

*MINUTES OF  
Budget and  
Control Board  
Meeting  
September 8, 1983*

002929

MINUTES OF BUDGET AND CONTROL BOARD MEETING

SEPTEMBER 8, 1983      10:00 A. M.

TELEPHONE CONFERENCE CALL

The Budget and Control Board met by means of a telephone conference call which originated from Room 601 of the Wade Hampton Office Building with the following members participating:

Governor Richard W. Riley (through Executive Assistant  
Katherine M. Clarke)  
Mr. Grady L. Patterson, Jr.  
Senator Rembert C. Dennis  
Representative Tom G. Mangum

Mr. Earle E. Morris, Jr., was advised of this conference call meeting but he was not able to participate in it.

STATE HOUSING AUTHORITY - ISSUE OF APPROXIMATELY \$58,000,000 OF HOMEOWNERSHIP MORTGAGE PURCHASE BONDS - Attorney Huger Sinkler, Housing Authority Executive Director George Lusk, Attorney Lindsay Walker, and Board Secretary William A. McInnis participated in this meeting along with the Board members.

The members were reminded that the Board on August 23 had given preliminary approval to the Housing Authority to issue approximately \$58,000,000 of its Homeownership Mortgage Purchase Bonds.

Attorney Sinkler advised the members that the interest rate had been locked in at 11.2% to the borrower with the Housing Authority paying an average of 10.69%.

Mr. Patterson expressed the view that this was a good arrangement and Attorney Sinkler indicated that any improvement in the market would be of benefit to the Housing Authority.

**002930**

BCB Minutes  
2 - 9/8/83

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board adopted a resolution giving final approval to the issuance by the State Housing Authority of \$58,000,000 of its Homeownership Mortgage Purchase Bonds, and approving the form and substance of the Supplemental Resolution to be adopted by the Authority on September 9, 1983. The Resolution further provided that Board approval was given to the preparation and use of an Official Statement and of entering into a purchase contract reflecting the terms and conditions set forth in this Resolution. Finally, the Resolution granted approval to the Authority to make mortgage loans with the proceeds of the 1983 Series A bonds to the extent available to members of the beneficiary class to enable such borrowers to acquire single-family homes with the mortgages to bear interest at the rate set forth in the Resolution.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's press secretary in the State House and near the Board Secretary's office in the Wade Hampton Office Building at 9:00 A. M. on Wednesday, September 7, 1983.]

00293D-A

# EXHIBIT

SEP 8 1983 NO. 1

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

GIVING FINAL APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING AUTHORITY OF AN ISSUE OF SOUTH CAROLINA STATE HOUSING AUTHORITY HOMEOWNERSHIP MORTGAGE PURCHASE BONDS 1983 SERIES A.

WHEREAS, it is provided by Chapter 13, Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"), that, upon the approval of the State Budget and Control Board of South Carolina (the "Board"), the South Carolina State Housing Authority (the "Authority") might issue bonds the principal proceeds of which would be applied to providing sanitary and safe residential housing for persons and families of low income and of moderate to low income (the "beneficiary classes") at prices which such persons can afford; and

WHEREAS, the Authority proposes to raise \$58,000,000 with which to make mortgage loans to members of the beneficiary classes at an interest rate of 11.20% in order to enable members of the classes to acquire single family residences, and for such purpose and in order to provide appropriate reserves to insure the punctual payment of the principal of and interest on such bonds, proposes to issue South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1983 Series A (the "1983 Series A Bonds") in the principal amount set forth of \$58,000,000, which will be dated September 1, 1983, and will mature and bear interest as set forth in Exhibit "A" attached hereto,

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and which will be sold to the underwriters, headed by Morgan Guaranty Trust Company of New York at the price set forth in Exhibit "A"; and

WHEREAS, in compliance with Code Section 31-13-220 of the Act, the Authority presented to the Board its petition which together with the Schedules presented set forth all information and data required by Section 31-13-220 of the Act; and

WHEREAS, heretofore on August 23, 1983, the Board did give conditional approval to proposed actions of the Authority, subject to the following:

(1) The average interest cost of the 1983 Series A Bonds to the Authority should be such that mortgage loans bearing interest at a rate not to exceed 11% may be purchased at a discount not exceeding three and one-half points ( $3\frac{1}{2}\%$ ) and such rate shall be approved by the State Treasurer as being reasonably reflective of existing market conditions;

(2) Approval be given by this Board to the form and substance of the resolutions to be adopted by the Authority authorizing the 1983 Series A Bonds;

(3) Approval be given by this Board to the terms and conditions of the Purchase Contract between the Authority and its underwriters; and

WHEREAS, the interest rate on the 1983 Series A Bonds as set forth on Exhibit "A" is higher than that anticipated

on August 23, 1983 and reflected in paragraph (b) of Section 4 of the Resolution of the Board adopted on August 23, 1983, but has been approved by the State Treasurer as being reflective of market conditions existing at this time, and will permit mortgages to be made at an interest rate of 11.20% instead of 11%; and

WHEREAS, the resolutions to be adopted by the Authority on September 9, 1983 authorizing its 1983 Series A Bonds have been presented to this Board and have been reviewed and duly approved; and

WHEREAS the Board has made all of the investigations required of it by the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

SECTION 1.

It is found and determined that the facts set forth in the preamble to this Resolution are in all respects true and correct.

SECTION 2.

It is specifically found and determined that the funds estimated to be available for the repayment of the Authority's bonds including the issue now proposed will be sufficient to provide for the payment of the principal and interest thereon.

SECTION 3.

Approval is hereby granted by the Board to the issuance

and sale by the Authority of the South Carolina State Housing Authority Homeowners Mortgage Purchase Bonds, 1983 Series A, which 1983 Series A Bonds are in the amounts, mature and bear interest in accordance with Exhibit "A" attached hereto.

The 1983 Series A Bonds shall be secured by the covenants and agreements set forth in the General Resolution of the Authority adopted September 21, 1982 and shall be subject to redemption on the terms and under the conditions set in the Supplemental Resolution (the "Supplemental Resolution") to be adopted September 9, 1983.

SECTION 4.

Approval is given by this Board to the form and substance of the Supplemental Resolution to be adopted by the Authority on September 9, 1983.

Approval is further given as follows:

To prepare and use an Official Statement,

To enter into a Purchase Contract reflecting the terms and conditions set forth in Exhibit A hereto.

SECTION 5.

Approval is granted to the undertaking of the Authority to make mortgage loans with the proceeds of the 1983 Series A Bonds to the extent available therefor to members of the beneficiary class to enable such borrowers to acquire single family homes; said mortgages to bear interest at the fixed rate set forth in Exhibit "A".

EXHIBIT "A"

Schedule Relating to the Issuance of  
SOUTH CAROLINA STATE HOUSING AUTHORITY  
HOMEOWNERSHIP MORTGAGE PURCHASE BONDS  
1983 SERIES A

The 1983 Series A Bonds will be issued in the principal amount of \$58,000,000. The 1983 Series A Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates hereinafter set forth. The 1983 Series A Term Bonds due July 1, 2006 and due July 1, 2014 (the "Term Bonds") will bear interest from September 1, 1983, payable on January 1, 1984 (representing four months' interest), and semiannually thereafter on January 1 and July 1 of each year until payment of the principal thereof. The 1983 Series A Special Term Bonds due July 1, 2015 (the "Special Term Bonds") shall bear interest from September 1, 1983, payable on November 1, 1983 (representing two months' interest), and on January 1, 1984 (again representing two months' interest), and semiannually thereafter on each January 1 and July 1 of each year until payment of the principal thereof:

\$15,000,000	10 1/2%	Term Bonds due July 1, 2005
\$23,000,000	10 5/8%	Term Bonds due July 1, 2014
\$20,000,000	10 5/8%	Term Bonds due July 1, 2015

The Bonds of each maturity are designated "Term Bonds" to reflect the fact that such Bonds are subject to mandatory sinking fund redemptions.

The 1983 Series A Bonds will be sold to the underwriters at a price not less than 97.8% of par value plus interest accrued to the date of delivery. The money realized by the Authority will enable the Authority to make approximately \$56.2 Million in mortgage loans to members of the beneficiary classes at the fixed rate of 11.20%. The interest rates above set forth and the money received by the Authority produce an average rate of interest to the Authority of 10.69%.

The 1983 Series A Bonds will be subject to redemption in the manner provided by the 1983 Series A Supplemental Resolution.

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STATE BUDGET AND CONTROL BOARD MEETING		TELEPHONE CONFERENCE AGENDA INDEX
Date: September 8, 1983	Time: 10:00 A. M.	
Location: 601 Wade Hampton Office Building		

Item Number	Agency	Subject
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State Housing Authority

Issue of Approximately \$58 Million Home  
Ownership Mortgage Purchase Bonds

## EXHIBIT

SEP 8 1983 NO. 1

STATE BUDGET & CONTROL BOARD

*M - GUP  
S - RCO*

*Posted 9:00 a.m.  
Wednesday  
Sept. 7, 1983*

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# EXHIBIT

SEP 8 1983

NO. 1

## PETITION

STATE BUDGET & CONTROL BOARD

TO THE HONORABLE, THE STATE BUDGET AND CONTROL BOARD OF  
SOUTH CAROLINA:

1. Pursuant to Chapter 13, Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"), particularly Section 31-13-220 thereof, the South Carolina State Housing Authority (the "Authority") herewith advises The State Budget and Control Board of South Carolina (the "State Board") that it has been determined that in order to provide money for mortgage loans to the beneficiary classes (as defined in Section 31-13-170 of the Act) it should authorize the Authority to issue and sell \$58 Million South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1983 Series A (the 1983 Series A Bonds).

2. The 1983 Series A Bonds are designated "Term Bonds" to reflect the fact that such Bonds are subject to mandatory sinking fund redemptions. The 1983 Series A Bonds will mature on the dates and in the principal amounts, and will bear interest from September 1, 1983, payable on January 1, 1984 (representing four months' interest), and semiannually thereafter on January 1 and July 1 of each year until payment of the principal thereof, at the rates hereinafter set forth:

\$15,000,000 10 1/2% Term Bonds due July 1, 2005  
\$23,000,000 10 5/8% Term Bonds due July 1, 2014  
\$20,000,000 10 5/8% Term Bonds due July 1, 2015

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3. The average interest rate will produce an average interest cost to the Authority of 10.69%.

4. The 1983 Series A Bonds will be issued pursuant to the General Resolution adopted by the Authority on September 21, 1982 and the Supplemental Resolution which will be adopted by the Authority on September 9, 1983.

5. In the process of arranging for the sale of the 1983 Series A Bonds, the Authority requested that the banks and other mortgage lending institutions doing business in the State of South Carolina (the "State") submit to the Authority a final request for allocation of the proceeds of the 1983 Series A Bonds and on the basis of the requests, the Authority accepted commitments from 34 mortgage lenders whose operations extend throughout all sections of the State to place approximately \$56.2 Million of mortgage loans to persons in the beneficiary classes. Of that amount, approximately \$20 Million have been reserved for loans in so called targeted areas. Each mortgage lender has paid to the Authority a commitment fee of 3% of the amount of its respective commitment. Each mortgage lender will make mortgage loans to members of the beneficiary classes at a fixed rate equal to 11.20% per annum. In addition each borrower will pay to his mortgage lender an origination fee of 1%. Each seller of the property to be mortgaged will assume a discount of between  $2\frac{1}{2}\%$  and  $3\frac{1}{4}\%$  of the principal

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amount of the mortgage. This charge may not be passed on to the borrower.

6. There is no longer a State usury law and as a consequence the provisions of Section 31-13-210 of the Act are no longer applicable. Notwithstanding, the Authority seeks the approval of the State Board to the interest rate it will require members of the beneficiary classes to pay.

7. In light of the success enjoyed by the Authority in connection with its sale of an aggregate of \$82,265,000 South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1982 Series A, the Authority has once again (with the approval of the State Treasurer) proposed to utilize the services of Morgan Guaranty Trust Company of New York as managing underwriter in connection with the issuance of the 1983 Series A Bonds.

8. The income to be received by the Authority from the mortgage loans and invested reserves will produce a spread within the arbitrage limits imposed by the United States Treasury but will at the same time provide a proper margin to insure the prompt payment of the principal of and interest on the 1983 Series A Bonds as they mature and money to pay the expenses of the Authority incident to the servicing of the loans made with the proceeds of the 1983 Series A Bonds.

9. The 1983 Series A Bonds have been rated "double A" by Moody's Investors Service, Inc. and "A Plus" by Standard

& Poor's Corporation.

10. The foregoing sets forth the information required by paragraphs (1), (2), (3) and (6) of Section 31-13-220 of the Act. The information required by Paragraph (4) and (5) of such Section is set forth in the Schedules presented to the State Board which shows the other debt of the Authority.

11. The State Treasurer has indicated that he approves the interest rates to be borne by the 1983 Series A Bonds as being reflective of market conditions at this time.

12. In addition to the Schedules referred to in paragraph 10 above, the Authority presents the following:

- (a) the General Resolution adopted by the Authority on September 21, 1982;
- (b) the Supplemental Resolution to be adopted by the Authority on September 9, 1983; and
- (c) the Purchase Contract between the Authority and the Underwriters.

13. The Authority stands ready to produce any further information required by the State Board.

Wherefore, on the basis of the foregoing the Authority prays that this honorable body to approve the mortgage loan program presently proposed to be undertaken by the Authority, the issuance and sale of \$58 Million of 1983 Series A Bonds for that purpose, and that it does authorize the Authority to enter into an appropriate contract with

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Morgan Guaranty Trust Company of New York on the terms and conditions above set forth.

Respectfully submitted,

THE SOUTH CAROLINA STATE  
HOUSING AUTHORITY

September 8, 1983

By

*George M. Luck*  
Executive Director

EXHIBIT

SEP 8 1983 NO. 1

STATE BUDGET & CONTROL BOARD

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SOUTH CAROLINA STATE HOUSING AUTHORITY  
HOMEOWNERSHIP MORTGAGE PURCHASE BONDS  
1983 Series A

# EXHIBIT

SEP 8 1983 NO. 1

H.F.A. SINGLE FAMILY HOUSING FINANCE PROGRAM  
UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980

THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT  
HOUSING UNIT

STATE BUDGET & CONTROL BOARD

PROJECTED PERIODIC CASH AVAILABILITY

0 2 FMA EXPERIENCE

100 % ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF RATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
1.	840101	2,271,468	1,188,358	3,459,825	4,926,151	92,585	5,018,736	(1,558,911)	2,224,487
2.	840701	6,211,554	1,052,789	7,264,343	7,879,226	92,585	7,971,812	(707,469)	645,576
3.	850101	7,072,294	518,737	7,591,031	7,372,689	92,242	7,464,931	126,099	202,390
4.	850701	7,338,378	378,212	7,716,590	7,892,689	92,242	7,984,931	(268,341)	349,309
5.	860101	7,482,439	373,052	7,855,492	7,253,839	91,678	7,345,517	409,774	101,394
6.	860701	7,520,095	384,584	7,904,669	7,913,839	91,678	8,005,517	(101,048)	531,262
7.	870101	7,662,436	377,610	8,040,046	7,220,829	91,350	7,312,179	627,861	254,795
8.	870701	7,676,547	383,095	8,059,642	7,900,598	91,042	7,991,644	67,998	467,297
9.	880101	7,677,104	373,755	8,050,859	7,251,211	90,357	7,341,568	709,291	253,694
10.	880701	7,677,694	376,704	8,054,398	7,668,732	89,995	7,758,728	95,670	432,875
11.	890101	7,678,320	370,422	8,048,742	7,173,185	89,334	7,262,519	786,263	252,839
12.	890701	7,678,994	372,798	8,051,792	7,844,905	88,872	7,933,777	118,005	405,129
13.	900101	7,679,689	367,086	8,046,775	7,085,132	88,168	7,173,303	873,472	254,143
14.	900701	7,680,437	368,578	8,049,015	7,820,189	87,523	7,907,711	141,204	394,194
15.	910101	7,681,230	363,244	8,044,477	6,982,125	86,870	7,072,995	971,482	250,521
16.	910701	7,682,072	363,646	8,045,719	7,778,345	86,223	7,864,578	181,140	345,559
17.	920101	7,682,965	358,125	8,042,106	6,975,095	85,428	7,060,523	1,081,577	250,474
18.	920701	7,683,912	358,505	8,042,417	7,743,905	84,659	7,828,564	213,822	312,430
19.	930101	7,684,917	354,740	8,039,657	6,750,645	83,820	6,834,470	1,205,186	250,926
20.	930701	7,685,984	354,414	8,035,398	7,699,305	83,044	7,782,349	76,964	268,721
21.	940101	7,687,115	349,702	8,038,817	6,610,325	82,202	6,692,528	1,346,289	250,457
22.	940701	7,688,315	347,047	8,035,362	6,526,894	81,400	6,608,294	1,427,068	250,036
23.	950101	7,689,589	344,336	8,033,925	6,444,924	80,638	6,524,562	1,502,363	250,944
24.	950701	7,690,940	341,521	8,032,471	6,376,516	79,893	6,455,409	1,577,070	253,566
25.	960101	7,692,373	338,446	8,030,821	6,261,104	79,161	6,336,265	1,694,556	251,486
26.	960701	7,693,894	335,266	8,029,160	6,151,907	78,452	6,220,359	1,798,805	251,644
27.	970101	7,695,507	331,953	8,027,461	6,055,187	77,765	6,130,482	1,894,978	253,474
28.	970701	7,697,219	328,438	8,025,657	5,944,061	77,100	6,017,992	2,007,665	254,059
29.	980101	7,699,035	324,692	8,023,727	5,824,291	76,465	5,895,776	2,128,251	253,244
30.	980701	7,700,962	320,810	8,021,772	5,699,843	75,852	5,776,695	2,255,077	254,785
31.	990101	7,703,007	316,842	8,019,849	5,569,580	75,262	5,654,842	2,386,744	253,456
32.	990701	7,705,176	312,310	8,017,486	5,436,041	74,690	5,493,661	2,523,825	254,378
33.	1000101	7,707,477	307,678	8,015,155	5,297,206	74,132	5,341,010	2,667,146	253,918
34.	1000701	7,709,919	302,771	8,012,690	5,156,691	73,587	5,182,539	2,830,121	250,594
35.	1010101	7,712,510	297,725	8,010,245	4,999,827	73,052	5,011,682	2,998,562	253,326
36.	1010701	7,715,258	292,363	8,007,621	4,774,652	72,527	4,834,342	3,173,279	253,561
37.	1020101	7,718,175	286,670	8,004,844	4,585,166	72,012	4,642,573	3,362,270	253,109
38.	1020701	7,721,269	280,630	8,001,899	4,388,756	71,507	4,443,745	3,558,155	251,366
39.	1030101	7,724,552	274,280	7,998,834	4,176,309	71,002	4,228,739	3,770,095	250,614
40.	1030701	7,728,110	268,914	7,942,023	3,956,134	70,507	4,005,852	3,936,173	254,960
41.	1040101	7,731,962	263,790	7,889,752	3,721,309	70,012	3,766,199	4,091,498	250,274
42.	1040701	7,736,012	258,441	7,835,453	3,482,434	69,527	3,528,376	4,328,076	254,793
43.	1050101	7,740,348	243,522	7,782,870	3,234,650	69,042	3,265,488	4,586,382	250,446
44.	1050701	7,744,974	238,490	7,746,204	2,997,581	68,557	2,995,122	4,853,082	250,563
45.	1060101	7,749,895	223,114	7,694,269	2,666,119	68,072	2,702,174	5,142,096	250,814
46.	1060701	7,754,916	218,305	7,640,161	2,369,234	67,587	2,399,587	5,440,584	252,370
47.	1070101	7,760,034	208,873	7,585,717	2,044,637	67,102	2,071,090	5,764,627	250,359
48.	1070701	7,765,255	198,959	7,531,094	1,721,144	66,617	1,743,456	6,087,638	250,781
49.	1080101	7,770,576	189,569	7,476,259	1,401,889	66,132	1,425,021	6,409,237	251,174
50.	1080701	7,776,000	179,852	7,420,011	1,082,594	65,647	1,022,594	6,744,410	253,474
51.	1090101	7,781,627	145,847	7,366,780	850,912	65,162	850,912	7,000,868	254,823
52.	1090701	7,787,452	139,150	7,312,302	623,375	64,677	623,375	7,401,927	253,114
53.	1100101	7,793,376	127,519	7,285,857	496,000	64,192	496,000	7,744,857	2,925,681
54.	1100701	7,800,000	122,856	7,263,844	0	0	0	7,744,857	0
55.	1110101	7,806,751	122,979	7,267,731	0	0	0	7,673,731	0
56.	1110701	7,813,600	123,110	7,268,099	0	0	0	7,683,099	0
57.	1120101	7,820,547	123,249	7,269,977	0	0	0	7,690,977	0
58.	1120701	7,827,594	123,396	7,270,396	0	0	0	7,700,396	0
59.	1130101	7,834,741	123,553	7,271,391	0	0	0	7,710,391	0
60.	1130701	7,841,988	115,629	7,271,391	0	0	0	7,720,391	0
61.	1140101	7,849,235	115,786	7,271,391	0	0	0	7,730,391	0
62.	1140701	7,856,482	115,943	7,271,391	0	0	0	7,740,391	0
63.	1150101	7,863,729	116,100	7,271,391	0	0	0	7,750,391	0
64.	1150701	7,870,976	116,257	7,271,391	0	0	0	7,760,391	0
65.	1160101	7,878,223	116,414	7,271,391	0	0	0	7,770,391	0
TOTAL	1410701	454,114,356	18,986,331	473,100,687	283,064,890	3,477,614	286,542,304	186,558,384	0

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Period Ending	Net Received From Cash	Internal	Period Cash	Scheduled Debt Service	Total Program Expenditures	Period Cash Out	Surplus	From Bond Reserve Fund	From Bond Reserve Fund	Loss: Early Redemption Loss on Bond Reserve Fund	Total	Bonds Called	To Bond Reserve Fund	Ending Surplus	Ending Reserve Fund
1-1/1/83	--	1,337,110	1,337,110	2,381,888	57,585	2,379,073	(1,061,963)	--	1,061,963	--	1,061,963	--	--	192,103	1,798,700
2-1/1/83	1,304,287	2,947,895	4,252,182	6,682,916	57,585	8,700,561	(888,900)	379,219	379,219	(37,922)	888,900	--	--	667,979	1,798,700
3-1/1/83	1,168,707	3,197,278	4,365,985	5,172,916	57,585	5,230,501	(792,516)	306,131	306,131	(30,613)	792,516	--	--	1,492,569	1,798,700
4-1/1/83	8,359,819	2,927,908	11,287,727	8,662,819	57,585	8,715,404	(81,619)	867,059	867,059	(86,706)	81,619	--	--	1,402,087	1,798,700
5-1/1/83	8,937,510	2,888,411	11,825,921	8,186,319	57,585	8,243,681	(362,539)	586,116	586,116	(58,612)	362,539	--	--	815,911	1,798,700
6-1/1/83	8,557,918	2,957,169	11,515,087	8,657,289	57,585	8,714,574	(342,715)	379,219	379,219	(37,922)	342,715	--	--	949,151	1,798,700
7-1/1/83	8,610,055	2,688,707	11,298,762	8,439,516	57,585	8,497,077	(342,715)	379,219	379,219	(37,922)	342,715	--	--	608,087	1,798,700
8-1/1/83	8,300,055	2,711,561	11,011,616	8,281,516	57,585	8,339,101	(342,715)	379,219	379,219	(37,922)	342,715	--	--	1,007,378	1,798,700
9-1/1/83	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	876,310	1,798,700
10-1/1/83	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,323,642	1,798,700
11-1/1/83	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,160,012	1,798,700
12-1/1/83	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
1-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
2-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
3-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
4-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
5-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
6-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
7-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
8-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
9-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
10-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
11-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
12-1/1/84	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
1-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
2-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
3-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
4-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
5-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
6-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
7-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
8-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
9-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
10-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
11-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
12-1/1/85	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
1-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
2-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
3-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
4-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
5-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
6-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
7-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
8-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
9-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
10-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
11-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
12-1/1/86	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
1-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
2-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
3-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
4-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
5-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
6-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
7-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
8-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
9-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
10-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
11-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
12-1/1/87	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
1-1/1/88	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
2-1/1/88	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,018	161,018	(16,102)	379,200	--	--	1,683,910	1,798,700
3-1/1/88	8,659,198	2,757,250	11,416,448	8,623,889	56,886	8,681,375	(379,200)	161,							

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR QUALITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.
6. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
7. EXTREMELY DARK COLORED DOCUMENTS THAT LACK CONTRAST BETWEEN WRITING AND BACKGROUND.
8. SOME OF THE NUMERED PAGES APPEAR TO BE MISSING.

**SOUTH CAROLINA STATE HOUSING AUTHORITY  
SINGLE FAMILY MORTGAGE PURCHASE BONDS  
1979 SERIES A AND B**

S.F.M. SINGLE FAMILY HOUSING FINANCE PROGRAM  
UNDER THE MORTGAGE INTEREST TAX ACT OF 1976

THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT  
MOBILE, ALA.

PERIODIC PAYMENT SCHEDULE

1. PAYMENT

2. DEDUCTION

ENDING DATE	NET RECEIVED FAC PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED 1977 SERVICE	TOTAL PROCEEDS EXPENDED	CASH EXPENDED IN PERIOD	NET CASH SUPPLY 1977 IN PERIOD	NET CASH SUPPLY 1977 IN PERIOD
840101	6,409,520	1,729,573	10,139,092	7,575,430	277,892	7,603,322	2,025,740	7,351,638
840701	10,101,260	1,879,120	12,030,380	10,230,430	280,574	10,230,430	3,450,324	6,901,962
850101	10,121,720	1,839,750	11,961,470	7,930,430	279,510	7,930,430	4,119,670	6,842,232
850701	10,139,620	1,771,740	11,911,360	10,144,430	279,340	10,144,430	4,718,810	6,122,550
860101	10,118,970	1,621,314	11,740,284	7,118,190	277,108	7,395,298	4,234,670	6,920,000
860701	10,099,100	1,509,000	11,608,100	9,820,260	269,160	10,099,100	4,142,100	6,867,000
870101	10,080,100	1,420,800	11,500,900	9,630,260	269,880	10,080,100	4,020,810	6,827,090
870701	10,060,420	1,340,120	11,400,540	9,440,260	269,740	9,710,000	3,899,740	6,819,300
880101	9,947,620	1,255,274	11,202,894	9,250,260	269,020	9,519,280	3,778,760	6,740,540
880701	9,864,720	1,169,070	11,033,790	9,060,260	268,300	9,328,560	3,657,780	6,683,760
890101	9,816,120	1,083,220	10,899,340	8,870,260	267,580	9,139,840	3,536,800	6,606,960
890701	9,732,220	1,000,420	10,732,640	8,680,260	266,860	8,949,120	3,415,820	6,538,300
900101	9,704,120	920,420	10,624,540	8,490,260	266,140	8,759,400	3,294,840	6,463,460
900701	9,620,220	840,420	10,480,640	8,300,260	265,420	8,569,680	3,173,860	6,394,220
910101	9,540,120	760,420	10,340,540	8,110,260	264,700	8,380,960	3,052,880	6,325,080
910701	9,460,220	680,420	10,200,640	7,920,260	263,980	8,190,240	2,931,900	6,255,840
920101	9,380,120	600,420	10,060,540	7,730,260	263,260	7,999,520	2,810,920	6,186,600
920701	9,300,220	520,420	9,920,640	7,540,260	262,540	7,809,800	2,690,940	6,117,360
930101	9,220,120	440,420	9,780,540	7,350,260	261,820	7,620,080	2,570,960	6,048,120
930701	9,140,220	360,420	9,640,640	7,160,260	261,100	7,430,360	2,450,980	5,978,880
940101	9,060,120	280,420	9,500,540	6,970,260	260,380	7,240,640	2,330,000	5,909,640
940701	8,980,220	200,420	9,360,640	6,780,260	259,660	7,050,920	2,210,020	5,840,400
950101	8,900,120	120,420	9,220,540	6,590,260	258,940	6,861,200	2,090,040	5,771,160
950701	8,820,220	40,420	9,080,640	6,400,260	258,220	6,671,480	1,970,060	5,701,920
960101	8,740,120	0	8,940,540	6,210,260	257,500	6,481,760	1,850,080	5,632,680
960701	8,660,220	0	8,800,640	6,020,260	256,780	6,292,040	1,730,100	5,563,440
970101	8,580,120	0	8,660,540	5,830,260	256,060	6,102,320	1,610,120	5,494,200
970701	8,500,220	0	8,520,640	5,640,260	255,340	5,912,600	1,490,140	5,424,960
980101	8,420,120	0	8,380,540	5,450,260	254,620	5,722,880	1,370,160	5,355,720
980701	8,340,220	0	8,240,640	5,260,260	253,900	5,533,160	1,250,180	5,286,480
990101	8,260,120	0	8,100,540	5,070,260	253,180	5,343,440	1,130,200	5,217,240
990701	8,180,220	0	7,960,640	4,880,260	252,460	5,153,720	1,010,220	5,148,000
1000101	8,100,120	0	7,820,540	4,690,260	251,740	4,964,000	890,240	5,078,760
1000701	8,020,220	0	7,680,640	4,500,260	251,020	4,774,280	770,260	5,009,520
10010101	8,049,220	0	7,707,740	4,310,260	250,300	4,584,560	650,280	4,940,280
10010701	8,068,120	0	7,726,640	4,120,260	249,580	4,394,840	530,300	4,871,040
10020101	8,087,120	0	7,745,540	3,930,260	248,860	4,205,120	410,320	4,801,800
10020701	8,106,220	0	7,764,640	3,740,260	248,140	4,015,400	290,340	4,732,560
10030101	8,125,120	0	7,783,540	3,550,260	247,420	3,825,680	170,360	4,663,320
10030701	8,144,220	0	7,802,640	3,360,260	246,700	3,635,960	50,380	4,594,080
10040101	8,163,120	0	7,821,540	3,170,260	245,980	3,446,240	0	4,524,840
10040701	8,182,220	0	7,840,640	2,980,260	245,260	3,256,520	0	4,455,600
10050101	8,201,120	0	7,859,540	2,790,260	244,540	3,066,800	0	4,386,360
10050701	8,220,220	0	7,878,640	2,600,260	243,820	2,877,080	0	4,317,120
10060101	8,239,120	0	7,897,540	2,410,260	243,100	2,687,360	0	4,247,880
10060701	8,258,220	0	7,916,640	2,220,260	242,380	2,497,640	0	4,178,640
10070101	8,277,120	0	7,935,540	2,030,260	241,660	2,307,920	0	4,109,400
10070701	8,296,220	0	7,954,640	1,840,260	240,940	2,118,200	0	4,040,160
10080101	8,315,120	0	7,973,540	1,650,260	240,220	1,928,480	0	3,970,920
10080701	8,334,220	0	7,992,640	1,460,260	239,500	1,738,760	0	3,901,680
10090101	8,353,120	0	8,011,540	1,270,260	238,780	1,549,040	0	3,832,440
10090701	8,372,220	0	8,030,640	1,080,260	238,060	1,359,320	0	3,763,200
10100101	8,391,120	0	8,049,540	990,260	237,340	1,169,600	0	3,693,960
10100701	8,410,220	0	8,068,640	800,260	236,620	979,880	0	3,624,720
10110101	8,429,120	0	8,087,540	610,260	235,900	790,160	0	3,555,480
10110701	8,448,220	0	8,106,640	420,260	235,180	600,440	0	3,486,240
10120101	8,467,120	0	8,125,540	230,260	234,460	410,720	0	3,417,000
10120701	8,486,220	0	8,144,640	40,260	233,740	220,000	0	3,347,760
10130101	8,505,120	0	8,163,540	0	233,020	30,000	0	3,278,520
10130701	8,524,220	0	8,182,640	0	232,300	0	0	3,209,280
10140101	8,543,120	0	8,201,540	0	231,580	0	0	3,140,040
10140701	8,562,220	0	8,220,640	0	230,860	0	0	3,070,800
10150101	8,581,120	0	8,239,540	0	230,140	0	0	3,001,560
10150701	8,600,220	0	8,258,640	0	229,420	0	0	2,932,320
10160101	8,619,120	0	8,277,540	0	228,700	0	0	2,863,080
10160701	8,638,220	0	8,296,640	0	227,980	0	0	2,793,840
10170101	8,657,120	0	8,315,540	0	227,260	0	0	2,724,600
10170701	8,676,220	0	8,334,640	0	226,540	0	0	2,655,360
10180101	8,695,120	0	8,353,540	0	225,820	0	0	2,586,120
10180701	8,714,220	0	8,372,640	0	225,100	0	0	2,516,880
10190101	8,733,120	0	8,391,540	0	224,380	0	0	2,447,640
10190701	8,752,220	0	8,410,640	0	223,660	0	0	2,378,400
10200101	8,771,120	0	8,429,540	0	222,940	0	0	2,309,160
10200701	8,790,220	0	8,448,640	0	222,220	0	0	2,239,920
10210101	8,809,120	0	8,467,540	0	221,500	0	0	2,170,680
10210701	8,828,220	0	8,486,640	0	220,780	0	0	2,101,440
10220101	8,847,120	0	8,505,540	0	220,060	0	0	2,032,200
10220701	8,866,220	0	8,524,640	0	219,340	0	0	1,962,960
10230101	8,885,120	0	8,543,540	0	218,620	0	0	1,893,720
10230701	8,904,220	0	8,562,640	0	217,900	0	0	1,824,480
10240101	8,923,120	0	8,581,540	0	217,180	0	0	1,755,240
10240701	8,942,220	0	8,600,640	0	216,460	0	0	1,686,000
10250101	8,961,120	0	8,619,540	0	215,740	0	0	1,616,760
10250701	8,980,220	0	8,638,640	0	215,020	0	0	1,547,520
10260101	8,999,120	0	8,657,540	0	214,300	0	0	1,478,280
10260701	9,018,220	0	8,676,640	0	213,580	0	0	1,409,040
10270101	9,037,120	0	8,695,540	0	212,860	0	0	1,339,800
10270701	9,056,220	0	8,714,640	0	212,140	0	0	1,270,560
10280101	9,075,120	0	8,733,540	0	211,420	0	0	1,201,320
10280701	9,094,220	0	8,752,640	0	210,700	0	0	1,132,080
10290101	9,113,120	0	8,771,540	0	210,000	0	0	1,062,840
10290701	9,132,220	0	8,790,640	0	209,300	0	0	993,600
10300101	9,151,120	0	8,809,540	0	208,600	0	0	924,360
10300701	9,170,220	0	8,828,640	0	207,900	0	0	855,120
10310101	9,189,120	0	8,847,540	0	207,200	0	0	785,880
10310701	9,208,220	0	8,866,640	0	206,500	0	0	716,640
10320101	9,227,120	0	8,885,540	0	205,800	0	0	647,400
10320701	9,246,220	0	8,904,640	0	205,100	0	0	578,160
10330101	9,265,120	0	8,923,540	0	204,400	0	0	508,920
10330701	9,284,220	0	8,942,640	0	203,700	0	0	439,680
10340101	9,303,120	0	8,961,540	0	203,000	0	0	370,440
10340701	9,322,220	0	8,980,640	0	202,300	0	0	301,200
10350101	9,341,120	0	8,999,540	0	201,600	0	0	231,960
10350701	9,360,220	0	9,018,640	0	200,900	0	0	162,720
10360101	9,379,120	0	9,037,540	0	200,200	0	0	93,480
10360701	9,3980							



**SOUTH CAROLINA STATE HOUSING AUTHORITY  
MULTIFAMILY DEVELOPMENT REVENUE BONDS  
1982 Series A and Series B**

THE HANCOCK BANK - PUBLIC FINANCE DEPARTMENT  
HOUSING UNIT

PROJECTED PERIODIC CASH AVAILABILITY:

3 1/2 PER CENT

100% ORIGINATIONS

		NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF RESERVE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
1.	940101	1,014,785	777,159	1,791,944	1,587,447	4,450	1,592,097	199,847	401,141
2.	950701	1,410,444	240,625	1,657,150	1,587,447	4,450	1,592,097	65,703	466,844
3.	960101	1,410,444	250,250	1,660,694	1,587,447	4,450	1,592,097	25,797	715,641
4.	960701	1,410,444	262,260	1,662,704	1,587,447	4,450	1,592,097	54,333	769,974
5.	960101	1,410,444	261,840	1,661,769	1,587,447	4,450	1,592,097	74,545	750,519
6.	960701	1,410,444	263,260	1,663,019	1,587,447	4,450	1,592,097	126,442	846,961
7.	970101	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	145,214	760,747
8.	970701	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	807,516
9.	980101	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	109,414	800,102
10.	980701	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	800,102
11.	990101	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	800,102
12.	990701	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	800,102
13.	990101	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	800,102
14.	990701	1,410,444	263,220	1,662,701	1,587,447	4,450	1,592,097	130,229	800,102
15.	910101	1,410,444	258,764	1,659,209	1,548,991	4,450	1,553,441	115,768	1,020,167
16.	910701	1,410,444	261,940	1,673,390	1,703,991	4,450	1,708,441	1,235,934	1,125,934
17.	920101	1,410,444	260,957	1,671,401	1,529,694	4,450	1,544,344	127,057	1,077,655
18.	920701	1,410,444	264,421	1,674,995	1,719,694	4,450	1,724,344	1,494,449	1,228,442
19.	930101	1,410,444	263,091	1,673,625	1,529,125	4,450	1,533,575	139,992	1,177,442
20.	930701	1,410,444	263,091	1,673,625	1,719,125	4,450	1,723,575	1,514,449	1,177,442
21.	940101	1,410,444	263,522	1,676,976	1,571,294	4,450	1,575,744	1,541,232	1,228,128
22.	940701	1,410,444	269,773	1,680,217	1,742,294	4,450	1,746,744	1,604,573	1,428,499
23.	950101	1,410,444	267,944	1,678,268	1,526,441	4,450	1,530,891	1,747,427	1,228,128
24.	950701	1,410,444	271,253	1,683,017	1,748,441	4,450	1,752,891	1,804,573	1,428,499
25.	960101	1,410,444	270,716	1,681,167	1,486,120	4,450	1,490,570	1,891,597	1,428,499
26.	960701	1,410,444	271,690	1,683,243	1,708,120	4,450	1,712,570	1,885,233	1,428,499
27.	970101	1,410,444	273,667	1,686,971	1,468,970	4,450	1,473,420	2,013,551	1,428,499
28.	970701	1,410,444	273,259	1,685,739	1,708,970	4,450	1,713,420	2,009,819	1,428,499
29.	980101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
30.	980701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
31.	990101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
32.	990701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
33.	1000101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
34.	1000701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
35.	100101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
36.	10010701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
37.	100201	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
38.	10020701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
39.	100301	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
40.	10030701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
41.	100401	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
42.	10040701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
43.	100501	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
44.	10050701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
45.	100601	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
46.	10060701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
47.	100701	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
48.	10070701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
49.	100801	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
50.	10080701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
51.	100901	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
52.	10090701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
53.	101001	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
54.	10100701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
55.	101101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
56.	10110701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
57.	101201	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
58.	10120701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
59.	101301	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
60.	10130701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
61.	101401	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
62.	10140701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
63.	101501	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
64.	10150701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
65.	101601	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
66.	10160701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
67.	101701	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
68.	10170701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
69.	101801	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
70.	10180701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
71.	101901	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
72.	10190701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
73.	102001	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
74.	10200701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
75.	102101	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
76.	10210701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
77.	102201	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
78.	10220701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
79.	102301	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
80.	10230701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
81.	102401	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
82.	10240701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
83.	102501	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
84.	10250701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
85.	102601	1,410,444	273,410	1,685,854	1,469,241	4,450	1,473,691	2,010,163	1,428,499
86.	10260701	1,410,444	273,410	1,685,854	1,709,241	4,450	1,713,691	2,009,819	1,428,499
87.	102701	1,410,4							



SEP 9 1983  
EXHIBIT

SINKLER GIBBS & SIMONS

SEP 8 1983

NO. 1

PROFESSIONAL ASSOCIATION

SUITE 1160

FIRST NATIONAL BANK BUILDING

COLUMBIA, SOUTH CAROLINA

TELEPHONE AND TELECOPIER

(803) 765-1885

STATE BUDGET & CONTROL BOARD

CHARLESTON OFFICE

160 EAST BAY STREET

POST OFFICE BOX 340

CHARLESTON, S.C. 29402

TELEPHONE AND TELECOPIER

(803) 722-3366

MAILING ADDRESS  
COLUMBIA OFFICE  
POST OFFICE BOX 11458  
COLUMBIA, S.C. 29211

September 9, 1983

South Carolina State Budget  
and Control Board  
Wade Hampton Office Building  
Columbia, South Carolina

Dear Sirs:

On behalf of the South Carolina State Housing Authority (the Authority) I wish to advise that pursuant to your authorization granted at your specially held meeting on September 8, 1983 the Authority did meet and did agree to issue \$58,000,000 South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1983 Series A (the Bonds), bearing interest from September 1, 1983, payable on January 1, 1984 and semiannually thereafter on January 1 and July 1 of each year until payment of the principal thereof, maturing as set forth below:

\$15,000,000 10 1/2% Term Bonds due July 1, 2005

\$23,000,000 10 5/8% Term Bonds due July 1, 2014

\$20,000,000 10 5/8% Term Bonds due July 1, 2015

This will further advise that we have entered into a contract with Morgan Guaranty to purchase the bonds at a price of 97.8% of their par value. This interest rate will enable the Authority to make mortgage loans to members of the beneficiary classes at an interest rate of 11.20%. Such loans will be bought at discounts of not less than 2½% nor more than 3¼%. A copy of the Purchase Contract is presented herewith.

The Authority has given its approval to the use by the Purchasers of the Bonds of an Official Statement relating to the Bonds, a copy of which is presented herewith.

002946

SINKLER GIBBS & SIMONS

South Carolina State Budget  
and Control Board  
September 9, 1983  
Page 2

It would be appreciated if your minutes effecting approval of the Authority's action would reflect the foregoing.

Respectfully yours,

*Lindsay M. Walker*

002947

MAILING ADDRESS  
CHARLESTON OFFICE  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA

TELEPHONE AND TELECOPIER  
(803) 722-3366

*Conference*  
*Call - Baccard*  
*10:00 Thurs*  
*SEP 8 1983*  
**EXHIBIT**

SEP 8 1983

FIRST NATIONAL BANK BUILDING  
POST OFFICE BOX 1458  
COLUMBIA, S. C. 29211  
TELEPHONE AND TELECOPIER  
(803) 765-1885

STATE BUDGET & CONTROL BOARD

September 6, 1983

Re: \$58,000,000 South Carolina State Housing Authority  
Homeownership Mortgage Purchase Bonds, 1983  
Series A

Gentlemen:

From what it looks like at the moment, these bonds should produce a coupon of 10 and 5/8%. This means that the mortgages would have to bear interest at 11 and 1/4%. This is slightly higher than we anticipated at our meeting of August 23. The interest rate will be finalized by Thursday and on that basis I have requested Bill McInnis to hold a telephone meeting of the Budget and Control Board at 10:00 a.m., Thursday, September 8.

If any changes occur I will see that you are apprised of these.

Sincerely yours,

*Bugger*

HS/lrs

To: Hon Richard W. Riley  
Governor  
State of South Carolina

Hon Grady L. Patterson, Jr.  
Treasurer of the State of South Carolina

Hon Earle E. Morris, Jr.  
State Treasurer's Office

Hon Rembert C. Dennis  
Moncks Corner  
South Carolina

Hon Tom G. Mangum  
Lancaster  
South Carolina

**RECEIVED**

SEP 7 1983

REFERRED TO *Kittling*

ANSWERED

002948

# EXHIBIT

SEP 8 1983 NO. 1

## PURCHASE CONTRACT

STATE BUDGET & CONTROL BOARD

\$58,000,000

### SOUTH CAROLINA STATE HOUSING AUTHORITY

#### Homeownership Mortgage Purchase Bonds

#### 1983 Series A

September 9, 1983

Board of Commissioners  
South Carolina State Housing Authority  
2221 Devine Street  
Columbia, South Carolina 29205

Ladies and Gentlemen:

The undersigned as representatives (the "Representatives") of the underwriters named in Schedule I attached hereto (the "Underwriters"), offer to enter into this Purchase Contract with you which, upon your acceptance, will be binding upon you and upon the Underwriters. The offer made hereby is subject to your acceptance on the date hereof or such other date as may be agreed upon between ourselves.

1. On the basis of the representations, warranties and covenants and upon the terms and conditions set forth in this Purchase Contract, the Underwriters hereby offer to purchase and you agree to sell \$58,000,000 aggregate principal amount of your Homeownership Mortgage Purchase Bonds, 1983 Series A (the "Bonds") at the rates, amounts and maturities, and having the various redemption provisions, described in the Resolution (hereinafter defined) and in the Official Statement of the South Carolina State Housing Authority (the "Authority") relating to the Bonds. The Underwriters, jointly and severally, agree to purchase the Bonds at an aggregate purchase price of \$56,724,000 plus accrued interest from the date of the Bonds to the date of payment and delivery.

2. (a) It shall be a condition of your obligation to sell and deliver the Bonds to the Underwriters that the entire \$58,000,000 principal amount of the Bonds shall be accepted and paid for by the Underwriters at the Closing. It shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds that the entire \$58,000,000 amount of the Bonds shall be tendered for sale and delivery by you.

(b) It shall be a further condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds that they shall be as described in and shall be issued under the provisions of a resolution entitled "A General Resolution Providing for the Issuance and Sale of South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds and Other Matters Relating Thereto" adopted by the Authority on September 21, 1982 (together with all supplements thereto, the "Resolution"), which General Resolution has been endorsed by a written acceptance of the State Treasurer of the State of South Carolina as Trustee (the "Trustee") and a resolution entitled "A Supplemental Resolution Providing for the Issuance and Sale of Fifty Eight Million Dollars (\$58,000,000) South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1983 Series A, and Other Matters Relating Thereto" adopted by the Authority on September 9, 1983 (the "Supplemental Resolution"). The Resolution shall be substantially in the form as adopted and delivered with only such changes as may be agreed upon by the Authority and the Underwriters.



(c) The Underwriters herewith deliver to the Authority a certified or official bank check payable to the order of the Authority in New York Clearing House funds in the amount of \$580,000. In the event that you do not accept this offer, such check shall be immediately returned to the Underwriters uncashed. Such check shall be held by the Authority uncashed until Closing (hereinafter defined) as security for the performance by the Underwriters of their obligations to purchase, accept delivery of and pay for the Bonds at Closing. In the event of the Authority's failure to deliver the Bonds on the Closing Date, or if the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase and accept delivery of the Bonds as set forth in this Purchase Contract, or if the obligation of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, such check shall be immediately returned to the Underwriters. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds at Closing as herein provided, such check shall be retained by the Authority as and for liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters. The Underwriters understand that in such event the Authority's actual damages may be greater or may be less than such security deposit. Accordingly, the Underwriters hereby waive any right to claim that the Authority's actual damages are less than the amount of such security deposit, and the Authority's acceptance of this offer shall constitute a waiver of any right the Authority may have to additional damages from the Underwriters.

3. You have delivered to the Underwriters a copy of the Resolution. You are also delivering to the Underwriters three copies of the Official Statement of the Authority relating to the Bonds (the "Official Statement"), signed by the Executive Director of the Authority in the form attached hereto. You authorize the Official Statement, including the cover page and Exhibits thereto, and the information contained therein, to be used in connection with the sale of the Bonds and you ratify and consent to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement of the Authority dated August 22, 1983 (the "Preliminary Official Statement"). You also agree to deliver to the Underwriters copies of the Official Statement complete in all respects, as requested by the Underwriters, for distribution to the Underwriters. The Underwriters agree to make a bona fide public offering of all of the Bonds (other than Bonds, if any, which are not reoffered) at prices not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement, plus interest accrued thereon from September 1, 1983. You have also caused to be delivered to the Underwriters the opinion of Arthur Young & Company confirming the accuracy of such financial information included in the Official Statement as shall have been reasonably requested by the Underwriters.

4. You represent and warrant to the Underwriters that, and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds that:

(a) The Authority has complied and will comply at the time of Closing with all the provisions of the South Carolina State Housing Authority Act of 1977, Chapter 13 of Title 31, Code of Laws of South Carolina, 1976, as amended (the "Act"), and has full legal right, power and authority to issue the Bonds for the purposes stated in the Act, to enter into this Purchase Contract and the Resolution, to issue, sell and deliver the Bonds to the Underwriters as provided herein, and to carry out and consummate all other transactions contemplated by each of the aforesaid documents and the Official Statement;

(b) the Official Statement in the form delivered to the Underwriters will not, at the time of your acceptance hereof or at the time of Closing, contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(c) the Authority is, and will be on the Closing Date, duly existing as a public body corporate and politic and an agency of the State of South Carolina, with the powers and authority set forth in the Act and Act Number 500 of the Acts of the General Assembly of South Carolina for the year 1971, as amended, codified as Article 3 of Chapter 1 of Title 31 of the Code of Laws of South Carolina 1976;

(d) the Authority has duly authorized the execution and delivery of this Purchase Contract, the Bonds and the Resolution and the taking of any and all action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated herein and therein, and the Resolution is, and the Resolution and this Purchase Contract will be at the Closing, in full force and effect;

(e) when delivered to and paid for by the Purchasers on the Closing Date in accordance with the provisions of this Purchase Contract, the Bonds will have been duly authorized, executed, issued and



delivered and will constitute legal, valid and binding special obligations of the Authority in conformity with the Act and the Resolution;

(f) the issuance, execution, sale and delivery of the Bonds, the adoption and delivery of the Resolution, the execution and delivery of this Purchase Contract and compliance with the provisions hereof and thereof will not conflict with or constitute a breach of or a default under any law or regulation or of any decree, writ, order or injunction or of the Act or contravene the provisions of or constitute a default under any agreement, indenture, resolution or other instrument to which the Authority is subject;

(g) at the date hereof and at the Closing, the Authority will be in compliance in all respects with the covenants and agreements contained in the Resolution, and any other agreement or any resolution pursuant to which it has any obligations outstanding and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default under the Resolution or under any such other agreement or any resolution shall have occurred and be continuing;

(h) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter, which would constitute a condition precedent to the performance by the Authority of its obligations hereunder or under the Resolution, or the Bonds (including the approval by the South Carolina Budget and Control Board) have been obtained and are, and will be on the Closing Date, in full force and effect;

(i) There is no pending or threatened action, suit, proceeding or investigation at law or in equity, or by or before any court, public board or body involving the Authority or, to the best knowledge of the Authority, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Purchase Contract or the Resolution or would adversely affect the exemption of interest paid on the Bonds from Federal income taxation or South Carolina income taxation; and

(j) between the date of this Purchase Contract and the Closing, the Authority will not have executed any bonds, notes or other obligations for borrowed money and shall not have suffered any adverse change of a material nature in its financial position or in the results of its operations.

5. At 10:00 A.M., New York City time, on September 21, 1983 (or such other business day as shall be mutually agreed upon by us in writing), you will deliver to Morgan Guaranty Trust Company of New York \$58,000,000 principal amount of the Bonds in definitive form in the form of fully registered bonds, duly executed, together with other instruments and documents described herein; and Morgan Guaranty Trust Company of New York, on behalf of the Underwriters, will accept such delivery and pay the purchase price in immediately available funds to the order of the Authority. Payment for the Bonds shall be made at a place designated by the Underwriters. Simultaneously with such payment, delivery of the Bonds shall be made at a place in New York, New York to be designated by the Underwriters at least three days prior thereto. Such payment and delivery is referred to herein as the "Closing".

6. The obligations of the Underwriters hereunder are also subject to the following additional conditions:

(a) Prior to the Closing and subsequent to the date hereof, the Resolution shall not have been amended, modified or repealed, except to the extent to which the Underwriters have given written consent and the Resolution shall have been duly authorized, adopted and delivered;

(b) The Underwriters shall have the right to cancel their obligation hereunder to purchase the Bonds (and such cancellation shall not constitute a default hereunder by the Underwriters) by notifying you in writing or by telegram of their election so to do between the date hereof and the Closing, if at any time hereafter and prior to the Closing;

(i) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States,

or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed, having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation upon revenues or other income of the general character to be derived by you or by any similar body or upon interest received on the Bonds or obligations of the general character of the Bonds, which, in the Underwriters' opinion, materially adversely affects the market price of the Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of South Carolina, or a decision by a court within the State of South Carolina shall be rendered which, in the Underwriters' opinion, materially adversely affects the market price of the Bonds;

(iii) A stop order, ruling or regulation by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended and as then in effect, the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds or the Bonds, including all the underlying obligations, are not exempt from registration under the Securities Act of 1933, as amended and as then in effect or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Resolution, as then amended, is not exempt from the Trust Indenture Act of 1939, as amended and as then in effect;

(v) Any event shall have occurred, or information become known, which, in the Underwriters' opinion, makes materially untrue when made any statement or information contained in the Preliminary Official Statement or the Official Statement as originally circulated, or has the effect that the Preliminary Official Statement or the Official Statement as originally circulated contains an untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(vi) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(vii) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of underwriters;

(viii) A general banking moratorium shall have been established by federal, New York or South Carolina authorities;

(ix) Any rating of the Bonds or the rating of any class of security of the State of South Carolina shall have been downgraded or withdrawn by a national rating service, which, in the Underwriters' opinion, materially adversely affects the market price of the Bonds; or trading in any securities of the State shall have been suspended on any national securities exchange; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the State;

(x) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have commenced or escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriters' opinion, materially adversely affects the market price of the Bonds;

(xi) Such other documents, instruments, certificates or opinions as Bond Counsel, the Underwriters or counsel to the Underwriters may deem necessary or desirable to evidence compliance by the Authority with Section 103(b)(4)(A) of the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder, in connection with the issuance of the Bonds.

(c) You shall perform or have performed at or prior to the time of the Closing all of your obligations required under or specified in this Purchase Contract, the Official Statement, and the Resolution as amended to the date of Closing, to be performed at or prior to the Closing;

(d) At the time of Closing there will be no pending or threatened litigation of any nature seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Bonds or the existence or powers of the Authority insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of money and securities, and the Underwriters will receive the certificate of the Chairman of the Board of Commissioners of the Authority to the foregoing effect or an opinion of Bond Counsel that any such litigation is without merit;

(e) At the Closing, the Underwriters shall receive, among others, the following documents:

(i) A certificate of the Executive Director of the Authority that the Resolution has not been amended, modified or repealed, except to the extent to which the Underwriters have given written consent, and that the Resolution has been duly authorized, adopted, delivered and filed by the Authority, and is in full force and effect;

(ii) An opinion of Sinkler Gibbs & Simons, Bond Counsel, substantially in the form attached to the Official Statement as Exhibit D;

(iii) An opinion of Cravath, Swaine & Moore, counsel to the Underwriters, with respect to the Bonds, the Official Statement and other related matters as the Representatives may reasonably require.

(iv) A Supplementary Opinion of Bond Counsel, addressed to the Underwriters, dated the Closing date, in form and substance satisfactory to the Representatives, to the effect that (A) the information in the Official Statement with respect to the legal matters relating to the creation of the Authority and its powers, the Bonds, the General Resolution, the Supplemental Resolution and the statutes referred to in the Official Statement is true and correct and nothing has come to their attention that would lead them to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein made in the light of the circumstances under which they were made, not misleading (except that such counsel need not express any opinion as to the financial information and statistical data included in the Official Statement); (B) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and neither the General Resolution nor the Supplemental Resolution need be qualified as an indenture under the Trust Indenture Act of 1939, as amended; (C) this Purchase Contract has been duly authorized, executed and delivered by, the Authority and constitutes a binding agreement thereof in accordance with its terms; (D) all requirements and conditions specified in the Act and all other applicable laws and regulations to be satisfied in connection with the adoption and performance of the General Resolution and the Supplemental Resolution, the execution, delivery and performance of this Purchase Contract and the issuance, execution, sale and delivery of the Bonds have been fulfilled; (E) the issuance, execution, sale and delivery of the Bonds, the adoption of the General Resolution and Supplemental Resolution and the execution and delivery of this Purchase Contract do not, and compliance with the provisions thereof will not, conflict with or constitute a breach of or default under any law or regulation or of any decree, writ, order or injunction or of the Act or contravene the provisions of or constitute a default under any agreement, indenture, resolution or other instrument to which the Authority is subject; (F) all action on the part of the Authority necessary for the adoption and performance of the General Resolution and the Supplemental Resolution, the execution, delivery and performance of the Purchase Contract and the issuance, execution, sale and delivery of the Bonds and other transactions on the part of the Authority contemplated thereby has been duly and effectively taken; (G) no consent, authorization or approval of, or filing or registration with, any governmental or regulatory body of South Carolina or the United States of America is required for

the issuance, execution and delivery of the Bonds, the adoption and performance of the General Resolution or the Supplemental Resolution or the execution, delivery and performance of this Purchase Contract or the transactions contemplated hereby or thereby, which has not been fully and effectively taken; (H) the indebtedness of the Authority, including the Bonds, is within every limit, constitutional, statutory or otherwise, prescribed by any regulation or statute or other law; and (I) bills under active consideration by the House of Representatives or the Senate of the Congress of the United States or of any committee thereof regarding the tax exemption or mortgage bonds, as enacted in their present form, would not cause interest on the Bonds to be subject to federal income taxation;

(v) A certificate or certificates, dated the Closing Date, signed by the Chairman of the Board of Commissioners of the Authority and the Executive Director of the Authority and in form and substance satisfactory to the Underwriters, in which such officers state that the representations and warranties of the Authority in this Purchase Contract are true and correct as of the Closing Date as though made on and as of the Closing Date; that the Authority has complied with all agreements, covenants and arrangements and satisfied all conditions on its part to be complied with or satisfied at or prior to the Closing Date; that the procedures and documentation requirements established for the purpose of fulfilling the Authority's tax covenant in the Resolution are sufficient to assure that the proceeds of the Bonds will be applied in accordance with the requirements of Section 103 and Section 103A of the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder, so as to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation; that neither the Official Statement, nor any amendment or supplement thereto as of their respective issue dates, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading; that since the date of the Official Statement, no event affecting the Authority has occurred and that no litigation is pending or, to the knowledge of the signers of such certificate, threatened which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect;

(vi) A certificate of an authorized officer of the Authority relating to the valid execution of the Bonds and a certificate of an authorized officer of the Trustee relating to the delivery and payment therefor;

(vii) An opinion of Arthur Young & Company confirming the continued accuracy of the information set forth in that firm's opinion delivered pursuant to paragraph 3 hereof;

(viii) Such additional certificates, instruments or opinions as Bond Counsel, the Underwriters and counsel to the Underwriters may deem necessary or desirable to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds and the Resolution as amended to the date of Closing, with the terms and conditions hereof and as set forth in the Official Statement; and

(ix) All certificates, instruments, opinions and documents referred to above shall be satisfactory in form and substance to Bond Counsel, the undersigned and counsel to the Underwriters; and

(f) The Authority will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement or any part thereof. If at any time from the date hereof until 90 days after the Closing Date an event which in the opinion of the Underwriters occurs as a result of which the Official Statement as then amended or supplemented would contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Authority promptly will prepare an amendment or supplement which will correct such statement or omission.

7. If the obligation of the Underwriters shall be terminated for any reason permitted in this Purchase Contract, neither the Underwriters nor the Authority shall be under further obligation hereunder, except that (i) the Underwriters shall promptly be repaid the amount paid pursuant to paragraph 2 hereof, and (ii) the respective obligations of the parties to pay certain expenses as provided herein shall continue in full force and effect.



8. At the time of Closing, contemporaneously with the delivery and receipt of the Bonds, Morgan Guaranty Trust Company of New York will deliver to you a receipt therefor, in form satisfactory to Bond Counsel, executed by Morgan Guaranty Trust Company of New York on behalf of the Underwriters.

9. You will furnish to the Underwriters a reasonable supply of copies of the opinions of Bond Counsel referred to herein to accompany deliveries of the Bonds.

10. The Authority shall pay the cost of the preparation and printing of the Bonds, the cost of duplicating a reasonable number of copies of the Resolution and any amendments thereto, the fees of agencies rating the Bonds, the cost of printing all copies of the Preliminary Official Statement and the Official Statement, together with all exhibits, appendices, affidavits and submissions relating thereto, and the fees and disbursements of your Bond Counsel and of any other experts or consultants retained by the Authority.

The Underwriters shall pay the cost of printing this Purchase Contract, the Agreement Among Underwriters, the Blue Sky Memorandum and the Memorandum as to Legality for Investment, and shall pay all expenses incurred by them or any of them in connection with this financing, including advertising, handling and other selling expenses and the fees and disbursements of counsel to the Underwriters.

11. No covenant or agreement contained in this Purchase Contract shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Authority in his individual capacity, and no member, officer, agent or employee of the Authority shall be liable personally under this Purchase Contract or be subject to any personal liability or accountability solely by reason of the execution of this Purchase Contract or solely by reason of the Authority's breach or attempted or alleged breach hereof.

12. Any notice to be given to you under this Purchase Contract may be given by delivering the same to the office of the Authority, 2221 Devine Street, Columbia, South Carolina 29205, and any such notice to be given to the Underwriters may be given by delivering the same to Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015, Attention: Mr. Brantley Barr.

13. This Purchase Contract has been and is made for the benefit of the Authority and the Underwriters and their successors or assigns and no other person shall acquire or have any rights under or by virtue of this Purchase Contract.

14. This Purchase Contract shall be governed by, and construed in accordance with, the laws of the State of New York.

15. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the below specified officer of the Authority, and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK  
SALOMON BROTHERS INC

*As Representatives*

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: *Brantley Barr*  
Vice President

*Acting on behalf of themselves and as  
Representatives of the Underwriters*

Accepted as of the date hereof:

SOUTH CAROLINA STATE HOUSING AUTHORITY

By: *Clayton M. Lusk*  
Executive Director

**SCHEDULE I**

*Underwriters*

Morgan Guaranty Trust Company of New York  
Salomon Brothers Inc

Bankers Trust of South Carolina  
The Citizens and Southern National Bank of  
South Carolina  
First National Bank of South Carolina  
The South Carolina National Bank

# EXHIBIT

SEP 8 1983 NO. 1

## STATE BUDGET & CONTROL BOARD

*In the opinion of Bond Counsel, under existing law, interest on the 1983 Series A Bonds is exempt from Federal income taxes. It is the further opinion of Bond Counsel that such Bonds and the interest thereon are exempt from all South Carolina state, county, municipal, school district and all other taxes or assessments imposed thereon within the State of South Carolina, except inheritance, estate and transfer taxes.*

### NEW ISSUE

**\$58,000,000**

### **SOUTH CAROLINA STATE HOUSING AUTHORITY Homeownership Mortgage Purchase Bonds 1983 Series A**

Interest on the 1983 Series A Bonds is payable commencing January 1, 1984 (representing four months' interest) and thereafter semiannually on each July 1 and January 1. The 1983 Series A Bonds will be fully registered bonds in denominations of \$5,000 or any multiple thereof. Principal of the 1983 Series A Bonds is payable at the corporate trust office of Morgan Guaranty Trust Company of New York, Registrar and Paying Agent, in New York, New York. Interest will be paid by check mailed to the registered holders thereof. The 1983 Series A Bonds are transferable on the books of the Authority maintained by the Registrar and Paying Agent at its corporate trust office.

The 1983 Series A Bonds will be on a parity with the \$82,265,000 1982 Series A Bonds and all other Bonds which may be issued pursuant to the General Resolution. The Trustee for all such Bonds is the State Treasurer of South Carolina, Columbia, South Carolina.

The 1983 Series A Bonds will be subject to redemption in whole or in part at the option of the Authority on and after July 1, 1993 at Redemption Prices set forth herein, together with accrued interest to the date of redemption. The 1983 Series A Bonds also will be subject to redemption in whole or in part at the option of the Authority on and after January 1, 1984, solely from unexpended 1983 Series A Bond proceeds, Mortgage Loan prepayments and other sources described herein at a Redemption Price of 100% of the principal amount plus accrued interest to the date of redemption. Redemptions in each such instance shall be in chronological order of maturity. The 1983 Series A Bonds are also subject to redemption from mandatory Sinking Fund Payments as described herein. See "Description of 1983 Series A Bonds—Redemption Provisions".

### MATURITY SCHEDULE

**\$15,000,000 10 $\frac{1}{2}$ % Term Bonds due July 1, 2005, Price: NRO**  
**\$23,000,000 10 $\frac{3}{8}$ % Term Bonds due July 1, 2014, Price: 100%**  
**\$20,000,000 10 $\frac{5}{8}$ % Term Bonds due July 1, 2015, Price: 100%**

(Plus accrued interest from September 1, 1983)

The 1983 Series A Bonds are special obligations of the Authority issued for the principal purpose of providing funds to purchase Mortgage Loans for single family residences in South Carolina. The entire principal balance of each Mortgage Loan financed by 1983 Series A Bond proceeds is required to be insured as described herein throughout the term of the loan. The Authority has no taxing power. The Bonds do not constitute a debt or grant or loan of credit of the State of South Carolina or any political subdivision of the State and neither the State nor any political subdivision thereof is liable thereon. The South Carolina Supreme Court has held that the State of South Carolina may not use appropriated money to pay the indebtedness represented by the Authority's bonds.

*The 1983 Series A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Messrs. Sinkler Gibbs & Simons, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Messrs. Cravath, Swaine & Moore. It is expected that the Bonds will be available for delivery in New York, New York at the offices of Morgan Guaranty Trust Company of New York or through the facilities of The Depository Trust Company on or about September 21, 1983.*

**Morgan Guaranty Trust Company of New York**

**Salomon Brothers Inc**

September 9, 1983

002957

No dealer, broker, salesman or other person has been authorized by the South Carolina State Housing Authority or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the South Carolina State Housing Authority and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has not been any change in the affairs of the South Carolina State Housing Authority since the date hereof.

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**\$58,000,000**

**SOUTH CAROLINA STATE HOUSING AUTHORITY**  
**Homeownership Mortgage Purchase Bonds**  
**1983 Series A**

**SUMMARY STATEMENT**

*(Subject in all respects to the more complete information and to the definitions contained or incorporated in this Official Statement.)*

**The Authority:** The Authority was created in 1971 by an amendment to the Housing Authorities Law of South Carolina. The Authority is a public body corporate and politic and an agency of the State. The powers of the Authority were expanded through the passage of the South Carolina State Housing Authority Act of 1977. Pursuant to such legislation, the Authority established its Homeownership Mortgage Purchase Program by a General Resolution adopted by the Authority on September 21, 1982, and issued \$82,265,000 1982 Series A Bonds thereunder on October 5, 1982. The Authority's other activities to date have involved (i) financing FHA-insured multifamily residential housing developments, (ii) the administration of annual contributions contracts entered into under HUD's Section 8 Housing Assistance Program, (iii) a federally assisted moderate rehabilitation program for rental housing, (iv) technical assistance programs to cities, counties, other housing authorities and nonprofit associations throughout the State, (v) public rental project program supported by HUD under its Section 8 Program and (vi) a single family mortgage purchase program under which federally insured or guaranteed mortgage loans have been purchased from originating lending institutions throughout the State.

**Purpose:** The 1983 Series A Bonds are being issued for the primary purpose of providing funds to purchase Mortgage Loans for single family residences in South Carolina pursuant to the Authority's Homeownership Mortgage Purchase Program. The Authority expects to purchase such Mortgage Loans at purchase prices of between 96% and 97% of their principal amounts. Such Mortgage Loans will bear interest at a rate of 11.20%, and will be made to Eligible Borrowers by Lenders throughout the State as described herein under the heading "Homeownership Mortgage Purchase Program". The Mortgage Loans will be serviced by the Lenders or by other eligible financial institutions. Of the net proceeds of the 1983 Series A Bonds, after providing for costs of issuance and bond discount, \$54,634,000 will be available to purchase Mortgage Loans. Not less than \$10,926,800 of this amount will be available for purchase of Mortgage Loans on residences in Targeted Areas.

**Nature of the Bonds and Sources of Payment:** The 1983 Series A Bonds will be special obligations of the Authority secured by the income and receipts of the Authority pledged for the payment thereof under the General Resolution. The General Resolution does not limit the amount of Bonds which may be issued under it, except as may be provided by law. Payment of the principal or Redemption Price of, and interest on, all Bonds is secured ratably and equally by the assets pledged under the General Resolution. Such assets include the proceeds of the Bonds, all Revenues (including scheduled payments of principal of and interest on Mortgage Loans, Prepayments of Mortgage Loans and interest and income received on investments of money held in the Funds, other than the Earnings Rebate Fund), all moneys and investments in Funds and the interest of the Authority in the Mortgage Loans, the Mortgage Purchase Agreements and the Servicing Agreements relating thereto, subject in each case to the provisions of the General Resolution permitting the application thereof as set forth in the General Resolution. The General Resolution establishes a Bond Reserve Fund which is required to be maintained in an amount equal to the cumulative amounts established by each of the Supplemental Resolutions, each of which amounts must be at least equal to 3% of the aggregate of all Outstanding Bonds under the respective Supplemental Resolution. The Bond Reserve Fund Requirement following the issuance of the 1983 Series A Bonds is the sum of the requirement established pursuant to the 1983 Series A Supplemental Resolution, which is 3.0% of the 1983 Series A Bonds Outstanding, plus the requirement established pursuant to the 1982 Series A Supplemental Resolution, which is 3.3% of the 1982 Series A Bonds Outstanding.

The Authority expects that the scheduled payments of principal and interest on the Mortgage Loans financed from proceeds of the 1982 Series A Bonds and 1983 Series A Bonds, together with Prepayments thereon, if any, and income to be derived from the investment of such proceeds, along with other assets pledged under the Resolution in connection with such Bonds, will be sufficient to provide for the payment of principal of and interest on such Bonds and the costs of operating the program attributable to such Bonds and such Mortgage Loans. The Authority's expectations have been based on certain assumptions described in greater detail in this Official Statement. There can be no assurance that the Authority's actual experience will accord with these assumptions.

Under certain circumstances, moneys may be withdrawn from the Revenue Fund and transferred to the Authority free and clear of the lien created by the General Resolution.

The Authority has no taxing power. The Bonds do not constitute a debt or grant or loan of credit of the State of South Carolina or any political subdivision of the State and neither the State nor any political subdivision thereof is liable thereon. The South Carolina Supreme Court has held that the State of South Carolina may not use appropriated money to pay the indebtedness represented by the Authority's bonds. Appropriated money may be used, however, for the payment of the Authority's operating expenses.

**Additional Bonds:** Neither the Act nor the General Resolution limits the amount of Bonds which may be issued by the Authority. However, additional Bonds may be issued only upon the satisfaction of certain statutory conditions and certain conditions set forth in the General Resolution including, among others, (i) delivery of a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Debt Service when due and (ii) deposit in the Bond Reserve Fund of the amount necessary to satisfy the Bond Reserve Requirement after giving effect to the issuance of the additional Bonds.

**Optional Redemption:** The 1983 Series A Bonds will be subject to redemption in whole or in part at the option of the Authority on and after July 1, 1993, from moneys of the Authority derived from any source, at Redemption Prices set forth herein, together with accrued interest to the date of redemption. Such redemptions shall be made in chronological order of maturity.

**Special Redemption:** The 1983 Series A Bonds, also will be subject, at the option of the Authority, to redemption at any time, on or after January 1, 1984, in whole or in part, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from (i) proceeds of the 1983 Series A Bonds not used to purchase Mortgage Loans, (ii) any forfeited Commitment Fees paid by participating Lenders, (iii) the proceeds of Prepayments of Mortgage Loans which have not been applied to the purchase of new Mortgage Loans within one year of their receipt by the Authority, (iv) any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement after giving effect to such redemption and (v) any other Revenues under the Resolution not required to be applied to any other purpose. Such redemptions shall be made in chronological order of maturity.

**Mandatory Sinking Funds:** The 1983 Series A Bonds are subject to mandatory sinking fund redemption, to the extent not otherwise redeemed, at 100% of the principal amount thereof, plus accrued interest to the date of redemption.

**Mortgage Insurance:** The General Resolution permits the purchase of Mortgage Loans from the proceeds of Bond issues which are the subject of FHA insurance, VA guarantees or private mortgage insurance, in an amount (in the case of both VA guarantees and private mortgage insurance) which, when added to the mortgagor's down payment, equals at least 25% of the original principal amount of the loan. Such provision of the General Resolution is subject to any more stringent requirements set forth in a Supplemental Resolution in respect of Mortgage Loans purchased from proceeds of the Series of Bonds authorized by such Supplemental Resolution. The 1983 Series A Supplemental Resolution requires each Mortgage Loan purchased from 1983 Series A Bond proceeds to be the subject of private mortgage insurance equal to 100% of the unpaid principal amount of the Mortgage Loan throughout the term of the Mortgage Loan. Such private mortgage insurance policies provide for advance claims payments in an amount equal to delinquent payments of principal and interest on each Mortgage Loan as to which two or more monthly payments are delinquent. Such policies also provide coverage for non-monetary defaults and attorney's fees relating to enforcement of any Mortgage Loan in excess of a certain percentage of the principal amount of such Mortgage Loan.

**Homeowner's Hazard Insurance:** The 1983 Series A Supplemental Resolution requires that each Mortgage Loan purchased from 1983 Series A Bond proceeds be the subject of a homeowner's hazard insurance policy insuring against losses due to various causes, including fire, lightning and windstorm. Each such policy must contain an endorsement providing coverage for earthquakes. Any residence securing such a Mortgage Loan which is located in a federally designated flood plain must also be the subject of flood insurance. These insurance coverages are required to be maintained at the homeowner's expense.

**Tax Status:** Interest on the 1983 Series A Bonds will be exempt from Federal income tax. See "Tax Exemption".

## OFFICIAL STATEMENT

**\$58,000,000**

### **SOUTH CAROLINA STATE HOUSING AUTHORITY**

#### **Homeownership Mortgage Purchase Bonds**

**1983 Series A**

#### **INTRODUCTORY STATEMENT**

The purpose of this Official Statement is to set forth information concerning the South Carolina State Housing Authority (the "Authority") in connection with the sale of its Homeownership Mortgage Purchase Bonds, 1983 Series A (the "1983 Series A Bonds"). Information set forth on the cover page hereof, in the Summary Statement and in the Exhibits hereto is part of this Official Statement. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to them by the General Resolution adopted by the Authority on September 21, 1982 (the "General Resolution"). The General Resolution was adopted pursuant to the provisions of the South Carolina State Housing Authority Act of 1977, Chapter 13 of Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"). The General Resolution authorizes the issuance from time to time of the Authority's Homeownership Mortgage Purchase Bonds, in Series, and designates the State Treasurer of South Carolina, Columbia, South Carolina, as trustee (the "Trustee"). On October 5, 1982, the Authority issued \$82,265,000 principal amount of 1982 Series A Bonds. The 1982 Series A Bonds, the 1983 Series A Bonds, and any other bonds which may hereafter be issued under the General Resolution are herein referred to as the "Bonds". Pursuant to the General Resolution, the Trustee has appointed Morgan Guaranty Trust Company of New York as Registrar and Paying Agent for the 1982 Series A Bonds and the 1983 Series A Bonds.

The 1983 Series A Bonds are authorized to be issued pursuant to the Act, the General Resolution and a Supplemental Resolution adopted by the Authority on September 9, 1983 (such Supplemental Resolution being herein referred to as the "1983 Series A Supplemental Resolution", and the General Resolution and all supplements thereto being herein collectively referred to as the "Resolution"). The 1983 Series A Bonds and all other Bonds are secured ratably and equally by and are payable from certain moneys, rights and interests described herein under the heading "Security for the Bonds".

The proceeds of each Series of Bonds provide money for the Authority's Homeownership Mortgage Purchase Program (the "Program"), under which the Authority purchases Mortgage Loans made to Eligible Borrowers for owner-occupied single family residences in the State of South Carolina (the "State"). The specific application of proceeds from the sale of the 1983 Series A Bonds is described herein under the heading "Sources and Uses of Funds". In connection with the 1983 Series A Bonds, the Authority will enter into Mortgage Purchase Agreements with 33 Lenders (consisting of 15 mortgage banking firms, 12 savings and loan associations and 6 commercial banks) for the purchase by the Authority of Mortgage Loans originated by such Lenders. The Program is more fully described herein under the heading "Homeownership Mortgage Purchase Program".

#### **THE AUTHORITY**

The Authority was created in 1971 as a public body corporate and politic and as an agency of the State by an amendment to the Housing Authorities Law of South Carolina. The Authority was vested with the rights, powers and duties held by local housing authorities within the State, including the right and power, among other things, to investigate housing conditions, to acquire, own and lease personal property, to construct, reconstruct and operate housing developments, to borrow money and issue bonds and, generally, to aid in planning and constructing low income rental housing developments. The original legislation was, however, considered inadequate by the Authority to provide needed housing in the State as it did not permit housing activities by the Authority on behalf of persons of moderate income, nor did it permit the Authority to lend money to private individuals or entities except under limited circumstances. Statutes were enacted in 1974 and 1976 to expand the powers of the Authority. Such statutes, however, were declared unconstitutional by the South Carolina Supreme Court, initially because they permitted the use of State tax revenues for the payment of the Authority's bonds and subsequently

because certain provisions requiring legislative approval of Authority regulations, held unconstitutional by a lower court of the State, could not be severed from the remaining legislation. The present Act, containing no such provisions, was enacted in 1977. The South Carolina Supreme Court upheld the constitutionality of the present Act on August 10, 1978, in *Bauer v. South Carolina State Housing Authority*, 246 S.E.2d 869 (1978).

In addition to the Homeownership Mortgage Purchase Program, the Authority's activities to date have involved (i) financing FHA-insured multifamily residential housing developments, (ii) the administration of annual contributions contracts entered into under HUD's Section 8 Housing Assistance Program, (iii) a federally assisted moderate rehabilitation program for rental housing, (iv) technical assistance programs to cities, counties, other housing authorities and nonprofit associations throughout the State, (v) a new construction program sponsored by the Farmers Home Administration and (vi) a single family mortgage purchase program under which federally insured or guaranteed mortgage loans have been purchased from originating lending institutions throughout the State.

#### Commissioners and Staff of the Authority

The powers of the Authority are vested in a Board of Commissioners. Such Board consists of the Governor, the State Commissioner of Health and Environmental Control, two members of the South Carolina General Assembly and six members, appointed by the Governor with the advice and consent of the South Carolina State Senate, having experience in the fields of mortgage finance, banking, real estate and home building. The Commissioners appointed by the Governor serve for four-year terms or until their successors have been appointed and qualified. The current Commissioners of the Authority are as follows:

Commissioner	Term Expires August 15	Occupation
Thomas E. Felder Chairman	1985	President, Victory Savings Bank, Columbia, South Carolina
H. P. Stephenson Vice Chairman	1984	Real Estate Developer and Mortgage Banker, Columbia, South Carolina
Dee A. Smith	1984	Realtor, Greenville, South Carolina
Nathaniel W. Rosenfeld	1985	Attorney, Retired Developer, Florence, South Carolina
Harold I. Sherman	1986	Real Estate Developer, Charleston, South Carolina
Rebecca K. Swindell	1986	Real Estate Developer and Investor, Bamberg, South Carolina
Richard W. Riley*	Ex Officio	Governor of the State of South Carolina
Dr. Robert S. Jackson†	Ex Officio	State Commissioner of Health and Environmental Control of South Carolina
John C. Lindsay	Ex Officio	Member of the South Carolina State Senate
Ronald L. Cobb	Ex Officio	Member of the South Carolina State House of Representatives

\* Designated Representative: Dr. Milton Kimpson, Executive Assistant

† Designated Representative: W. J. McLeod, III, General Counsel

The Authority is currently authorized to fill 43 staff positions. At the present time, 35 persons are employed by the Authority of whom 18 are program professionals in various fields relating to housing and housing finance. The following are the principal officers of the Authority having responsibility for its single family housing activities:

*George M. Lusk*, the Executive Director, joined the Authority in March 1973. He served in various positions of responsibility within the Authority and was appointed its Deputy Director in 1981 and to his present position in August, 1983. Prior to joining the Authority, Mr. Lusk spent more than five years as Director of Multifamily Development with two large private development corporations. Mr. Lusk is a graduate of Mount Saint Mary's College.

*Alice E. Mosser*, the Controller, joined the Authority in October 1976. Before joining the Authority, Ms. Mosser, a University of South Carolina Business School graduate, was a fiscal manager with the South



Carolina State Department of Health and Environmental Control. In addition to 11 years of State Government experience, Ms. Mosser has more than 15 years of experience in management and accounting functions in the private sector.

*Lewis M. Levy*, the Authority's General Counsel, is responsible for supervising the legal aspects of the Authority's programs. Mr. Levy acted as special legal consultant in connection with the 1979 Series A and Series B Single Family Mortgage Purchase Bonds. Prior to joining the Authority in January 1979, he was engaged in the general practice of law. Mr. Levy is a graduate of the University of South Carolina and its School of Law.

*Charles D. Hancock*, the Single Family Program Manager, joined the Authority in December 1978. Mr. Hancock has been responsible for the finance activities and the implementation of the Authority's single family programs and special finance/economic projects. Mr. Hancock holds both a B.A. in Economics and a Master's Degree in International Business from the University of South Carolina.

The office of the Authority is located at 2221 Devine Street (Suite 540), Columbia, South Carolina 29205, and its telephone number is (803) 758-2844.

### FEDERAL INCOME TAX MATTERS

Section 103A of the Internal Revenue Code of 1954, enacted by the Mortgage Subsidy Bond Tax Act of 1980 and subsequently amended by the Tax Equity and Fiscal Responsibility Act of 1982 (referred to herein as "Section 103A", which term includes the temporary regulations subsequently issued by the United States Department of the Treasury under such Section), provides that interest on obligations of a governmental unit such as the Authority issued to finance single family residences is excludable from gross income for Federal income tax purposes only if such obligations constitute "qualified mortgage bonds". In order for the 1983 Series A Bonds to constitute "qualified mortgage bonds", the following mortgage eligibility requirements of Section 103A must be satisfied in the manner described in the following paragraph: (1) the residence for which a Mortgage Loan is made must be a single family residence which, at the time the Mortgage Loan is made, is located in the State of South Carolina and is (or can reasonably be expected within a reasonable time to become) the principal residence of the mortgagor; (2) except for replacing construction period loans, certain temporary initial financing and a qualified rehabilitation mortgage, no part of Mortgage Loan proceeds can be used to acquire or replace any existing mortgage; (3) the acquisition cost of the residence must not exceed 110% (120% in Targeted Areas) of the average area purchase price of single family homes within the statistical area in which the residence is located; (4) except in Targeted Areas, 90% of lendable proceeds (*i.e.* bond proceeds less issuance costs and reserves) must be loaned to mortgagors who have not had a present ownership interest in a principal residence during the preceding three years; and (5) the Mortgage Loan may not be assumable unless all of these requirements are met at the time of the assumption.

An issue of bonds is treated as meeting the foregoing mortgage eligibility requirements of Section 103A if (a) the issuer in good faith attempts to meet all of the requirements before the loans are executed, (b) 95% or more of the lendable proceeds of the issue used to make loans are in respect of residences which meet all such requirements at the time the loans are executed or assumed and (c) any failure to comply with such mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In determining whether 95% of the proceeds have been used as described in the above clause (b), the Authority is entitled to rely on information contained in affidavits as described in the following paragraph or contained in the borrower's Federal income tax returns for the three years preceding the date the mortgage is executed, unless the Authority knows or has reason to believe that such information is false.

The Authority has established certain procedures and requirements, set forth in the Originator's Guide and other Program documents, which are designed to assure that the mortgage eligibility requirements of Section 103A are met. Under the terms of each of the Mortgage Purchase Agreements entered into between the Authority and Lenders in connection with the 1983 Series A Bonds (the "Purchase Agreements"), the Lender is required to review each application for a proposed Mortgage Loan to assure that the Mortgage Loan will be eligible for financing under Section 103A. Lenders are required to follow certain interpretations and guidelines set forth in the Originator's Guide in reviewing the eligibility of the Mortgage Loan, in investigating the proposed borrower's application and in verifying that the proposed Mortgage Loan is so eligible. The staff of the Authority will itself

review documentation of Section 103A compliance prior to purchase of any Mortgage Loan. Each proposed borrower must execute a sworn affidavit attesting to his or her compliance with the Mortgage Loan eligibility requirements. An affidavit is also required from the seller of the property to be mortgaged. Each mortgage securing a Mortgage Loan is required to provide that the Mortgage Loan is assumable only by a borrower who at the time of the assumption meets the requirements described in the first paragraph under this heading.

Section 103A also contains requirements which govern the yield on mortgage loans made with the proceeds of the 1983 Series A Bonds, the principal amount of the 1983 Series A Bonds, arbitrage earnings and the use of certain proceeds of the 1983 Series A Bonds in Targeted Areas. The Authority must make a good faith attempt to meet these requirements, and any failure by the Authority to meet these requirements is permissible only if due to inadvertent error after taking reasonable steps to comply with such requirements. The Resolution and the Purchase Agreements have been designed to satisfy these requirements. The Authority has covenanted to meet these requirements when the 1983 Series A Bonds are issued and has agreed to take all steps necessary to comply with any such requirements of a continuing nature so long as any 1983 Series A Bonds are outstanding.

Targeted Areas have been established for the Program as authorized under Section 103A. Targeted Areas consist of "qualified census tracts" in which 70% or more of the families have income that is 80% or less of the statewide median family income, together with certain areas which the State (with the approval of the Secretaries of Treasury and HUD) has determined to be "areas of chronic economic distress" on the basis of certain characteristics described in Section 103A. Not less than twenty percent of the 1983 Series A Bond proceeds available to purchase Mortgage Loans will be held available during a one year period for the purchase of Mortgage Loans on residences located in Targeted Areas. Lenders are required to exercise reasonable diligence in seeking to finance such residences. The Targeted Areas designated for the 1983 Series A Bonds are shown on the map in Appendix A. Approximately 43.6% of the State's population reside in such Targeted Areas. The Authority may purchase Mortgage Loans secured by residential properties in Targeted Areas without regard to whether the purchaser is a first-time home buyer.

## SECURITY FOR THE BONDS

### Pledge of the Resolution

The Bonds are special obligations of the Authority payable solely from the moneys, income and receipts of the Authority pledged under the Resolution. Subject to the provisions of the Resolution permitting the application of any of the following as set forth in the Resolution, there are pledged for the payment of the principal or Redemption Price of and interest on the Bonds (i) the proceeds of the Bonds, (ii) the Revenues (as defined below), (iii) all money and investments in the Funds (other than the Earnings Rebate Fund) established by or pursuant to the Resolution and (iv) the right, title and interest of the Authority in and to the Mortgage Loans, the documents evidencing and securing the same and the Mortgage Purchase Agreements and Servicing Agreements relating thereto. All Bonds are secured on a parity and equally by such pledged assets. Under the Resolution, Revenues include

(i) all payments received by the Authority with respect to Mortgage Loans (other than Escrow Payments and Servicing Fees) including scheduled payments of principal thereof and interest thereon and Prepayments of Mortgage Loans and, to the extent provided in the Supplemental Resolution, Commitment Fees and financing fees charged by the Authority; and

(ii) interest or income received on investments of money held in any Fund (other than the Earnings Rebate Fund) established pursuant to the Resolution.

For a detailed description of the various Funds securing the Bonds and the application of Revenues, see "Summary of Certain Provisions of the General Resolution" elsewhere herein. The pledge of Revenues described above is subject to the respective liens of the Trustee, Depositaries, Registrar and Paying Agent for reasonable compensation and expenses.

If all transfers required or permitted by the Resolution have been made and the Authority has filed with the Trustee a Cash Flow Certificate reflecting such transfers and projecting revenues sufficient to pay Program expenses and all Debt Service thereafter to be due in each Bond Year, the Trustee, upon receipt of an Authority Request, and if as of the date of such request the value of the cash and securities in the Revenue Fund exceeds

the Minimum Funding Requirement prescribed by each Supplemental Resolution, shall transfer to the Authority, free and clear of the lien of the Resolution, the amount of such excess, which may thereupon be applied by the Authority to any lawful purpose.

#### **Insurance**

The General Resolution requires that each Mortgage Loan purchased under the Program be privately insured, federally insured or federally guaranteed so that the principal amount of the Mortgage Loan so insured or guaranteed, together with the borrower's down payment, if any, equals at least 25% of the original principal amount of the Mortgage Loan. Such requirement under the General Resolution is subject to any more stringent requirements set forth in a Supplemental Resolution in respect of Mortgage Loans purchased from proceeds of the series of Bonds authorized by such Supplemental Resolution. The 1983 Series A Supplemental Resolution requires that Mortgage Loans purchased from proceeds of the 1983 Series A Bonds be insured by a private mortgage insurance company in an amount equal to 100% of the unpaid principal amount of the loan throughout the term of the loan.

In addition to such 100% private mortgage insurance, the 1983 Series A Supplemental Resolution requires the mortgagor to carry a homeowner's hazard insurance policy which must contain an endorsement providing coverage for earthquakes. If the mortgaged property is located in a federally designated flood plain, the mortgagor must in addition carry flood insurance. For further information with respect to the insurance programs, see "Mortgage Insurance Programs" elsewhere herein.

#### **Bond Reserve Fund**

In order to provide additional security for the Bonds, the Resolution establishes a Bond Reserve Fund. Such Fund is required to be maintained in an amount (the "Bond Reserve Requirement") equal to the cumulative amounts established by each of the Supplemental Resolutions, each of which amounts must be at least equal to 3% of the aggregate of all Bonds Outstanding under the respective Supplemental Resolution. It is a condition precedent to the authentication by the Trustee of any Series of Bonds that the amount in the Bond Reserve Fund, after issuing such Series of Bonds and placing in the Bond Reserve Fund the amount required by the Supplemental Resolution authorizing such Series, be at least equal to the Bond Reserve Requirement. The Bond Reserve Requirement following the issuance of the 1983 Series A Bonds will be the aggregate of the requirement established pursuant to the 1983 Series A Supplemental Resolution, which is 3.0% of the 1983 Series A Bonds Outstanding, plus the requirement established pursuant to the 1982 Series A Supplemental Resolution, which is 3.3% of the 1982 Series A Bonds Outstanding. The \$4,464,745 which is currently on deposit in the Bond Reserve Fund exceeds the \$4,454,745 Bond Reserve Requirement which will apply following issuance of the 1983 Series A Bonds.

For further information with respect to the Bond Reserve Fund, see "Summary of Certain Provisions of the General Resolution—Bond Reserve Fund" elsewhere herein.

#### **Cash Flow Certificates**

Under the Resolution, the Authority is required, once each Bond Year and more frequently if certain actions are to be taken, to file a Cash Flow Certificate with the Trustee. Such Cash Flow Certificate must set forth projected Revenues, Program Expenses and Debt Service for each Bond Year based upon the reasonable expectations of the Authority in the light of current and historical experience at the time such Certificate is filed, and must indicate

(i) as to projected Revenues, the amounts of Revenues estimated to be available for Principal Installments and interest when due, derived from Mortgage Loans purchased and reasonably expected to be purchased either from the proceeds of such Bonds, or purchased from the proceeds of Notes paid or to be paid or other funds to be reimbursed from the proceeds of such Bonds, derived from the investment of proceeds of all Bonds and Revenues, and, if pledged under the Resolution, principal or interest derived from any other funds held thereunder, which estimate shall give effect to:

- (1) estimated amounts of Prepayments of Mortgage Loans as set forth in such Certificate;
- (2) scheduled payments of principal and interest (less Servicing Fees) with respect to Mortgage Loans;
- (3) estimated income receivable from the investment of amounts held in all Funds (other than the Earnings Rebate Fund) under the Resolution on the date of such Certificate, at times and in amounts set forth in such Certificate; and

(4) amounts held in the Program Fund, the Revenue Fund and the Bond Reserve Fund on the date of such Certificate, which are estimated to be available in accordance with the provisions of the Resolution for payment of Principal Installments and interest at times and in amounts set forth in such Certificate (assuming that the Bond Reserve Fund is at no time drawn below the Bond Reserve Requirement);

(ii) as to projected Program Expenses, the amount of Program Expenses due within the current Bond Year based on the Annual Budget on file with the Trustee and the estimated amounts to be incurred in each subsequent Bond Year;

(iii) as to Debt Service, the due dates and amounts of all Principal Installments of and interest on all Bonds expected to be outstanding on such date including any additional Bonds expected on such dates to be issued and outstanding and excluding Bonds, if any, which it is reasonably expected will no longer be outstanding on such date and interest, if any, which will not thereafter be payable from Revenues as a result of defeasance in accordance with the Resolution; and

(iv) the assumptions on which the foregoing estimates are based.

At the request of the Trustee, the Authority is also required to supply a schedule identifying, by maturity and interest rate, the Mortgage Loans from which projected Revenues are expected to be derived.

#### **Additional Bonds**

Neither the Act nor the Resolution limits the amount of Bonds which may be issued by the Authority. Additional Bonds may be issued only upon the satisfaction of certain statutory conditions described in the following two paragraphs and certain conditions set forth in the Resolution including delivery of a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Debt Service when due and the deposit to the Bond Reserve Fund of amounts necessary to maintain the Bond Reserve Requirement after giving effect to the issuance of such Bonds. The Authority is limited by Section 103A to the issuance of not more than \$200,000,000 of qualified mortgage bonds during 1983.

Prior to the issuance of any indebtedness pursuant to the Act, the Authority must obtain approval of such issuance from the South Carolina State Budget and Control Board (the "Budget and Control Board"), which consists by law of the Governor, the State Treasurer, the Comptroller General, the Chairman of the Finance Committee of the State Senate and the Chairman of the Ways and Means Committee of the State House of Representatives. The following information must be presented to the Budget and Control Board in connection with the issuance of indebtedness pursuant to the Act:

- (i) the principal amount and maturity schedule of the notes or bonds proposed to be issued;
- (ii) the purpose for which the proceeds of such notes or bonds are to be used;
- (iii) the method to be employed in selling such notes or bonds;
- (iv) a schedule showing the annual debt service requirements on all the Authority's indebtedness;
- (v) a schedule showing the amount and source of revenues available for the payment of such debt service; and
- (vi) any other information requested by the Budget and Control Board.

If the Budget and Control Board determines that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the proposed notes or bonds, will be sufficient to provide for the payment of the principal and interest on the Authority's notes and bonds thereafter to be outstanding as they become due, the Budget and Control Board is authorized to give its approval to the issuance, in whole or in part, of the proposed notes or bonds, subject to such conditions, if any, as it may impose.

In addition to the requirement that the Budget and Control Board authorize the issuance of any Series of Bonds, the Act also provides that the information described above which is submitted to the Budget and Control Board must also be submitted to the State Capital Improvement Bond Issuance Committee (the "Bond Review Committee"). The Bond Review Committee by law is composed of three members of the Finance Committee of the State Senate appointed by the Chairman of such Committee and three members of the Ways and Means Committee of the State House of Representatives appointed by the Chairman of such Committee. The approval of the Bond Review Committee is not legally required in order for the Authority to sell its Bonds.



For further information with respect to the conditions precedent to the issuance of additional Bonds contained in the General Resolution, see "Summary of Certain Provisions of the General Resolution—Conditions Precedent to Authentication and Delivery of a Series of Bonds; Issuance of Refunding Bonds" elsewhere herein.

**No Taxing Power; Bonds Not a Debt of the State**

The Authority has no taxing power. The Bonds do not constitute a debt or grant or loan of credit of the State of South Carolina or any political subdivision of the State and neither the State nor any political subdivision thereof is liable thereon. The South Carolina Supreme Court has held that the State of South Carolina may not use appropriated money to pay the indebtedness represented by the Authority's bonds.

**SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds pledged under the Resolution are as follows:

**Sources:**

Public offering price—1983 Series A Bonds .....	\$58,000,000
Less: Underwriters' discount .....	<u>1,276,000</u>
	<u>\$56,724,000</u>

**Uses:**

Deposit in the Program Fund:	
For the purchase of approximately \$56,200,000 principal amount of	
Mortgage Loans at 96½% to 97½% .....	\$54,634,000
For Costs of Issuance .....	145,000
Deposit in the Revenue Fund to pay Interest .....	<u>1,945,000</u>
	<u>\$56,724,000</u>

In addition, the amount received as accrued interest upon the delivery of the 1983 Series A Bonds will be deposited in the Revenue Fund.

Prior to the issuance of the 1983 Series A Bonds, the Authority will deposit with the Trustee all certificates of deposit or letters of credit then received which will secure the Lenders' commitments to sell Mortgage Loans to the Authority under the terms of the Mortgage Purchase Agreements.

## DESCRIPTION OF 1983 SERIES A BONDS

### Authorization

On September 9, 1983, pursuant to the Act and the General Resolution, the Authority (i) adopted the 1983 Series A Supplemental Resolution, which authorized the issuance of \$58,000,000 principal amount of the 1983 Series A Bonds, (ii) approved the terms of sale of the 1983 Series A Bonds to the Underwriters, and (iii) approved the Official Statement and its distribution.

On September 8, 1983, the Budget and Control Board authorized the sale of the 1983 Series A Bonds.

Pursuant to the General Resolution, the Trustee has appointed Morgan Guaranty Trust Company of New York as Registrar and Paying Agent and as agent of the Trustee to authenticate the 1983 Series A Bonds.

### Terms

The 1983 Series A Bonds will bear interest payable on January 1, 1984 (representing four months' interest) and semiannually thereafter on each July 1 and January 1 at the rates set forth on the cover page hereof. The 1983 Series A Bonds, subject to the redemption provisions set forth on the cover page hereof and described more fully herein, will mature on the dates and in the amounts set forth on the cover page hereof.

### Denominations and Places of Payment

The 1983 Series A Bonds are issuable only as fully registered bonds without coupons to a named holder, in denominations of \$5,000 or any multiple thereof. The Bonds may be transferred at the corporate trust office of the Registrar, Morgan Guaranty Trust Company of New York, New York, New York.

The principal or Redemption Price of the 1983 Series A Bonds is payable at the office of the Trustee, or if so provided by action of the Trustee at the corporate trust office of the Paying Agent. Payment of the interest on the 1983 Series A Bonds will be made by the Trustee or the Paying Agent to the registered owner of each Bond by check or draft mailed to such registered owner as his address appears on the registration books.

### Redemption Provisions

The 1983 Series A Bonds are subject to redemption as follows:

#### *Optional Redemption*

The 1983 Series A Bonds are subject to redemption prior to maturity, at the option of the Authority in chronological order of maturity, on and after July 1, 1993, in whole at any time or in part on any interest payment date, at the respective redemption prices set forth below expressed as a percentage of the principal amount of such 1983 Series A Bonds to be so redeemed:

<u>Period During Which Redeemed</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
July 1, 1993 to June 30, 1995	103%
July 1, 1995 to June 30, 1997	102½
July 1, 1997 to June 30, 1999	102
July 1, 1999 to June 30, 2001	101½
July 1, 2001 to June 30, 2003	101
July 1, 2003 to June 30, 2005	100½
July 1, 2005 and thereafter	100

#### *Special Redemption*

The 1983 Series A Bonds are, at the option of the Authority, subject to redemption at any time, on and after January 1, 1984, in whole or in part in chronological order of maturity, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from (i) proceeds of the 1983 Series A Bonds not used to purchase Mortgage Loans, (ii) any forfeited Commitment Fees paid by participating Mortgage Lenders, (iii) the proceeds of Prepayments of any Mortgage Loans pledged under the Resolution which have not been applied to the purchase of new Mortgage Loans within one year of their receipt by the Authority, (iv) any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement after giving effect to such redemption and (v) any Revenues not required under the Resolution to be applied to any other purpose.

### *Mandatory Sinking Funds*

The 1983 Series A Bonds are subject to mandatory sinking fund redemption beginning July 1, 1995 for the Term Bonds due July 1, 2005, and beginning July 1, 2006 for the Term Bonds due July 1, 2014 and the Term Bonds due July 1, 2015, to the extent not previously redeemed, at 100% of the principal amount, plus accrued interest to the date of redemption, on July 1 of each of the following years in the respective principal amounts of such Bonds for each year specified below:

Term Bonds due July 1, 2005		Term Bonds due July 1, 2014		Term Bonds due July 1, 2015	
Year	Amount	Year	Amount	Year	Amount
1995	\$ 790,000	2006	\$1,650,000	2006	\$1,050,000
1996	870,000	2007	1,825,000	2007	1,160,000
1997	960,000	2008	2,020,000	2008	1,285,000
1998	1,060,000	2009	2,235,000	2009	1,420,000
1999	1,175,000	2010	2,470,000	2010	1,575,000
2000	1,300,000	2011	2,730,000	2011	1,740,000
2001	1,435,000	2012	3,025,000	2012	1,925,000
2002	1,585,000	2013	3,345,000	2013	2,130,000
2003	1,750,000	2014*	3,700,000	2014	2,355,000
2004	1,935,000			2015*	5,360,000
2005*	2,140,000				

\*Final Maturity.

### **ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS AND OPERATING EXPENSES**

The Authority expects that the scheduled payments of principal and interest, together with Prepayments received by the Authority on the Mortgage Loans, including the Mortgage Loans which it intends to purchase with proceeds from the 1983 Series A Bonds, and income expected to be derived from the investment of moneys pledged under the Resolution, will be sufficient to pay the principal and interest on the 1982 Series A Bonds issued under the General Resolution and the 1983 Series A Bonds, together with the costs of operating the Program with respect to the Mortgage Loans financed by such Bonds. Such expectations are based on certain assumptions regarding receipt of payments of such Mortgage Loans, delivery of such Mortgage Loans and the timing of such delivery pursuant to existing Purchase Agreements and the availability of certain income from the investment of money to be deposited in the various Funds established by the Resolution. To the extent that there are significant variations in such assumptions, moneys available in the Revenue Fund may be insufficient to pay Debt Service when due. In such event, other money pledged under the Resolution, including, in particular, amounts on deposit in the Bond Reserve Fund, may be available to pay such Debt Service. To the extent that significant variations continue, there may not be sufficient amounts available under the Resolution to pay Debt Service when due.

The Authority has made the following assumptions in connection with the issuance of the 1983 Series A Bonds:

- (a) The proceeds of the 1983 Series A Bonds and certain other funds will be invested in Mortgage Loans and investment obligations which will have terms and bear interest rates such that, taking into consideration the Mortgage Loans financed by the 1982 Series A Bonds, aggregate mortgage payments and estimated investment income will be sufficient on an annual basis to pay principal and interest on the 1983 Series A Bonds and the 1982 Series A Bonds.

(b) The Mortgage Loans financed with the proceeds of the 1983 Series A Bonds will be paid as scheduled and will not be prepaid prior to maturity. Such Mortgage Loans will be purchased at an aggregate discount approximately equal to the sum of the underwriters' discount and costs of issuance in respect of the 1983 Series A Bonds.

(c) Investment income will be received on the assumptions that:

(i) the amounts on deposit in the Bond Reserve Fund will remain invested in long-term U.S. Treasury obligations at an average yield of 12%, and after maturity thereof will be invested at 5½%, all of which earnings will be available for payment of Debt Service on the 1983 Series A Bonds and the 1982 Series A Bonds;

(ii) amounts on deposit in the Revenue Fund will be invested at a rate of 8½% until July 1, 1984, and at a rate of 5½% thereafter; and

(iii) the proceeds of the 1983 Series A Bonds held in the Program Fund to purchase Mortgage Loans will be invested at an average annual rate of return equal to 9½% during the period prior to their application to such purchase.

(d) In connection with defaults under Mortgage Loans financed with the proceeds of the 1983 Series A Bonds, either (i) the originating Lender or the Servicer will repurchase the defaulted Mortgage Loan promptly, if and to the extent required under the applicable Purchase Agreement or Service Agreement or (ii) the issuer of applicable mortgage insurance will pay, in cash, any and all claims arising from default on such Mortgage Loans in full on a timely basis.

The Authority believes it is reasonable to make the foregoing assumptions. However, the Authority can give no assurance that the actual receipt of moneys will be sufficient to pay Program Expenses and Debt Service on the Bonds. The receipt of Revenues from the Mortgage Loans and from investments held in the various Funds may be affected by a number of factors, including the following:

(a) Mortgage Loans may be purchased by the Authority at times which differ from the times at which the Authority presently expects to purchase Mortgage Loans;

(b) the Authority may experience Revenue insufficiencies as a result of delinquent or partial mortgage payments; and

(c) investment earnings of the various Funds established under the Resolution may be greater or less than anticipated.

Under the current Originator's Guide and Servicer's Guide adopted by the Authority in connection with the Program, Mortgage Loans sold to the Authority by Lenders must permit prepayment prior to maturity at the option of the mortgagor without a penalty or premium. Prepayments may also result from the operation of provisions for mandatory prepayment upon such events as default, sale or condemnation of the property securing a Mortgage Loan or a casualty loss.

To the extent that any Prepayments occur, the Authority will have money which it must utilize either to purchase additional Mortgage Loans or to purchase or redeem Bonds. As discussed herein under the heading "Summary of Certain Provisions of the General Resolution—Program Fund", Mortgage Loans purchased by the Authority from Prepayments must meet certain cash flow requirements set forth in the Resolution. Should interest rates on mortgage loans on South Carolina residential property decline significantly from the rates now prevailing and remain at such lower rates for a significant period of time, the possibility exists that the Authority might not be able to utilize Prepayments to purchase Mortgage Loans meeting such requirements, in which event the Authority will be required to redeem Bonds. Since Mortgage Loans to be purchased with 1983 Series A Bond proceeds will be purchased at prices (between 96½% and 97½% of unpaid principal) that reflect an aggregate discount approximately equal to the sum of the underwriters' discount and costs of issuance in respect of the 1983 Series A Bonds, any redemption of Bonds should not materially adversely affect the Authority's ability to pay principal and interest on remaining Bonds.

To the extent that Mortgage Loans are not delivered in the amounts expected, the unexpended proceeds of the 1983 Series A Bonds may be used to redeem such Bonds as described herein under the heading "Description of 1983 Series A Bonds—Special Redemption". Unused Bond proceeds remaining in the Program Fund on November 1, 1984, must be transferred to the Revenue Fund and applied to such redemption at the earliest practicable date.



For information concerning certain delinquency and loan foreclosure experience of the Authority with respect to its prior single family mortgage purchase program, see Exhibit B hereto. There can be no assurance that the foreclosure and delinquency experience of the Authority in respect of the Homeownership Mortgage Purchase Program will reflect the patterns shown in Exhibit B.

#### **HOMEOWNERSHIP MORTGAGE PURCHASE PROGRAM**

The Homeownership Mortgage Purchase Program (the "Program") was established by the Authority under the General Resolution. The Program authorizes the Authority to purchase, and enter into commitments to purchase, Mortgage Loans from qualified lending institutions located throughout the State. Such Mortgage Loans must have been made to Eligible Borrowers for owner-occupied single family residences. The 1983 Series A Bonds are being issued to provide funds for the Program subject to the special insurance and other restrictions contained in the 1983 Series A Supplemental Resolution.

##### **Mortgage Purchases—1982 Series A Bonds**

The first series of bonds issued under the Program was sold in October, 1982, in the aggregate principal amount of \$82,265,000. Of this amount, \$78,812,500 was deposited in the Program Fund for the purchase of Mortgage Loans which were to bear interest at the rate of 11.95%. Under the terms of the Supplemental Resolution pursuant to which the 1982 Series A Bonds were issued, approximately \$63 million of such amount was to be used to purchase such Mortgage Loans by July 1, 1983. Because of a sharp decline in competing mortgage interest rates in late 1982, only \$6 million in such 11.95% Mortgage Loans were purchased by January, 1983, forcing the Authority to make extensive changes to its Program. These changes included (i) the introduction of Early-Rate Reduction Mortgages, which would bear interest at the rate of 9.95% in the first year, 10.75% in the second year, 11.50% in the third year and 12.25% (12.125% if the Mortgage Loan was closed before April 1, 1983) from the fourth year through final maturity of the Loan; (ii) the purchase of the Mortgage Loans described in (i) above at a price of 96% to produce a mortgage yield equivalent to that produced by purchasing the 11.95% Mortgage Loans at 97%; and (iii) the deposit of an additional \$1,750,000 into the Bond Reserve Fund from funds of the Authority other than Bond proceeds. As of May 30, 1983, the Authority had purchased or was deemed to have purchased Mortgage Loans in an aggregate principal amount of \$72,520,394. Of this amount, approximately one-third represented Mortgage Loans bearing interest at the rate of 11.95% and the remainder represented Early-Rate Reduction Mortgages. Remaining 1982 Series A Bond proceeds have been committed for purchase of Mortgage Loans by September 30, 1983.

##### **Mortgage Purchase Procedures and Conditions—1983 Series A Bonds**

In connection with the proposed sale of the 1983 Series A Bonds, the Authority on July 12, 1983 invited Lenders to submit applications to the Authority for the sale of Mortgage Loans to the Authority during specified intervals within the commitment period described below. Such applications were received on or before August 22, 1983. On the basis of such applications, the Authority has allocated Lenders' commitments aggregating \$55,375,339 in principal amount of Mortgage Loans, as set forth in Exhibit C hereto. Borrowers and homebuilders have entered into commitments to take the entire amount of such allocation and have paid fees in connection therewith. Not less than 20% of such allocated Lenders' commitments will be used for the purchase of Mortgage Loans in Targeted Areas. The Authority has received Commitment Fees from Lenders equal to 3% of the amount of each such Lender's Mortgage Loan commitment. Such Commitment Fees have been paid in the form of irrevocable unconditional letters of credit or certificates of deposit and are refundable depending upon the degree of fulfillment by each Lender of its obligation to sell the principal amount of Mortgage Loans comprising such Lender's commitment.

The following is a summary of certain provisions contained in the current Originator's Guide and Servicer's Guide of the Authority and the current forms of Purchase Agreement and Servicing Agreement utilized with respect to the Program. Such Guides and forms of Agreements are subject to amendment so long as such amendments are consistent with the Act and the Resolution. All capitalized terms used under this caption and not otherwise defined herein or in the Resolution have the meanings ascribed to them in such Guides.

The Authority will enter into Purchase Agreements with the Lenders set forth in Exhibit C hereto in respect of each Lender's commitment as described above. Pursuant to such Purchase Agreements, the Authority will agree to purchase newly originated Mortgage Loans bearing interest at an annual rate of 11.20%. Such Mortgage Loans

will be purchased at a purchase price equal to between 96¼% and 97½% of the outstanding principal amount of the Mortgage Loan on the date of purchase, the exact price to depend upon when the purchase takes place. Each Lender has agreed that, within 180 days of the date of sale of the 1983 Series A Bonds, such Lender will have sold to the Authority an aggregate principal amount of Mortgage Loans equal to the amount of such Lender's commitment as set forth in Appendix C hereto. In the event that a Lender fails to deliver such principal amount of Mortgage Loans within such 180-day period, the Lender will forfeit its Commitment Fee and will pay the Authority, unless waived, liquidated damages, as described two paragraphs below, in respect of the amount not delivered.

On the 30th day of each month commencing with the first month following sale of the 1983 Series A Bonds, each Lender is required to provide to the Authority a status report showing the principal amount of the portion of such Lender's commitment to make and sell Mortgage Loans for which such Lender has not entered into commitments with borrowers. On the 60th, 90th and 120th days following sale of the 1983 Series A Bonds, the Authority reserves the right to reallocate any or all of such portion to other Lenders who have agreed to increase their lending commitments. To the extent funds are so reallocated, the original Lender will be released from its obligations to the Authority.

To the extent any Lender does not fulfill its commitment to deliver Mortgage Loans within the 180-day period described above, its Commitment Fee with respect to the principal amount of Mortgage Loans not delivered will be forfeited and will be deposited in the Revenue Fund. In addition, the Authority may, in its sole discretion, (i) reallocate all or part of the unused portion of such Lender's commitment to other Lenders, or (ii) redeem 1983 Series A Bonds issued with respect to all or part of such unused portion. In the event the Authority makes any such reallocation, the Lender is obligated to pay the Authority as liquidated damages an amount equal to the interest to accrue on the 1983 Series A Bonds issued with respect to the portion of such Lender's commitment being reallocated during the period within which such other Lenders may deliver Mortgage Loans representing such unused portion, including any extension of any such other Lender's 180-day period with respect to the commitment being reallocated. In the event the Authority elects to redeem 1983 Series A Bonds with all or part of such unused portion, the Lender is obligated to pay the Authority as liquidated damages an amount equal to 2% of the principal amount of Mortgage Loans not delivered.

All Mortgage Loans are reviewed and approved by the Authority prior to closing. All Mortgage Loans are closed by Lenders, using their own funds, and then submitted to the Authority for purchase. Mortgage Loans properly submitted by the first of a month are purchased no later than the 20th of the same month. The Authority makes every effort to complete its processing of properly submitted Mortgage Loans as promptly as practicable. During previous programs, the time between the date of receipt of such Mortgage Loans and the purchase thereof has averaged five business days. The Authority will not purchase a Mortgage Loan with respect to which a delinquency or default has occurred and is continuing on the date of purchase. The Lender will retain any payments of principal or interest received by the Lender on any Mortgage Loan prior to the date on which such Mortgage Loan is purchased by the Authority.

To be purchased by the Authority, a Mortgage Loan must constitute an interest-bearing obligation payable in substantially equal monthly installments and be secured by a mortgage which is a first lien on the real property financed by the Mortgage Loan. Each Mortgage Loan must also require certain escrow payments in respect of taxes, assessments, insurance premiums and other items. The principal amount of the Mortgage Loan may not exceed 100% of the cost or fair market value, whichever is less, of the mortgaged property.<sup>†</sup> The Mortgage Loan must be insured by a Qualified Private Mortgage Insurer as to 100%\* of the outstanding principal balance thereof, together with certain additional customary coverages for the benefit of the Authority. Each Mortgage Loan must also have the benefit of a homeowner's hazard insurance policy insuring the improvements constituting part of the

<sup>†</sup>The private mortgage insurance coverage required by the 1983 Series A Supplemental Resolution is not currently available where the loan-to-value ratio of the insured Mortgage Loan exceeds 95%.

\*Although the General Resolution permits the purchase of Mortgage Loans which are the subject of private mortgage insurance in an amount which when added to the mortgagor's down payment, equals at least 25% of the original principal amount of the loan, the 1983 Series A Supplemental Resolution requires all Mortgage Loans purchased from 1983 Series A Bond proceeds to be the subject of private mortgage insurance equal to the entire unpaid principal amount of the loan throughout its term.

mortgaged property from damage from certain specified events, and a title insurance policy in an amount at least equal to the outstanding principal amount of such Mortgage Loan insuring that the mortgage securing such Mortgage Loan constitutes a first lien on the mortgaged property subject only to liens for taxes and assessments and exceptions normally acceptable to the primary mortgage insurer and prudent mortgage lenders. (For further information with respect to such insurance requirements, see "Mortgage Insurance Programs" elsewhere herein.) The sales price of the property securing a Mortgage Loan may not exceed \$63,000 for a previously unoccupied residence or \$56,800 for a previously occupied residence. Mortgage Loans financed from proceeds of the 1983 Series A Bonds must be scheduled to mature in not more than 30 years. In addition, the Lender may charge fees or discount points not to exceed 4% of the principal amount of each Mortgage Loan, not more than 1% of which may be charged to the borrower and not more than 3% of which may be charged to the seller of the mortgaged property.

To be purchased by the Authority, a Mortgage Loan must also comply with the requirements of Section 103A. Among such requirements is that the Mortgage Loan must have been made to an Eligible Borrower. An Eligible Borrower is defined under the Originator's Guide as a person (or persons) who is a member of the Beneficiary Classes (persons and families of low income and moderate to low income) and who has a Gross Household Income not greater than the sum of

- (i) 150% of the certified "median family income" in the State (150% of which is currently \$28,800), plus
- (ii) a specified allowance for each family member (currently \$800).

No Mortgage Loan will be eligible for purchase by the Authority unless the borrower has first completed the Authority's Borrower's Affidavit and the seller of the property to be mortgaged has first completed the Authority's Seller/Builder Affidavit. The Borrower's Affidavits and the Seller/Builder Affidavits are required to insure compliance with the provisions of Section 103A. Additionally, both the Mortgage Note and the Mortgage itself contain representations required to assure that each Mortgage Loan is qualified for purchase under Section 103A. A perjured statement contained in either of the two Affidavits or a misrepresentation as to any statement contained in either the Mortgage Loan or the Mortgage will cause the Mortgage Loan to be accelerated.

Each Purchase Agreement contains certain representations and warranties by the Lender to the Authority concerning each Mortgage Loan to be sold to the Authority thereunder, including, among others, that at the time of delivery of such Mortgage Loan to the Authority (i) the Mortgage Loan meets the requirements of Section 103A, (ii) there is no default or delinquency under the Mortgage Loan, (iii) the Mortgage Loan is secured by a valid and existing first lien on the mortgaged property and (iv) the mortgage securing the Mortgage Loan has been filed for record.

Each Purchase Agreement further provides that the Lender will repurchase any Mortgage Loan sold to the Authority upon written notice by the Authority if any of the following occurs at any time: (i) the Authority determines at any time that any representation made by the Eligible Borrower or the Seller regarding qualification of the Mortgage Loan under Section 103A was false or misleading and the Lender either had knowledge of the misrepresentation or by the exercise of due diligence could have had knowledge of the misrepresentation; (ii) the Authority determines that any representation by such Lender was untrue when made, any warranty or term of the Purchase Agreement has been breached or a misstatement of a material fact exists in any of the documents delivered in connection with such Mortgage Loan; (iii) any mortgage insurance or guarantee with respect to such Mortgage Loan lapses due to the negligence of the Servicer of such Mortgage Loan and is not promptly reinstated; or (iv) the Authority suffers or is threatened with a material loss by reason of the misfeasance, nonfeasance or malfeasance of the Servicer of such Mortgage Loan. In addition, the Originator's Guide provides that a Lender must repurchase any Mortgage Loan for which certain documentation has not been submitted to the Authority within 60 days from the Authority's purchase of such Mortgage Loan.

#### **Servicing Agreements**

Each Mortgage Loan will be serviced by an eligible financial institution under a Servicing Agreement. The Servicer for a Mortgage Loan will normally be the Lender from whom the Authority purchased the Mortgage Loan. Each Servicing Agreement provides for an annual servicing fee in an amount equal to 3/10ths of 1% of the unpaid principal balance of each Mortgage Loan serviced thereunder, computed and paid monthly. In addition, the Servicer will be reimbursed for certain expenses and will be entitled to retain all late charges collected from mortgagors.

Each Servicing Agreement will require the Servicer to perform all services and duties customary to the servicing of mortgage loans. Such customary services include assuring the maintenance of mortgage insurance and homeowner's hazard insurance, inspecting the mortgaged premises, applying properly all amounts collected for payment of principal and interest, taxes, assessments and hazard and mortgage insurance premiums, and rendering an accounting to the Authority as to the application of such amounts. Each Servicing Agreement will also require the Servicer to submit to the Authority a monthly report including information as to the number and dollar amount of Mortgage Loans 60 days and 90 days or more delinquent and the status of all Mortgage Loans in foreclosure. Upon the 90th day of delinquency, the Servicer will be required to advance to the Authority all past due payments of principal and interest and to receive reimbursement from the advance claim protection afforded by the required mortgage insurance. In the event of any default on a Mortgage Loan, the Servicer is also obligated to take all necessary action to collect mortgage insurance proceeds and to enforce applicable contractual provisions, including, at the direction of the Authority, the institution of foreclosure proceedings. All foreclosure and related expenses will also be paid under the protection afforded by the required mortgage insurance. Any such costs in excess of such coverage will be borne by the Servicer.

### **MORTGAGE INSURANCE PROGRAMS**

The General Resolution requires that each Mortgage Loan purchased under the Program be (i) insured by a Qualified Private Mortgage Insurer to the extent that the coverage so provided, together with the Borrower's down payment, if any, will at least equal 25 percent of the original principal amount of the Mortgage Loan, (ii) insured by the FHA for 100% of the unpaid principal amount of the Mortgage Loan, (iii) guaranteed by the VA to the extent that the VA guarantee, together with the borrower's down payment, if any, is at least equal to 25 percent of the original principal amount of the Mortgage Loan or (iv) insured or guaranteed by any other agency or instrumentality of the United States insuring or guaranteeing mortgage loans on terms and conditions at least as favorable to the mortgagee as the FHA insurance or the VA guarantee with down payment provisions described in this sentence. Such requirement under the General Resolution is subject to any more stringent requirement contained in a Supplemental Resolution with respect to Mortgage Loans financed from proceeds of the Series of Bonds authorized by such Supplemental Resolution. The 1983 Series A Supplemental Resolution requires that, in the case of all Mortgage Loans to be purchased from 1983 Series A Bond proceeds, 100% of the unpaid principal amount thereof must be insured by a private mortgage insurance company.

#### **Private Mortgage Insurance**

As stated in the preceding paragraph, the 1983 Series A Supplemental Resolution requires mortgage insurance coverage in an amount equal to 100% of the unpaid principal amount of each Mortgage Loan. Such insurance must remain in full force and effect for the life of the Mortgage Loan. All policies of mortgage insurance must provide that the insurer, upon taking title to the property securing a defaulted Mortgage Loan, must pay to the Authority the unrecovered balance of its losses, including unpaid principal, accrued interest, taxes, hazard insurance premiums and expenses of foreclosure, if any. Settlement of all claims against policies of mortgage insurance must be in cash. The Authority will not be required to dispose of any foreclosed property.

Private mortgage insurance companies which have been approved by the Authority for participation in the Program are Commercial Credit Mortgage Insurance Company, General Electric Mortgage Insurance Companies, Investors Mortgage Insurance Company, Mortgage Guaranty Insurance Corporation, Republic Mortgage Insurance Company, Ticor Mortgage Insurance, United Guaranty Insurance Company and Verex Assurance, Inc.

In general, private mortgage insurance contracts provide for the payment of insurance benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured mortgage loan and the continuance of such failure for a stated period. In order to receive payment of insurance benefits, a mortgage lender, such as the Authority, normally must acquire title to the property, either through foreclosure or conveyance in lieu of foreclosure, and convey such title to the insurer. Where property to be conveyed to an insurer has been damaged, it is generally required, as a condition to payment of an insurance claim, that such property be restored to its original condition (reasonable wear and tear excepted) by the mortgage lender prior to such conveyance or assignment.

#### **Advance Claims Coverage**

Each private mortgage insurance policy issued in connection with a Mortgage Loan financed with 1983 Series A Bond proceeds will be supplemented with an endorsement providing that the private mortgage insurer will make



monthly advances in amounts equal to payments of principal and interest on a Mortgage Loan two or more payments delinquent. Advances will be payable within 10 days of written notice to the insurer by the Lender of such delinquency, provided that the Lender or the Authority has initiated foreclosure proceedings. It is the present policy of the Authority not to commence foreclosure proceedings until a Mortgage Loan has been delinquent for more than 90 days.

#### **Non-Monetary Default Coverage**

Under the private mortgage insurance policies applicable to Mortgage Loans financed with 1983 Series A Bond proceeds, the insurer is required to include, in the definition of "default", certain regulatory or nonfinancial defaults as grounds for a claim. Each such private mortgage insurance policy will provide coverage in the event the borrower (i) either misrepresented a fact or failed to state a fact in connection with the origination or closing of the Mortgage Loan, (ii) sells or otherwise disposes of the property (except in the case of permitted assumptions) or (iii) rents or uses the property in any trade or business.

#### **Homeowner's Hazard Insurance Policies**

Each borrower on a Mortgage Loan financed with 1983 Bond proceeds will be required to maintain for the mortgaged property a homeowner's hazard insurance policy in an amount which is not less than (i) the amount necessary to comply with any co-insurance percentage stipulated in the policy or (ii) the unpaid principal amount of the Mortgage Loan, whichever is greater. The insurance policy may be written by any insurance company qualified to do business in the State and qualified to provide insurance on or in connection with mortgages purchased by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association. The borrower will pay the cost of the homeowner's hazard insurance policy.

The required homeowner's hazard insurance policy insures against physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, earth movement (including earthquakes, landslides and mudslides), riot, strike, and civil commotion, under the conditions and exclusions particularized in each policy. Policies typically exclude physical damage resulting from the following: war, revolution, governmental action, floods and other water-related causes, nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft, and, in certain cases, vandalism. However, the Authority requires the owner of any residence located in a federally designated flood plain to carry, at the owner's expense, flood insurance.

#### **OTHER PROGRAMS OF THE AUTHORITY**

Other than the Program, the Authority is presently engaged in the following activities. None of such activities involve the use of any of the proceeds of the 1983 Series A Bonds.

*Single Family Mortgage Purchase Program.* The Authority's Single Family Mortgage Purchase Program was the first program implemented by the Authority pursuant to the Act. On January 9, 1979, the Authority issued its Single Family Mortgage Purchase Bonds (Federally Insured or Guaranteed Mortgage Loans), 1979 Series A, in an aggregate principal amount of \$84,865,000. In connection with the 1979 Series A Bonds, the Authority entered into mortgage purchase agreements with 47 lenders located throughout the State providing for the purchase by the Authority of federally insured or guaranteed mortgage loans in an aggregate principal amount of \$75,000,000 to be originated by such lenders. As of December 31, 1979, the Authority had purchased \$75,000,000 of mortgage loans representing the commitment made with such lenders. In connection with the Authority's 1979 Series B Bonds, issued on October 10, 1979, in the amount of \$170,275,000, the Authority entered into mortgage purchase agreements with 58 lenders for the purchase by the Authority of an additional \$150,000,000 of such mortgage loans. As of September 30, 1980, the Authority had purchased mortgage loans representing approximately 100% of the aggregate dollar commitment made with such lenders.

*Construction Loan Program.* During fiscal 1980, the Authority issued its 5.85% Construction Loan Notes in the amount of \$4,120,000 to finance 124 Section 8 subsidized units in the vicinity of Columbia, South Carolina. The Construction Loan Notes were paid from the proceeds of purchase of the construction loan by the Government National Mortgage Association which was the permanent financing source for the development. The Construction Loan Notes were retired on May 28, 1982.

*Section 8 Existing Housing Program.* Section 8 of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, provides for the payment by HUD of rent subsidies for the benefit of lower income families, which are defined by regulation generally as those families whose income does not exceed 80% of the median income for the area as determined by HUD. The effect of these payments is to permit a low income family in the State to obtain rental housing in qualified existing housing units at a cost of between 15% and 25% of such family's income. Certain legislative amendments have changed the eligibility requirement with respect to income and have increased the amount of the tenant contribution toward rent. Required tenant contributions must now be in an amount up to 30% of adjusted income. Regulations implementing the income eligibility requirements of such legislation have not yet been promulgated. Provision has been made under the United States Housing Act and HUD regulations for administration of Section 8 subsidies through public housing finance or development agencies, including the Authority. Under existing Annual Contributions Contracts entered into with HUD since 1976, the Authority currently administers subsidies in an aggregate amount of approximately \$2.6 million annually for 1,291 housing units in almost one-third of the counties of the State. The subsidies are paid to the owner of the housing units by HUD through the Authority.

*Section 8 Moderate Rehabilitation Program.* The HUD Section 8 Moderate Rehabilitation Program is designed to upgrade substandard rental housing or prevent marginal rental housing from further deterioration by repair or replacement of major systems, such as heating, plumbing, wiring, or structural components to bring the unit into compliance with HUD Housing Quality Standards and local housing codes. This program provides decent, safe and sanitary rental housing for lower income families and elderly, disabled or handicapped persons, and is available for privately-owned rental housing only. Under this program, the rental property owner will receive a fifteen-year rent subsidy plus an amount equal to the amortization of the amount loaned for eligible rehabilitation items. The funds for the subsidy and loan amortization will be provided under a seventeen-year Annual Contributions Contract between the Authority and HUD. The Authority is currently processing approximately 179 dwelling units to be placed under a HAP Contract during fiscal year 1982, amounting to an ACC contract payment of \$700,000 annually.

*Section 8 New Construction Program.* In federal fiscal years 1976-1983, the Authority received allocations of Section 8 funds sufficient to provide rental assistance for approximately 1,315 units of newly constructed or rehabilitated housing. Following advertisement of the availability of such funds, the Authority selected and recommended to HUD the developments to receive Section 8 subsidies. These developments are in various stages of application to and commitment by HUD or have been completed and are occupied.

*Technical Assistance Programs.* The Authority actively advises and assists cities, counties, other housing authorities and nonprofit associations in the State in financing and constructing new multifamily rental housing for low income persons and families. The Authority's role typically involves explanation of the applicable federal programs and assistance in the organization of local sponsors, site evaluation and acquisition, loan processing and documentation. The Authority has so assisted 18 developments consisting of 519 housing units. One more development utilizing such assistance, with an aggregate of 48 units, has received commitments for construction and permanent financing and commenced construction during 1983.

*Public Rental Project Program.* In 1976, the Authority, acting pursuant to the Housing Authorities Law of South Carolina, instituted a program designed to provide new construction multifamily rental housing units for families of low income by direct Authority ownership which were supported with Section 8 funds provided by HUD. After determining the feasibility of four such developments consisting of 152 units, the Authority obtained \$3,195,900 in nonrecourse construction loans from commercial banks within the State, then retired the indebtedness by selling each of the developments to a private developer.

*Insured Direct Loan Program.* In July 1982, the Authority issued its Multifamily Development Revenue Bonds, 1982 Series A (FHA Insured Mortgage Loans), in an aggregate principal amount of \$24,960,000. The funds were used to make federally insured mortgage loans for the construction and permanent financing of seven multifamily residential housing developments to be occupied by persons and families of low to moderate income within the State of South Carolina.

In September 1982, the Authority issued its Multifamily Development Revenue Bonds, 1982 Series B (FHA Insured Mortgage Loans), in an aggregate principal amount of \$5,160,000. The funds were used to make federally insured mortgage loans for the construction and permanent financing of two multifamily residential housing developments to be occupied by persons and families of low to moderate income with the State of South Carolina.

#### **SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION**

The General Resolution contains various covenants and security provisions, some of which are summarized below. For convenience of reference, the relevant section number of the General Resolution appears following the respective captions in this summary. Wherever particular provisions of the General Resolution are referred to, such provisions are incorporated by reference as part of the statements made, and the statements made are qualified in their entirety by such reference. Reference is made to the General Resolution for a full and complete statement of its provisions.

##### **Conditions Precedent to Authentication and Delivery of a Series of Bonds (Section 2.15)**

Bonds of each Series, other than Refunding Bonds, may be authenticated by the Trustee and delivered to or upon the order of the Authority only upon delivery to the Trustee of:

- (i) an opinion of counsel of recognized national standing in the field of municipal law selected by the Authority to the effect that, among other things, such Bonds are valid and binding special obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution;
- (ii) a written order of the Authority as to the delivery of such Bonds;
- (iii) a certified copy of the Supplemental Resolution authorizing such Bonds and in the case of the initial Series of Bonds, a certified copy of the General Resolution;
- (iv) the amount, if any, necessary for deposit in the Bond Reserve Fund;
- (v) a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Debt Service when due, after giving effect to the issuance of such Bonds and the purchase of Mortgage Loans from the proceeds of the sale of such Bonds; and
- (vi) a Certificate to the effect that no Event of Default under the Resolution nor an event which with either notice or the passage of time or both would become an Event of Default has occurred and is continuing.

##### **Issuance of Refunding Bonds (Section 2.16)**

Bonds of one or more Series may be issued to refund Outstanding Bonds of one or more Series, and a Series of Refunding Bonds may be authenticated by the Trustee and delivered to or upon the order of the Authority, only upon receipt by the Trustee of the documents referred to in the preceding paragraph and irrevocable instructions to the Trustee to pay when due or to redeem all the Bonds to be refunded on such date or dates specified in such instructions. In addition, there must be deposited with the Trustee either (i) money in an amount sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest thereon to the maturity date or redemption date, which money shall be held by the Trustee or by one or more Paying Agents in a separate account irrevocably in trust for the Holders of the Bonds being refunded, or (ii) noncallable Government Obligations, the principal and interest on which when due, together with any money deposited with the Trustee or Paying Agents, will be sufficient to pay the principal or Redemption Price of the Bonds to be refunded, together with accrued interest. Government Obligations include direct obligations of or obligations guaranteed by the United States.

##### **Application of Bond Proceeds and Other Money (Sections 4.01 and 4.02)**

Under the General Resolution, the proceeds of sale of a Series of Bonds are to be applied as follows:

- (i) the amount, if any, received upon the delivery of such Series of Bonds as accrued interest will be deposited in the Revenue Fund; and
- (ii) the amount, if any, to be deposited in each Fund pursuant to the Supplemental Resolution authorizing such Series will be deposited therein.

The amount, if any, received as a premium above the aggregate principal amount of the Bonds of any Series, or as the proceeds attributable to Refunding Bonds, will be applied as provided in the Supplemental Resolution authorizing the issuance of such Series.

#### **Funds Established by the General Resolution (Section 5.01)**

The General Resolution establishes the following Funds to be held by the Trustee in trust for application in accordance with the General Resolution (the brief parenthetical descriptions of such Funds being for convenience of reference only, more complete descriptions being contained elsewhere herein and in the General Resolution):

- (i) Program Fund (money in this Fund is to be applied primarily to purchase Mortgage Loans);
- (ii) Revenue Fund (money in this Fund is to be applied primarily to pay interest, principal, Redemption Price and monthly operating expenses of the Authority);
- (iii) Bond Reserve Fund (money in this Fund constitutes a reserve for Debt Service payments); and
- (iv) Earnings Rebate Fund (money in this Fund constitutes certain excess earnings required by Section 103A of the Code to be remitted either to mortgagors or to the United States).

The Authority must maintain those Accounts for each Fund which are necessary to establish compliance with Section 103A of the Code, those Accounts prescribed by any Supplemental Resolution and those Accounts necessary or desirable to reflect the monthly accruals of Debt Service and other liabilities in accordance with generally accepted accounting principles.

#### **Program Fund (Section 5.02)**

Money for the Costs of Issuance of each Series of Bonds must be paid into the Program Fund as provided in the Supplemental Resolution for such Series of Bonds. Such money is to be withdrawn when needed to make payment of such Costs of Issuance. In the event money deposited in the Program Fund is insufficient to pay all applicable Costs of Issuance of a Series of Bonds, such Costs of Issuance may be paid from any available funds of the Authority.

Money in the Program Fund may be withdrawn to purchase Mortgage Loans pursuant to the Resolution. Money paid into the Program Fund pursuant to any Supplemental Resolution must be withdrawn in accordance with such Supplemental Resolution. Money in the Program Fund may also be transferred to the Revenue Fund for the purchase or the redemption of Bonds or to pay debt service. Prior to such transfer, the Authority must file with the Trustee a Certificate stating that such transfer, if effected, would not cause a deficiency in any Bond Year should the Cash Flow Certificate be currently updated by taking into account such transfer.

#### **Capitalized Interest (Section 4.01)**

A Supplemental Resolution may specify an amount to be deposited in the Revenue Fund as a reserve for capitalized interest in respect of the Bonds issued pursuant to such Supplemental Resolution.

#### **Revenue Fund (Sections 5.03 and 5.04)**

All Revenues must be paid into the Revenue Fund. Revenues include all amounts received with respect to a Mortgage Loan representing scheduled payments of principal thereof and interest thereon, Prepayments, interest or income received on investments of money held in any Fund (other than the Earnings Rebate Fund) pursuant to the Resolution, penalties paid to the Authority pursuant to a Mortgage Purchase Agreement and all other payments and receipts received by the Authority with respect to Mortgage Loans (not including Escrow Payments, Servicing Fees, or certain Commitment Fees and financing fees charged by the Authority).

As of the last day of any Bond Year, funds in the Bond Reserve Fund in excess of the Bond Reserve Requirement may be paid into the Revenue Fund.

Any money received as a consequence of damage, destruction or condemnation of any property securing a Mortgage Loan (unless used to repair or restore such property, if the Mortgage Loan shall continue to be insured or guaranteed as required by the Resolution) may be deposited into the Revenue Fund. Any money received by the Authority from any other source outside the lien created by the Resolution may be deposited into the Revenue Fund.

Money in the Revenue Fund must be withdrawn to pay certified Program Expenses of the Authority if as of the date of such withdrawal there are funds on hand plus accrued income sufficient to cover that portion of annual Debt Service accrued to such date. Money in the Revenue Fund must also be withdrawn to pay certified taxes, insurance, foreclosure costs including appraisal and legal fees, repairs to the mortgaged premises and other expenses incurred by the Authority in connection with any protection and enforcement of its rights with respect to any Mortgage Loan.



Money in the Revenue Fund must be withdrawn to pay all Fiduciaries reasonable compensation for all services, expenses and charges rendered under the General Resolution. Any earnings from Nonmortgage Investments in excess of those allowed under Section 103A of the Code which were deposited in the Revenue Fund must be transferred annually to the Earnings Rebate Fund. Funds must be transferred to the Bond Reserve Fund in accordance with the Resolution whenever a deficiency in Bond Reserve Requirements exists.

Money held in the Revenue Fund representing Prepayments of the Mortgage Loans may, pursuant to Authority Request and a Certificate stating that the use of such money would not cause a deficiency in any Bond Year should the Cash Flow Certificate be currently updated inclusive of such use, be (i) transferred to the Program Fund for the purchase of Mortgage Loans having rates and terms substantially equivalent to those of the Mortgage Loans resulting in the Prepayments; (ii) used to redeem or to purchase Bonds on terms not less favorable than those available on the first redemption date following such purchase on which such Bonds are redeemable; or (iii) used in any combination of (i) and (ii) above.

If all transfers required or permitted by the Resolution have been made and the Authority has filed with the Trustee a Cash Flow Certificate inclusive of such transfers projecting Revenues sufficient to pay Program Expenses and all Debt Service thereafter to be due in each Bond Year, the Trustee shall, upon receipt of an Authority Request, and if as of the date of such request the value of the cash and securities in the Revenue Fund exceeds the Minimum Funding Requirement prescribed by each Supplemental Resolution, transfer to the Authority, free and clear of the lien of this Resolution, the amount of such excess, which may thereupon be applied by the Authority to any lawful purpose.

#### **Bond Reserve Fund (Section 5.05)**

Upon the sale of each Series of Bonds, the Trustee must deposit from the proceeds thereof or from any other source provided by the Authority, the amount required to be paid into the Bond Reserve Fund by the provisions of the Supplemental Resolution authorizing such Series of Bonds, which amount, when added to the amount to deposit in the Bond Reserve Fund, will at least equal the Bond Reserve Requirement calculated after giving effect to the issuance of such Series of Bonds.

If, on the last day of any Bond Year, the amount in the Bond Reserve Fund exceeds the Bond Reserve Requirement as of the first day of the next succeeding Bond Year, all or any part of such excess money may be transferred to the Revenue Fund at the discretion of the Authority. If, on the last day of any Bond Year, there exists a deficiency in the Bond Reserve Fund, available funds must be transferred from the Revenue Fund pursuant to the Resolution to restore the Bond Reserve Requirement.

#### **Earnings Rebate Fund (Section 5.06)**

Within 60 days following the end of each Bond Year, all earnings on Nonmortgage Investments in excess of earnings allowed under the Code must be deposited in the Earnings Rebate Fund for rebate to Mortgagors or the United States Treasury as directed by the Authority and permitted or required by the Code.

All earnings net of investment losses, commissions and fees derived from Authorized Investments in the Earnings Rebate Fund shall remain in such Fund and be continuously reinvested and credited to such Fund until applied for rebate to Mortgagors or the United States Treasury as directed by the Authority and permitted or required by the Code.

#### **Withdrawals from Funds (Section 5.07)**

Notwithstanding any other provision of the Resolution, if on any Bond Payment Date money in the Revenue Fund is less than the amount of the Debt Service payment due on such Date, the Trustee must transfer from the following Funds in the following order the amount of such deficit and apply such amount to pay Debt Service, as necessary:

- (i) Program Fund;
- (ii) any other special reserve fund established by any Supplemental Resolution; and
- (iii) Bond Reserve Fund.

However, money in the Program Fund which is to be used to purchase Mortgage Loans with respect to which the Authority has entered into commitments and Mortgage Loans credited to the Program Fund may not be applied toward Debt Service payments.

Prior to withdrawing any amounts from the Program Fund, the Authority must file with the Trustee a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Debt Service when due after giving effect to the withdrawal of cash from the fund balance in the Program Fund.

**Redemption of Bonds (Sections 3.02, 5.02 and 5.04)**

Bonds of any Series may be subject to redemption at the option of the Authority prior to maturity pursuant to the provisions of the applicable Supplemental Resolution.

Money in the Revenue Fund may be withdrawn for such redemption. In addition, certain money in the Program Fund may be transferred to the Revenue Fund for such redemption; prior to such transfer the Authority must file with the Trustee a Certificate stating that such transfer, if effected, would not cause a deficiency in any Bond Year should the Cash Flow Certificate be currently updated by taking into account such transfer.

**Redemption Procedures (Article III)**

Not less than 60 days, or any shorter period acceptable to the Trustee, before any date upon which Bonds may be redeemed at the option of the Authority, the Authority must give written notice to the Trustee of the date fixed for redemption, Series of Bonds from which Bonds are to be redeemed, and the aggregate principal amounts of the Bonds of each maturity of such Series to be redeemed. If less than all of the Bonds of like maturity of any Series are to be redeemed, the particular Bonds or portions of Bonds to be redeemed will be selected by the Trustee in the manner required by the applicable Supplemental Resolution or, if not so, at random or in such other manner as the Trustee deems fair and appropriate.

Not less than 30 days before the Redemption Date, the Trustee or Registrar must also mail notice of the redemption to the registered owners of any Bonds or portions thereof to be redeemed at their last addresses which appear upon the registry books, but failure to so mail such notice shall not affect the validity of the proceedings for the redemption of the Bonds held by Registered Holders to whom written notice has been mailed. Such notice must state (i) the Series of Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed (unless all of the Bonds Outstanding of such Series are to be redeemed); (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice must further state that on such date there shall become due and payable on each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. Such notice by mail is sufficient and published notice of the call for redemption need not be given.

Notice having been given as provided above, the Bonds designated in the notice will become due and payable at the applicable Redemption Price, plus interest accrued and unpaid on such Bonds to the redemption date. On and after the redemption date such Bonds will cease to bear interest, shall no longer be secured by the Resolution, and such Bonds will no longer be considered as Outstanding under the Resolution. If money sufficient to pay the Redemption Price and accrued interest have not been made available by the Authority to the Trustee or appropriate Paying Agents on the redemption date, such Bonds will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption until the same shall have been paid.

**Investment of Money Held by the Trustee (Section 5.09)**

All money held by the Trustee (the State Treasurer of South Carolina or any successor Trustee) in Funds under the Resolution are to be immediately invested by the Trustee upon direction of the State Treasurer of South Carolina (as the Authorized Officer of the Authority) in the Authorized Investments referred to below. The maturity dates of such Authorized Investments (or the dates on which such Authorized Investments may be redeemed at the option of the holder thereof) must coincide as nearly as practicable with the times at which money in said Funds will be required for the purposes provided in the Resolution. All Funds shall be invested only in such Authorized Investments as shall earn the maximum yield practicable. The income or interest earned by, or increment to, all funds (other than the Earnings Rebate Fund) due to the investment thereof will be transferred to the Revenue Fund, except that no such transfer may be made from the Bond Reserve Fund if the effect thereof would be to reduce the amount therein to less than the Bond Reserve Requirement. All earnings and losses attributable to the Earnings Rebate Fund shall remain in that Fund.

Authorized Investments held in any Fund (except the Bond Reserve Fund) are valued at the lesser of the cost or market price thereof, excluding accrued interest. Authorized Investments held in the Bond Reserve Fund are

valued at par if purchased at par or, if purchased at other than par, at their Amortized Value. Amortized Value is calculated by dividing the total premium or discount at which such security was purchased by the number of days remaining to maturity of such security at the time of its purchase, and multiplying the amount so calculated by the number of days since such purchase and deducting or adding, as the case may be, the product thus obtained to the purchase price of such security.

Authorized Investments include, to the extent permitted by law, (1) direct obligations of or obligations guaranteed by the United States; (2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following: Federal Farm Credit System, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Land Banks, the Federal National Mortgage Association (to the extent guaranteed by the Government National Mortgage Association), Federal Home Loan Mortgage Corporation, Farmers' Home Administration, Tennessee Valley Authority or the Government National Mortgage Association; (3) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States, or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States; (4) certificates of deposit issued by, or time deposits with, any bank or trust company organized under the laws of South Carolina, any national banking association which is a member of the Federal Reserve System, or any savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation, if any such institution has stockholders' equity aggregating at least \$50,000,000, and if such time deposits or certificates of deposit, to the extent not insured to the full amount thereof, are fully secured by obligations of the type specified in (1), (2) or (3) above which have a market value, exclusive of accrued interest, at least equal to the amount of such deposits; and (5) repurchase agreements with banks which are members of the FDIC, the underlying securities of which are of the type described in (1) and (2) above and which are fully collateralized by obligations of the same type.

**Program Covenants; Endorsement of Mortgage Loans (Sections 6.06 and 6.17)**

The Authority covenants that

(i) it will use and apply the proceeds of the Bonds, to the extent not reasonably required for other Program purposes of the Authority, to purchase Mortgage Loans, and do all things necessary, consistent with sound banking practices and principles, to receive and collect Revenues;

(ii) it will diligently enforce and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans, will not without good cause release the obligations of any obligor under any Mortgage Loan and will, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority, the Bondholders and the Trustee under or with respect to all Mortgage Loans, the obligations evidencing such Mortgage Loans and the agreements securing such Mortgage Loans, provided the Authority may settle defaults on any Mortgage Loan on such terms as the Authority deems to be in the best interests of the Authority and the Bondholders;

(iii) whenever it is necessary to protect and enforce its rights under a Mortgage Loan and the rights and interests of the Trustee and the Bondholders under the Resolution, the Authority will take steps to realize on the insurance or guarantee on such Mortgage Loan and to collect, sell or otherwise dispose of the property securing such Mortgage Loan; and

(iv) it will not request payment from any government insurer in debentures of such insurer, in any case where, under government regulations, it is permitted to request such debentures as payment with respect to a defaulted Mortgage Loan.

**Assignment or Disposition of Mortgage Loans; Amendment of Mortgage Loans (Sections 6.08 and 6.18)**

The Authority covenants that it will not (i) sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of the Authority with respect thereto or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, a Mortgage Loan which must be repurchased by a Lender under the terms of a Mortgage Purchase Agreement or a Mortgage Loan which, under the terms of the Resolution, could be released to the Authority free and clear of the lien of the Resolution unless the Authority holds a commitment to purchase a substitute Mortgage Loan from the proceeds

of such sale and files with the Trustee a Certificate stating that the action so taken would not cause a deficiency in any Bond Year should the Cash Flow Certificate be updated by taking into account such action, or (ii) consent or agree to or permit any amendment or modification of the economic terms of any Mortgage Loan not in default except as may be required to comply with Section 103A.

#### **Annual Budget (Section 6.10)**

The Authority covenants that it will prepare and file with the Trustee each year an Annual Budget which must include allocations for Debt Service payments and estimated Program Expenses. The Authority may at any time adopt an amended Annual Budget but such amended Budget will not become effective unless the Authority files with the Trustee a Cash Flow Certificate projecting Revenues sufficient to pay Program Expenses and Debt Service when due in each Bond Year after giving effect to such amended Budget.

#### **Creation of Liens (Section 6.12)**

The Authority covenants that it will not issue any evidences of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the money, securities, rights or interests pledged or held or set aside under the Resolution or create or cause to be created any lien or charge upon the Revenues or such money, securities, rights or interests, except that the Authority may issue evidences of indebtedness secured by a pledge of the Revenues to be derived after the pledge of the Resolution has been discharged and satisfied.

The Authority has reserved the right to issue evidences of indebtedness other than the Bonds so long as the same are not a charge or lien on the Revenues or the money, securities, rights or interests pledged or held under the Resolution.

#### **Restriction as to "Arbitrage Bonds" (Section 6.14)**

The Authority covenants that it, its Authorized Officers and the Trustee will not use or direct or permit the use of Bond proceeds or any other money in their possession or control in any manner which would cause any Bond to be an "arbitrage bond" as defined in the Internal Revenue Code, or which would cause the interest on any Bond to lose its tax exempt status with respect to Federal income taxes for any other reason.

#### **Restriction on Purchase and Redemption of Bonds (Section 6.15)**

The Authority has covenanted that it will not purchase or redeem or direct the purchase or redemption by the Trustee of any Bonds at a cost or price which (i) exceeds the then applicable Redemption Price of such Bonds, plus accrued interest to the next redemption date, if such Bonds are then redeemable, or (ii) exceeds the Redemption Price of such Bonds on the date such Bonds are first redeemable at the option of the Authority, plus accrued interest to the first applicable redemption date.

#### **Events of Default (Section 7.02)**

Each of the following constitutes an Event of Default under the General Resolution:

- (i) failure by the Authority to pay any Principal Installment or Redemption Price of any Bond at the time required;
- (ii) failure by the Authority to pay any installment of interest on any Bond at the time required and the continuance thereof for a period of 30 days;
- (iii) failure by the Authority to perform or observe any other covenant, agreement or condition on its part contained in the Resolution or in the Bonds, and the continuance thereof for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding; or
- (iv) filing by the Authority of a petition seeking a composition of indebtedness under the Federal bankruptcy laws or under any other applicable Federal or South Carolina law.

#### **Remedies (Sections 7.03, 7.04 and 7.06)**

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of Holders of not less than 25 percent in aggregate principal amount of Bonds Outstanding must, give 30 days' written notice to the Governor and Attorney General of South Carolina and the Authority of its intention to declare all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Bondholders must, by notice in writing to the Authority, declare all Bonds Outstanding immediately due and payable, and such Bonds will then become and be immediately payable. Prior to entry of



final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedy under the Resolution, such declaration may be annulled by the Trustee if, among other things, money has been deposited in the Revenue Fund sufficient to pay all matured installments of principal (other than principal then due only because of such declaration) or Redemption Price of and interest on all Bonds Outstanding.

Upon the occurrence and continuance of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25 percent in the aggregate principal amount of the Bonds Outstanding, together with indemnification satisfactory to the Trustee, must, proceed to protect and enforce its rights and the rights of the Bondholders under the Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, may deem expedient.

No remedy conferred upon or reserved to the Trustee by the terms of the Resolution is intended to be exclusive of any other available remedy, but each and every remedy is cumulative and in addition to any other remedy available under the Resolution or existing at law or in equity or by statute.

#### **Qualifications of Successor Trustees and Paying Agents (Sections 8.02, 8.09 and 8.13)**

Any successor Trustee under the Resolution must be a bank or trust company organized under the laws of the United States of America or any state thereof, be in good standing within or outside the State and have stockholders' equity of at least \$25,000,000, provided there is such an institution willing, qualified and able to accept the trusts created by the Resolution upon reasonable and customary terms.

Any Paying Agent (other than the initial Trustee) appointed pursuant to the Resolution must be a bank or trust company organized under the laws of any state or a national banking association, have stockholders' equity of at least \$25,000,000, be willing and able to act as Paying Agent on reasonable and customary terms and be authorized by law to perform all duties imposed upon a Paying Agent under the Resolution.

#### **Modifications of Resolution and Outstanding Bonds (Sections 9.01, 9.02, 10.02, 10.03 and 10.04)**

The General Resolution provides procedures whereby the Authority may amend the General Resolution or a Supplemental Resolution by adoption of a Supplemental Resolution. Amendments that may be made without the consent of Bondholders must be for such purposes as providing for the issuance of a Series of Bonds, closing the Resolution or any Supplemental Resolution against the delivery of Bonds or the issuance of other evidences of indebtedness, adding to the covenants, agreements, limitations and restrictions to be observed by the Authority, further securing the Bonds or curing ambiguities, defects and inconsistent provisions.

Amendments of the respective rights and obligations of the Authority and the Bondholders may be made with the written consent of the Holders of not less than 66 2/3% in principal amount of Outstanding Bonds to which the amendment applies; but no such amendment can permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount, Redemption Price, rate of interest or the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect such amendment without the consent of the Holders of all such Bonds.

#### **Defeasance (Section 11.03)**

Any Outstanding Bonds of any Series and all coupons appertaining to such Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Resolution if, among other things, there has been deposited with the Trustee either moneys in an amount which are sufficient, or noncallable Government Obligations the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time is sufficient, to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be.

#### **EXCHANGE OF BONDS**

Bonds, upon surrender thereof at the principal corporate trust office of Morgan Guaranty Trust Company of New York, New York, New York, Registrar, with a written instrument of transfer satisfactory to the Trustee or the Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, interest rate and maturity of any other authorized denomination.

In all cases in which the privilege of exchanging or transferring registered Bonds is exercised, the Authority will execute and the Registrar will deliver Bonds in accordance with the provisions of the Resolution. For every such exchange or transfer of a Bond, the Authority or the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which charges will be payable by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

#### **AGREEMENT OF THE STATE**

Pursuant to the provisions of Section 12 of the Act, the Authority has included in the Resolution the pledge and agreement of the State of South Carolina that the State will not limit or alter the rights vested in the Authority to fulfill the terms of the Resolution or any other agreements made with the Bondholders or in any way impair the rights and remedies of the Bondholders until the Bonds, together with any action or proceedings by or on behalf of the Bondholders, are fully met and discharged.

#### **LEGALITY FOR INVESTMENT**

The Act provides that the Bonds are eligible for investment in South Carolina by all public officers, public bodies and political subdivisions of South Carolina, banks, savings banks and institutions, building and loan associations, savings and loan associations, trust companies, investment companies and insurance companies and all executors, administrators, trustees and other fiduciaries of funds in their control or belonging to them.

#### **SPECIAL TAX ADVANTAGE TO INSURANCE COMPANIES DOING BUSINESS IN SOUTH CAROLINA**

In the opinion of Messrs. Sinkler Gibbs & Simons, Charleston, South Carolina, investment of certain funds in the 1983 Series A Bonds by life insurance companies and other insurance companies incorporated elsewhere than in South Carolina, but licensed to do business in South Carolina, would, under existing law, entitle such companies to reductions in the additional and graded license fees imposed by Section 38-5-320 and Section 38-5-340, Code of Laws of South Carolina 1976, as and to the extent provided in Sections 38-5-330 and 38-5-350, respectively, of said Code. The South Carolina Supreme Court has held that the calculations contemplated by the foregoing code sections must be made as of December 31 of each year.

#### **TAX EXEMPTION**

Section 103A of the Internal Revenue Code of 1954 enacted by the Mortgage Subsidy Bond Tax Act of 1980, as amended, together with the temporary regulations with respect to such Section subsequently issued by the United States Department of the Treasury ("Section 103A"), provides that interest on obligations of a governmental unit such as the Authority issued to finance single family residences or improvements to such residences is excludable from gross income for Federal income tax purposes only if such obligations constitute "qualified mortgage bonds". Under Section 103A, a qualified mortgage bond is a bond the proceeds of which are used to finance owner-occupied residences and which meets certain requirements with respect to terms, amount and purpose of the obligation, arbitrage earnings, the use of the funds generated by the issuance of such obligations, the nature of the residence and the loan and the eligibility of the borrower executing the loan.

No assurance can be given that the Authority will be able to meet the requirements of Section 103A. If such requirements are not met, interest on the 1983 Series A Bonds may be subject to Federal income taxation from the date of issuance. However, on the basis of the Authority's experience in monitoring its programs, the covenants as to compliance with the loan eligibility and correction requirements contained in the Resolution and the Agreements, and the procedures established for the performance and enforcement of these covenants in the Agreements, the Authority does not expect that the amount of 1983 Series A Bond proceeds disbursed for Mortgage Loans that are ineligible under Section 103A will approach 5 percent (the maximum permitted under Section 103A) or that any nonqualifying Mortgage Loan will not be corrected within a reasonable time after such nonqualification is discovered.

Assuming that the Authority continues to comply with its covenants and procedures and that 95 percent of the proceeds of the 1983 Series A Bonds used to finance Mortgage Loans is devoted to residences which meet the requirements of Section 103A, at the time the Mortgage Loans are executed and further assuming the accuracy of the matters set forth in certificates of Eligible Borrowers and warranties of Lenders, Bond Counsel is of the opinion that interest on the 1983 Series A Bonds will be exempt from present Federal income taxes under existing laws.

#### ABSENCE OF LITIGATION

There is no controversy or litigation of any nature now pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the Bonds or the existence or powers of the Authority.

#### UNDERWRITING

The 1983 Series A Bonds are to be purchased by an underwriting group headed by Morgan Guaranty Trust Company of New York and Salomon Brothers Inc. The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of the 1983 Series A Bonds at a price which is \$1,276,000 less than the aggregate of the initial public offering prices set forth on the cover page. The initial public offering prices may be changed from time to time by the Underwriters.

#### APPROVAL OF LEGALITY

The unqualified approving opinion of Messrs. Sinkler Gibbs & Simons, Bond Counsel, as to the authorization, issuance, sale and delivery of the 1983 Series A Bonds will be printed on the 1983 Series A Bonds in substantially the form attached to this Official Statement as Exhibit D. Certain legal matters will be passed upon for the Underwriters by their counsel, Messrs. Cravath, Swaine & Moore.

#### FINANCIAL STATEMENTS

As an agency of the State of South Carolina, the operations of the Authority are accounted for as part of the State's accounting system. Financial statements of the Authority have been audited annually by the State Auditor since its inception in 1971. The financial statements of the Authority, attached as Appendix E, were audited by Arthur Young & Company.

All quotations from, and summaries and explanations of, the Act, the General Resolution and the 1983 Series A Supplemental Resolution contained herein do not purport to be complete and reference is made to said law and agreements for full and complete statements of their provisions. Copies, in reasonable quantity, of the Act and the Resolution may be obtained upon request directed to the Authority, 2221 Devine Street (Suite 540), Columbia, South Carolina 29205, or, during the offering period, to the underwriters, in care of Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, New York 10015.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Bonds.

SOUTH CAROLINA STATE HOUSING  
AUTHORITY.

by

*George M. Lusk*  
Executive Director

September 9, 1983

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# MAP OF SOUTH CAROLINA INDICATING TARGETED AREAS



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APPENDIX A



## APPENDIX B

**SINGLE FAMILY MORTGAGE PURCHASE PROGRAM OF THE AUTHORITY**  
**PORTFOLIO DELINQUENCY ANALYSIS**

<u>Date</u>	<u>Total Loans Outstanding</u>	<u>Outstanding Principal</u>	<u>Delinquency Ratio*</u>	<u>60 Days</u>	<u>90 Days &amp; Over**</u>	<u>Loans In Foreclosure</u>
July 31, 1983	8,075	\$283,553,101	1.8%	59	90	41
January 31, 1983	6,564	225,970,016	2.4	74	87	46
July 31, 1982	6,326	218,557,427	2.3	61	37	46
January 31, 1982	6,338	219,961,207	2.7	85	45	44
July 31, 1981	6,350	221,679,974	2.5	81	26	51

\* Based on number of delinquent loans as a percentage of number of total loans outstanding.

\*\* Includes mortgage loans which are subject to forbearance or which involve rescheduled payments pursuant to an agreement of the Authority or an order of the Bankruptcy Court.

The above information relates primarily to the Authority's initial program involving only FHA and VA insured or guaranteed mortgage loans. The current Homeownership Mortgage Purchase Program does not permit the purchase of FHA or VA insured or guaranteed mortgage loans. However, future issues of Homeownership Mortgage Purchase Bonds may permit mortgage loans insured under such programs. No significant statistics are yet available for the current Homeownership Mortgage Purchase Program because of its recent origin.

## APPENDIX C

## LENDERS AND ALLOCATIONS

## 1983 SERIES A

<u>Lender</u>	<u>Allocation</u>
Alliance Mortgage Company .....	\$2,455,150
August Kohn and Company, Inc. ....	1,865,557
C.W. Haynes and Company, Inc. ....	2,135,350
Cambridge Mortgage Company .....	488,150
Cameron-Brown Company .....	1,100,850
Carolina Bank & Trust .....	260,000
Carolina National Mortgage Inv. Co., Inc. ....	2,349,290
Collateral Investment Company .....	963,500
Colonial Mortgage Company .....	1,547,800
First Citizens Bank & Trust Company of South Carolina .....	2,361,897
First Federal Savings & Loan Association of Charleston .....	386,500
First Federal Savings & Loan Association of Cheraw .....	200,000
First Federal Savings & Loan Association of South Carolina .....	4,160,800
First Federal Savings & Loan Association of Spartanburg .....	750,000
First National Bank of South Carolina .....	687,575
First National Bank of Orangeburg .....	1,199,400
First State Savings & Loan Association .....	497,550
Gulf States Mortgage Company, Inc. ....	450,000
Home Federal Savings & Loan Association of Charleston .....	136,500
Home Federal Savings & Loan Association of Rock Hill .....	1,000,000
The Kissell Company .....	4,592,275
The Lomas & Nettleton Company .....	4,641,300
Mutual Savings & Loan Association of Greenwood .....	325,000
Mutual Savings & Loan Association of Hartsville .....	474,140
Perpetual Federal Savings & Loan Association .....	1,512,220
Republic National Bank .....	45,500
South Carolina Federal Savings & Loan Association .....	7,798,950
South Carolina National Bank .....	3,253,600
Standard Federal Savings & Loan Association .....	397,175
Stockton, White and Company .....	536,110
Tillman Smith and Company, Inc. ....	4,265,700
Wachovia Mortgage Company .....	1,162,500
Weyerhaeuser Mortgage Company .....	1,375,000
	<u>\$55,375,339</u>
Unallocated amount .....	824,661
	<u>\$56,200,000</u>

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## APPENDIX D

Upon the delivery of the 1983 Series A Bonds of the South Carolina State Housing Authority, Messrs. Sinkler Gibbs & Simons, Bond Counsel, propose to issue a final approving opinion in substantially the following form:

### SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA  
TELEPHONE AND TELECOPIER  
(803) 722-3366

MAILING ADDRESS  
CHARLESTON OFFICE  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

COLUMBIA OFFICE  
SUITE 160  
FIRST NATIONAL BANK BUILDING  
POST OFFICE BOX 1456  
COLUMBIA, S. C. 29211  
TELEPHONE AND TELECOPIER  
(803) 765-1885

September , 1983

Morgan Guaranty Trust Company  
of New York  
Salomon Brothers Inc  
New York, New York

Sirs:

We have examined the Constitution and Statutes of the State of South Carolina (the "State"), a certified copy of a record of proceedings and other proofs relating to the authorization and issuance of \$58,000,000 South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1983 Series A (the "Bonds") of the South Carolina State Housing Authority (the "Authority"), a public body corporate and politic and an agency of the State.

The Bonds are issued by the Authority pursuant to (i) the South Carolina State Housing Authority Act of 1977, codified as Chapter 13 of Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"), (ii) resolutions adopted by the Authority with the approval of the State Budget and Control Board of South Carolina, (iii) the General Resolution adopted by the Authority on September 21, 1982 (the "General Resolution"), and (iv) the Supplemental Resolution adopted by the Authority on September 9, 1983 (the "1983 Series A Supplemental Resolution"). The General Resolution and the 1983 Series A Supplemental Resolution are collectively referred to hereinafter as the "Resolution", and capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Bonds will mature on July 1 in the respective principal amounts and bear interest at the respective rate per annum, set forth as follows:

\$15,000,000 10½% Term Bonds due July 1, 2005  
\$23,000,000 10¾% Term Bonds due July 1, 2014  
\$20,000,000 10¾% Term Bonds due July 1, 2015

The Bonds bear interest from September 1, 1983, except as otherwise provided in the Resolution, and are subject to redemption prior to maturity in the manner and upon the terms set forth in the Resolution. Interest on the Bonds is payable on January 1, 1984 (representing four months' interest) and on each July 1 and January 1 thereafter until the obligation of the Authority with respect to the payment of the Bonds is discharged.

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The Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any authorized multiple thereof. Each Bond is identified by a legend consisting of the letter "A", to reflect the fact that it is one of the Bonds of the 1983 Series A Bonds, followed by a letter of the alphabet designating the maturity thereof and a certificate number.

The Bonds are issued for the primary purpose of raising funds with which to purchase from certain qualified lenders privately insured Mortgage Loans made to persons who are eligible borrowers under the Act for the acquisition of owner-occupied single family residences in the State.

The Authority has reserved the right to issue additional Bonds on the terms and conditions, and for the purposes, stated in the Resolution. Under the provisions of the Resolution, the Bonds and all such additional Bonds will rank equally as to security and payment.

It is our opinion that:

1. The Authority is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to acquire Mortgage Loans with proceeds of the Bonds and to collect Revenues therefrom and to perform all of its obligations under the Resolution.

2. The Authority has the right and power under the Act to adopt the Resolution and the Resolution has been duly and lawfully authorized by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, except to the extent that the enforceability of the Resolution may be limited by applicable bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights.

3. The General Resolution creates a valid pledge of (i) the proceeds of the Bonds, (ii) all right, title and interest of the Authority in and to all Mortgage Loans acquired from moneys subject to the lien created by the General Resolution, the documents evidencing and securing such Mortgage Loans, the Mortgage Purchase Agreements and servicing agreements relating thereto, and any other assets acquired with money or assets subject to the lien created by the General Resolution, (iii) all Revenues, (iv) all money and investments in all Funds, other than the Earnings Rebate Fund, and Accounts established by or pursuant to the General Resolution, and (v) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security thereunder, subject in each case to the provisions of the General Resolution permitting application of money, rights and interests to the extent and under the conditions prescribed by the General Resolution.

4. The Bonds have been duly authorized and delivered and constitute valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution, except to the extent that the enforceability of the Bonds may be limited by applicable bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights. Such Bonds are secured in the manner and to the extent prescribed by the Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements set forth in the Resolution.

5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Authority pledged therefore under the Resolution.

6. Interest on the Bonds is exempt under existing statutes and court decisions from Federal income taxes. The Bonds and the interest thereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed thereon within the State, except inheritance, estate and transfer taxes.

We have examined executed 1983 Series A Bond numbered AA1, and in our opinion the form of such Bond and its execution are legal and proper. We have also examined an arbitrage certificate made by the Executive Director of the Authority on this date (the "Arbitrage Certificate") which sets forth certain facts, estimates and circumstances relating to the use, application and investment of the proceeds of the Bonds in the context of the "arbitrage bond" provisions of Section 103(c) and Section 103A(i) of the Internal Revenue Code of 1954, as amended, and the Treasury Regulations applicable thereto. No matters have come to our attention which make unreasonable or incorrect the representations and certifications in the Arbitrage Certificate.

Very truly yours,



# ARTHUR YOUNG

## APPENDIX E

ARTHUR YOUNG & COMPANY  
1900 DANIEL BUILDING  
GREENVILLE, SOUTH CAROLINA 29602

The Board of Commissioners  
South Carolina State Housing Authority

We have examined the accompanying statements of assets, liabilities and fund balances of each of the programs and funds of the South Carolina State Housing Authority at June 30, 1983 and the related statements of revenues, expenses and changes in fund balances and of cash receipts, cash disbursements and cash balances for the year then ended. We have also examined the accompanying statements of assets, liabilities and fund balances of the South Carolina State Housing Authority Single Family and Multifamily Finance Programs at June 30, 1982 and the related statements of revenues, expenses and changes in fund balances and of cash receipts, cash disbursements and cash balances for the year then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

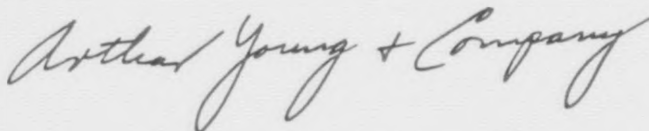
The financial statements for the year ended June 30, 1982 of the HUD Section 8 Programs funded by the Department of Housing and Urban Development were examined by other independent auditors whose report dated August 20, 1982, expressed an unqualified opinion on those statements. The financial statements of the State - Appropriated Funds for the year ended June 30, 1982 were examined by the office of the State Auditor of South Carolina. A report by the office of the State Auditor has not been issued at this date, however, we have been informed that an unqualified opinion is expected. The Mortgage Lenders' Reserve Fund was not audited for the year ended June 30, 1982.

## ARTHUR YOUNG

The Board of Commissioners  
South Carolina State Housing Authority  
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In our opinion, the statements mentioned in the first paragraph of this report present fairly the financial position of the South Carolina State Housing Authority programs and funds at June 30, 1983, and the Single Family and Multifamily Finance Programs at June 30, 1982 and the related results of operations, and changes in fund balances and cash receipts, cash disbursements and cash balances for each of the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Our examination was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph of this report, taken as a whole. The accompanying supplementary information (Exhibits B-1 through F-1) is presented for purposes of additional analysis and is not necessary for a fair presentation of the financial statements of the South Carolina State Housing Authority. This supplementary information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



July 26, 1983

SOUTH CAROLINA STATE HOUSING AUTHORITY  
JUNE 30, 1983  
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SOUTH CAROLINA STATE HOUSING AUTHORITY  
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## EXHIBIT A-1

SOUTH CAROLINA STATE HOUSING AUTHORITY  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1983 and 1982

ASSETS	Single Family Finance Programs	Multi-Family Finance Programs	Moderate Rehabilitation Finance Programs	Mortgage Lenders' Advance Funds (unaudited)	State Appropriated Funds	HUD Section 8 Programs	Total (Memorandum Only)
	1983	1982	1983	1982	1983	1982	1983
Cash	\$ 513,613	\$ 18,686	\$ -	\$ -	\$ 48,113	\$ 507,650	\$ 2,119,640
Cash with paying agents	15,323,436	16,179,799	-	-	-	-	15,323,436
Mortgage loans receivable	274,480,676	218,887,168	-	-	-	-	292,127,377
Accounts receivable	-	-	596,535	-	-	-	218,897,168
HUD	-	-	-	-	-	10,265	10,265
Investments in authorized securities (Note 3)	-	-	-	-	-	-	-
Investments in authorized securities market (Note 3)	-	-	-	-	-	-	-
Short-term	32,484,316	12,893,503	-	-	-	-	40,139,019
Long-term	29,775,569	2,651,976	-	-	-	-	33,115,325
Accounts receivable	1,908,120	1,408,014	-	-	-	-	2,105,765
Mortgage loans receivable	759,467	918,721	-	-	-	-	1,177,687
Investments	387,112	872,670	-	-	-	-	585,920
Deferred debt issuance cost,	471,068	315,746	-	-	-	-	471,068
Due from servicing	2,084,169	27,211	-	-	-	-	2,140,976
Institutions	-	-	72	-	-	-	72
Due from other programs	-	-	-	-	-	-	-
Fixed assets	439,255,979	427,666,603	-	-	49,409	7,106	439,255,979
Total assets	\$ 1,255,253,472	\$ 1,255,253,472	\$ 596,607	\$ 815,170	\$ 117,316	\$ 525,272	\$ 1,255,253,472
LIABILITIES AND FUND BALANCES							
Bonds payable net of unamor-							
tized discounts and pre-							
miums	\$ 320,505,353	\$ 368,889,817	\$ -	\$ -	\$ -	\$ -	\$ 368,889,817
Interest payable on bonds	12,476,412	8,079,799	-	-	-	-	12,476,412
Accounts payable	1,587,645	5,957	72	-	-	-	1,587,645
Deferred expenses	11,254	13,773	-	-	-	-	11,254
Payable to servicing institutions:							
Interest	-	-	-	-	-	-	-
Investment amortization	-	-	-	-	-	-	-
Other programs	72	-	-	-	-	-	72
Servicing institutions	-	-	596,535	-	-	-	596,535
Others	-	1,487,654	-	-	-	-	1,487,654
Total liabilities	332,983,091	256,933,389	596,607	815,170	-	-	332,983,091
Fund balances:							
Unassigned	25,256,888	21,611,214	-	-	-	-	25,256,888
Assigned	439,249,979	427,644,402	-	-	-	-	439,249,979
Total fund balances	\$ 464,506,867	\$ 449,255,616	\$ -	\$ -	\$ -	\$ -	\$ 464,506,867

See accompanying notes.

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SOUTH CAROLINA STATE HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
For the years ended June 30, 1983 and 1982

	Single Family Finance Programs		Multifamily Finance Programs		Moderate Rehabilitation Finance Program		State Appropriated Funds		HUD Section 8 Programs		Total (Memorandum Only)	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
Revenues:												
Interest income:												
Investments	\$ 8,880,534	\$ 5,678,660	\$2,153,685	\$404,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$11,034,219	\$ 6,083,120
Mortgage loans receivable	19,022,286	17,407,486	1,039,957	-	8,107	-	-	-	-	-	20,070,350	17,407,486
State appropriation, reduced by \$21,533 in 1983 and \$8,642 in 1982	-	-	-	-	-	-	382,823	361,134	-	-	382,823	361,134
HUD housing assistance contribu- tions earned	-	-	-	-	-	-	-	-	4,269,200	3,424,260	4,269,200	3,424,260
Project developer fees earned	-	-	578,462	-	-	-	-	-	-	-	578,462	-
Total revenues	27,902,820	23,086,146	3,772,104	404,460	8,107	-	382,823	361,134	4,269,200	3,424,260	36,335,054	27,276,000
Expenses:												
Interest on bonds	22,507,270	16,059,599	2,904,403	-	-	-	-	-	-	-	25,411,673	16,059,599
Interest on notes	-	-	-	218,927	-	-	-	-	-	-	-	218,927
Amortization of bond and note discounts	221,883	133,269	160,516	20,500	-	-	-	-	-	-	382,399	153,769
Program expenses	898,822	906,175	4,364	16,054	8,107	-	-	-	3,736,293	2,963,436	4,647,586	3,885,665
General and administrative expenses	403,926	295,221	14,388	-	-	-	288,244	300,943	450,246	383,991	1,156,804	980,155
Total expenses	24,031,901	17,394,264	3,083,671	255,481	8,107	-	288,244	300,943	4,186,539	3,347,427	31,598,462	21,298,115
Revenues over expenses	3,870,919	5,691,882	688,433	148,979	-	-	94,579	60,191	82,661	76,833	4,736,592	5,977,885
Transfer of state appropriated funds by Authority (Note 4)	(225,245)	(259,886)	-	-	-	-	(94,579)	(60,191)	(74,526)	-	(394,350)	(320,077)
Fund balances at beginning of year	21,611,214	16,179,218	193,842	44,863	-	-	19,594	19,594	154,990	78,157	21,979,640	16,321,832
Fund balances at end of year	523,256,888	521,611,214	\$ 882,275	\$193,842	\$ -	\$ -	\$ 19,594	\$ 19,594	\$ 163,125	\$ 154,990	\$26,321,682	\$21,979,640

See accompanying notes.

SOUTH CAROLINA STATE HOUSING AUTHORITY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS AND CASH BALANCES  
For the years ended June 30, 1983 and 1982

EXHIBIT A-3

	Single Family Finance Programs		Multifamily Finance Programs		Moderate Rehabilitation Finance Program		State Appropriated Funds		HUD Section 8 Programs		Total (Memorandum Only)	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
<b>Receipts:</b>												
Redemption of investments	\$499,149,439	\$294,541,059	\$54,836,298	\$4,022,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$553,985,737	\$298,563,911
Proceeds from sale of bonds	80,114,800	-	24,122,894	-	-	-	-	-	-	-	104,237,694	-
Income received on investments	9,711,245	5,264,859	1,757,669	428,035	-	-	-	-	-	-	10,968,914	5,692,894
Income received on mortgage loans receivable	17,907,143	17,437,879	862,312	-	8,107	-	-	-	-	-	18,757,562	17,437,879
Repayments on mortgage loans receivable	3,810,618	2,799,590	-	-	1,565	-	-	-	-	-	3,812,183	2,799,590
Mortgage discounts received	2,214,361	-	-	-	-	-	-	-	-	-	2,214,361	-
Accrued interest received on sale of bonds	104,066	-	170,917	-	-	-	-	-	-	-	274,983	-
Transfers of funds from other programs	4,464,745	-	1,682,703	-	596,607	-	41,287	-	-	-	6,785,342	-
Project developer fees received	-	-	578,464	-	-	-	-	-	-	-	578,464	-
Receipt of state appropriation	-	-	-	-	-	-	382,823	361,134	-	-	382,823	361,134
Receipt of HUD contributions	-	-	-	-	-	-	-	-	5,480,751	3,838,703	5,480,751	3,838,703
Repayments of HUD receivable	-	-	-	-	-	-	-	-	10,265	11,411	10,265	11,411
Other	13,293	22,888	-	-	-	-	-	-	-	-	13,293	22,888
<b>Total receipts</b>	<b>616,989,710</b>	<b>320,066,775</b>	<b>87,991,757</b>	<b>4,450,887</b>	<b>606,278</b>	<b>-</b>	<b>424,110</b>	<b>361,134</b>	<b>5,491,016</b>	<b>3,850,314</b>	<b>707,502,372</b>	<b>328,728,610</b>
<b>Disbursements:</b>												
Purchase of investments	521,462,511	294,289,605	64,833,697	-	-	-	-	-	-	-	586,296,208	294,289,605
Accrued interest purchased on investments	211,702	90,878	-	-	-	-	-	-	-	-	211,702	90,878
Purchase of mortgages	61,164,788	43,396	17,045,166	-	598,100	-	-	-	-	-	78,808,054	43,396
Housing assistance payments	-	-	-	-	-	-	-	-	3,736,293	2,963,436	3,736,293	2,963,436
Payment of note	-	-	-	4,120,000	-	-	-	-	-	-	-	4,120,000
Transfers to paying agents for payment of:												
Bond principal at July 1	7,530,000	8,150,000	-	-	-	-	-	-	-	-	7,530,000	8,150,000
Bond interest at July 1	7,793,436	8,029,799	-	-	-	-	-	-	-	-	7,793,436	8,029,799
Interest paid on bonds	10,134,924	8,029,600	1,487,673	-	889	-	-	-	-	-	11,623,486	8,029,600
Interest paid on notes	-	-	-	328,725	-	-	-	-	-	-	-	328,725
Transfers of funds to other programs	6,548,934	-	195,049	-	72	-	41,287	-	-	-	6,785,342	-
Transfer of state appropriated funds	225,246	259,886	-	-	-	-	-	60,191	74,458	-	299,704	320,077
Payment of issuance costs	148,884	-	203,172	-	-	-	-	-	-	-	352,056	-
Mortgage servicing fees	842,921	833,015	-	-	7,218	-	-	-	-	-	850,139	833,015
Payment of general and administrative expenses	392,482	303,770	1,499	2,162	-	-	334,289	296,114	370,780	365,320	1,099,050	967,366
Payment of liabilities	13,773	12,915	-	-	-	-	4,829	30,211	443,389	415,490	461,991	458,616
Purchase of fixed assets	25,182	4,525	-	-	-	-	-	-	40,513	5,046	65,695	9,571
Other	-	-	-	-	-	-	471	-	68	-	489	-
<b>Total disbursements</b>	<b>616,494,783</b>	<b>320,047,589</b>	<b>83,746,756</b>	<b>4,450,887</b>	<b>606,278</b>	<b>-</b>	<b>380,876</b>	<b>386,516</b>	<b>4,665,501</b>	<b>3,749,792</b>	<b>705,913,645</b>	<b>328,636,284</b>
Receipts over (under) disbursements	494,927	18,686	225,001	-	-	-	43,284	(25,382)	825,515	101,022	1,588,727	94,326
Cash balances at beginning of year	18,686	-	-	-	-	-	4,829	30,211	507,650	406,678	531,165	436,839
Cash balances at end of year	<u>\$ 313,613</u>	<u>\$ 18,686</u>	<u>\$ 225,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,113</u>	<u>\$ 4,829</u>	<u>\$ 1,333,165</u>	<u>\$ 507,650</u>	<u>\$ 2,069,892</u>	<u>\$ 231,165</u>

See accompanying notes.

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

1. Summary of significant accounting policies

(a) Basis of accounting and reporting

The Authority follows the accrual basis of accounting using certain funds and accounts established under the Trust Indentures relating to the issuance of the bonds and the notes and those established by the state accounting and reporting system.

(b) Amortization of discounts, premiums and bond and note issuance costs

Bond and note discounts and premiums are amortized over the terms of the bonds and notes using the bonds outstanding method. Costs incurred in connection with the bond and note issues have been deferred and are amortized on the straight-line basis over the lives of the issues.

(c) Reserve Funds

The Trust Indentures effectively restrict certain assets for debt service requirements as described below.

i) 1979 Series A and B, Single Family Program:

Mortgage Reserve Fund. No allowances for possible loan losses are provided since all loans are federally insured or guaranteed. Upon the issuance of the bonds, amounts specified by the Official Statement were deposited in the Mortgage Reserve Fund and are invested in authorized investments. The Mortgage Reserve Fund is to be used to pay debt service when due if other monies available for such payment are insufficient for such purpose. Amounts in the Mortgage Reserve Fund (\$870,912 at June 30, 1983 and \$865,775 at June 30, 1982 for Series A; \$1,700,000 at June 30, 1983 and 1982 for Series B), which exceed minimum funding requirements (\$771,900 on June 30, 1983 and \$769,750 on June 30, 1982 for Series A; \$1,578,800 on June 30, 1983 and \$1,629,250 on June 30, 1982 for Series B), may also be withdrawn to pay taxes, insurance, costs incidental to foreclosure, repairs and other expenses incurred by the Program in connection with protecting and enforcing the Program's rights with respect to any mortgage loan.



SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

1. Summary of significant accounting policies (continued)

i) 1979 Series A and B, Single Family Program (continued):

Bond Reserve Fund. Balances in the Bond Reserve Fund (\$7,675,580 at June 30, 1983 and \$7,669,583 at June 30, 1982 for Series A and \$16,819,792 at June 30, 1983 and \$16,787,707 at June 30, 1982 for Series B) exceed minimum funding requirements (\$7,403,578 at June 30, 1983 and \$7,603,883 at June 30, 1982 for Series A; \$15,713,115 at June 30, 1983 and \$16,605,715 at June 30, 1982 for Series B). The Bond Reserve Fund is required under the terms of the Trust Indenture to be maintained in an amount equal to the maximum amount required to pay debt service on all bonds after giving effect to the scheduled payments becoming due in the current or future bond year. If on any date on which a debt service payment is due and the monies otherwise available for such payment are insufficient for such purposes, an amount equal to such deficiency is required to be withdrawn from the Bond Reserve Fund to provide such payment.

Investment income earned in the Bond and Mortgage Reserve Funds is transferred currently to the program's operating fund.

ii) 1982 Series A Homeownership Program:

Bond Reserve Fund. Amounts in the Bond Reserve Fund (\$4,465,576 at June 30, 1983) exceed the minimum funding requirement of 3.3% of the aggregate of all bonds outstanding. Monies in the Bond Reserve Fund are to be used for payment of debt service when due if funds otherwise available are insufficient for such purpose.

iii) 1982 Series A and B, Multifamily Program:

Debt Service Reserve Fund. Monies in the Debt Service Reserve Fund are to be used for payment of debt service when due if funds otherwise available are insufficient. Balances in the Debt Service Reserve Fund at June 30, 1983 (\$2,200,649 for Series A and \$513,000 for Series B) equal or exceed the minimum funding requirement specified by the Trust Indenture.

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

1. Summary of significant accounting policies (continued)

iii) 1982 Series A and B, Multifamily Program (continued):

Mortgage Reserve Fund. Amounts in the Mortgage Reserve Fund at June 30, 1983 (\$406,824 for Series A and \$104,500 for Series B) equal the funding requirement set by the Trust Indenture. Funds in the Mortgage Reserve Fund are available for the payment of expenses incurred in connection with the protection of the Authority's interest in mortgage loans financed through bond proceeds.

General Reserve Fund. Monies in the General Reserve Fund may be used to pay debt service when due, to protect the Authority's interest in mortgage loans, to replenish any deficiency in debt service funding requirements and for other lawful purposes of the Authority if certain asset tests are met. The amounts in the General Reserve Fund on June 30, 1983 (\$249,600 for Series A and \$51,600 for Series B) meet the funding requirements established by the Trust Indenture.

(d) Due from servicing institutions

This amount represents mortgage principal and interest payments which have been received by the servicers of the mortgage receivables and will be remitted to the Authority on July 1.

2. Organization

The South Carolina State Housing Authority is a public body corporate and politic and an agency of the State created in 1971 by an Amendment to the Housing Authorities Law of South Carolina. The powers of the Authority were expanded through the passage of the South Carolina State Housing Act of 1977. The Act empowers the Authority to issue bonds and notes, pursuant to which the Authority's Bond Programs were established. The Authority is also empowered to sponsor state and federal funds. The Mortgage Bonds are special obligations of the Authority and are not a debt or grant or loan of the State of South Carolina or any political subdivision of the State, and neither the State of South Carolina nor any political subdivision is liable thereon. The interest on the bonds and notes issued for the Programs is exempt to the recipients from both federal and State of South Carolina income taxes.

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

2. Organization (continued)

The bonds are secured by and payable solely from the monies, income, and receipts of the Authority pledged for the payment thereof under the Indentures. Payment of the principal or redemption price of, and interest on, all bonds is secured ratably and equally by the proceeds of the bonds, revenues (including scheduled payments of principal and interest on mortgages and repayments of mortgage loans and interest and income received on investment of money held in the funds and accounts), and the right, title, and interest of the Authority in and to the mortgage loan.

3. Authorized investments

Single Family and Multifamily investments are restricted to authorized investments as defined in the Trust Indentures.

4. Return of State Appropriated Funds

The Authority reimbursed the State for the net State Funds appropriated to the Authority (\$299,771 in 1983 and \$259,886 in 1982).

5. Reclassifications

Certain classifications for 1982 have been changed to conform to 1983 presentation.

6. Single Family Mortgage Purchase Program

Pursuant to the terms of the Trust Indenture, the Authority issued \$84,865,000 of 1979 Series A Single Family Mortgage Purchase Bonds on January 1, 1979, for the purpose of providing mortgage loan funds for single family residences in South Carolina. Under the Series A Program, the Authority has purchased federally insured or guaranteed mortgage loans bearing interest at a rate of 7 3/4%.

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

6. Single Family Mortgage Purchase Program (continued)

The Authority issued \$170,275,000 of 1979 Series B Single Family Mortgage Purchase Bonds on October 1, 1979, also for the purpose of providing mortgage loan funds for single family residences in South Carolina. From the proceeds of the 1979 Series B bonds deposited in the Program Fund, the Authority has purchased federally insured or guaranteed mortgage loans bearing interest at a rate of 8%. All of the mortgage loans are serviced by lenders or other eligible financial institutions for an annual service fee of 3/8 of 1% of the unpaid principal amount of the loans serviced. The principal and interest from such loans are receivable monthly and loans mature to a maximum of 30 years from the first date of the mortgage loan.

The Mortgage Purchase Bonds outstanding at June 30, 1983 are as follows:

(a) 1979 Series A Bonds

Serial Bonds maturing annually to 1998 at amounts ranging from \$1,835,000 to \$3,090,000 with interest rates ranging from 5 1/2% to 6 1/2% (\$2,285,000 payable July 1, 1983). \$43,345,000

Special Sinking Fund Bonds due July 1, 1999, with interest at 5 7/8% and an annual redemption of \$200,000 from amounts deposited in the Special Sinking Fund Redemptive Account (\$200,000 payable July 1, 1983). 1,400,000

Term Bonds due July 1, 2010 with interest at 6.7% with annual redemptions beginning in the year 1999 by operation of a Sinking Fund at amounts ranging from \$2,700,000 to \$4,410,000. 34,930,000



SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

6. Single Family Mortgage Purchase Program (continued)

(b) 1979 Series B Bonds

Serial Bonds maturing annually to 1998 at annual amounts ranging from \$1,350,000 to \$5,880,000 with interest rates ranging from 6% to 6 1/2% (\$4,645,000 payable July 1, 1983). \$86,290,000

Special Sinking Fund Bonds due July 1, 2000, with interest at 6.40% and an annual redemption of \$400,000 from amounts deposited in the Special Sinking Fund Redemption Account (\$400,000 payable July 1, 1983). 3,200,000

Term Bonds due July 1, 2011, with interest at 7% with annual redemptions in amounts ranging from \$3,715,000 to \$8,845,000 beginning in the year 1999 by operation of a Sinking Fund. 73,435,000

Series A and B have outstanding bonds of \$242,600,000 less unamortized discounts of \$2,263,201 for a net of \$240,336,799 on June 30, 1983, and had outstanding bonds of \$250,750,000 less net unamortized discounts and premiums of \$1,860,183 for a net of \$248,889,817 at June 30, 1982.

The Serial Bonds maturing on and after July 1, 1991, are redeemable at the option of the Authority on and after July 1, 1989, on any interest payment date at redemption prices ranging from 100% to 103% plus accrued interest to the date of redemption.

The annual redemptions of the mortgage purchase bonds are as follows:

July 1, 1983	\$ 7,530,000
1984	7,660,000
1985	8,085,000
1986	8,745,000
1987	8,775,000
1988	8,905,000
After July 1, 1988	<u>192,900,000</u>
	<u>\$242,600,000</u>

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

7. Multifamily Finance Programs

(a) Multifamily Construction Loan Program

On July 17, 1980, the Authority issued \$4,120,000 of 1980 Series A, 5.85% Construction Loan Notes. These Notes represent the only issue of Notes by the Authority under the Multifamily Construction Loan Program. The Notes were called and redeemed effective May 28, 1982.

(b) Multifamily Insured Direct Loan Program

In July 1982, the Authority issued its Multifamily Development Revenue Bonds, 1982 Series A in an aggregate principal amount of \$24,960,000. In September 1982, the Authority issued \$5,160,000 of its Multifamily Development Revenue Bonds, 1982 Series B. Both series are FHA Insured Mortgage Loans and the purpose of the funds was to make 14 1/2% loans for the construction and 12% loans for the permanent financing of nine multifamily residential housing developments to be occupied by persons and families of low to moderate income within the State of South Carolina.

The Multifamily Development Revenue Bonds outstanding at June 30, 1983 are as follows:

(a) 1982 Series A Bonds

Serial Bonds maturing annually to 1995 at amounts ranging from \$95,000 to \$220,000 with interest rates ranging from 9% to 12.6%.	\$1,565,000
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Term Bonds due July 1, 1999 with interest at 13 1/8% with annual redemptions beginning in the year 1996 by operation of a Sinking Fund at amounts ranging from \$250,000 to \$365,000.	1,220,000
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Term Bonds due July 1, 2017 with interest at 7% with annual redemptions beginning in the year 2000 by operation of a Sinking Fund at amounts ranging from \$410,000 to \$965,000.	11,225,000
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SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

7. Multifamily Finance Programs (continued)

(a) 1982 Series A Bonds (continued)

Term Bonds due July 1, 2025 with interest at 13 1/4% with annual redemptions beginning in the year 2018 by operation of a Sinking Fund at amounts ranging from \$1,030,000 to \$1,920,000. \$10,950,000

(b) 1982 Series B Bonds

Term Bonds due July 1, 2025 with interest at 11 5/8% with annual redemptions beginning in the year 1985 by operation of a Sinking Fund at amounts ranging from \$10,000 to \$455,000. 5,160,000

Series A and B have outstanding bonds of \$30,120,000 less unamortized discounts of \$5,836,590 for a net of \$24,283,410 at June 30, 1983.

The Bonds are redeemable prior to maturity at the option of the Authority on or after July 1, 1992 on any interest payment date at redemption prices ranging from 100% to 110% plus accrued interest to the date of redemption.

The annual redemptions of the bonds payable are as follows:

July 1, 1985	\$ 105,000
1986	115,000
1987	120,000
1988	125,000
After July 1, 1988	<u>29,655,000</u>
	<u>\$30,120,000</u>

SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

8. Single Family Homeownership Mortgage Purchase Program

On September 21, 1982, the Authority issued \$82,265,000 of 1982 Series A Homeownership Mortgage Purchase Bonds (the Bonds) for the primary purpose of providing funds for the purchase of single family residences in South Carolina. The mortgage loans, which are privately insured were purchased by the Authority at 97% of their principal amounts bearing interest of 11.95% (fixed) and 9.95% (variable). All of the mortgage loans are serviced by eligible financial institutions for an annual service fee equal to 3/10 of 1% of the unpaid principal balance of each mortgage loan serviced. The loans are scheduled to mature in not greater than 30 years.

The Homeownership Mortgage Purchase Bonds at June 30, 1983 are as follows:

Serial Bonds maturing annually to 1993 at amounts ranging from \$490,000 to \$1,020,000 with interest rates ranging from 6.75% to 10%.	\$7,110,000
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Special Term Bonds due July 1, 2012 with interest at 11.6% with annual redemptions beginning in the year 1994 by operation of a Sinking Fund at amounts ranging from \$310,000 to \$2,220,000.	18,715,000
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Term Bonds due July 1, 2013 with interest at 11 5/8% with annual redemptions beginning in the year 1994 by operation of a Sinking Fund at amounts ranging from \$810,000 to \$7,155,000.	56,440,000
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Series A has outstanding bonds of \$82,265,000 less unamortized discounts of \$2,096,446 for a net of \$80,168,554 on June 30, 1983.

The annual redemptions of the Homeownership Mortgage Purchase Bonds are as follows:

July 1, 1984	\$ 490,000
1985	520,000
1986	560,000
1987	605,000
1988	650,000
After July 1, 1988	79,440,000
	<u>\$82,265,000</u>



SOUTH CAROLINA STATE HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 1983 and 1982

9. Moderate Rehabilitation Finance Program

The purpose of this program is to modernize and rehabilitate substandard housing to be used in the HUD Section 8 Programs. The program was funded through an approved maximum loan of \$1,000,000 from the Single Family Mortgage Purchase Program 1979 Series B. The loan balance of approximately \$595,000 at June 30, 1983 is scheduled to be repaid on a monthly basis upon collection of mortgage payments from borrowers.

10. HUD Section 8 Programs

The purpose of this program is to subsidize housing costs for low to moderate income persons. The funds are provided by the Department of Housing and Urban Development (HUD). Funds received for grants applicable to subsequent periods are recorded as deferred income.

11. Mortgage Lenders' Reserve Fund

This is an agency fund which was established in connection with the Single Family Mortgage Purchase Program 1979 Series B to cover excess foreclosure costs by the lenders (servicing institutions). The funds are held by the Authority, as agent, and are invested by the State Treasurer, and all interest earned is paid to the lenders on a pro-rata basis. The principal balance in the fund is scheduled to be paid out on October 1, 1985.

12. Total (Memorandum Only)

The Total (Memorandum Only) columns are the totals of the similar accounts of the various funds of the Authority. Since the use of the assets of certain funds is restricted by the respective Bond and Note Resolutions and state and federal requirements, the totalling of the accounts is for convenience only and does not indicate that the combined assets are available in any manner other than provided for in the respective Bond and Note Resolutions for each of the programs.

SUPPLEMENTARY INFORMATION

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SOUTH CAROLINA STATE HOUSING AUTHORITY  
SINGLE FAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
June 30, 1983 and 1982

	1979 Series A and B		1982 Series A		Total	
	1983	1982	1983	1982	1983	1982
<u>ASSETS</u>						
Cash	\$ 11,482	\$ 18,686	\$ 502,131	\$ -	\$ 513,613	\$ 18,686
Cash with paying agents	15,323,436	16,179,799	-	-	15,323,436	16,179,799
Mortgage loans receivable, net of discounts	215,140,710	218,887,168	59,339,966	-	274,480,676	218,887,168
Investments in authorized securities at cost, which approximates market (Note 3):						
Short-term	7,341,377	12,893,503	25,152,939	-	32,494,316	12,893,503
Long-term	27,066,282	27,023,065	2,709,287	-	29,775,569	27,023,065
Accrued interest:						
Mortgage loans receivable	1,435,335	1,408,014	472,785	-	1,908,120	1,408,014
Investments	373,612	918,721	385,855	-	759,467	918,721
Deferred debt issuance cost, net of amortization	241,950	872,670	145,162	-	387,112	872,670
Due from servicing institutions	331,339	315,746	139,729	-	471,068	315,746
Due from other programs	2,084,189	-	-	-	2,084,189	-
Fixed assets	52,413	27,231	-	-	52,413	27,231
Total assets	\$269,402,125	\$278,544,603	\$88,847,854	\$ -	\$358,249,979	\$278,544,603
<u>LIABILITIES &amp; FUND BALANCES</u>						
Bonds payable, net of unamortized discounts and premiums	\$240,336,799	\$248,889,817	\$80,168,554	\$ -	\$320,505,353	\$248,889,817
Interest payable on bonds	7,793,436	8,029,799	4,682,976	-	12,476,412	8,029,799
Accrued expenses	11,254	13,773	-	-	11,254	13,773
Due to other programs	72	-	-	-	72	-
Total liabilities	248,141,561	256,933,389	84,851,530	-	332,993,091	256,933,389
Fund balances	21,260,564	21,611,214	3,996,324	-	25,256,888	21,611,214
Total liabilities and fund balances	\$269,402,125	\$278,544,603	\$88,847,854	\$ -	\$358,249,979	\$278,544,603

SOUTH CAROLINA STATE HOUSING AUTHORITY  
SINGLE FAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
For the years ended June 30, 1983 and 1982

	1979 Series A and B		1982 Series A		Total	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
Revenues:						
Interest income.						
Investments	\$ 4,183,204	\$ 5,678,660	\$4,697,330	\$ -	\$ 8,880,534	\$ 5,678,660
Mortgage loans receivable	<u>17,181,203</u>	<u>17,407,486</u>	<u>1,841,083</u>	<u>-</u>	<u>19,022,286</u>	<u>17,407,486</u>
Total revenues	<u>21,364,407</u>	<u>23,086,146</u>	<u>6,538,413</u>	<u>-</u>	<u>27,902,820</u>	<u>23,086,146</u>
Expenses:						
Interest on bonds	15,586,872	16,059,599	6,920,398	-	22,507,270	16,059,599
Amortization of bond discounts	168,129	133,269	53,754	-	221,883	133,269
Program expenses	866,140	906,175	32,682	-	898,822	906,175
General and administrative expenses	<u>403,926</u>	<u>295,221</u>	<u>-</u>	<u>-</u>	<u>403,926</u>	<u>295,221</u>
Total expenses	<u>17,025,067</u>	<u>17,394,264</u>	<u>7,006,834</u>	<u>-</u>	<u>24,031,901</u>	<u>17,394,264</u>
Revenues over (under) expenses	4,339,340	5,691,882	(468,421)	-	3,870,919	5,691,882
Transfer of state appropriated funds by Authority	(225,245)	(259,886)	-	-	(225,245)	(259,886)
Transfers among programs	(4,464,745)	-	4,464,745	-	-	-
Fund balances at beginning of year	<u>21,611,214</u>	<u>16,179,218</u>	<u>-</u>	<u>-</u>	<u>21,611,214</u>	<u>16,179,218</u>
Fund balances at end of year	<u>\$21,260,564</u>	<u>\$21,611,214</u>	<u>\$3,996,324</u>	<u>\$ -</u>	<u>\$25,256,888</u>	<u>\$21,611,214</u>



SOUTH CAROLINA STATE HOUSING AUTHORITY  
SINGLE FAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES  
For the years ended June 30, 1983 and 1982

	1979 Series A and B		1982 Series A		Total	
	1983	1982	1983	1982	1983	1982
Receipts:						
Redemption of investments	\$295,776,217	\$294,541,059	\$203,373,222	\$ -	\$499,149,439	\$294,541,059
Proceeds from sale of bonds	-	-	80,114,800	-	80,114,800	-
Income received on investments	4,685,097	5,264,859	4,526,148	-	9,211,245	5,264,859
Income received on mortgage loans receivable	17,140,769	17,437,879	766,374	-	17,907,143	17,437,879
Repayments on mortgage loans receivable	3,737,962	2,799,590	72,656	-	3,810,618	2,799,590
Mortgage discounts received	-	-	2,214,361	-	2,214,361	-
Accrued interest received on sale of bonds	-	-	104,066	-	104,066	-
Transfer of funds from other programs	-	-	4,464,745	-	4,464,745	-
Other	13,293	22,888	-	-	13,293	22,888
Total receipts	<u>321,353,338</u>	<u>320,066,275</u>	<u>295,636,372</u>	<u>-</u>	<u>616,989,710</u>	<u>320,066,275</u>
Disbursements:						
Purchase of investments	290,224,092	294,289,605	231,238,419	-	521,462,511	294,289,605
Accrued interest purchased on investments	-	90,878	211,702	-	211,702	90,878
Purchase of mortgages	-	43,396	61,164,788	-	61,164,788	43,396
Transfer to paying agents for payment of:						
Bond principal at July 1	7,530,000	8,150,000	-	-	7,530,000	8,150,000
Bond interest at July 1	7,793,436	8,029,799	-	-	7,793,436	8,029,799
Interest paid on bonds	7,793,436	8,029,800	2,341,488	-	10,134,924	8,029,800
Transfer of state appropriated funds	225,246	259,886	-	-	225,246	259,886
Mortgage servicing fees	813,961	833,015	28,960	-	842,921	833,015
Transfer of funds to other programs	6,548,934	-	-	-	6,548,934	-
Payment of issuance costs	-	-	148,884	-	148,884	-
Payment of general and administrative expenses	392,482	303,770	-	-	392,482	303,770
Payment of liabilities	13,773	12,915	-	-	13,773	12,915
Purchase of fixed assets	25,182	4,525	-	-	25,182	4,525
Total disbursements	<u>321,360,542</u>	<u>320,047,589</u>	<u>295,134,241</u>	<u>-</u>	<u>616,494,783</u>	<u>320,047,589</u>
Receipts over (under) disbursements	(7,204)	18,686	502,131	-	494,927	18,686
Cash balances at beginning of year	<u>18,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,686</u>	<u>-</u>
Cash balances at end of year	<u>\$ 11,482</u>	<u>\$ 18,686</u>	<u>\$ 502,131</u>	<u>\$ -</u>	<u>\$ 513,613</u>	<u>\$ 18,686</u>

## EXHIBIT C-1

SOUTH CAROLINA STATE HOUSING AUTHORITY  
MULTIFAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
June 30, 1983 and 1982

	1982 Series A and B		Construction Loan Notes		Total	
	1983	1982	1983	1982	1983	1982
<u>ASSETS</u>						
Cash	\$ 225,001	\$ -	\$ -	\$ -	\$ 225,001	\$ -
Mortgage loans receivable	17,045,166	-	-	-	17,045,166	-
Investments in authorized securities at cost, which approximates market (Note 3):						
Short-term	7,484,300	-	-	182,651	7,484,300	182,651
Long-term	2,695,974	-	-	-	2,695,974	-
Accrued interest:						
Mortgage loans receivable	197,645	-	-	-	197,645	-
Investments	406,983	-	-	11,191	406,983	11,191
Deferred debt issuance cost, net of amortization	198,808	-	-	-	198,808	-
Total assets	\$28,253,877	\$ -	\$ -	\$193,842	\$28,253,877	\$193,842
<u>LIABILITIES &amp; FUND BALANCES</u>						
Bonds payable, net of unamortized discounts and premiums	\$24,283,410	\$ -	\$ -	\$ -	\$24,283,410	\$ -
Interest payable on bonds	1,587,648	-	-	-	1,587,648	-
Accounts payable	5,957	-	-	-	5,957	-
Accrued expenses	6,933	-	-	-	6,933	-
Due to other programs	1,487,654	-	-	-	1,487,654	-
Total liabilities	27,371,602	-	-	-	27,371,602	-
Fund balances	882,275	-	-	193,842	882,275	193,842
Total liabilities and fund balances	\$28,253,877	\$ -	\$ -	\$193,842	\$28,253,877	\$193,842

SOUTH CAROLINA STATE HOUSING AUTHORITY  
MULTIFAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
For the years ended June 30, 1983 and 1982

	1982 Series A and B		Construction Loan Notes		Total	
	1983	1982	1983	1982	1983	1982
Revenues:						
Interest income:						
Investments	\$2,152,478	\$ -	\$ 1,207	\$404,460	\$2,153,685	\$404,460
Mortgage loans receivable	1,039,957	-	-	-	1,039,957	-
Project developer fees earned	578,462	-	-	-	578,462	-
Total revenues	3,770,897	-	1,207	404,460	3,772,104	404,460
Expenses:						
Interest on bonds	2,904,403	-	-	-	2,904,403	-
Interest on notes	-	-	-	218,927	-	218,927
Amortization of bond and note discounts	160,516	-	-	20,500	160,516	20,500
Program expenses	4,364	-	-	16,054	4,364	16,054
General and administrative expenses	14,388	-	-	-	14,388	-
Total expenses	3,083,671	-	-	255,481	3,083,671	255,481
Revenue over expenses	687,226	-	1,207	148,979	688,433	148,979
Transfers among programs	195,049	-	(195,049)	-	-	-
Fund balances at beginning of year	-	-	193,842	44,863	193,842	44,863
Fund balances at end of year	\$ 882,275	\$ -	\$ -	\$193,842	\$ 882,275	\$193,842

SOUTH CAROLINA STATE HOUSING AUTHORITY  
MULTIFAMILY FINANCE PROGRAMS  
COMBINING STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES  
For the years ended June 30, 1983 and 1982

	1982 Series A and B		Construction Loan Notes		Total	
	1983	1982	1983	1982	1983	1982
Receipts:						
Redemption of investments	\$54,653,647	\$ -	\$182,651	\$4,022,852	\$54,836,298	\$4,022,852
Income received on investments	1,745,271	-	12,398	428,035	1,757,669	428,035
Proceeds from sale of bonds	24,122,894	-	-	-	24,122,894	-
Income received on mortgage loans receivable	842,312	-	-	-	842,312	-
Accrued interest received on sale of bonds	170,917	-	-	-	170,917	-
Transfer of funds from other programs	1,682,703	-	-	-	1,682,703	-
Project developer fees received	578,464	-	-	-	578,464	-
Total receipts	83,796,208	-	195,049	4,450,887	83,991,257	4,450,887
Disbursements:						
Purchase of investments	64,833,697	-	-	-	64,833,697	-
Purchase of mortgages	17,045,166	-	-	-	17,045,166	-
Payment of note	-	-	-	4,120,000	-	4,120,000
Interest paid on notes	-	-	-	328,725	-	328,725
Interest paid on bonds	1,487,673	-	-	-	1,487,673	-
Payment of issuance costs	203,172	-	-	-	203,172	-
Transfer of funds to other programs	-	-	195,049	-	195,049	-
Payment of general and administrative expenses	1,499	-	-	2,162	1,499	2,162
Total disbursements	83,571,207	-	195,049	4,450,887	83,766,256	4,450,887
Receipts over disbursements	225,001	-	-	-	225,001	-
Cash balances at beginning of year	-	-	-	-	-	-
Cash balances at end of year	\$ 225,001	\$ -	\$ -	\$ -	\$ 225,001	\$ -



SOUTH CAROLINA STATE HOUSING AUTHORITY  
HUD SECTION 8 PROGRAMS  
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
June 30, 1983 and 1982

	Existing Program		New Construction Program		Moderate Rehabilitation Program		Total	
	1983	1982	1983	1982	1983	1982	1983	1982
<u>ASSETS</u>								
Cash	\$531,758	\$450,459	\$766,517	\$27,451	\$34,890	\$29,740	\$1,333,165	\$507,650
Accounts receivable:								
HUD	-	-	2,394	10,265	10,446	-	12,840	10,265
Due from other programs	-	-	-	-	7,106	-	7,106	-
Fixed assets	88,179	72,281	26,961	7,725	5,837	458	120,977	80,464
Total assets	<u>\$619,937</u>	<u>\$522,740</u>	<u>\$795,872</u>	<u>\$45,441</u>	<u>\$58,279</u>	<u>\$30,198</u>	<u>\$1,474,088</u>	<u>\$598,379</u>
<u>LIABILITIES &amp; FUND BALANCES</u>								
Accounts payable	\$184,954	\$ 71,583	\$ 18,170	\$37,151	\$ 3,932	\$ 2,657	\$ 207,056	\$111,391
Accrued expenses	20,526	17,726	3,374	497	5,958	458	29,858	18,681
Deferred income	277,024	286,692	697,758	-	42,552	26,625	1,017,334	313,317
Due to other programs	7,106	-	49,609	-	-	-	56,715	-
Total liabilities	489,610	376,001	768,911	37,648	52,442	29,740	1,310,963	443,389
Fund balances	130,327	146,739	26,961	7,793	5,837	458	163,125	154,990
Total liabilities and fund balances	<u>\$619,937</u>	<u>\$522,740</u>	<u>\$795,872</u>	<u>\$45,441</u>	<u>\$58,279</u>	<u>\$30,198</u>	<u>\$1,474,088</u>	<u>\$598,379</u>

SOUTH CAROLINA STATE HOUSING AUTHORITY  
HUD SECTION 8 PROGRAMS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
For the years ended June 30, 1983 and 1982

	Existing Program		New Construction		Moderate Rehabilitation		Total	
	1983	1982	1983	1982	1983	1982	1983	1982
Revenues:								
HUD housing assistance contributions earned	\$2,905,191	\$2,511,320	\$1,166,906	\$894,565	\$197,103	\$18,375	\$4,269,200	\$3,424,260
Total revenues	<u>2,905,191</u>	<u>2,511,320</u>	<u>1,166,906</u>	<u>894,565</u>	<u>197,103</u>	<u>18,375</u>	<u>4,269,200</u>	<u>3,424,260</u>
Expenses:								
Program expenses	2,555,529	2,116,060	1,070,464	847,376	110,300	-	3,736,293	2,963,436
General and administrative expenses	<u>291,616</u>	<u>316,896</u>	<u>77,206</u>	<u>49,178</u>	<u>81,424</u>	<u>17,917</u>	<u>450,246</u>	<u>383,991</u>
Total expenses	<u>2,847,145</u>	<u>2,432,956</u>	<u>1,147,670</u>	<u>896,554</u>	<u>191,724</u>	<u>17,917</u>	<u>4,186,539</u>	<u>3,347,427</u>
Revenues over (under) expenses	58,046	78,364	19,236	(1,989)	5,379	458	82,661	76,833
Transfer of state appropriated funds by Authority	(74,458)	-	(68)	-	-	-	(74,526)	-
Fund balances at beginning of year	<u>146,739</u>	<u>68,375</u>	<u>7,793</u>	<u>9,782</u>	<u>458</u>	<u>-</u>	<u>154,990</u>	<u>78,157</u>
Fund balances at end of year	<u>\$ 130,327</u>	<u>\$ 146,739</u>	<u>\$ 26,961</u>	<u>\$ 7,793</u>	<u>\$ 5,837</u>	<u>\$ 458</u>	<u>\$ 163,125</u>	<u>\$ 154,990</u>

SOUTH CAROLINA STATE HOUSING AUTHORITY  
HUD SECTION 8 PROGRAMS  
COMBINING STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES  
For the years ended June 30, 1983 and 1982

	Existing Program		New Construction Program		Moderate Rehabilitation Program		Total	
	1983	1982	1983	1982	1983	1982	1983	1982
<b>Receipts:</b>								
Receipt of HUD contributions	\$3,367,169	\$2,869,595	\$1,880,440	\$921,451	\$233,142	\$47,657	\$5,480,751	\$3,838,703
Repayments of receivables	-	-	10,265	11,611	-	-	10,265	11,611
Total receipts	<u>3,367,169</u>	<u>2,869,595</u>	<u>1,890,705</u>	<u>933,062</u>	<u>233,142</u>	<u>47,657</u>	<u>5,491,016</u>	<u>3,850,314</u>
<b>Disbursements:</b>								
Housing assistance payments	2,555,529	2,116,060	1,070,464	847,376	110,300	-	3,736,293	2,963,436
Transfer of state appropriated funds	74,458	-	-	-	-	-	74,458	-
Payment of general and administrative expenses	263,984	299,170	24,223	48,691	82,573	17,459	370,780	365,320
Payment of liabilities	376,000	327,142	37,649	88,348	29,740	-	443,389	415,490
Purchase of fixed assets	15,898	3,906	19,236	682	5,379	458	40,513	5,046
Other	-	-	68	-	-	-	68	-
Total disbursements	<u>3,285,869</u>	<u>2,746,278</u>	<u>1,151,640</u>	<u>985,097</u>	<u>227,992</u>	<u>17,917</u>	<u>4,665,501</u>	<u>3,749,292</u>
Receipts over (under) disbursements	81,300	123,317	739,065	(52,035)	5,150	29,740	825,515	101,022
Cash balances at beginning of year	<u>450,459</u>	<u>327,142</u>	<u>27,451</u>	<u>79,486</u>	<u>29,740</u>	-	<u>507,650</u>	<u>406,628</u>
Cash balances at end of year	<u>\$ 531,759</u>	<u>\$ 450,459</u>	<u>\$ 766,516</u>	<u>\$ 27,451</u>	<u>\$ 34,890</u>	<u>\$29,740</u>	<u>\$1,333,165</u>	<u>\$ 507,650</u>

**THE END**

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