RESOLUTION

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 394, 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, and sanitary housing for persons of low and moderate income at prices they can afford;

WHEREAS, the Issuer has determined to issue its Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), Series 2007 (the "***Bonds***") 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;

WHEREAS, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on April 11, 2007, at 12:00 noon. pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City of El Paso 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 April 11, 2007, 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:

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.

2. THAT 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 the Issuer to be used in connection with the issuance of its Bonds.

(Signature page to follow)

CITY CLERK DEPT.
07APR 18 PM 3:47

(Signature page)

SIGNED this _____ day of April, 2007.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Susannah M. Byrd, President
El Paso Housing Finance Corporation

APPROVED AS TO FORM:

_____
Norman J. Gordon
Issuer's Counsel

CITY CLERK DEPT.
07 APR 18 PM 3:47

Exhibit to
Resolution

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 BONDS (MORTGAGE-BACKED SECURITIES PROGRAM), SERIES 2007 (the "Bonds"):

1. On April 5, 2007, 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:

   Susannah M. Byrd
   Michael Bray
   J. Alejandro Lozano
   Presi Ortega, Jr.
   Robert B. Ash
   Charles E. Vinson
   Vivian Rojas

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.

(Signature Page Follows)

CITY CLERK DEPT.
07 APR 18 PM 3:47

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE CITY this _____ day of April, 2007.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Susannah M. Byrd, President
Housing Finance Corporation

APPROVED AS TO FORM:

_____
Norman J. Gordon
Issuer's Counsel

CITY CLERK DEPT.
07APR 18 PM 3:47

Exhibit to
Resolution

MAYOR'S CERTIFICATE

CITY CLERK DEPT.
07 APR 18 PM 3:47

El Paso Housing Finance Corporation
2 Civic Center Plaza
8th Floor
El Paso, Texas 79901

Re: EL PASO HOUSING FINANCE CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS
(MORTGAGE-BACKED SECURITIES PROGRAM), SERIES 2007

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 (the "***Issuer***") 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 April 11, 2007 at 12:00 noon.

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

Very truly yours,

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jorge Villegas
Assistant City Attorney

APPROVED AS TO FORM:

_____
Norman J. Gordon
Issuer's Counsel

0012681.00108/NGOR/876632
EPHFC – Series 2007
Mayor's Certificate re: TEFRA Hrg.

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

CITY CLERK DEPT.
07 APR 18 PM 3:48

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 (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 Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), Series 2007 (the "Bonds") in an aggregate principal amount not to exceed $35,000,000. The Bonds are being 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 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 11th day of April, 2007.

Norman J. Gordon, Hearing Officer

0012681.00108/NGOR/876627
EPHFC – Series 2007
TEFRA Hrg. Minutes

Exhibit A

MOUNCE, GREEN, MYERS, SAFI, PAXON & G.

100 N. STANTON, SUITE 1700

EL PASO, TEXAS 79901

CITY CLERK

07 APR 18 PM 3:47

AD # 1000641475

LINES 101

COST: $266.62

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 continously and regularly published for the period of not less than one year in the said County of El Paso, and that she was upon the dates herein mentioned in the EL PASO TIMES.

That the LEGAL NOTICE copy was published in the EL PASO TIMES for the date(s) of such follows 1 DAY(s) to wit MARCH 23, 2007.

Signed Terrie A. Carter

Subscribed and sworn to before me,
This 23RD day of MARCH, 2007.

Belia Quenes

BELIA QUENES
NOTARY PUBLIC
In and for the State of Texas
My commission expires
MARCH 19, 2008

NOTICE OF
PUBLIC HEARING
EL PASO HOUSING FI
NANCE CORPORATION
Single Family Mortgage
Revenue Bonds
(Mortgage-Backed
Securities Program)
Series 2007

Notice is hereby given that the El Paso Housing Finance Corporation (the "Corporation") will hold a Public Hearing at 12:00 Noon, April 11, 2007, in the 8th Floor Conference Room, El Paso City Hall, 2 Civic Center Plaza, El Paso, Texas, 79901, on the proposed issuance by the Corporation of its Single Family Mortgage Revenue Bonds (Mortg age-Backed Securities Program), Series 2007 (the "Bonds"), in an ag gregate principal amount not to exceed $35,000,000. The Bonds will be issued to finance mortgage loans to quali fied 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. Qualified borrowers must meet applicable income limits, home purchase price li mits and first-time home buyer requirements. A portion of the Bonds, not to exceed $10,000,000 principal amount, will be used to refund prior bonds of the Corpora tion as part of the mort gage loan financing pro gram. All interested per sons are invited to at tend and express any comments they have orally or in writing re garding the proposed is suance of the Bonds, the purpose for which the Bonds are being issued, and/or the plan of fi nancing related thereto. Questions or requests for additional informa tion may be directed to Norman J. Gordon, Esq., 100 N. Stanton, Suite 1700, El Paso, Texas 79901, (915) 532-2000. This Notice is published and the above described Hearing is to be held in compliance with the re quirements of Section 147(f) of the Internal Re venue Code of 1986, as amended, regarding the public approval require ment relating to the exemption of federal in come taxation of interest on the Bonds.

El Paso Housing Finance Corporation
/s/ Susannah M. Byrd, President

EXHIBIT "B"

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

Persons in attendance were Norman J. Gordon, Hearing Officer, attorney for El Paso Housing Finance Corporation and Andrea Tirres, Executive Director of 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 Program 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.

CITY CLERK DEPT.
07 APR 18 PM 3:47

MINUTES AND CERTIFICATION PERTAINING TO ADOPTION OF A RESOLUTION

CITY CLERK DEPT.
07APR 18 PM 3:47

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

On the 24th day of April 2007, 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:

John F. Cook, Mayor	Ann Morgan Lilly)	
Richarda Duffy Momsen, City Clerk	Susannah M. Byrd)	
	J. Alexandro Lozano)	
	Melina Castro)	
	Presi Ortega, Jr.)	City Representatives
	Eddie Holguin, Jr.)	
	Steve Ortega)	
	Robert O'Rourke)	

and all of said persons were present, except the following absentees, _____, 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 THE MAYOR'S CERTIFICATE INDICATING PUBLIC APPROVAL REQUIRED BY SECTION 147(F) OF THE INTERNAL REVENUE CODE AND THE GENERAL CERTIFICATE OF THE CITY AS TO THE STATUS OF THE EL PASO HOUSING FINANCE CORPORATION IN CONNECTION WITH THE ISSUANCE BY EL PASO HOUSING FINANCE CORPORATION OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS (MORTGAGE-BACKED SECURITIES PROGRAM), SERIES 2007.

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: __

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 ____ day of April, 2007.

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

[SEAL]

(Signature Page for Min./Cert. Pertaining to Adoption of Resolution)

CITY CLERK DEPT.
07APR 18 PM 3:47

Exhibit to
Certification

RESOLUTION

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 394, 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, and sanitary housing for persons of low and moderate income at prices they can afford;

WHEREAS, the Issuer has determined to issue its Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), Series 2007 (the "***Bonds***") 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;

WHEREAS, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on April 11, 2007, at 12:00 noon. pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City of El Paso 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 April 11, 2007, 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:

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.

2. THAT 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 the Issuer to be used in connection with the issuance of its Bonds.

(Signature page to follow)

CITY CLERK DEPT.
07 APR 18 PM 3:47

(Signature page)

SIGNED this _____ day of April, 2007.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Susannah M. Byrd, President
El Paso Housing Finance Corporation

APPROVED AS TO FORM:

_____
Norman J. Gordon
Issuer's Counsel

CITY CLERK DEPT.
07APR 18 PM 3:47

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 BONDS (MORTGAGE-BACKED SECURITIES PROGRAM), SERIES 2007 (the "Bonds"):

1. On April 5, 2007, 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:

   Susannah M. Byrd
   Michael Bray
   J. Alejandro Lozano
   Presi Ortega, Jr.
   Robert B. Ash
   Charles E. Vinson
   Vivian Rojas

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.

(Signature Page Follows)

CITY CLERK DEPT.
07 APR 18 PM 3:47

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE CITY this _____ day of April, 2007.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Susannah M. Byrd, President
Housing Finance Corporation

APPROVED AS TO FORM:

_____
Norman J. Gordon
Issuer's Counsel

CITY CLERK DEPT.
07 APR 18 PM 3:48

g:\elpaso\lpet\ephfc\2004a\general certificate of city of el paso.wpd

MAYOR'S CERTIFICATE

CITY CLERK DEPT.
07 APR 18 PM 3:48

El Paso Housing Finance Corporation
2 Civic Center Plaza
8th Floor
El Paso, Texas 79901

Re: EL PASO HOUSING FINANCE CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS
(MORTGAGE-BACKED SECURITIES PROGRAM), SERIES 2007

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 (the "***Issuer***") 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 April 11, 2007 at 12:00 noon.

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

Very truly yours,

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Jorge Villegas
Assistant City Attorney

APPROVED AS TO FORM:

Norman J. Gordon
Issuer's Counsel

0012681.00108/NGOR/876632
EPHFC – Series 2007
Mayor's Certificate re: TEFRA Hrg.

EL PASO HOUSING FINANCE CORPORATION
FULFILLING THE AMERICAN DREAM
2 Civic Center Plaza 9th Floor * El Paso, Texas 79901 * 915-541-4845 * (Fax) 915-541-4846 * www.elpasohfc.org

MEMORANDUM

TO: Mayor John F. Cook
City Representatives

FROM: Andrea Tirres, El Paso Housing Finance Corporation

RE: April 24, 2007
El Paso Housing Finance Corporation
2007 Single Family Mortgage Bond Program

DATE: April 17, 2007

The agenda item on the April 24, 2007, City Council Agenda, is a resolution which permits the Mayor to execute the City's General Certificate, and the Mayor's Certificate required by state and federal tax law for the approval and issuance of the El Paso Housing Finance Corporation's Single Family Mortgage Bonds (Mortgage-Backed Securities Program), Series 2007.

El Paso Housing Finance Corporation ("EPHFC").

The EPHFC was established pursuant to law in 1979 in order to provide a means of financing residential ownership and development that will provide affordable, decent, safe, and sanitary housing for persons and families of low and moderate income in the City of El Paso (the "City"). Its principal method for achieving that goal has been its single family mortgage bond program. The single family mortgage bond program benefits the City by providing greater availability of affordable mortgages for low and moderate income families, maintaining the programs of the home construction industry and related jobs, and adding property to the tax rolls.

The Directors and Officers of the EPHFC are:

Susie Byrd, President
Michael Bray, Vice-President
City Representative J. Alejandro Lozano, Secretary
City Representative Presi Ortega, Jr., Treasurer

Robert Ash, Assistant Secretary
Vivian Rojas, Board Member
Charles Vinson, Board Member

The 2007 Single Family Mortgage Revenue Bond Program (the "2007 Program").

The 2007 Program will provide approximately $22,267,000 in new single family mortgage money for financing homes for purchasers, primarily for first time home buyers[1], of low and moderate income at competitive rates for homes up to certain prices within the City. The program will provide 4 points of down payment and/or closing cost assistance to all purchasers and an additional 2 points for a total of 6 points of downpayment and/or closing cost assistance in targeted areas in the certain portions of the City. In addition, active military borrowers will be entitled to an additional 2 points of downpayment assistance anywhere in the city. The maximum amount of downpayment assistance will not exceed 6 points for any loan. The interest rate on the loans will be determined prior to the Council meeting.

The participating lenders in the program are: Countrywide Home Loans, Inc., GECU(Greater El Paso Credit Union), Patriot Mortgage Company, Rocky Mountain Mortgage Company and State National Bank. In addition, Countrywide Home Loans will again be the Master Servicer. JPMorgan Chase Bank will act as Trustee, First Southwest Corporation as Financial Advisor to the Corporation, Delgado Acosta Braden & Jones as Bond Counsel, Greenberg Traurig as Disclosure Counsel, and Mounce Green Myers Safi Paxson & Galatzan as Issuer=s Counsel.

Pursuant to controlling law, the City has no liability for payment of these bonds. We expect that the EPHFC will enter into a bond purchase agreement pursuant to which, Freddie Mac (Federal Home Loan Mortgage Corporation) will purchase the bonds. Pending the origination of the mortgages, the funds will be invested by the Trustee in a guaranteed investment in compliance with the tax law.

After the City Council has adopted its resolution, and all documents have been executed, the file will be forwarded to the Texas Attorney General for review and a request that the Attorney General issue its approving opinion. We expect the issue to close on April 27, 2007, and the lenders able start using the funds immediately after that date.

Some of the EPHFC board members, Norman Gordon, Paul Braden and I will be at the Council meeting on April 24, 2007 to answer any questions you may have.

cc: Joyce Wilson, City Manager
Charlie McNabb

---

[1] First time home buyers are those who have not had any ownership interest in a home in the last three years. Purchasers in certain federally designated census tracts need not be first time home buyers. A potential homebuyer that previously occupied a mobile home as his/her primary residence, that was NOT permanently affixed to the ground, may still be considered a first-time homebuyer.

Jorge Villegas
EPHFC Board
Norman Gordon
Robin Miller
Paul Braden

El Paso Housing Finance Corporation
2007 Single Family Mortgage Revenue Bond Program

Maximum Income Limits

	Family Size 2 or less	**Family Size 3 or More**
Non Targeted Areas	$52,600	$60,490
Federally Targeted Areas	$63,120	$73,460

Maximum Purchase Prices

New Homes and Existing Homes

Non Targeted Areas

$175,000

Federally Targeted Areas

$200,000