS TO ELIGIBLE FIRST-TIME HOMEBUYERS IN TEXAS;
PROVIDES DOWN PAYMENT ASSISTANCE TO HOME BUYERS; PROVIDES GRANTS
FOR THE CONSTRUCTION OR IMPROVEMENT OF SINGLE FAMILY HOUSING IN
TEXAS; PROVIDES COUNSELING FOR HOMEOWNERS WHO ARE IN DANGER OF
FORECLOSURE.

4b (Code _____) (Expenses \$ 1,237,355. including grants of \$ _____) (Revenue \$ 285,272.)

MULTI-FAMILY PROGRAM - PROVIDES PERMANENT FINANCING FOR THE
PURPOSE OF INCREASING AND PRESERVING AFFORDABLE MULTIFAMILY
HOUSING UNITS THROUGHOUT THE STATE OF TEXAS.

4c (Code _____) (Expenses \$ 719,966. including grants of \$ _____) (Revenue \$ 942,179.)

COMPLIANCE & OVERSIGHT PROGRAM - PROVIDES SERVICES TO OWNERS AND
DEVELOPERS OF LOW-INCOME HOUSING INCLUDING ELIGIBILITY FILE REVIEW,
FILE AUDITS, COMPLIANCE TRAINING AND ASSET OVERSIGHT REVIEWS

4d Other program services (Describe in Schedule O) SEE STATEMENT 2(Expenses \$ 456,789. including grants of \$ _____) (Revenue \$ 429,880.)**4e** Total program service expenses ► \$ 16,644,049. (Must equal Part IX, Line 25, column (B))

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	X
5 Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11 X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12 X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a Did the organization maintain an office, employees, or agents outside of the U S ?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16	X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17	X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K . If "No," go to question 25	24a X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d X	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>	28 a	X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	28 b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	28 c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns. Enter -0- if not applicable	1a 17	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b NONE	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 16	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	X
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	X
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	X
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	X
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	1a	4
b	Enter the number of voting members that are independent	1b	4
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9a	Does the organization have local chapters, branches, or affiliates?	9a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11	X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13	Does the organization have a written whistleblower policy?	13	X
14	Does the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
a	The organization's CEO, Executive Director, or top management official?	15a	X
b	Other officers or key employees of the organization?	15b	X
Describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ►

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► MELINDA SMITH 2200 EAST MLK, JR. BLVD AUSTIN, TX 78702
512-477-3555

Part VIII Statement of Revenue

74-2746185

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	347,679.				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			347,679.			
Program Service Revenue			Business Code				
	2a MULTIFAMILY FEE			109,593.	109,593.		
	b LOAN SERVICING FEE			407,277.	407,277.		
	c ASST OVERSIGHT/COMPLIANCE FEES			632,175.	632,175.		
	d SINGLE FAMILY BOND SERVICING & ISSUER FE			157,492.	157,492.		
	e INTEREST INCOME ON PROGRAM LOANS/INVESTM			13,875,051.	13,875,051.		
	f All other program service revenue			3,373.	3,373.		
	g Total. Add lines 2a-2f			15,184,961.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	STMT 4		101,972.			101,972.
	4 Income from investment of tax-exempt bond proceeds			NONE			
	5 Royalties			NONE			
		(i) Real	(ii) Personal				
	6a Gross Rents	47,439.					
	b Less rental expenses	42,612.					
	c Rental income or (loss)	4,827.					
	d Net rental income or (loss)			4,827.		4,827.	
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory						
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)			NONE			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b Less direct expenses	b					
	c Net income or (loss) from fundraising events			NONE			
	9a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities			NONE			
	10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b						
c Net income or (loss) from sales of inventory			NONE				
Miscellaneous Revenue			Business Code				
11a _____							
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d			NONE				
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e				15,639,439.	15,184,961.	4,827.	101,972.

Part IX Statement of Functional Expenses**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	450,000.	450,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . STMT. 8 . . .	407,195.	270,964.	106,874.	29,357.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	598,738.	487,205.	55,286.	56,247.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . .	14,060.	10,872.	1,498.	1,690.
9 Other employee benefits	NONE			
10 Payroll taxes	NONE			
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	230,807.	210,094.	15,250.	5,463.
c Accounting	78,421.	64,744.	10,069.	3,608.
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	28,000.	23,117.	3,595.	1,288.
g Other	NONE			
12 Advertising and promotion	26,665.	22,015.	3,424.	1,226.
13 Office expenses	15,930.	13,120.	2,069.	741.
14 Information technology	15,305.	12,636.	1,965.	704.
15 Royalties	NONE			
16 Occupancy	99,783.	80,806.	13,972.	5,005.
17 Travel	59,020.	53,624.	3,973.	1,423.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	13,157,736.	13,152,055.	4,182.	1,499.
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization . . .	22,560.	16,742.	4,283.	1,535.
23 Insurance	23,912.	19,292.	3,401.	1,219.
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a ADMINISTAFF CONTRACT FEE -----	281,822.	220,165.	38,638.	23,019.
b BOND FEES & PROGRAM FEES -----	286,050.	286,050.		
c LOAN SERVICING COSTS -----	122,145.	122,145.		
d NONPERFORMING LOAN -----	500,000.	500,000.		
e AMORTIZATION EXPENSE -----	524,932.	524,932.		
f All other expenses -----	116,569.	103,471.	9,644.	3,454.
25 Total functional expenses. Add lines 1 through 24f	17,059,650.	16,644,049.	278,123.	137,478.
26 Joint Costs. Check here ☐ If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash - non-interest-bearing		79,848.
	2 Savings and temporary cash investments	7,446,005.	10,773,826.
	3 Pledges and grants receivable, net		
	4 Accounts receivable, net	410,644.	300,565.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		
	7 Notes and loans receivable, net		
	8 Inventories for sales or use		
	9 Prepaid expenses and deferred charges STMT. 9.	25,759.	27,000.
	10a Land, buildings, and equipment cost basis 10a 1,611,172.		
	b Less accumulated depreciation. Complete Part VI of Schedule D. 10b 250,731.	34,292.	1,360,441.
	11 Investments - publicly traded securities STMT. 10.	291,924,601.	265,914,412.
	12 Investments - other securities. See Part IV, line 11.		
	13 Investments - program-related. See Part IV, line 11.	4,310,233.	4,033,535.
	14 Intangible assets		
	15 Other assets. See Part IV, line 11.	6,561,426.	16,569,874.
16 Total assets. Add lines 1 through 15 (must equal line 34)	310,712,960.	299,059,501.	
Liabilities	17 Accounts payable and accrued expenses	144,064.	239,233.
	18 Grants payable		
	19 Deferred revenue STMT. 11.	15,104,477.	13,072,219.
	20 Tax-exempt bond liabilities	288,386,388.	254,471,795.
	21 Escrow account liability. Complete Part IV of Schedule D		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		
	23 Secured mortgages and notes payable to unrelated third parties. STMT. 12.	1,003,999.	1,796,917.
	24 Unsecured notes and loans payable.	1,050,000.	1,050,000.
	25 Other liabilities. Complete Part X of Schedule D	2,682,849.	2,443,707.
	26 Total liabilities. Add lines 17 through 25.	308,371,777.	273,073,871.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	2,341,183.	8,571,729.
	28 Temporarily restricted net assets		17,413,901.
	29 Permanently restricted net assets		
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds		
	31 Paid-in or capital surplus, or land, building, or equipment fund		
	32 Retained earnings, endowment, accumulated income, or other funds		
	33 Total net assets or fund balances	2,341,183.	25,985,630.
	34 Total liabilities and net assets/fund balances	310,712,960.	299,059,501.

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990. ☐ Cash ☒ Accrual ☐ Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b	If "Yes," did the organization undergo the required audit or audits?	3b	

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

Employer identification number

TEXAS STATE AFFORDABLE HOUSING CORPORATION

74-2746185

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.

2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II)

9 ☒ An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**. (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box: _____

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____

(ii) A family member of a person described in (i) above? _____

(iii) A 35% controlled entity of a person described in (i) or (ii) above? _____

h Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		☒
11g(ii)		☒
11g(iii)		☒

[illegible]

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (See instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐	
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	☐	
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	☐	
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	☐	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	☐	

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	500,000.			160,000.	347,679.	1,007,679.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	4,828,205.	8,743,113.	14,076,437.	20,261,614.	15,125,363.	63,034,732.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	5,328,205.	8,743,113.	14,076,437.	20,421,614.	15,473,042.	64,042,411.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6)						64,042,411.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.	5,328,205.	8,743,113.	14,076,437.	20,421,614.	15,473,042.	64,042,411.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	278,027.	234,991.	315,406.	216,392.	101,972.	1,146,788.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	278,027.	234,991.	315,406.	216,392.	101,972.	1,146,788.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on					4,827.	4,827.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						65,194,026.
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	98.23%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	96.93%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	1.76%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	3.07%

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☒	
b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐	
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐	

Part IV

Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

► Attach to Form 990. To be completed by organizations that
answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

TEXAS STATE AFFORDABLE HOUSING CORPORATION

74-2746185

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if
the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	☐ Yes ☐ No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?	☐ Yes ☐ No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)	☐ Preservation of an historically importantly land area
☐ Protection of natural habitat	☐ Preservation of certified historic structure
☐ Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(I) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(II) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		232,240.		232,240.
b Buildings		1,101,995.	15,560.	1,086,435.
c Leasehold improvements				
d Equipment		51,249.	43,810.	7,439.
e Other		50,689.	38,955.	11,734.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				1,337,848.

Schedule D (Form 990) 2008

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	15,639,439.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	17,059,650.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,420,211.
4	Net unrealized gains (losses) on investments	4	12,896,646.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	12,168,012.
9	Total adjustments (net) Add lines 4-8	9	25,064,658.
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	23,644,447.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	28,463,254.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	12,896,646.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	42,612.
e	Add lines 2a through 2d	2e	12,939,258.
3	Subtract line 2e from line 1	3	15,523,996.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	115,443.
c	Add lines 4a and 4b	4c	115,443.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	15,639,439.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	16,986,819.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	42,612.
e	Add lines 2a through 2d	2e	42,612.
3	Subtract line 2e from line 1	3	16,944,207.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	115,443.
c	Add lines 4a and 4b	4c	115,443.
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	17,059,650.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b

SEE PAGE 5

Part XIV Supplemental Information (continued)

EXPENSES NETTED AGAINST INCOME FOR BOOKS

PART XII - LINE 4B; PART XIII - LINE 4B;

SERVICING FEES PAID TO SUB-SERVICERS OF MORTGAGES ARE NETTED AGAINST

SERVICING INCOME FOR BOOK PURPOSES, BUT REPORTED GROSS FOR TAX RETURN

PURPOSES.

EXPENSES NETTED AGAINST INCOME FOR TAX RETURN

PART XII - LINE 2(D); PART XIII - LINE 2(D);

EXPENSES INCURRED IN CONNECTION WITH THE RENTAL PORTION OF THE OFFICE

BUILDING HAVE BEEN NETTED AGAINST REVENUE FOR TAX RETURN PURPOSES, BUT

ARE REPORTED GROSS FOR BOOK PURPOSES.

OTHER CHANGES IN NET ASSETS

PART XI - LINE 8;

BEGINNING NET ASSETS HAS BEEN RESTATED TO ACCOUNT FOR THE CHANGE IN THE

METHOD OF ACCOUNTING FOR DOWN PAYMENT ASSISTANCE RELATED TO THE SINGLE

FAMILY BOND PROGRAM.

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
Name of the organization

Employer identification number

74-2746185

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990 Part IV line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Use Part IV and Schedule L-1 (Form 990) if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AFFORDABLE HOMES OF SOUTH TEXAS, INC. 1420 ERIE AVENUE MCALLEN, TX 78501	74-1883434	501(C) 3	50,000.				CONSTRUCTION, REHABILITATION HOUSING
BRAZOS VALLEY AFFORDABLE HOUSING 4001 E. 29TH STREET, SUITE 180	74-2632778	501(C) 3	50,000.				CONSTRUCTION, REHABILITATION HOUSING
FOUNDATION COMMUNITIES 3036 SOUTH 1ST STREET, SUITE 200	74-2563260	501(C) 3	50,000.				MULTIFAMILY RENTAL SUPPORT SUPP HOUSING
MIDLAND HABITAT FOR HUMANITY 904 WEST FLORIDA MIDLAND, TX 79702	75-2381356	501(C) 3	50,000.				CONSTRUCTION, REHABILITATION HOUSING
UNITED CEREBRAL PALSY OF TEXAS 1016 LA POSADA, SUITE 145 AUSTIN, TX 78752	74-1364723	501(C) 3	50,000.				CONSTRUCTION, REHABILITATION HOUSING
FORT BEND CORPS ONE FLUOR DANIEL DR., MAIL CODE 12	31-1692828	501(C) 3	50,000.				REHABILITATION, CRITICAL HOUSING
SOUTHEAST TEXAS INTERFAITH ORGANIZATION 3617 GULFWAY DRIVE PORT ARTHUR, TX 77642	03-0591677	501(C) 3	50,000.				REHABILITATION, CRITICAL HOUSING
SELF HELP HOUSING OF EAST TEXAS P. O. BOX 975 NEWTON, TX 75966	04-3740141	501(C) 3	50,000.				REHABILITATION, CRITICAL HOUSING
COMMUNITY DEVELOPMENT CORPORATION OF BROWNS 901 EAST LEVEE BROWNSVILLE, TX 78520	74-1835777	501(C) 3	50,000.				REHABILITATION, CRITICAL HOUSING

- | | | |
|---|--|------|
| 2 | Enter total number of section 501(c)(3) and government organizations | 9 |
| 3 | Enter total number of other organizations | NONE |

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2008

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

PROCEDURES FOR MONITORING USE OF GRANT FUNDS.

SCHEDULE I, PART I, ITEM 2.

TAXPAYER REQUIRES INTERIM AND FINAL REPORTS DESCRIBING THE USE OF GRANT FUNDS AND ACCOMPLISHMENTS REALIZED TOWARD PROVIDING HOUSING TO DESIGNATED UNDERSERVED GROUPS. GRANTEES ARE REQUIRED TO OBTAIN INCOME CERTIFICATION TO DOCUMENT THAT THE FAMILY OR INDIVIDUAL MEETS THE REQUIRED INCOME TESTS.

Supplemental Information on Tax-Exempt Bonds

2008

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▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

74-2746185

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Part I Bond Issues (Required for 2008)

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HAJ8	08/02/2004	49,998,025.	SERIES 2004 SINGLE FAMILY HOME F		X	X	X
B TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HBP3	07/27/2005	24,999,936.	SERIES 2005-A SINGLE FAMILY HOME F		X		X
C TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCL1	10/25/2005	20,970,475.	SERIES 2005-B SINGLE FAMILY HOME F		X		X
D TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCN7	02/28/2005	24,999,450.	SERIES 2006-A SINGLE FAMILY HOME F		X		X
E TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCS6	06/15/2006	24,999,300.	SERIES 2006-B SINGLE FAMILY HOME F		X		X

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2008

Supplemental Information on Tax-Exempt Bonds

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Employer identification number

Part I Bond Issues (Required for 2008)

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCT4	10/17/2006	24,998,050.	SERIES 2006-C SINGLE FAMILY HOME F		X	X	
B TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCV9	02/22/2007	37,187,500.	SERIES 2007A-1 SINGLE FAMILY HOME		X		X
C TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCX5	06/20/2007	39,562,188.	SERIES 2007A-3 SINGLE FAMILY HOME		X		X
D TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HCU1	05/02/2007	24,999,563.	SERIES 2007C SINGLE FAMILY HOME FI		X		X
E TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271HDA4	09/19/2007	24,998,183.	SERIES 2007B SINGLE FAMILY HOME FI		X		X

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Supplemental Information on Tax-Exempt Bonds

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Employer identification number

Part I Bond Issues (Required for 2008)

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185	88271H0G1	10/30/2007	24,998,877.	SERIES 2007D SINGLE FAMILY HOME FI		X		X
B									
C									
D									
E									

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
b Are there any research agreements with respect to the financed property which may result in private business use?										
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.		%		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.		%		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

Schedule K (Form 990) 2008

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Employer identification number

74-2746185

REVIEW OF FORM 990

PART VI, SECTION A, ITEM 10

THE FORM 990 IS REVIEWED BY A MEMBER OF THE AUDIT COMMITTEE PRIOR TO

FILING.

Name of the organization

Employer identification number

TEXAS STATE AFFORDABLE HOUSING CORPORATION

74-2746185

CONFLICT OF INTEREST POLICYPART VI, SECTION B, LINE 12

THE CORPORATION REQUIRES EACH BOARD MEMBER, KEY EMPLOYEE AND MEMBER OF
MANAGEMENT TO SIGN A CONFLICT OF INTEREST STATEMENT. MANAGEMENT REVIEWS
THESE POLICIES EACH YEAR AND REPORTS THE RESULTS TO THE BOARD FOR THEIR
CONSIDERATION.

Name of the organization

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Employer identification number

74-2746185

REVIEW OF EXECUTIVE COMPENSATION

PART VI, SECTION B, LINE 15

THE BOARD REVIEWS COMPENSATION FOR THE PRESIDENT ANNUALLY. COMPARABLE

DATA IS ACQUIRED FROM LIKE AGENCIES. ANY SALARY ADJUSTMENT IS APPROVED

BY THE BOARD.

Name of the organization

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Employer identification number

74-2746185

DISCLOSURE OF INFORMATION TO THE PUBLIC

PART VI, SECTION C, LINE 19

THE ORGANIZATION MAKES IT GOVERNING DOCUMENTS, CONFLICT OF INTEREST

POLICY AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST RECEIVED AT ITS

CORPORATE OFFICES.

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION
=====

THE ORGANIZATION'S PRIMARY EXEMPT PURPOSE IS TO SERVE THE NEEDS OF LOWER INCOME TEXANS NOT AFFORDED HOUSING FINANCE OPTIONS THROUGH CONVENTIONAL LENDING SOURCES, AND TO SERVE CERTAIN TEACHERS, PROFESSIONAL EDUCATORS, POLICE OFFICERS, AND FIRE FIGHTERS UNDER HOME-LOAN PROGRAMS CREATED BY THE TEXAS LEGISLATURE.

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

DESCRIPTION	GRANTS	EXPENSES	REVENUE
LOAN SERVICING PROGRAM FOR LENDORS		456,789.	429,880.
TOTALS		456,789.	429,880.

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS
=====

NAME AND ADDRESS -----	DESCRIPTION OF SERVICES -----	COMPENSATION -----
JAMAIL SMITH CONSTRUCTION 16875 DIAND LANE HOUSTON, TX 77058	CONSTRUCTION	149,250.
GREENBERG TRAUERIG 800 CONNECTICUT AVE., N.W., SUITE 500 WASHINGTON, DC 20006	LEGAL	174,394.
FRAMEWORKS COMMUNITY DEVELOPMENT 701 TILLERY STREET, SUITE A-7B AUSTIN, TX 78702	COUNSELING	122,058.
TOTAL COMPENSATION		----- 445,702. =====

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST INCOME ON INVESTMENTS	101,972.			101,972.
TOTALS	101,972.			101,972.

RENT AND ROYALTY INCOME

Taxpayer's Name TEXAS STATE AFFORDABLE HOUSING CORPORATION		Identifying Number 74-2746185	
DESCRIPTION OF PROPERTY RENTAL INCOME - 2200 MLK BLVD.			
☐	Yes	☐	No Did you actively participate in the operation of the activity during the tax year?
REAL RENTAL INCOME			
OTHER INCOME			
RENT INCOME		47,439.	
TOTAL GROSS INCOME			47,439.
OTHER EXPENSES:			
CLEANING		3,474.	
INSURANCE		2,577.	
MORTGAGE INTEREST PAID TO FINANCIAL INSTITUTIONS		20,019.	
REPAIRS		2,060.	
SUPPLIES		185.	
UTILITIES		3,028.	
OTHER EXPENSES		468.	
DEPRECIATION (SHOWN BELOW)		10,801.	
LESS: Beneficiary's Portion			
AMORTIZATION			
LESS: Beneficiary's Portion			
DEPLETION			
LESS: Beneficiary's Portion			
TOTAL EXPENSES			42,612.
TOTAL RENT OR ROYALTY INCOME (LOSS)			4,827.
Less Amount to			
Rent or Royalty			
Depreciation			
Depletion			
Investment Interest Expense			
Other Expenses			
Net Income (Loss) to Others			
Net Rent or Royalty Income (Loss)			4,827.
Deductible Rental Loss (if Applicable)			

SCHEDULE FOR DEPRECIATION CLAIMED

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des	(e) Bus %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
SEE STATEMENT									
JSA Totals									10,801

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE
=====

OTHER INCOME

RENT INCOME	47,439.

	47,439.
	=====

OTHER DEDUCTIONS

LAWN CARE	468.

	468.
	=====

RENT AND ROYALTY SUMMARY

=====

PROPERTY -----	TOTAL INCOME -----	DEPLETION/ DEPRECIATION -----	OTHER EXPENSES -----	ALLOWABLE NET INCOME -----
RENTAL INCOME - 2200	47,439.	10,801.	31,811.	4,827.
	-----	-----	-----	-----
TOTALS	47,439.	10,801.	31,811.	4,827.
	=====	=====	=====	=====

FORM 990, PART IX - COMPENSATION OF OFFICERS, DIRECTORS, ETC.

=====

NAME ----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
LAURA ROSS			
COMPENSATION:	37,025.	12,342.	NONE
	-----	-----	-----
TOTALS	37,025.	12,342.	NONE
	=====	=====	=====

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PREPAID INS. & OTHER EXP'S	25,759.	27,000.
	-----	-----
TOTALS	25,759.	27,000.
	=====	=====

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	COST OR FMV -----
ASSETS HELD BY BOND TRUSTEE:			
GUARANTEED INVEST. CONTRACT	19,209,797.	2,296,517.	COST
GNMA/FNMA CERTIFICATES	271,062,618.	263,617,895.	FMV
UNRESTRICTED INVESTMENTS			
FED HOME LOAN BANK NOTE	500,000.		COST
CERTIFICATE OF DEPOSIT	1,152,186.		COST
	-----	-----	
TOTALS	291,924,601.	265,914,412.	
	=====	=====	

FORM 990, PART X - DEFERRED REVENUE

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
D-DPAP DEFERRED REVENUE	384,559.	369,407.
RAINBOW HOUSING - DEFERRED FEE	26,753.	55,446.
MARSHALL MEADOWS	NONE	8,455.
2007-A1 BOND SERVICE FEE	11,868.	NONE
2007-A3 BOND SERVICE FEE	19,015.	NONE
2007-B BOND SERVICE FEE	44,972.	NONE
2007-D BOND SERVICE FEE	44,930.	NONE
UNAMORTIZED PREMIUM ON BONDS	14,572,380.	12,638,911.
	-----	-----
TOTALS	15,104,477.	13,072,219.
	=====	=====

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE
=====

LENDER: FHLB - BUNKER SENIOR
 ORIGINAL AMOUNT: 412,500.
 INTEREST RATE: 6.345000
 DATE OF NOTE: 08/31/2004
 MATURITY DATE: 08/31/2024
 REPAYMENT TERMS: MONTHLY PRIN & INT ON 30YR AMORT; BALLOON @ 20YR
 SECURITY PROVIDED: NOTE RECEIVABLE
 PURPOSE OF LOAN: MULTI-FAMILY CONSTRUCTION ASSISTANCE

BEGINNING BALANCE DUE	387,508.
ENDING BALANCE DUE	381,087.

LENDER: FHLB - SAGEBRUSH
 ORIGINAL AMOUNT: 656,250.
 INTEREST RATE: 6.345000
 DATE OF NOTE: 08/31/2004
 MATURITY DATE: 08/31/2024
 REPAYMENT TERMS: MONTHLY PRIN & INT ON 30YR AMORT; BALLOON @ 20YR
 SECURITY PROVIDED: NOTE RECEIVABLE
 PURPOSE OF LOAN: MULTI-FAMILY CONSTRUCTION ASSISTANCE

BEGINNING BALANCE DUE	616,491.
ENDING BALANCE DUE	606,277.

LENDER: PLAINS CAPITAL BANK
 ORIGINAL AMOUNT: 825,000.
 INTEREST RATE: 5.900000
 DATE OF NOTE: 12/31/2008
 MATURITY DATE: 12/31/2018
 REPAYMENT TERMS: 119 MO PMTS @ \$5903 PLUS FINAL BAL DUE 12-31-18
 SECURITY PROVIDED: REAL ESTATE - 2200 E. MLK BLVD, AUSTIN, TX
 PURPOSE OF LOAN: PURCHASE OF OFFICE FACILITY

ENDING BALANCE DUE	809,553.
--------------------------	----------

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	1,003,999.
---	------------

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	1,796,917.
--	------------

SCHEDULE A, PART III - ORGANIZATIONS RECEIVING ANY UNUSUAL GRANTS FOR 2004
=====

NAME OF CONTRIBUTOR -----	DATE ----	AMOUNT -----	EXPLANATION -----
TX DEPT OF HOUSING & CA	08/31/2005	500,000.	FORGIVE NOTE PAYABLE

TOTAL		500,000.	
		=====	

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization	Employer identification number
	TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	P.O. BOX 12637	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	AUSTIN	TX 78711+2637

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| ☒ Form 990 | ☐ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☐ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

- The books are in the care of ► See attached worksheet

Telephone No. ► 512-477-3555X420

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 4/15/2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year _____ or
- ☒ tax year beginning 9/1/2008, and ending 8/31/2009

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	TEXAS STATE AFFORDABLE HOUSING CORPORATION	74-2746185
	Number, street, and room or suite no. If a P.O. box, see instructions	For IRS use only
	P. O. BOX 12637	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	AUSTIN, TX 78711+2637	

Check type of return to be filed (File a separate application for each return).

☒ Form 990	☐ Form 990-PF	☐ Form 1041-A	☐ Form 6069
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 4720	☐ Form 8870
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of **MELINDA SMITH**

Telephone No. **512 477-3555**

FAX No. **512 477-3557**

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **07/15/2010**

5 For calendar year **09/01/2008**, or other tax year beginning **09/01/2008**, and ending **08/31/2009**

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension **TAXPAYER IS AWAITING ADDITIONAL INFORMATION**

FROM THIRD PARTIES THAT IS NECESSARY TO FILE AN ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	NONE
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	NONE
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	NONE

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature

Donald C. Melendez

Title **CPA**

Date **04/05/2010**

MIKESKA MONAHAN & PECKHAM, P.C.

100 CONGRESS AVENUE, SUITE 990

AUSTIN, TX 78701

Form 8868 (Rev 4-2009)