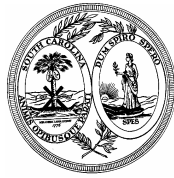




REGULAR BOARD MEETING
JANUARY 18, 2011 10:15 A.M.

- I. Call to Order (**10:15 a.m.**) **NOTE TIME**
- II. Freedom of Information Act Statement
- III. Adoption of Proposed Agenda
- IV. Regular Session
 - A. Approval of Minutes November 16, 2010 (Chairman Smith)
 - B. Bond Committee
 - 1. Adoption of a Multi-Family Bond Final Resolution (Tracey Easton)
 - C. Program Committee
 - 1. Housing Trust Fund Designee Resolution (Tracey Easton)
 - D. Proposed SEC Ruling for Municipal Advisors (Tracey Easton)
 - E. Development Division Update (Laura Nicholson)
 - F. SC HELP Update (Matt Rivers)
 - G. Reports
 - 1. Chairman (Chairman Smith)
 - 2. Executive Director (Valarie Williams)
 - 3. Deputy Director (Ed Knight)
 - 4. Marketing & HR Director (Cynthia Dannels)
 - 5. Finance Director (Richard Hutto)
- V. Other Business
- VI. Executive Session
- VII. Next Meeting (February 15, 2011)
- VIII. Adjournment



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803)896-9001

TTY: (803) 896-8831

T. Scott Smith
Chairman

Valarie M. Williams
Executive Director

REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, November 16, 2010 at approximately 10:00 a.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners were in attendance:

T. Scott Smith, Chairman
Clente Flemming, Vice Chair
Eddie C. Bines
Carl Roberts
Robert Mickle
Felicia D. Morant
Mary L. Thomas

The following Commissioners were excused: John S. Hill.

Staff and Guests attending the meeting included the following:

STAFF: Valarie M. Williams, Executive Director
Ed Knight, Deputy Director
Carl Bowen, Rental Asst & Compliance
Richard Hutto, Finance
Wayne Sams, Internal Auditor
Tracey Easton, General Counsel
Cynthia Dannels, Marketing & Human Resources
Matt Rivers, SC HELP
Laura Nicholson, Development
Claude Spurlock, Homeownership Production
Luke Lukasewski, Contract Administration
Marty Rawls, Finance
Todd Sipos, Information Technology
Dacia Elrod, Mortgage Production
Bonita Shropshire, Executive Assistant

GUESTS: Bob Detjen, CSG Advisors
Tigerron Wells, HSB Law Firm
Bill Chamblin, Connelly Development
Alisa Mosley, AHC of SC

Chairman Smith called the meeting to order and asked Valarie Williams to read into the record the Freedom of Information Statement.

“As required by the provisions of Section 30-4-80(e) of the Code of Laws of South Carolina, notification of this meeting has been given to all persons, organizations, local news media, and other news media which have requested such notifications.”

Agenda

Chairman Smith presented the agenda for approval.

MOTION Commissioner Mickle moved to adopt the agenda as presented. The motion received a second from Commissioner Thomas. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Minutes

The Chairman asked if there were any additions or corrections to the minutes of October 20, 2010. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Roberts moved to approve the minutes of October 20, 2010 as presented. The motion received a second from Commissioner Morant. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Market Update

Chairman Smith called upon Bob Detjen with CSG Advisors for the market update. Mr. Detjen provided an in-depth review on the current status of the bond market and a brief review of the municipal market before concluding with a summary of how both markets will affect SC State Housing.

Bond Committee

The Chairman called upon Tracey Easton to present the following Resolution.

2010 Carry-Forward Allocation Request

Ms. Easton asked for consideration of a Resolution authorizing a petition to the Budget and Control Board requesting allocation of any unused portion of the State's 2010 Private Activity Bond Ceiling. Ms. Easton stated that Staff had recommended this Resolution to the

Bond Committee at an earlier meeting that morning. Commissioner Bines stated that the Bond Committee had received and reviewed the request, and recommended approval by the full Board.

MOTION Commissioner Bines moved to approve the Resolution. The motion received a second from Commissioner Mickle. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

Program Committee

Housing Trust Fund

Chairman Smith called upon Matt Rivers for the Housing Trust Fund (HTF) report. Mr. Rivers presented the HTF's financial report which included a budget analysis, fiscal year-to-date awards by activity, and the fiscal year cash balance analysis. Mr. Rivers noted that the Fund's remaining unencumbered cash balance was approximately \$144,000. Mr. Rivers then presented 13 project proposals with total funds requested of \$703,250.

Owner-Occupied Rehabilitation Block Grants

Project No. 15411	Allendale county ALIVE, Inc.	\$44,500
Project No. 15311	Beaufort-Jasper EOC	\$44,500
Project No. 16011	Carolina Communities Foundation	\$44,500
Project No. 15811	Community Dev. & Improvement Corp.	\$44,500
Project No. 16111	Community Dev. Corp. of Marlboro Co.	\$44,500
Project No. 16311	East Bluff Community Org.	\$44,500
Project No. 15911	Helping Hands Int. Outreach Ministry	\$44,500
Project No. 15611	Nehemiah CRC	\$44,500
Project No. 15711	New Covenant Community Center, Inc.	\$44,500
Project No. 16211	Preservation Trust of Spartanburg, Inc.	\$44,500
Project No. 15511	Town of Cheraw CDC	\$44,500
Project No. 15211	Unity Unlimited Services, Inc.	\$44,500

Supportive Housing

Project No. 15111	Any Length Recovery, Inc.	\$169,250
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Mr. Rivers stated that Staff recommended approval to the Program Committee at their meeting earlier that day. Commissioner Mickle stated that the Program Committee had reviewed the Staff's request and recommended approval of the Trust Fund awards.

MOTION Commissioner Flemming moved to approve the project proposals. The motion received a second from Commissioner Bines. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

Resolution Approving Allocation for Down Payment Assistance

Chairman Smith called on Richard Hutto to present the Resolution. Mr. Hutto explained that as of November 4, 2010 all but \$300,000 of the \$4 million originally allocated and approved by the Board in 2008 have been committed or reserved. Staff is requesting that the Board approve this Resolution authorizing a \$2 million allocation for down payment assistance from the Program Fund. Commissioner Mickle stated that the Resolution had been reviewed and discussed by the Program Committee and recommends approval.

MOTION Commissioner Mickle moved to approve the Resolution allocating the \$2 million for down payment assistance. The motion received a second from Commissioner Thomas. There being no further discussion, all Commissioners voted in the affirmative and the motion carried.

2011 Qualified Allocation Plan

The Chairman called on Laura Nicholson to present the 2011 Qualified Allocation Plan. Ms. Nicholson presented the draft of the 2011 Low Income Housing Tax Credit Qualified Allocation Plan (QAP) and Manual. She stated that a public hearing was held on November 8 and that the draft QAP was made available for public comment two weeks prior to the hearing. Ms. Nicholson noted several changes to the Plan and Manual. The final draft is expected to go to the Governor for his signature within the next two weeks. The Board received the report as information.

Cash-In Cash-Out Internal Audit Report

The Chairman called on Wayne Sams to present the Internal Auditor's Cash-In Cash-Out Report. Mr. Sams began his report by stating that the Finance Division with support of the Mortgage Servicing Division asked for a review of the bank accounts established to manage cash activities associated with customer loan accounts. After giving the objective of the engagement, Mr. Sams continued his report by giving a thorough overview of his observations and recommendations. The Board received the report as information.

Reports

Executive Director

The Vice Chairman called upon Valarie Williams for the Executive Director's report. Ms. Williams began her report by informing the Board of the agency's recent internal re-organization. Ms. Williams briefly went through the re-organization flow-chart to inform the Board of the various departmental changes. She continued her report with acknowledgement of Commissioner Hill's coordination of a meeting between staff and the incoming State Treasurer, Curtis Loftis. Ms. Williams also made mention of her attendance at the State's sub-committee meetings designed to meet with all state agencies in an effort to restructure. According to Ms. Williams, SC State Housing falls under the Health, Social Services, Natural Resources, Criminal Justice, and Environmental Services sub-committee; the full committee's next meeting will be on December 5, 2010. She concluded her report with mention of the next NCSHA Board of Directors and Executive Directors meeting which she will attend December 5-7, 2010 in Washington, D.C.

Deputy Director

Chairman Smith called upon Ed Knight for the administrative update. Mr. Knight presented the statistical reports on homeownership production, delinquencies, and foreclosures. He highlighted the 60-day delinquency numbers, pointing out that the servicing staff is continuing to work with the customers who can benefit from the assistance of SC HELP. Mr. Knight concluded his report by acknowledging the team-effort of the entire agency in helping to get SC HELP up and running.

Rental Assistance & Compliance Division Director

The Chairman asked Carl Bowen to present any updates within the Rental Assistance and Compliance Division. Mr. Bowen reported that for the 10th consecutive year, the Housing Choice Voucher Program (Section 8) has been rated by the U.S. Department of Housing and Urban Development as a high performer.

Marketing & HR Division Director

Chairman Smith asked Cynthia Dannels to present the Human Resources report. Ms. Dannels began by allowing three managers to introduce the new transfers within their divisions. In the absence of Mark Philips, Ed Knight informed the Board that Todd Sipos who has been with the Agency since 2000 is now the Applications Analyst, still within the division of Information Technology. Claude Spurlock introduced Dacia Elrod who is now the Purchasing Coordinator within Mortgage Production. Ms. Elrod comes to SC Housing with over 15 years of banking experience. Richard Hutto then presented Marty Rawls, a Grants & Operations Accountant within Finance. Notification of Ms. Rawls employment was previously made known at the October meeting.

Ms. Dannels then invited the Board to the Agency's Holiday Lunch on December 10, 2010. She concluded her report by informing the Board that the S.C. Employee's Insurance Program recently completed an audit on five years of the agency's employee insurance files and there were no findings.

Finance

The Chairman asked Richard Hutto to present the finance report. Mr. Hutto presented the audited financial statements for the period ending June 30, 2010 and offered a brief overview of the summary of the statements. Mr. Hutto then presented the monthly financial statements through October 31, 2010 as information.

Other Business

There being no additional business to come before the Board, Chairman Smith adjourned the meeting.

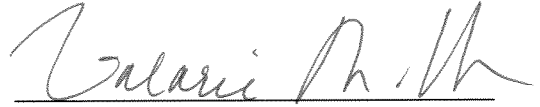
Respectfully submitted,

Valarie M. Williams, Secretary

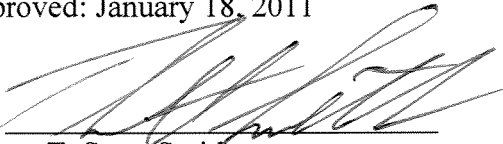
Approved: January 18, 2011

By: _____
T. Scott Smith
Chairman

Respectfully submitted,


Valarie M. Williams, Secretary

Approved: January 18, 2011

By: 
T. Scott Smith
Chairman



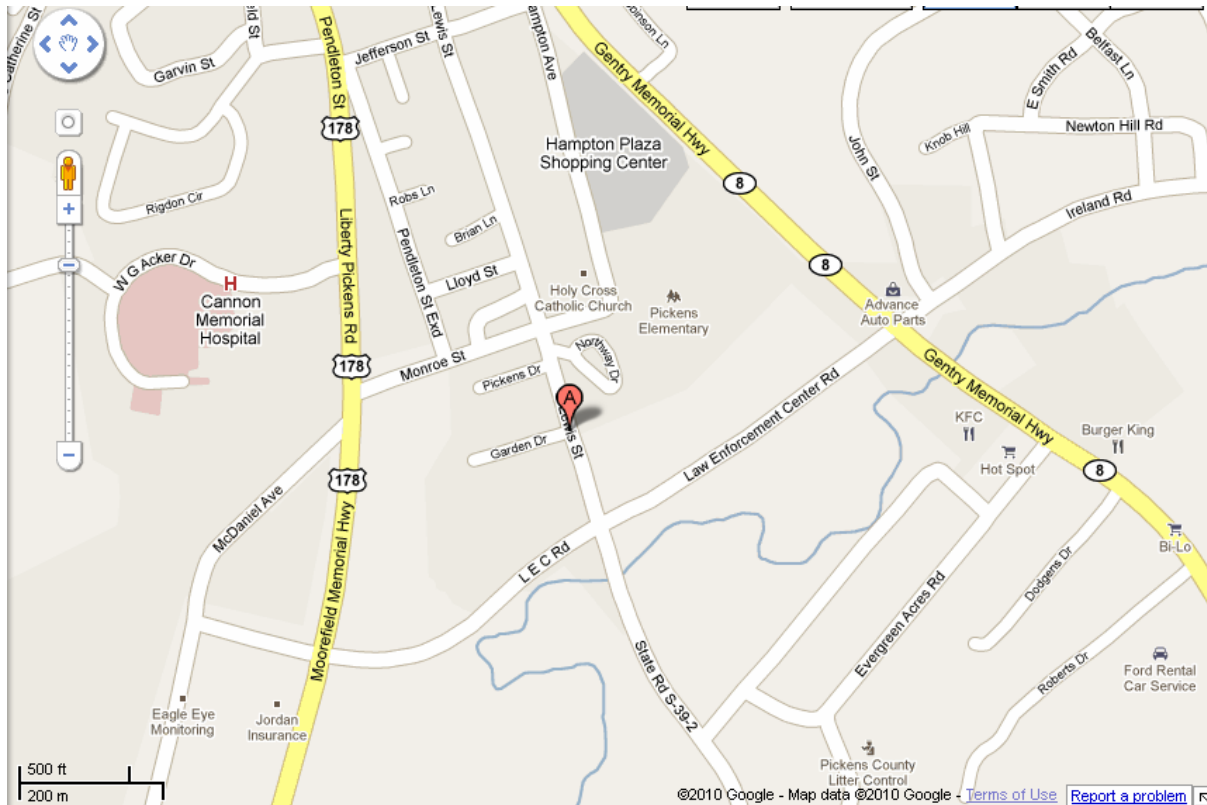
Division: **Legal**

Subject: Consideration of a Resolution making Preliminary Provision for the Issuance of not exceeding \$6,250,000 aggregate principal amount of Multifamily Rental Housing Revenue Bonds, (RHA Development Projects), Series 2011 of the South Carolina State Housing Finance and Development Authority and other matters related thereto.

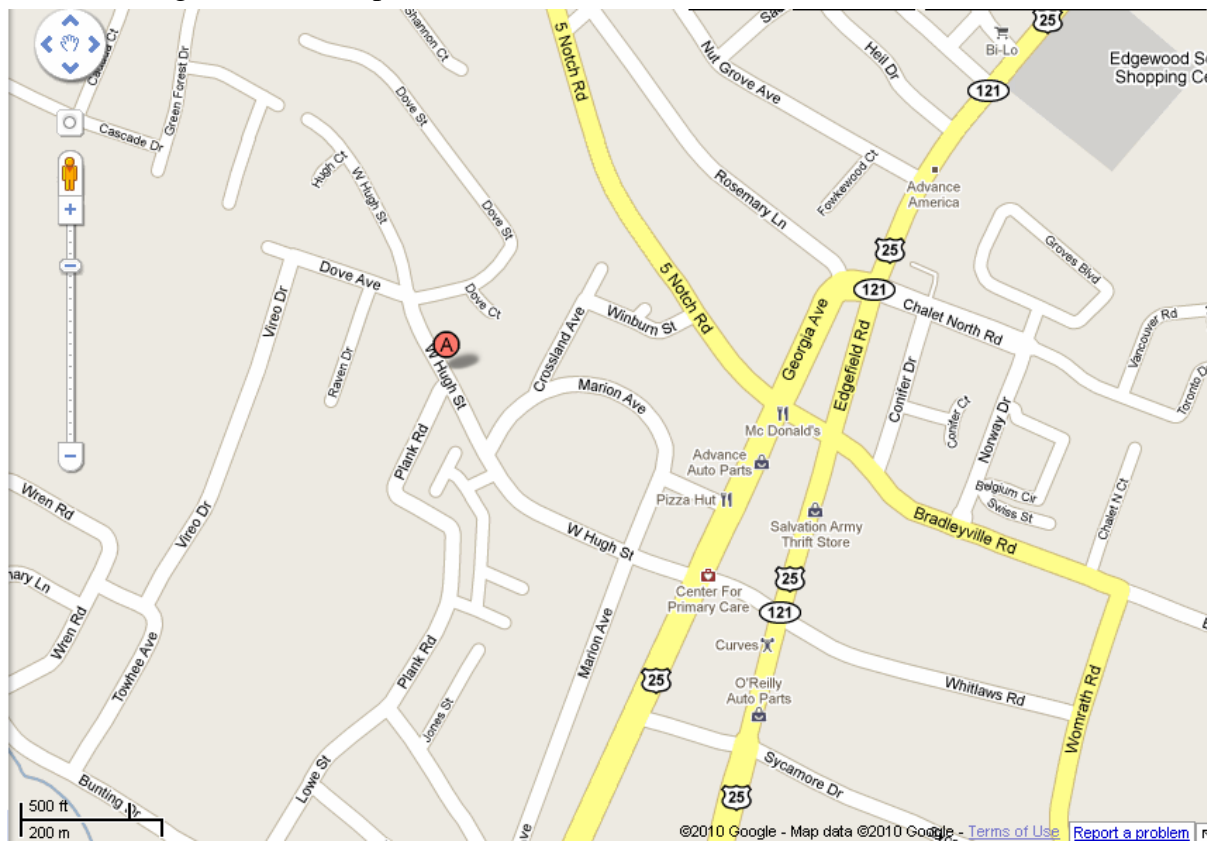
Developer: RHA Affordable Housing II, Inc.
(1) Pickens Affordable Housing, LLC
(2) North Augusta Affordable Housing, LLC
Issue Type: 501(c)(3) New Money
Project Type: Refinance
Units: (1) 77
(2) 100
Location: (1) 102 Garden Drive, Pickens, Pickens County, SC 29671
(2) 310 W. Hugh Street, North Augusta, Aiken County, SC 29841
Amount: not exceeding \$6,250,000
Amount of Cap: \$0
Type of Offering: Public Offering
Credit Enhancement:

RHA Affordable Housing II, Inc. through Pickens Affordable Housing, LLC and North August Affordable Housing, LLC is requesting final approval of a bond issue for a 501(c)(3) new money issue for Pickens Gardens Apartments and North August Gardens Apartments. This is a new money deal that will refinance current debt on the properties. Combined, the projects will consist of 177 units with a target population of family. The Bond Committee approved the preliminary resolution on September 21, 2010 and the Budget and Control Board approved the issuance on September 29, 2010. Staff recommends the approval of this resolution.

(1) Pickens Gardens Apartments



(2) North August Gardens Apartments



A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF NOT TO EXCEED \$6,250,000 AGGREGATE PRINCIPAL AMOUNT MULTIFAMILY RENTAL HOUSING REVENUE BONDS (RHA DEVELOPMENT PROJECTS), SERIES 2011, OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING PERMANENT MORTGAGE LOAN FINANCING FOR TWO MULTIFAMILY RENTAL HOUSING FACILITIES, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the “Act”), provides that the South Carolina State Housing Finance and Development Authority (the “Authority”), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the “Beneficiary Classes”) are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, and that through the exercise of one or more of the programs authorised by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof and that a series of bonds must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Class; and

WHEREAS, upon making such determination and the approval of the State Budget and Control Board (the “State Board”), the Authority may issue from time to time bonds for the purpose of obtaining funds with which to make permanent mortgage loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorised to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the State Board; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, Pickens Affordable Housing, LLC (“Pickens Affordable Housing”) and North Augusta Affordable Housing, LLC (“North Augusta Affordable Housing”)(Pickens Affordable Housing and North Augusta Affordable Housing are referred to herein as the

“Housing Sponsors”), each being a South Carolina limited liability company, with the sole member of each being RHA Affordable Housing II, Inc., a non-profit corporation organized under the laws of the State of Georgia and a 501(c)(3) organisation under the Internal Revenue Code of 1986, as amended (the “Code”), have requested the Authority to assist them through the issuance of bonds under the Act in the amount not to exceed \$6,250,00 (the “Bonds”) to provide a permanent mortgage loan (the “Mortgage Loan”) to refinance multifamily rental housing facilities described on the attached Exhibit A (the “Projects”) which have recently been renovated by the Housing Sponsors; and

WHEREAS, the Authority has determined that assisting in the permanent financing of the Projects with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act, and, in order to assist in the permanent financing of the Projects, the Authority will issue the Bonds; and

WHEREAS, the Authority hereby finds and determines that in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes, the Bonds must be issued; and

WHEREAS, the Bond Committee of the Authority on September 21, 2010, adopted its Resolution making preliminary provision for the issuance of the Bonds and authorising a petition to the State Board seeking its approval of the issuance of the Bonds, and the Authority hereby confirms the findings and determinations made by the Bond Committee regarding the Bonds, the Projects, and the Housing Sponsors; and

WHEREAS, the Bonds were approved by resolution of the State Board pursuant to Section 31-13-220 of the Act on September 29, 2010, subject to certain approvals of the State Treasurer as required therein; and

WHEREAS, no allocation of private activity bond volume cap under Section 146(f)(2) of the Code is necessary for the Bonds because the Housing Sponsors are 501(c)(3) organizations under the Code; and

WHEREAS, the Authority proposes to issue the Bonds pursuant to a Trust Indenture (the “Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”), pursuant to which the proceeds of the Bonds will be paid to the Trustee for deposit as provided under the Indenture and used to provide permanent financing for the Projects by satisfying the outstanding interim bank financing for the Projects; and

WHEREAS, the Bond proceeds will be used to originate the Mortgage Loan to the Housing Sponsors pursuant to a Financing Agreement (the “Financing Agreement”) among the Authority, the Trustee, and the Housing Sponsors; and

WHEREAS, the Financing Agreement will require the Housing Sponsors to operate the Projects to ensure the availability of housing to members of the Beneficiary Classes; and

WHEREAS, the Authority will assign substantially all of its rights under the Financing Agreement to the Trustee pursuant to the terms of the Indenture; and

WHEREAS, the Authority hereby finds and confirms that (i) in order to provide the moneys necessary to implement its program, the Bonds must be issued as provided in this resolution, and (ii) the revenues or other moneys estimated to be available pursuant to the Financing Agreement will provide moneys required for the payment of the principal and interest on the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED AS FOLLOWS:

Section 1. Adoption of Premises. Each statement of fact, determination, and finding of the Authority set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct as of the date hereof.

Section 2. Issuance of Bonds. Subject to the approval of the State Treasurer as described above, in order to provide a portion of the moneys required to finance the Projects, there is hereby authorized and shall forthwith be issued an issue of bonds to be designated as “South Carolina State Housing Finance and Development Authority Multifamily Rental Housing Revenue Bonds (RHA Development Projects), Series 2011.” The Bonds shall be issued in two subseries: one subseries (the “Series 2011A Bonds”) will be issued as tax exempt bonds and the second subseries (the “Taxable Series 2011B Bonds”) will be issued as taxable bonds, in the aggregate principal amount not to exceed \$6,250,000. The Executive Director, with the advice of issuer’s counsel, bond counsel and the Underwriter (as defined below), is authorized and directed to designate the principal amount of the Bonds of each subseries, provided that the aggregate principal amount may not exceed \$6,250,000. The Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, in substantially the form attached to the Indenture, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such Bonds, such approval to be conclusively evidenced by such officers’ execution thereof.

Section 3. Approval of Form of Indenture. The Bonds shall be secured by the Indenture to be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, the form of which is presented at this meeting and filed with the minutes of this meeting, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Indenture, their approval to be conclusively evidenced by such officers’ execution thereof.

Section 4. Approval of Form of Financing Agreement. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Financing Agreement to be executed on behalf of the Authority by the Chairman or Vice Chairman and the

seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, the form of which is presented at this meeting and filed with the minutes of this meeting, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Financing Agreement, their approval to be conclusively evidenced by such officers' execution thereof.

Section 5. Sale of Bonds; Bond Purchase Agreement. The Chairman or Vice Chairman of the Authority is hereby authorised to sell the Bonds to Merchant Capital, L.L.C. (the "Underwriter") as underwriter, pursuant to the terms and conditions of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be executed on behalf of the Authority by the Chairman or Vice Chairman. The authority hereby conferred may be exercised so long as the average interest rate on the Series 2011A Bonds does not exceed 8.0% per annum, the interest rate on the Taxable Series 2011B Bonds does not exceed 8.0% per annum, the final maturity of the Bonds is not later than 30 years after their date of issue, and the Bonds are rated in one of the three highest rating categories by Standard and Poor's Corporation or Moody's Investor Services. The purchase price of the Bonds shall be as approved by the Chairman or Vice Chairman.

Section 6. Preliminary and Final Official Statements. There is hereby authorised the distribution of preliminary and final Official Statements in connection with the sale of the Bonds. Said Official Statements shall be in substantially the forms as presented at this meeting, with such changes, additions, deletions, or modifications as are consonant with the details of the Bonds or as are recommended by the Underwriter and accepted by bond counsel and the staff of the Authority. The Executive Director of the Authority is hereby authorised and directed to take such action as she deems appropriate or as is requested of her in connection with the distribution of the preliminary Official Statement or the execution and delivery of the final Official Statement. The Executive Director is hereby authorised to execute and deliver appropriate certificates that the Official Statement is "deemed final" as of its date within the meaning of Rule 15c2-12 of the Rules and Regulations of the United States Securities and Exchange Commission.

Section 7. Approval of Form of Restrictive Covenants and Regulatory Agreement. The Projects will be encumbered by restrictive covenants to ensure the Projects continuously comply with the requirements of the Act and of the Code pursuant to Agreements as to Restrictive Covenants between the Authority and the respective Housing Sponsor (the "Restrictive Covenants") and pursuant to a Tax Regulatory Agreement among the Authority, the Housing Sponsors, and the Trustee (the "Regulatory Agreement"), to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Executive Director of the Authority, in substantially the form as presented at this meeting with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such documents, their approval to be conclusively evidenced by such officer's execution thereof.

Section 8. Designation of Trustee. The Bank of New York Mellon Trust Company, N.A. is hereby designated as Trustee, paying agent, and registrar under the Indenture. The Chairman, the Vice Chairman, and the Executive Director are hereby authorised to designate any additional paying agent and registrar and any other fiduciary under the Indenture as necessary.

Section 9. General Authority. The Board of Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorised to do all acts and things required of them by this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, or the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, and the Bond Purchase Agreement, and each such Commissioner, officer, attorney, and employee is hereby authorised and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby.

Section 10. Limited Obligations; No Personal Liability.

(a) The Bonds are not a debt or grant or loan of credit of the State of South Carolina or any other political subdivision of the State. Neither the State nor any political subdivision of the State will be liable for the Bonds, nor shall the Bonds be payable out of any funds other than those revenues of the Authority pledged to the payment of the Bonds under the Indenture.

(b) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, or the Bonds, against any member of the Board of Commissioners, or any officer or employee of the Authority, as such, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the Authority and the registered owners or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee is, by the adoption of this Resolution and the execution of the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds, expressly waived and released. The immunity of the members, officers, and employees, of the Authority under the provision contained in this Section shall survive the termination of this Resolution.

ADOPTED IN MEETING DULY ASSEMBLED this 18th day of January, 2011.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on January 18, 2011.

WITNESS MY HAND this 18th day of January, 2011.

Secretary, South Carolina State Housing Finance and
Development Authority

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on January 18, 2011.

WITNESS MY HAND this 18th day of January, 2011.



Secretary, South Carolina State Housing Finance and
Development Authority

EXHIBIT A

DESCRIPTION OF THE PROJECTS

North Augusta Gardens Project

The Project will consist of the refinancing, rehabilitation and equipping of facilities of the Borrower to provide residential rental facilities for low and moderate income persons, including the refinancing, rehabilitation, development, refurbishment, upgrade and equipping of a 101-unit residential rental development known as North Augusta Gardens Apartments and located at 200 West Hugh Street, in the City of North Augusta, in Aiken County, South Carolina.

Pickens Gardens Project

The Project will consist of the refinancing, rehabilitation and equipping of facilities of the Borrower to provide residential rental facilities for low and moderate income persons, including the refinancing, rehabilitation, development, refurbishment, upgrade and equipping of a 77-unit residential rental development known as Pickens Gardens Apartments and located at 102 Garden Drive, in the City of Pickens, in Pickens County, South Carolina.



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: **Legal**

Subject: **Consideration of resolution designating a Board Designee for signature on the South Carolina Housing Trust Fund.**

South Carolina Code Section 31-13-420 requires that monies from the Trust Fund only be paid out upon the signature of the chairman of the Board or a designee of the Board and the Executive Director. This resolution would not alter the chairman's authority to sign, but would designate the Director of Development as the Board's designee. In the absence of the Director of Development, the Deputy Director is designated as the Board's designee. Staff recommends that the Board adopt the resolution.

A RESOLUTION

DESIGNATING A BOARD DESIGNEE FOR SIGNATURE ON THE SOUTH CAROLINA HOUSING TRUST FUND AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the "**Authority**") is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "**Act**") to administer the South Carolina Housing Trust Fund; and

WHEREAS, South Carolina Code Section 31-13-420 (B) requires "The monies in the trust fund must be paid out only upon the signature of the chairman of the board or a designee of the board and the signature of the executive director, upon the written warrants of the Comptroller General drawn on the State Treasurer to the payee designated in the requisition."; and

WHEREAS, the Board desires to designate a Board Designee in accordance with Section 31-13-420(B); and

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

1. The Director of Development is hereby named as designee of the Board for the purposes as described above in accordance with complying with South Carolina Code Section 31-13-420(B).
2. In the event that the Director of Development is unavailable, the Deputy Director of the Authority is hereby named as an alternate designee of the Board for the purposes as described above in accordance with complying with South Carolina Code Section 31-13-420(B).
3. The Chairman's authority to sign is not altered by this Resolution and continues in full force.
4. Any prior resolutions appointing a designee of the Board for the purposes described above in accordance with complying with South Carolina Code Section 31-13-420(B) are hereby terminated and the authorizations granted thereby are terminated.
5. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

DONE at Columbia this 18th day of January 2011.

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on the 18th day of January, 2011, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

I further certify that due notice of the above-referenced meeting of the Board was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of January, 2011.

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

By:

Valarie M. Williams
Secretary

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on the 18th day of January, 2011, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

I further certify that due notice of the above-referenced meeting of the Board was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of January, 2011.

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

By:

A handwritten signature in dark ink, appearing to read "Valarie M. Williams", is written over a horizontal line.

Valarie M. Williams
Secretary



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: Legal

Subject: Oral Report on Proposed SEC Ruling for Municipal Advisors



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: Development Division

Subject: Oral Report



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: SC HELP

Subject: Oral Report



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: Chairman

Subject: Oral Report



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: Executive Director

Subject: Oral Report



South Carolina
STATE HOUSING
Finance and Development Authority

Homeownership

January 18, 2011

The following Homeownership Division monthly status reports as of December 31, 2010 are presented for information:

- Monthly and Fiscal YTD Loan Purchase Statistics
- Monthly and Fiscal YTD Portfolio Statistics
- Delinquency Statistics
- Rate Sheet

Monthly Loan Purchase Statistics

December-10

Funding Source	Average Loan Amount	Average Household Income	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
				Volume	Units					
MRB	\$109,698	\$34,254	\$50,279,355	(\$2,073,968)	20	\$0	\$0	\$48,205,387	(\$36,694,489)	\$11,510,898
DPA Repayable	\$5,514	\$46,210	\$3,778,450	(\$373,000)	64	\$0	\$12,000	\$3,417,450	(\$1,181,000)	\$2,236,450
HOME DPA	\$5,357	\$38,799	\$4,413,471	(\$399,500)	71	\$0	\$14,400	\$4,028,371	(\$826,997)	\$3,201,374
Home Voucher	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL			\$58,471,276	(\$2,846,468)	155	\$0	\$26,400	\$55,651,208	(\$38,702,486)	\$16,948,722

UNRESERVED FUNDS	
Series 2010-1 HRB USBank 060	(\$838,089)
Series 2010-1 HRB Palmetto Heros 061	(\$145,173)
Series 2010-2 HRB US Bank 062	\$7,573,138
Series 2010-2 HRB US Bank 063	\$4,921,022
TOTAL	\$11,510,898

July 1, 2010 Through December 31, 2010

Funding Source	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
		Volume	Units					
MRB	\$71,787,705	(\$63,582,318)	615	\$40,000,000	\$0	\$48,205,387	(\$36,694,489)	\$11,510,898
DPA Repayable	\$3,100,450	(\$1,695,000)	296	\$2,000,000	\$12,000	\$3,417,450	(\$1,181,000)	\$2,236,450
HOME DPA	\$5,815,471	(\$1,613,500)	305	\$0	\$14,400	\$4,216,371	(\$826,997)	\$3,389,374
HOME Voucher	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$80,703,626	(\$66,890,818)	1,216	\$42,000,000	\$26,400	\$55,839,208	(\$38,702,486)	\$17,136,722

Monthly Portfolio Statistics

Month Ending December 31, 2010

Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$177,113	2	(\$4,630,616)	(59)	(\$1,453,991)	(17)	(\$5,907,494)	(74)	\$746,575,934	10,036
Second Mortgage	\$772,500	135	(\$40,914)	(30)	(\$26,225)	(15)	\$705,360	90	\$15,604,725	6,553
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$949,613	137	(\$4,671,530)	(89)	(\$1,480,217)	(32)	(\$5,202,133)	16	\$762,180,660	16,589

YTD Portfolio Statistics

July 1, 2010 Through December 31, 2010

Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$752,089	8	(\$23,036,612)	(316)	(\$7,406,031)	(84)	(\$29,690,554)	(392)	\$746,575,934	10,036
Second Mortgage	\$3,308,500	601	(\$322,128)	(223)	(\$132,441)	(79)	\$2,853,931	299	\$15,604,725	6,553
Other	\$0	0					\$0	0		0
TOTAL	\$4,060,589	609	(\$23,358,740)	(539)	(\$7,538,472)	(163)	(\$26,836,622)	(93)	\$762,180,660	16,589

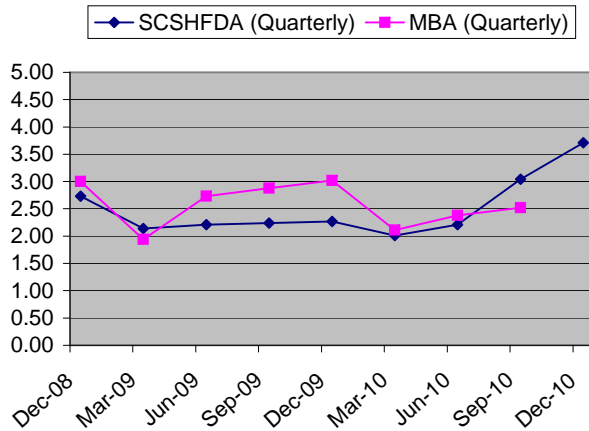
Portfolio by Servicer

Servicer	First Mortgages Serviced	Outstanding Principle Balance	Second Mortgages Serviced	Outstanding Principle Balance	Total Principle Balance of Loans Serviced
State Housing	9,072	\$700,388,653.41	6,553	\$15,604,725.43	715,993,379
First Citizens	964	\$46,187,280.75	0	\$0.00	46,187,281
Total All Servicers	10,036	\$746,575,934.16	6,553	\$15,604,725.43	762,180,660

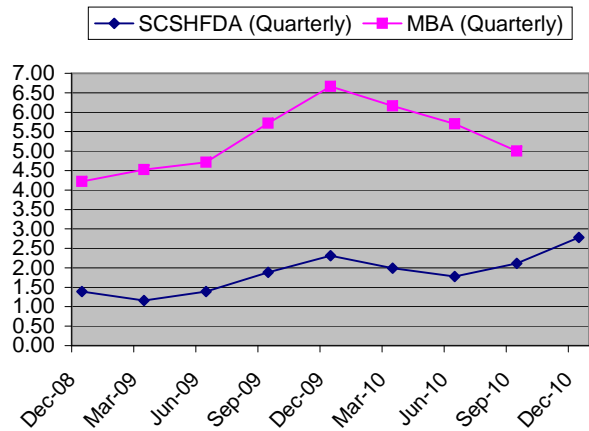
DELINQUENCY REPORT

				60 Day				90 Day				Foreclosures				Bankruptcies		
				SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA
2010	Jan-10	Q.1 2010		2.81	2.01	2.11		2.46	1.99	6.16		1.88	1.88	2.60		1.10	1.13	N/A
	Feb-10			1.74				2.00				1.84				1.11		
	Mar-10			1.47				1.50				1.91				1.19		
	Apr-10	Q.2 2010		1.59	2.21	2.38		1.57	1.78	5.70		1.81	1.81	2.40		1.20	1.18	N/A
	May-10			2.69				1.72				1.81				1.18		
	Jun-10			2.34				2.05				1.82				1.17		
	Jul-10	Q.3 2010		2.30	3.04	2.52		2.07	2.11	5.00		1.90	1.87	2.97		1.10	1.07	N/A
	Aug-10			3.22				1.83				1.87				1.05		
	Sep-10			3.61				2.44				1.83				1.05		
	Oct-10	Q.4 2010		3.62	3.71	N/A		2.85	2.78	N/A		1.91	2.00	N/A		1.03	1.06	N/A
	Nov-10			4.07				2.79				2.02				1.03		
	Dec-10			3.43				2.71				2.07				1.13		

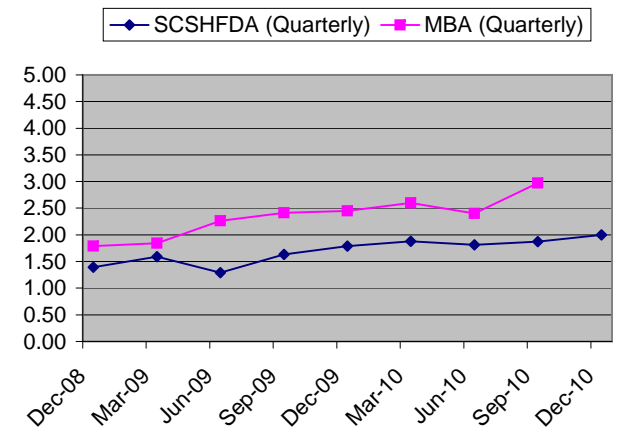
60 Day Delinquencies



90 Day Delinquencies



Foreclosures





South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9396

FAX: (803) 896-8589

RATE SHEET FOR LENDERS

Effective Date: **12:00 PM** **January 7, 2011**

CATEGORY I Above 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Repayable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Repayable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Repayable	4.375

CATEGORY II 50.01% to 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Forgivable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375

CATEGORY III 50% and below of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Forgivable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375

All the rates, fees, and terms on this sheet are for informational purposes for participating lenders only and are subject to change without notice. The customer's rate will be the rate that is in effect on the date and time that the reservation is received by the Authority. For the APR (annual percentage rate), please contact one of our participating lending partners.

FOR ADDITIONAL INFORMATION SEE OUR WEBSITE

www.schousing.com



Division: **Human Resources**

Total Authorized Permanent Positions	135*
Filled Permanent Positions	124
Vacancies	11
Temporaries	13

* The Authority was authorized 2 additional Time Limited Equivalent (TLE) positions for the SCHELP Department.

New Hires, Promotions & Transfers

Division\Department	Employee Name	Job Title	Effective Date
Information Technology	Cindy Krenz	Information Resource Consultant	12/29/10
SCHELP	Ashley Sweet	Program Coordinator I	12/31/10
Marketing & HR Division	Lisa Bussey	Legislative Research & Outreach Manager	2/2/11

Resignations, Transfers & Job Postings

Department/Title	Employee Name	Termination Date	Vacancy Posting Dates
Finance: Banking & Operations Accountant	Joann Haltiwanger	12/1/10	12/3/10-12/16/10
Legislative Research & Outreach	New Position		12/7/10-12/13/10
SCHELP Counseling & Outreach Manager	Lisa Bussey (Transfer)	2/1/11	12/21/10 – 1/12/11
Information Resource Consultant	Todd Sipos (Transfer)	11/1/10	11/9/10-11/22/10
SCHELP Coordinator I	New Position		12/17/10-12/23/10

Announcements

The Authority would like to recognize and honor the efforts, accomplishments and life of Janet Quick. Janet lost her battle with cancer on Thursday, January 6, 2011. Janet joined the Authority in 1998. For over 13 years, she was primarily responsible for quality control within the Contract Administration Department. In this capacity she was integrally responsible for the programmatic and financial success of the department. Janet was a joy to work with in large part because she so thoroughly enjoyed her work. We will miss our coworker but even more so we will miss our friend.



South Carolina

STATE HOUSING

Finance and Development Authority

January 18, 2011

Division: Finance

Subject: Oral Report