
ROWLETT HOUSING FINANCE CORPORATION

DISCLOSURE COMPLIANCE POLICY

Adopted: June 20, 2018

TABLE OF CONTENTS

SECTION	HEADING	PAGE
Introduction.....		1
Bonds Subject to this Policy		1
Compliance Officer.....		2
ARTICLE I. ANNUAL REVIEW AND REPORTING		2
Annual Review		2
Annual Reporting.....		3
ARTICLE II. SECURITIES LAW COMPLIANCE		3
Official Statements		4
Continuing Disclosure		4
ARTICLE III. MISCELLANEOUS.....		5
Professionals		5
Training.....		6
Maintenance of Website ‘Investor’ Tab.....	Error! Bookmark not defined.	
Additional Records		6
Changes to the Policy.....		6

APPENDIX A: LIST OF BONDS

APPENDIX B: LIST OF REPORTABLE EVENTS

APPENDIX C: FORM OF ANNUAL REPORT

ROWLETT HOUSING FINANCE CORPORATION

DISCLOSURE COMPLIANCE POLICY

INTRODUCTION

Rowlett Housing Finance Corporation (the “*Issuer*”) is a public, nonprofit housing finance corporation duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the “*Act*”). Pursuant to the Act, the Issuer is authorized to issue bonds, notes and any other limited obligation to finance (i) the development costs of a residential development, (ii) the costs of purchasing or funding the making of home mortgages and (iii) any other costs associated with the provision of affordable housing under the Act (collectively, “*Bonds*”). This Disclosure Compliance Policy (this “*Policy*”) provides guidelines and procedures for issuance and post-issuance compliance of the federal securities laws and the securities laws of the State of Texas in connection with Bond transactions. This Policy is only for the benefit of the Issuer. No other person (including an owner of a Bond) may rely on the procedures included in this Policy.

BONDS SUBJECT TO THIS POLICY

In general, with certain exceptions, Rule 15c2-12 under the Securities Act of 1934, as amended (“*Rule 15c2-12*”) requires underwriters of municipal securities to (i) obtain, review and disseminate an official statement relating to the municipal securities and (ii) determine that an issuer of municipal securities or obligated person¹ with respect to such municipal securities has undertaken to provide specified information to the Municipal Securities Rulemaking Board (the “*MSRB*”) in a continuing disclosure agreement.

Continuing disclosure agreements generally require an issuer of municipal securities or an obligated person with respect to such municipal securities to provide annual financial information and notice of certain Reportable Events (as hereinafter defined) to the MSRB. Pursuant to Rule 15c2-12, annual financial information must be reported on or before the date specified in the applicable continuing disclosure agreement. Reportable Events must be disclosed to the MSRB within ten (10) business days of the occurrence of the event. Annual financial information and Reportable Event Disclosures (as hereinafter defined) are provided to the MSRB through the Electronic Municipal Market Access website (“*EMMA*”). Exemptions to these requirements are available in certain instances.

¹ The term “obligated person” means “any person, including an issuer of municipal securities, who is either generally or through an enterprise fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations of the municipal securities to be sold in the [o] ffering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).” See 17 CFR 240.15c2-12(f)(10).

Attached hereto as *Appendix A* is a list of the Issuer's outstanding Bonds. The Compliance Officer (as hereinafter defined) will update this list whenever Bonds are issued and whenever an issue of Bonds subject to this Policy is no longer outstanding.

Bonds listed in Part I of *Appendix A* represent issuances pursuant to which the Issuer has undertaken in a continuing disclosure agreement to provide the disclosure required by Rule 15c2-12. Bonds listed in Part II of *Appendix A* represent issuances pursuant to which an obligated person, and not the Issuer, has undertaken in a continuing disclosure agreement to provide the disclosure required by Rule 15c2-12 or issuances pursuant to which no continuing disclosure is required by Rule 15c2-12.

This Policy has been adopted primarily to ensure compliance by the Issuer with federal securities laws and the securities laws of the State of Texas in connection with the Bonds listed in Part I of *Appendix A*. While the Issuer does not have continuing disclosure obligations pursuant to Rule 15c2-12 with respect to the Bonds listed in Part II of *Appendix A*, the Issuer has undertaken to monitor compliance by the applicable obligated person with respect to such Bonds pursuant to the applicable continuing disclosure agreement, if any, as set forth in Article II herein. NOTWITHSTANDING ANY SUCH VOLUNTARY ACTIONS TAKEN BY THE ISSUER, NOTHING IN THIS POLICY SHOULD BE CONSTRUED AS IMPOSING CONTINUING DISCLOSURE OBLIGATIONS ON THE ISSUER WITH RESPECT TO THE BONDS LISTED IN PART II OF *APPENDIX A*.

COMPLIANCE OFFICER

Effective as of the date of adoption of this Policy, the Issuer's Compliance Officer (the "Compliance Officer") shall be the person appointed as such by the Board (as hereinafter defined). The Issuer designates the Compliance Officer as having responsibility to keep all records required to be kept by the Issuer under this Policy, to make all reports to the Issuer required by this Policy, and to otherwise assure that all actions required of the Issuer hereunder be taken in a timely manner. The Compliance Officer may further delegate certain tasks to other officers, employees or agents of the Issuer. Such delegation shall not relieve the Compliance Officer from responsibility to assure that all tasks assigned to the Compliance Officer hereunder are completed in a timely fashion.

ARTICLE I ANNUAL REVIEW AND REPORTING

ANNUAL REVIEW

The Compliance Officer shall, not later than January 31 of each year, conduct an annual review with respect to the previous calendar year, which annual review shall consist of the following:

- verify that the Compliance Officer has all Undertakings (defined below);

- review each of the provisions of this Policy and assess general compliance with such provisions during the year;
- conduct the reviews required pursuant to Articles I, II and III; and
- to the extent necessary, in the Compliance Officer's sole discretion, consult with other staff, Bond Counsel (as hereinafter defined), Issuer's Counsel (as hereinafter defined) and other appropriate professionals to (i) evaluate the effectiveness of this Policy and (ii) solicit and consider recommendations for improvements to this Policy.

ANNUAL REPORTING

Upon completion of the annual review, the Compliance Officer shall prepare an annual written report (the “*Annual Report*”) and, except as otherwise provided below, shall present the matters set forth in such report to the Board of Directors of the Issuer (the “*Board*”) no later than March 15 of each year. The Annual Report shall consist of the following:

- a statement as to whether all required records are in the possession of the Compliance Officer;
- a brief description of overall compliance with the provisions of this Policy;
- the reports required pursuant to Articles I, II and III; and
- to the extent applicable, the results of the Compliance Officer's consultation with other staff, Bond Counsel and other appropriate professionals to evaluate the effectiveness of this Policy, including recommendations for improvements to this Policy.

The Annual Report shall be in substantially the same form as *Appendix C* hereto.

ARTICLE II SECURITIES LAW COMPLIANCE

The Issuer is committed to ensuring that disclosure in connection with the Bonds is complete, accurate and timely. All Annual Financial Information (as hereinafter defined), Official Statements (as hereinafter defined), continuing disclosure filings, rating agency presentations, road shows and other information intended or reasonably expected to be viewed by investors, rating agencies or the public shall be prepared and disseminated on a timely basis in compliance with the following, which are collectively referred to as the “*Disclosure Standards*”: (i) the anti-fraud provisions of federal and State of Texas securities laws (*i.e.*, the information shall not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein not misleading); (ii) continuing disclosure agreements executed and delivered by the Issuer in connection with an issuance of Bonds (the

“*Undertakings*”) and the applicable Bond documents; and (iii) applicable standards, rules or guidance promulgated by the Securities and Exchange Commission (the “SEC”).

OFFICIAL STATEMENTS

In Bond transactions where it is necessary to prepare Official Statements (the “*Official Statements*”), the Issuer shall adhere to the following disclosure procedures:

The Compliance Officer shall review, comment on and update Official Statements. The Compliance Officer shall be responsible for ensuring all information and data presented with regard to the Issuer and the project or program financed with the proceeds of the Bonds is complete, accurate and current.

An Official Statement shall not be publicly disseminated until, in the opinion of the Compliance Officer, it is in compliance with the Disclosure Standards.

Although prior Official Statements may be used as a template in later transactions, each Official Statement shall be thoroughly reviewed by the Compliance Officer and the Board to ensure all information is up-to-date and accurate in all respects and does not omit important information that would be material to potential bondholders.

The Board should review a substantially final form of each Official Statement prior to its distribution to the public, with particular focus on the information regarding the Issuer, and shall inform the Compliance Officer of any information the Board believes is not complete or accurate or which has been omitted and should be included.

The Compliance Officer may retain the assistance of professionals, including consultants, Bond Counsel, Issuer’s Counsel, the Issuer’s financial advisor, if any, and the applicable underwriter(s) in preparing and reviewing Official Statements.

CONTINUING DISCLOSURE

With respect to Bonds listed in Part I of *Appendix A*, for which the Issuer has entered into an Undertaking to provide continuing disclosure, the Compliance Officer shall cause to be filed with the MSRB’s Electronic Municipal Market Access system (“EMMA”): (i) all annual financial information (the “*Annual Financial Information*”) described in the Undertakings and (ii) notices (the “*Reportable Event Disclosures*”) of certain enumerated events listed in the Undertakings and in *Appendix B* hereto (the “*Reportable Events*”) in accordance with and at the times required by the Undertakings. In this regard, the Issuer and the Compliance Officer shall adhere to the following procedures:

Reportable Event Filings. As required by Rule 15c2-12, the Compliance Officer shall monitor the occurrence of Reportable Events, and shall cause Reportable Event Disclosures to be made as necessary and within the times required by the Undertakings and Rule 15c2-12. The Compliance Officer shall consult with Bond Counsel or Issuer’s

Counsel to the extent deemed advisable in connection with each Reportable Event Disclosure.

No Reportable Event Disclosure filing shall be disseminated unless, in the opinion of the Compliance Officer, such filing complies with the Disclosure Standards.

Annual Determination of Reportable Events. As part of the annual review required pursuant to Article I hereof (and in connection with each Bond issuance), the Compliance Officer shall cause a review to be made to determine all Reportable Event Disclosures made during the year, and whether a Reportable Event occurred during the year for which appropriate disclosure was not made as required by the Undertakings. If such an event occurred in the preceding year and appropriate disclosure was not made, or if the Annual Financial Information was not filed in a timely manner, the Compliance Officer shall cause a Reportable Event Disclosure, filing to be prepared and disseminated.

The Compliance Officer will include in the Annual Report required pursuant to Article I hereof, a report on each Reportable Event Disclosure filed during the year with respect to the Bonds listed in Part I of *Appendix A*.

Notwithstanding that the Issuer does not have continuing disclosure obligations with respect to the Bonds listed in Part II of *Appendix A*, the Issuer will review the compliance by obligated persons pursuant to the applicable continuing disclosure agreements in connection with such Bonds. To the extent that such information is accessible to the Compliance Officer, the Compliance Officer will include in the Annual Report required pursuant to Article I hereof, a report on compliance by obligated persons with such continuing disclosure agreements.

As provided in Article III below, the Compliance Officer may obtain the assistance of Bond Counsel, Issuer's Counsel, a dissemination agent or other professionals to compile, format and disseminate the information and materials necessary to comply with the Issuer's continuing disclosure responsibilities. The Compliance Officer will enroll in the MSRB's service to receive email reminders for annual filings on EMMA.

ARTICLE III MISCELLANEOUS

PROFESSIONALS

The Issuer is a regular issuer of Bonds. Accordingly, the Issuer has retained the services of McCall, Parkhurst & Horton LLP, as bond counsel to the Issuer ("Bond Counsel") and Nichols, Jackson, Dillard, Hager & Smith, LLP, as general counsel to the issuer ("Issuer's Counsel"). The Issuer may also retain the services of other professionals, including a financial advisor, on a transaction-by-transaction basis, as deemed necessary by the Issuer.

The Board and other Issuer officers and employees may utilize the services of such professionals in connection with the execution of any of their responsibilities under this Policy.

TRAINING

The Compliance Officer shall participate in such continuing professional education courses and seminars in public finance, municipal securities disclosure and related topics as necessary or appropriate to ensure a sufficient level of knowledge and training for the effective administration of, and compliance with, this Policy.

The Compliance Officer will provide copies of Bond documents and this Policy to other officers or directors who may be responsible for taking actions described in the Bond documents and in particular to any person who is to be a successor Compliance Officer. The Compliance Officer will assist in the education of any successor Compliance Officer and the transition of the duties under this Policy.

The Compliance Officer should undertake to maintain a reasonable level of knowledge concerning the rules related to tax-exempt and tax-advantaged bonds so that he or she may fulfill his or her duties hereunder. The Compliance Officer may consult with Bond Counsel, Issuer's Counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, such officer may consult with Bond Counsel, Issuer's Counsel, consultants and experts to assist in exercising his or her duties under this Policy. The Compliance Officer should coordinate appropriate training and education of other personnel of the Issuer.

The Compliance Officer should review the Bond documents and this Policy periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or other experts or consultants or staff.

ADDITIONAL RECORDS

The Compliance Officer, in coordination with the applicable officers and/or employees of the Issuer, shall cause to be maintained all records, in addition to those described above, necessary to demonstrate the Issuer's compliance with this Policy.

CHANGES TO THE POLICY

This Policy may be revised and amended from time to time as the Board and the Compliance Officer deem necessary to comply with the requirements of the federal securities laws and the securities laws of the State of Texas. The Board and the Compliance Officer may, from time to time and upon the issuance of new Bonds, contact counsel to determine whether this Policy adequately addresses the post-issuance responsibilities of the Issuer as required by the federal securities laws and the securities laws of the State of Texas.

APPENDIX A

LIST OF BONDS

PART I: ISSUANCES WHERE THE ISSUER HAS CONTINUING DISCLOSURE OBLIGATIONS

None.

PART II: ISSUANCES WHERE AN OBLIGATED PERSON HAS CONTINUING DISCLOSURE OBLIGATIONS OR FOR WHICH THERE ARE NO CONTINUING DISCLOSURE OBLIGATIONS

NAME OF ISSUE	DATE OF ISSUANCE	FINAL MATURITY DATE
Multifamily Housing Revenue Note (Savannah at Lakeview Senior Living) Series 2017	December 22, 2017	December 1, 2035

APPENDIX B

LIST OF REPORTABLE EVENTS

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material*
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material* notices or determinations with respect to the tax status of the security, or other material* events affecting the tax status of the security
7. Modifications to the rights of security holders, if material*
8. Bond calls, if material*, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material*
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer**
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material*
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material*

* As materiality is interpreted under the Securities Exchange Act of 1934, as amended.

** This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

APPENDIX C

FORM OF ANNUAL REPORT

ANNUAL COMPLIANCE REPORT RE: DISCLOSURE COMPLIANCE POLICY

To: Board of Directors of the Rowlett Housing Finance Corporation

Pursuant to its responsibilities as set forth in the Disclosure Compliance Policy (the “*Policy*”) adopted by the Board of Directors (the “*Board*”) of the Rowlett Housing Finance Corporation (the “*Issuer*”), on June 20, 2018, as amended from time to time, the Compliance Officer has conducted the annual review required by the Policy and has prepared this Annual Report to determine whether the Bonds (as defined in the Policy) comply with the disclosure requirements of the Policy applicable to each issue of Bonds. The following sets forth a summary demonstrating the Issuer’s compliance with the Policy.

RECORDS

[The Compliance Officer has all of the records required under the Policy.]

[The Compliance Officer is taking appropriate action to recover the records required under the Policy.]

CONTINUING DISCLOSURE

(a) With respect to Bonds listed in Part I of Appendix A to the Policy:

(i) The Compliance Officer has reviewed the agreements of the Issuer with respect to each issue of Bonds pursuant to which the Issuer has continuing disclosure obligations (the “*Undertakings*”) to determine whether the Annual Financial Information was filed in a timely manner.

[All such information was filed within the times required by all Undertakings.]

[The following information was not timely filed as required by the Undertakings: [specify]].

(ii) The Compliance Officer has conducted a review of all Reportable Event Disclosure made this year.

[No Reportable Event Disclosure has been required.]

[The following Reportable Event Disclosure was made in a timely manner: [specify]]

[The following Reportable Event(s) occurred and disclosure was not made in a timely manner, but has been remedied as follows: [specify]].

(b) With respect to Bonds listed in Part II of Appendix A to the Policy:

(i) The Compliance Officer has reviewed the agreements of the applicable obligated person with respect to each issue of Bonds pursuant to which such obligated person has continuing disclosure obligations to determine whether the Annual Financial Information was filed in a timely manner.

[All such information was filed within the times required by the applicable continuing disclosure agreements.]

[The following information was not timely filed as required by the applicable continuing disclosure agreements: [specify]].

(ii) The Compliance Officer has conducted a review of all Reportable Event Disclosure made this year.

[No Reportable Event Disclosure has been required.]

[The following Reportable Event Disclosure was made in a timely manner: [specify]]

[The following Reportable Event(s) occurred and disclosure was not made in a timely manner, but has been remedied as follows: [specify]].

COMPLIANCE WITH POLICY

[Except as described in this Report, all] [All] issues of Bonds are in compliance with all requirements of the Policy applicable to each such issue.

[The Issuer is currently not in compliance with the following Policy requirements: [specify]].

Based upon the foregoing, the Compliance Officer:

[believes that no further action is necessary at this time.]

[recommends that the following remedial actions be taken: [specify]]

[recommends that the Board consult with Bond Counsel, and, if necessary, seek correction of such failures, defaults, violations or potential violations].

EFFECTIVENESS OF THE POLICY

The Compliance Officer [has consulted] [has not deemed it necessary to consult] with other staff, Bond Counsel and other professionals in order to evaluate the effectiveness of the Policy. [State results of such consultation, if applicable.]

The Compliance Officer has

[no recommendations for change in the Policy.]

[the following recommendations for improvements in the Policy.]

DELIVERY OF THIS REPORT

This report will be entered into the records of the Board and made available to all members of the Board at the next regular meeting thereof.

Respectfully submitted this 20th day of June 2018.

ROWLETT HOUSING FINANCE CORPORATION

By _____
Compliance Officer