

RESOLUTION

**THE STATE OF TEXAS,
COUNTY OF EL PASO,
CITY OF EL PASO.**

WHEREAS, the El Paso Housing Finance Corporation (the "Issuer") was duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 395, Texas Local Government Code, as amended, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe, sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Issuer has determined to issue its Single Family Mortgage Revenue Refunding Bonds, Series 2003A for the purpose of refunding a portion of the Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2001C, Single Family Mortgage Revenue Bonds Series 2001D-1 and 2001D-2 and its Single Family Mortgage Revenue Refunding Bonds, Series 2003B for the purpose of refunding a portion of the Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2003A for the purpose of providing additional funding to certain qualified low and moderate income home buyers to afford the costs of acquiring and owning decent, safe, and sanitary housing to finance single family residences located within the City of El Paso, Texas, the purchase price of which does not exceed certain limits, and

WHEREAS, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on February 24, 2003, at 9:00 a.m. pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the City approves and encourages the Issuer in its efforts to accomplish the issuance of the Bonds and, as part of such transaction, is willing to provide its General Certificate, and for the Mayor of the City to provide his Certificate concerning the conduct of the Public Hearing on February 24, 2003, copies of which are both attached hereto as Exhibits to this Resolution and made a part hereof for all purposes; and

WHEREAS, the City Council of the City of El Paso hereby authorizes the Mayor to execute both the said General Certificate of the City of El Paso and the Mayor's Certificate, and deliver same to the Issuer.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of El Paso, Texas, that:

1. The Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.
2. The Mayor of the City of El Paso is hereby authorized to execute a General Certificate of the City of El Paso and the Mayor's Certificate in the form attached as Exhibits to this Resolution and deliver same to El Paso Housing Finance Corporation to be used in connection with the issuance of its Bonds.

SIGNED this 25th day of February 2003.



Raymond C. Caballero., Mayor
City of El Paso, Texas

ATTEST:



Richarda Duffy Momsen, City Clerk
City of El Paso, Texas

[SEAL]

Approved as to form:



NORMAN J. GORDON, Issuer's Counsel

GENERAL CERTIFICATE OF CITY OF EL PASO

We, the undersigned, Mayor and City Clerk of the City of El Paso, Texas (the "City"), make this certification for the benefit of all persons interested in the issuance by the El Paso Housing Finance Corporation (the "Issuer") of its SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, SERIES 2003A and SINGLE FAMILY MORTGAGE REVENUE BONDS SERIES 2003B:

1. On FEBRUARY 21, 2003, and at all times since, the following persons, each of whom resides within the City, have been duly appointed by the Governing Body of the City as members of the Board of Directors of the Issuer:

Presi Ortega, Jr.
Rose Rodriguez
Robert Ash
Evelina Ortega
Jan Sumrall
Larry M. Medina, and
Charles Vinson

2. The Governing Body has not created a "joint housing finance corporation" within the meaning of the Texas Housing Finance Corporations Act, as amended (the "Act").
3. The Governing Body has approved the Issuer's Articles of Incorporation and any amendments thereto.
4. The Governing Body has not amended the Issuer's Articles of Incorporation to change the structure, organization, programs or activities of the Issuer, nor has the Governing Body terminated the Issuer as set forth in Section 394.016(c) of the Act or otherwise, nor has the Governing Body taken any action to limit the effectiveness of the resolution adopted by the Issuer authorizing the Bonds or to otherwise affect the Bond transaction.
5. The Attorney General of the State of Texas is hereby authorized to date this Certificate on and as of the date of his approval of the Bonds, and this Certificate and the matters herein certified shall be deemed for all purposes to be true, accurate and correct on and as of that date and on and as of the date of delivery of the Bonds, unless the City through an authorized officer shall notify the Attorney General and the Issuer in writing to the contrary prior to either of such dates.

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE CITY this 25th day of February 2003.



RAYMOND C. CABALLERO
Mayor, City of El Paso, Texas



RICHARDA DUFFY MOMSEN, City Clerk,
City of El Paso, Texas

(SEAL)

APPROVED AS TO FORM:


NORMAN J. GORDON, Issuer's Counsel

MINUTES AND CERTIFICATION PERTAINING TO
ADOPTION OF A RESOLUTION

THE STATE OF TEXAS
COUNTY OF EL PASO
CITY OF EL PASO

On the 25th day of February 2003, the City Council of the City of El Paso, Texas, convened in a regular meeting at the regular meeting place thereof on the second floor of the Municipal Building, 2 Civic Center Plaza, El Paso, Texas, the meeting being open to the public and the notice of said meeting, giving the date place and subject thereof, having been posted as prescribed in the Texas Open Meetings Act, Chapter 551, Government Code, Vernons Annotated Texas Statutes, as amended, and the roll was called of the duly constituted officers and members of the City Council to-wit:

Raymond C. Caballero, Mayor	Jan Sumrall)	
Richarda Duffy Momsen, City Clerk	Rose Rodriguez)	
	Larry M. Medina)	
	John F. Cook)	
	Daniel S. Power)	City Representatives
	Paul J. Escobar)	
	Luis G. Sariñana)	
	Anthony Cobos)	

and all of said persons were present, except the following absentees 1 member, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: A written Resolution bearing the following caption was introduced:

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A GENERAL CERTIFICATE OF THE CITY OF EL PASO AND THE MAYOR=S CERTIFICATION TO BE USED IN CONNECTION WITH THE ISSUANCE BY THE EL PASO HOUSING FINANCE CORPORATION OF ITS SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS SERIES 2003A AND ITS SINGLE FAMILY MORTGAGE REVENUE BONDS SERIES 2003B.

The Resolution, a full, true and correct copy of which is attached hereto, was read and reviewed by the City Council.

Thereupon, it was duly moved and seconded that the Resolution be passed. The motion carried by the following vote:

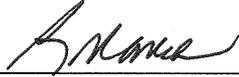
AYES:

NOES:

ABSTENTIONS: *Representatives Sariñana*

The Presiding Officer then declared the Resolution passed and declared the Resolution effective immediately.

MINUTES APPROVED AND CERTIFIED TO BE TRUE AND CORRECT. The attached and following copy of said Resolution is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of the City, and the above-listed persons are hereby certified to be the incumbent officers and members of the City Council, as stated, all on this 25th day of February 2003.



RICHARDA DUFFY MOMSEN, CITY CLERK
CITY OF EL PASO, TEXAS

[SEAL]

MAYOR'S CERTIFICATE

El Paso Housing Finance Corporation
300 E. Main Drive, Suite 725
El Paso, Texas 79901

Re: EL PASO HOUSING FINANCE CORPORATION
SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS,
SERIES 2003A AND ITS SINGLE FAMILY MORTGAGE
REVENUE BONDS, SERIES 2003B

Madam and Gentlemen:

Pursuant to Section 147(f) of the United States Internal Revenue Code of 1986, as amended, I hereby certify that I have been duly elected Mayor of the City of El Paso, Texas, and as such constitute the chief elected executive officer of such City. I have been informed by you that the El Paso Housing Finance Corporation has adopted a Resolution authorizing the issuance of the captioned bonds (the "Bonds") under the provisions of the Texas Housing Finance Corporations Act for the purpose of financing the cost of residential ownership and providing decent, safe, and affordable housing for the residents of the City of El Paso, Texas.

I have been informed that a public hearing regarding the issuance of the Bonds was held by the Issuer on February 24, 2003, at 9:00 a.m.

I hereby approve the issuance of the Bonds for the purpose of Section 147(f) of the Code.

Very truly yours,



Mayor, City of El Paso, Texas

February 25, 2003

Approved as to Form:



Norman J. Gordon, Issuer's Counsel

EL PASO HOUSING FINANCE CORPORATION
MINUTES AND CERTIFICATION
AS TO
PUBLIC HEARING

THE STATE OF TEXAS §
COUNTY OF EL PASO, §
CITY OF EL PASO. §

The undersigned, as counsel of the El Paso Housing Finance Corporation (the "Issuer") and serving in that capacity as a duly designated and authorized "Hearing Officer" for and on behalf of the Issuer, convened a public meeting on the date and at the hour and place specified in the Notice of the Public Hearing conducted at such meeting (a copy of such Notice and the accompanying Affidavit of Publication being attached hereto as Exhibit "A"). Such Notice was duly published in the El Paso Times, a newspaper of general circulation in the City of El Paso, Texas, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public approval prerequisite to the exemption from federal income taxation of interest on the Bonds described therein.

Whereupon, the Hearing Officer declared open the meeting for the purpose of conducting a Public Hearing on the proposed issuance by the Issuer of its \$25,000,000 Single Family Mortgage Revenue Refunding Bonds Series 2003A and Single Family Mortgage Revenue Bonds Series 2003B. The Series 2003A Bonds are being issued for the purpose of refunding all or a portion of the Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2001C, and Single Family Mortgage Revenue Bonds, Series 2001D-1 and Series 2001D-2 (collectively, the "Prior Bonds"). The Prior Bonds were issued to fund (or to refund bonds that had been issued to fund) mortgage loans to qualified low and moderate income first time home buyers for the purchase of owner-occupied single family residences located within the City of El Paso, Texas, the purchase price of which did not exceed certain limits. The Series 2003B Bonds are being issued for the purpose of refunding a portion of the Series 2003A Bonds from time to time, which refundings will fund mortgage loans to qualified low and moderate income first time home buyers for the purchase of owner-occupied single family residences located within the City of El Paso, Texas, the purchase price of which does not exceed certain limits, to assist persons of low and moderate income within the City of El Paso to afford the costs of acquiring and owning decent, safe, and sanitary housing.

All persons desiring to comment with respect to the issuance of the Bonds were invited to address the Hearing Officer. The identity of the persons who addressed the Hearing Officer and summary of their comments is attached to these Minutes, as Exhibit "B." After all persons present desiring to speak had addressed the Hearing Officer, the Public Hearing was declared closed by the Hearing Officer.

These Minutes approved and certified to be true and correct all on this 24th day of February 2003.



Norman J. Gordon, Hearing Officer

(SEAL)

DIAMOND RASH GORDON & JACKSON, P.C.

300 E. MAIN, SUITE 725

EL PASO, TEXAS 79901

AD # 897410

LINES 142

COST: \$353.91

PUBLISHERS AFFIDAVIT

STATE OF TEXAS
COUNTY OF EL PASO

Before me, a Notary in and for El Paso County, State of Texas, on this day personally, appeared TERRIE CARTER who states upon oath that she is the ASSISTANT CLASSIFIED MANAGER of the EL PASO TIMES, a daily newspaper published in the City and County El Paso, State of Texas, which is a newspaper of general circulation and which has been continuously and regularly published for the period of not less than one year in the said County of El Paso, and that he was such upon the EL PASO TIMES.

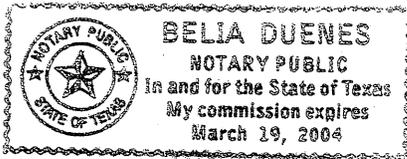
That the LEGAL copy was published in the EL PASO TIMES for the date(s) of such follows 1 DAY(s) to wit 02/08, 2003.

Terrie A. Carter

Signed

Subscribed and sworn to before me,
This 8TH day of FEBRUARY, 2003.

Bella Duenes



NOTICE OF PUBLIC HEARING
EL PASO HOUSING FINANCE CORPORATION
Single Family Mortgage Revenue Refunding Bonds, Series 2003A and Single Family Mortgage Revenue Bonds (GNMA and Fannie Mae

Mortgage-Backed Securities Program) Series 2003B
Notice is hereby given that the El Paso Housing Finance Corporation (the "Corporation") will hold a Public Hearing at 9:00 A.M., February 24, 2003 in the Offices of Diamond Rash Gordon & Jackson, P.C., 300 E. Main, Suite 725, El Paso, Texas, 79901-1372, on the proposed issuance by the Corporation of its Single Family Mortgage Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), and of its Single Family Mortgage Revenue Bonds (GNMA and Fannie Mae Mortgage-Backed Securities Program) Series 2003B (the "Series 2003B Bonds"), and together with the Series 2003A Bonds, the "Bonds"), each in aggregate principal amount not to exceed \$25,000,000. The Series 2003A Bonds are being issued for the purpose of refunding all or a portion of the Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2001C, and Single Family Mortgage Revenue Bonds, Series 2001D-1 and Series 2001D-2 (collectively, the "Prior Bonds"). The Prior Bonds were issued to fund (or to refund bonds that had been issued to fund) mortgage loans to qualified low and moderate income first time home

buyers for the purchase of owner-occupied single family residences located within the City of El Paso, Texas, the purchase price of which did not exceed certain limits. The Series 2003B Bonds are being issued for the purpose of refunding a portion of the Series 2003A Bonds from time to time, which refundings will enable the Corporation to fund mortgage loans made to qualified low and moderate income first time home buyers for the purchase of owner-occupied single family residences located within the City of El Paso Texas, the purchase price of which did not exceed certain limits. All interested persons are invited to attend and express any comments they have orally or in writing regarding the proposed issuance of the Bonds, the purpose for which the Bonds are being issued, and/or the plan of financing related thereto. Questions or requests for additional information may be directed to Norman J. Gordon, Esq., 300 E. Main, Suite 725, El Paso, Texas, 79901-1372, (915) 533-2277. This Notice is published and the above described Hearing is to be held in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public ap-

approval prerequisites to the exemption of federal income taxation of interest on the Bonds.
El Paso Housing Finance Corporation
/s/ Larry M. Medina
President

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EXHIBIT "B"

Summary of comments at a Public Hearing held by El Paso Housing Finance Corporation.

Norman J. Gordon, Hearing Officer, and Josette Flores, 300 E. Main Drive, 7th Floor, El Paso, Texas 79901. Attorneys for: El Paso Housing Finance Corporation.

Mr. Gordon stated that El Paso Housing Finance Corporation (the "Issuer") is an entity authorized by statute and approved by the El Paso City Council to issue Revenue Bonds for the purpose of funding certain mortgage loans made to qualified low and moderate income first time home buyers to finance single family residences located within the City of El Paso. He stated that the Programs will enable additional first-time home owners to purchase safe and decent housing. He further stated that such activity complied with the public purpose promulgated by the Texas Legislature.

FEB 21 PM 2:02

DIAMOND RASH GORDON & JACKSON, P.C.
Attorneys at Law
300 E. Main Street, Suite 725
El Paso, Texas 79901-1372

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Josette Flores

Fax: 915-545-4623

Alan V. Rash
Of Counsel

*Board Certified – Civil Trial Law
Texas Board of Legal Specialization

February 21, 2003

Ms. Richarda Momsen, City Clerk
City of El Paso
2 Civic Center Plaza, 2nd Floor
El Paso, TX 79901

Re: El Paso Housing Finance Corporation

Dear Richarda:

Please place the following items on the agenda for the City Council Meeting scheduled for February 25, 2003:

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A GENERAL CERTIFICATE OF THE CITY OF EL PASO AND THE MAYOR'S CERTIFICATION TO BE USED IN CONNECTION WITH THE ISSUANCE BY THE EL PASO HOUSING FINANCE CORPORATION OF ITS SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS SERIES 2003A AND ITS SINGLE FAMILY MORTGAGE REVENUE BONDS SERIES 2003B.

I have spoken with Charles McNabb, Chief Administrative Officer, concerning this item. If there is any problem in placing this item on the Agenda for February 25, 2003, please advise me.

Very truly yours,



Norman J. Gordon

NJG/lp

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Ms. Richarda Momsen
February 21, 2003
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cc: Charles McNabb via fax
Rita Rodriguez via fax
Larry M. Medina via fax