
Louisiana Housing Finance Agency



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LOUISIANA HOUSING FINANCE AGENCY
STATEMENT OF INVESTMENT POLICY
Amended June 11, 2001

I. INTRODUCTION

The Louisiana Housing Finance Agency Act contained in Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act") (LSA-R.S. 40:600.1 through LSA-R.S. 40:600.24, inclusive) empowers the LHFA with the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act, including but not limited to the power to acquire movable property and to invest the same, subject to the rights of holders of bonds of the agency; and in connection with bonds of the LHFA, to provide for the provision for the custody, collection, securing, investment and payment of any money of or due to the LHFA as desirable as may be determined by resolution(s).

The purpose of this document is to identify policies and procedures that provide for a prudent and systematic approach to the investment and cash management activities in relation to the General Fund of the Louisiana Housing Finance Agency.

This statement will be reviewed, evaluated and expanded on a regular basis to ensure that the procedures and guidelines expressed herein are responsive to the prevailing investment environment.

II. DEFINITIONS

"Act" means Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950 (LSA-R.S. 40:600.1 through LSA-R.S. 40:600.24, inclusive), as amended.

"Direct Securities," means U.S. Treasury Bills, Notes or Bonds.

"Financial Intermediaries" means a person or firm who acts as an intermediary by purchasing and selling securities for others rather than for its own account.

"General Fund" means the fund which provides for the accounting for general and administrative expenses and any money transferred from other funds to the extent such transfers are permitted by resolutions establishing other funds. Funds transferred from the Agency's programs may be utilized for any lawful purpose of the Agency.

"LHFA" means Louisiana Housing Finance Agency, a public body corporate and politic constituting a political subdivision and instrumentality of the State of Louisiana.

"Primary Securities Dealers" mean those major investment-banking firms, which are listed by the Market Reports Division of the Federal Reserve Bank of New York as the primary securities dealers. (The dealers are unique within the United States government securities industry in that they both report and are regulated in an industry that is typically non-reporting and unregulated.)

"State" means the State of Louisiana.

"State Depository" means any bank selected and designated by the Interim Emergency Board for deposit of state funds by the treasurer and other elected state officials or any department, board, commission or institution of the state.

III. GENERAL GUIDELINES

- A. The investment and cash management activities of the LHFA shall be conducted in a manner that is consistent with the prevailing prudent business practices that may be applied by other like organizations of similar size and financial resources. Cash management and investment activities shall be consistent with the Act and with an applicable statute of the State of Louisiana.
- B. Investment decisions shall be made with the judgment and care that persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment purposes considering the probable safety of their capital, as well as the probable income derived.
- C. The policy and procedures adopted by the LHFA shall be designed in the best interest of the Agency and shall require fair, impartial and equitable treatment of any individual or corporate member of the financial or investment community.
- D. The LHFA will limit its purchase of investment securities to those that are of the highest quality, including, but not limited to insured or collateralized time deposits in financial institutions chartered and domiciled in the State of Louisiana, certain direct obligations of the United States Government, certain obligations of United States Government agencies or the purchase of such United States government or agency securities under the terms of repurchase agreements, or money market funds which have underlying investments consisting solely of and limited to securities authorized as permissible investments of the LHFA.
- E. Financial institutions that serve as State Depositories may serve as depositories of the General Fund.
- F. The LHFA will always strive to avoid investment losses. The incurrence of a book or accounting loss does not necessarily indicate inappropriate investment activity or faulty portfolio management strategy. Incurrence of a book loss may actually be part of a transaction that produces an aggregate gain. In other cases, incurrence of a small book loss may be preferable to incurrence of a much larger potential loss. Therefore, LHFA imposes no legal or administrative prohibitions against incurrence of portfolio losses, so long as such transactions can be justified in the overall portfolio management process.

IV. INVESTMENT OBJECTIVES

- A. The prime investment objective is to preserve the value and safety of the General Fund's principal followed by liquidity and yield. Securities transactions should be made in such a manner that capital losses resulting from default or erosion of market value are avoided.
- B. LHFA's investment portfolio shall remain sufficiently liquid to permit all operating requirements to be met.
- C. Investment decisions will not cause LHFA to incur any unreasonable investment risks in order to achieve higher current income.
- D. LHFA's investment portfolio shall be sufficiently diversified to avoid any unforeseen risks regarding security type, duration, and credit quality and interest rate.
- E. The portfolio shall be designed with the objective of exceeding the average three-month U.S. Treasury Bill rate for the equivalent period. This is considered to be the benchmark for risk less investment transactions and should comprise a minimum standard for investment returns. The investment program shall seek to achieve returns above this benchmark consistent with risk limitations, prudent investment principles and within the laws of the State of Louisiana.
- F. Current policy limits cash investments to those listed below. However, there are numerous other money market instruments that are prudent vehicles for effective cash management, even though they are not currently allowable investments under the terms of existing state statutes. As state statutes are revised and amended, the LHFA will carefully examine such new alternatives as may become available.

V. CASH MANAGEMENT PROGRAMS AND ACTIVITIES

The LHFA is committed to the overall success of a cash management program that addresses a variety of cash management issues, including:

- A. The establishment of banking relationships that are both favorable to the LHFA and responsive to the day-to-day requirements of the LHFA's complex financial operations.
- B. The establishment of policies that will allow the LHFA to maximize its interest earnings, while ensuring the total safety of the General Fund.
- C. The utilization of modern and efficient techniques for the transfer of funds, taking advantage of the technological and operational procedures that have evolved in recent years.
- D. The establishment of suitable payment systems, which will ensure that expenses are paid timely, but not in such a way as to jeopardize the earning capacity of the investment portfolio.

VI. CASH MANAGEMENT INVESTMENT GUIDELINES

A. The LHFA, by resolution, may designate and empower certain staff members to direct the investments of the General Fund. The resolution may direct how to invest the General Fund in the event the person(s) designated by resolution are unavailable or unable to direct such investments. The LHFA shall invest the funds of the Agency in those investment instruments which are listed below:

1. Fully-insured and/or fully-collateralized Certificates of Deposit issued by qualified financial institutions located within the State of Louisiana; savings accounts or shares of savings and loan associations and savings banks, as defined by R.S. 6:703(15) and (16), or share accounts and share certificate accounts of federally or state chartered credit unions issuing time certificates of deposits; certain direct obligations of the United States government, including such instruments as Treasury Bills, Treasury Notes, Treasury Bonds, Government National Mortgage Association, Maritime Administration, and Small Business Administration; Federal Home Loan Bank consolidated discount notes, notes, debentures and bonds; Federal Home Loan Bank Mortgage Corporation discount notes, notes, debentures, bonds, participation certificates, guaranteed mortgage backed securities, collateralized mortgage obligations and adjustable rate mortgages; Federal National Mortgage Association discount notes, short-term notes, master notes, floating rate notes, notes, debentures, subordinated debentures, bonds, guaranteed mortgage backed securities, and adjustable rate mortgages; Farm Credit System consolidated system wide discount notes, notes and bonds; Student Loan Marketing Association discount notes, floating rate notes, notes and bonds; **as amended by the Board on June 13, 2001, Risk Sharing Mortgage Notes, secured by a mortgage upon real estate and fully insured by FHA.**

Collateralized mortgage obligations shall not comprise more than 10% of the portfolio and shall not include any interest only or principal only STRIPS or Inverse Floaters. Zero coupon bonds shall not comprise more than 10% of the portfolio. Guaranteed Investment contracts shall not be permitted.

2. Mutual or trust fund institutions registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies. Said mutual or trust fund institutions must be organized as a Massachusetts Business Trust and not subject to any sales charges upon purchase or redemption (NO LOAD funds, NO 12(b) 1 fees). Investment of funds in such mutual or trust fund institutions shall be limited to twenty-five percent of the monies considered available for investment.

3. Purchases of the Direct Securities (U.S. Treasury Bills, Notes or Bonds @ 102%), under the terms of a repurchase agreement that meet the procedures established in part "D" of this section.

4. Purchase of certain other investments as may be authorized by resolution of the LHFA.

B. The LHFA will endeavor to use the services of a bank trust department for the purpose of purchasing securities. When a bank trust department is utilized for said purpose, the broker/dealers must be on the approval list of such trust department and are not required to complete the Broker/Dealer Questionnaire & Certification outlined below.

C. Criteria for Selection of Financial Intermediaries:

Although the LHFA's policies for the purchase of investment securities are designed to ensure complete safety, accompanied by appropriate liquidity and competitive yields, the providers of such securities must also meet specific financial and operational standards.

Deposits in financial institutions, whether they are time deposits, demand deposits, or deposits in special interest-bearing accounts ("NOW", "Super-NOW", etc.), shall only be made in banks which are authorized by the Interim Emergency Board to accept public-sector deposits and are protected under the terms of prevailing Louisiana State Statutes. (Refer to Sections VI [1&2].)

Certain sweep or automatic repo accounts, and certain funds held under the terms of a repurchase agreement arrangement may not be protected under the provisions of prevailing Louisiana State Statutes, since "Regulation D" specifically excludes such balances from its definition of deposits. Therefore, such balances shall be protected through the judicious application of securities safekeeping procedures, which will ensure the safety and integrity of all State monies. Refer to Section VI [C].)

Financial intermediaries that conduct business (i.e.; execute investment securities transactions) with the LHFA shall be subject to the following types of selection criteria:

1. Commercial Banks:

The creditworthiness, liquidity, and overall financial strength of financial institutions into which deposits are made, as that can be measured through recognized industry rating services, shall be a factor in the LHFA's investment decisions.

2. Savings and Loan Associations:

Deposits of LHFA monies in savings and loan associations shall be subject to the same rating criteria that are applied to commercial banks.

3. Securities Dealers:

Current policy is to restrict transactions relating to the purchase and sale of U.S. Government securities to this list of primary Securities Dealers and to certain in-state, minority and women-owned firms that are approved by the State. This policy will preclude the LHFA from doing business with other brokers and

dealers whose financial strength and operational capabilities cannot be confidently determined, given the absence of reporting and regulation requirements.

D. Procedures for Delivery, Possession, & Safekeeping of Securities:

It provides insufficient protection for the LHFA to simply limit its cash investments to those listed in part "A" of this section. To ensure total protection, LHFA has established delivery, possession, and safekeeping procedures that will be followed in every case. Specifically:

1. All ownership of securities shall be evidenced by an acceptable safekeeping receipt issued by a third party financial institution that is acceptable to LHFA (or by a safekeeping receipt from the Federal Reserve Bank, should services become available.)

LHFA will accept a safekeeping receipt issued by its central depository that clearly indicates that the securities are being held by LHFA's central depository in LHFA's name, accompanied by a copy of the central depository's safekeeping receipt from the Federal Reserve Bank. (The latter receipt will indicate that the securities are held in the central depository's name on behalf of a customer, as indicated by an "02" classification; or, in the case of trust assets, the appropriate special classification.) However, the central depository may not provide securities safekeeping services in cases in which the central depository is a principal counterpart in the investment transaction itself. In such cases, safekeeping documentation similar to that described in the preceding paragraph must be provided by a third party custodian that is acceptable to the State.

[Note: In cases in which the LHFA's central depository merely executes the necessary wire transfer services to support the LHFA's investment transaction, and is not a principal in the transaction, the bank's role is defined as that of a Settlement Agent, rather than that of a counterpart, as described by the Governmental Accounting Standards Board.]

In addition to the securities which are owned by LHFA, Louisiana State Statutes provide that all deposits of LHFA in commercial banks be fully collateralized by acceptable securities, as defined in Section 39:1271 (and other Sections) of the Revised Statutes of the State of Louisiana

The Federal Reserve Bank (the "Fed") has specifically designed a system by which the Fed itself may act as the safekeeping agent of both LHFA and the bank that is pledging the collateral (to secure LHFA deposits). Upon proper transfer by the pledging bank into a joint custody account (classification "07"), the Fed will issue a joint custody receipt to both the pledging bank and LHFA. Thereafter, the Fed will not release the securities prior to their maturity (for purposes of reassignment or liquidation) without the express consent of both parties.

There are four types of transactions that require securities safekeeping. LHFA anticipates that all four transaction types can be satisfactorily consummated by the receipt of either a safekeeping receipt issued by its central depository (as described above) or a Federal Reserve Joint Custody Receipt (classification #07). These four transaction types and the related safekeeping requirements are discussed below:

- a. Purchases of book entry securities from acceptable securities dealers shall typically be evidenced by a safekeeping receipt issued by LHFA's central depository, naming LHFA as owner of the securities, and accompanied by a copy of the central depository's safekeeping receipt from the Fed (classification "02"; or in the case of trust assets, the appropriate special classification).
- b. Purchases of book entry securities under the terms of a qualified repurchase agreement shall be held in the same manner as described in part V[C][1][a] if the transaction is executed with a primary dealer.

The safekeeping of such securities with regard to repurchase agreements or sweep accounts with commercial banks shall be held only by a third party custodian other than the selling bank. (Such a third party custodian shall be acceptable to the State, and shall accompany its own safekeeping receipt with a copy of the safekeeping receipt issued to it by the Fed.)

- c. Purchases of other types of non-book entry securities shall be evidenced by a third party bank's safekeeping receipt, subject to precise requirements that shall be dictated at LHFA's discretion. (Generally, the LHFA only purchases wirable securities.)
- d. Securities (both wirable and physical) that are held as collateral on bank deposits in Louisiana banks (whether time or demand deposits) shall be held at a third party bank acceptable to the LHFA and evidenced by Joint Custody Receipts.

2. All investment (or divestment) transactions will be implemented on a delivery vs. payment (or payment vs. delivery) basis. In the absence of acceptable delivery, LHFA will refuse to enter into the transaction.

3. Repurchase agreements will meet the aforementioned delivery criteria, and will be accompanied by satisfactory evidence of compliance with the required 102% collateralization ratio. (i.e.; excess of market value of securities and accrued interest over principal amount of investment).

The required minimum collateralization ratio will be established by the State Investment Officer and shall be specifically addressed in a written Master Repurchase Agreement that supports the repurchase transaction. The extent of the minimum collateralization ratio requirement will increase in direct

proportion to the length of maturity of the securities purchased under the terms of the repurchase agreement.

Securities purchased under the terms of a repurchase agreement shall have maturity dates of ten years or less, and shall be wirable instruments through the U.S. Federal Reserve System. Any departure from these maturity or wirability standards shall require the specific, written authorization of the Investment Officer. In the absence of authorization to the contrary, the LHFA will require the following minimum ratios of market value of securities purchased (under the terms of the repurchase agreement) to the principal dollar amount of such investments:

U.S. Treasury Bills, Notes, and Bonds that mature in one year or less: 102%

U.S. Treasury Notes and Bonds that mature in 1 to 10 years: 102%

U.S. Government Agency securities that mature in up to 10 years: 102%

Naturally, the minimum ratios listed above must be examined on a daily basis, to ensure that the margin does not drop below minimum acceptable levels. In cases of securities, which require physical rather than book entry delivery and safekeeping, the LHFA will require a higher minimum ratio, and must approve the acceptability of such securities. Similarly, if securities have maturities in excess of ten years, LHFA may require a higher minimum ratio and must approve the acceptability of such securities.

When possible, LHFA will only accept wirable securities with maturities of 10 years or less. However, LHFA may accept (at its discretion) certain physical delivery and safekeeping of non-wirable and/or longer-term securities.

VII. UTILIZATION OF OUTSIDE PROFESSIONAL SUPPORT SERVICES

LHFA may, from time to time, employ legal, financial, technical experts and consultants, and such other officers, agents, and permanent and temporary employees as the LHFA deems necessary or advisable and shall determine their qualifications, duties, and compensation consistent with civil service requirements, if applicable.

This statement of investment policy, guidelines and the accompanying procedures will be subject to an ongoing review and evaluation process. This document will be expanded upon and the procedures herein updated to reflect current investment policy, investment climate and the laws of the State of Louisiana.

Louisiana Housing Finance Agency



June 30, 2011

 **Hancock Bank**
INSTITUTIONAL INVESTMENT MANAGEMENT

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LHFA Fee Arrangement



Total LHFA Assets Under Management.....\$49,235,200 (as of 6/30/2011)

Fee Schedule

On the first \$5,000,000 in market value, the annual fee is 12 basis points (0.12%)

On the next \$5,000,000 in market value, the annual fee is 10 basis points (0.10%)

On the next \$5,000,000 in market value, the annual fee is 8 basis points (0.08%)

On the next \$5,000,000 in market value, the annual fee is 6 basis points (0.06%)

On market value in excess of \$20,000,000, the annual fee is 4 basis points (0.04%)

LHFA General Fund Overview



- Size \$36,345,834
- Quality (R.S. 33:2955) AAA Government
- Current Yield @ Cost 4.30%
- Current Yield @ Market 4.10%
- Projected Annual Income \$1,491,706
- Unrealized Gain Over Cost \$1,700,781

LHFA General Fund Overview

Historical Fiscal Yearend Performance



Fund's Objectives

Preservation of Value

Liquidity

Yield

Historical Performance Review - Total Return* Fiscal Yearend June 30, 2011

	<u>3 Year</u>	<u>5 Year</u>
LHFA General Fund	4.57%	5.38%
Index - 3 Month T - Bills	0.42%	2.00%

* annualized (annual per year return)

LHFA General Fund



Asset Detail

June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
Cash									
CASH									0.00
Total For Cash	0.000000								
Short Term Investments									
41012R100 HANCOCK HORIZON GOVERNMENT MMF TRUST CL	673,177.860000	1.000	673,177.86	673,177.86	673,178		1.85		0.00
Total For Short Term Investments	673,177.860000		673,177.86	673,177.86	673,178				
U S Government Obligations									
31331GS42 FEDERAL FARM FFCB 3% 09/22/2014	2,000,000.000000	100.661	2,000,000.00	2,000,000.00	2,013,220	13,220	5.54	60,000	2.98
31331KBG4 FFCB 2.45% 02/03/2016	1,400,000.000000	101.232	1,381,520.00	1,381,520.00	1,417,248	35,728	3.90	34,300	2.42
31331LG93 FEDERAL FARM CR BKS DUE 6.01% 04/11/2012	1,000,000.000000	104.429	1,004,540.00	1,004,540.00	1,044,290	39,750	2.87	60,100	5.76

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
313372C36 FHLB 3.125% 12/08/2017	2,000,000.000000	102.374	1,999,120.00	1,999,120.00	2,047,480	48,360	5.63	62,500	3.05
3133XUMR1 FEDERAL HOME LOAN BANK 3.25% 09/12/2014	600,000.000000	106.853	612,875.40	612,875.40	641,118	28,243	1.76	19,500	3.04
31359MPF4 FEDERAL NATL MTG ASSN PREASSIGN 00206 4.375% 09/15/2012	700,000.000000	104.825	704,998.00	704,998.00	733,775	28,777	2.02	30,625	4.17
3137EACA5 FHLMC DUE 3.75% 03/27/2019	2,000,000.000000	105.813	2,052,120.00	2,052,120.00	2,116,260	64,140	5.82	75,000	3.54
912828DC1 US TREAS UNITED STATES TREAS NTS DTD 11/15/04 DUE 4.25% 11/15/2014	700,000.000000	110.758	704,347.66	704,347.66	775,306	70,958	2.13	29,750	3.84
Total For U S Government Obligations	10,400,000.000000		10,459,521.06	10,459,521.06	10,788,697	329,176		371,775	

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
Mortgage Backed Securities									
31287QFC0 FHLMC POOL #C64663 DUE 6.5% 03/01/2032 OFV 941,892	16,769.090000	113.324	16,800.55	16,800.55	19,003	2,203	0.05	1,090	5.74
31287RS42 FHLMC POOL #C65939 6.5% 04/01/2032 OFV 1,250,000	25,380.340000	113.324	25,562.77	25,562.77	28,762	3,199	0.08	1,650	5.74
3128H5T55 FHLMC POOL #E97772 DUE 4% 07/01/2018 OFV 500,000	160,530.680000	105.740	161,634.22	161,634.22	169,745	8,111	0.47	6,421	3.78
3128PCVV1 FHLMC POOL #J01528 DUE 5.5% 04/01/2021 OFV 1,250,000	227,716.590000	108.210	227,716.59	227,716.59	246,412	18,696	0.68	12,524	5.08
31292HK94 FHLMC POOL #001220 DUE 6.5% 09/01/2031 OFV 41,000	733.260000	113.324	734.63	734.63	831	96		48	5.74
31292HYA6 FHLMC POOL #C01605 DUE 4.5% 07/01/2033 OFV 300,000	108,938.530000	104.335	109,585.35	109,585.35	113,661	4,076	0.31	4,902	4.31

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31293D6W7 FHLMC POOL #C18085 DUE 6.5% 11/01/2028 OFV 30,000	959.030000	113.324	960.72	960.72	1,087	126		62	5.74
31294KHQ1 FHLMC POOL #E01139 6% 04/01/2017 OFV 1,250,000	51,259.000000	108.173	51,619.41	51,619.41	55,448	3,829	0.15	3,076	5.55
31294KRF4 FHLMC POOL #E01386 DUE 5% 06/01/2018 OFV 1,132,000	197,071.240000	107.515	202,737.06	202,737.06	211,881	9,144	0.58	9,854	4.65
31335YA55 FHLMC POOL #U30028 DUE 7.505% 12/01/2025 OFV 285,746	35,647.350000	116.293	35,639.40	35,639.40	41,455	5,816	0.11	2,675	6.45
31335YAG1 FHLMC POOL #U30007 DUE 7.87% 01/01/2025 OFV 787,618	71,633.740000	118.240	71,633.74	71,633.74	84,700	13,066	0.23	5,638	6.66
31335YAT3 FHLMC POOL #U30018 DUE 7.505% 10/01/2025 OFV 317,595	109,399.460000	116.293	109,380.81	109,380.81	127,224	17,843	0.35	8,210	6.45
31371K5U1 FNMA POOL #254759 DUE 4.5% 06/01/2018 OFV 393,581	77,061.390000	107.006	76,820.58	76,820.58	82,460	5,640	0.23	3,468	4.21

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31373WF99 FNMA POOL #305392 DUE 7.625% 02/01/2025 OFV 301,537	35,803.330000	116.341	35,803.33	35,803.33	41,654	5,851	0.11	2,730	6.55
31373YLJ6 FNMA POOL #307329 DUE 7.625% 03/01/2025 OFV 555,981	64,267.130000	115.845	64,267.13	64,267.13	74,450	10,183	0.20	4,900	6.58
31377ANV5 FNMA POOL #371304 DUE 6.25% 09/01/2026 OFV 2,000,197	91,989.410000	113.706	91,382.52	91,382.52	104,597	13,215	0.29	5,749	5.50
31377ANW3 FNMA POOL #371305 DUE 6.25% 12/01/2026 OFV 1,504,711	136,596.250000	113.706	135,708.13	135,708.13	155,318	19,610	0.43	8,537	5.50
31377ANX1 FNMA POOL #371306 DUE 7.25% 09/01/2026 OFV 419,661	38,576.830000	116.396	39,652.46	39,652.46	44,902	5,249	0.12	2,797	6.23
31377EPL7 FNMA POOL #374927 DUE 6.25% 03/01/2027 OFV 1,591,957	147,152.090000	113.706	146,012.50	146,012.50	167,321	21,308	0.46	9,197	5.50
31377EPN3 FNMA POOL #374929 DUE 6.25% 05/01/2027 OFV 1,028,098	28,154.020000	113.649	27,905.95	27,905.95	31,997	4,091	0.09	1,760	5.50

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31377EPP8 FNMA POOL #374930 DUE 6.25% 09/01/2027 OFV 412,934	62,174.510000	113.649	61,761.86	61,761.86	70,661	8,899	0.19	3,886	5.50
31377G6B5 FNMA POOL #377166 DUE 6.25% 03/01/2027 OFV 638,949	23,664.530000	113.649	23,286.51	23,286.51	26,895	3,608	0.07	1,479	5.50
31378D5Q9 FNMA POOL #396055 6% 06/01/2027 OFV 786,575	43,529.140000	111.514	43,243.57	43,243.57	48,541	5,298	0.13	2,612	5.38
31378D5R7 FNMA POOL #396056 6% 07/01/2027 OFV 557,592	51,696.350000	111.514	51,353.41	51,353.41	57,649	6,295	0.16	3,102	5.38
31379DUD9 FNMA POOL #416480 6% 12/01/2027 OFV 1,179,339	56,318.320000	111.514	55,939.20	55,939.20	62,803	6,864	0.17	3,379	5.38
31385F3C8 FNMA PL#543595 DUE 12/01/30 7.6% 10/01/2030 OFV 583,420	22,972.250000	116.697	23,718.83	23,718.83	26,808	3,089	0.07	1,746	6.51
31386A5X0 FN#558062 7% 12/01/2015 OFV 1,000,000	15,264.540000	108.526	15,376.64	15,376.64	16,566	1,189	0.05	1,069	6.45
31386MWD8 FNMA PL#567744 DUE 7.6% 01/01/2031 OFV 356,843	42,584.160000	116.697	43,971.34	43,971.34	49,694	5,723	0.14	3,236	6.51

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31386YLP7 FN#577334 6% 04/01/2016 OFV 750,075	18,383.660000	109.338	18,383.66	18,383.66	20,100	1,717	0.06	1,103	5.49
31401L6T5 FNMA POOL #711982 DUE 4.5% 07/01/2033 OFV 300,000	107,466.010000	104.421	108,137.68	108,137.68	112,217	4,079	0.31	4,836	4.31
31402EGU6 FNMA POOL #726611 DUE 4% 07/01/2018 OFV 500,000	112,812.280000	105.818	113,517.31	113,517.31	119,376	5,858	0.33	4,512	3.78
31402SYK7 FNMA POOL #737014 DUE 4.5% 08/01/2018 OFV 434,367	89,283.650000	107.006	89,004.63	89,004.63	95,539	6,534	0.26	4,018	4.21
31402UJV5 FNMA POOL #738376 DUE 4.5% 08/01/2018 OFV 181,904	43,128.310000	107.006	42,993.53	42,993.53	46,150	3,156	0.13	1,941	4.21
31407JGE6 FNMA POOL #831897 DUE 5.5% 11/01/2021 OFV 1,750,000	339,510.010000	108.541	340,677.07	340,677.07	368,508	27,830	1.01	18,673	5.07
31409DUS0 FNMA POOL #868293 DUE 6% 04/01/2036 OFV 1,250,000	365,803.710000	110.210	368,147.12	368,147.12	403,152	35,005	1.11	21,948	5.44

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31407JGE6 FNMA POOL #831897 DUE 5.5% 11/01/2021 OFV 1,750,000	339,510.010000	108.541	340,677.07	340,677.07	368,508	27,830	1.01	18,673	5.07
31409DUS0 FNMA POOL #868293 DUE 6% 04/01/2036 OFV 1,250,000	365,803.710000	110.210	368,147.12	368,147.12	403,152	35,005	1.11	21,948	5.44
31410KQ98 FNMA POOL #889780 DUE 5.5% 03/01/2023 OFV 3,124,895	1,099,729.570000	108.457	1,113,476.21	1,113,476.21	1,192,734	79,257	3.28	60,485	5.07
31412UDB3 FNMA POOL #934898 4.5% 07/01/2024 OFV 1,500,000	909,435.630000	106.256	932,313.62	932,313.62	966,330	34,016	2.66	40,925	4.24
31413JX33 FNMA POOL #947198 DUE 5.5% 10/01/2022 OFV 750,000	176,311.240000	108.457	176,421.44	176,421.44	191,222	14,800	0.53	9,697	5.07
31415YRB7 FNMA POOL POOL #993382 4% 06/01/2024 OFV 1,000,000	691,631.750000	104.412	703,086.90	703,086.90	722,147	19,060	1.99	27,665	3.83
31416HZB4 FNMA POOL # AA0737 DUE 4% 03/01/2024 OFV 3,000,000	1,751,026.560000	104.412	1,774,008.79	1,774,008.79	1,828,282	54,273	5.03	70,041	3.83

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31416XLL2 FNCI POOL #AB2130 3.5% 01/01/2026 OFV 1,200,000	1,159,756.190000	101.974	1,185,125.86	1,185,125.86	1,182,650	2,476-	3.26	40,591	3.43
31417VRS4 FNMA POOL #AC8596 4% 01/01/2025 OFV 4,500,000	3,387,526.630000	104.381	3,449,984.17	3,449,984.17	3,535,934	85,950	9.74	135,501	3.83
31417YZ5 FNMA POOL #MA0695 4% 04/01/2031 OFV 1,500,000	1,484,066.190000	102.110	1,517,225.80	1,517,225.80	1,515,380	1,846-	4.17	59,363	3.92
31419LZH9 FNMA POOL #AE743 3.5% 12/01/2025 OFV 2,009,538	1,913,111.260000	101.974	1,937,622.99	1,937,622.99	1,950,876	13,253	5.37	66,959	3.43
36200KMS3 GNMA POOL #603469 DUE 5% 02/15/2033 OFV 25,000	4,829.330000	109.052	4,762.17	4,762.17	5,266	504	0.01	241	4.59
36200SUD0 GNMA POOL #571280 DUE 6% 11/15/2031 OFV 733,846	53,965.030000	111.958	54,234.86	54,234.86	60,418	6,183	0.17	3,238	5.36
36200UDM4 GNMA POOL #572608 DUE 6% 10/15/2016 OFV 1,000,000	54,267.520000	109.728	55,793.78	55,793.78	59,547	3,753	0.16	3,256	5.47
36200XKW8 GNMA POOL #575509 DUE 6.5% 01/15/2032 OFV 313,919	11,771.580000	114.094	11,774.68	11,774.68	13,431	1,656	0.04	765	5.70

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36201EAE0 GNMA POOL #580605 DUE 5% 02/15/2033 OFV 25,000	7,470.450000	109.052	7,366.55	7,366.55	8,147	780	0.02	374	4.58
36201MYH9 GNMA POOL #587612 DUE 5% 11/15/2032 OFV 25,000	2,158.550000	109.052	2,128.52	2,128.52	2,354	225	0.01	108	4.59
36201SC56 GNMA POOL #591492 DUE 5.5% 12/15/2032 OFV 345,589	61,108.150000	110.719	62,053.41	62,053.41	67,658	5,605	0.19	3,361	4.97
36202DV24 GNMA POOL #003333 DUE 5.5% 01/20/2033 OFV 1,000,000	130,304.560000	110.719	132,422.02	132,422.02	144,272	11,850	0.40	7,167	4.97
36202DVM0 GNMA POOL #003320 DUE 5.5% 12/20/2032 OFV 1,000,000	121,362.240000	110.719	122,044.89	122,044.89	134,371	12,326	0.37	6,675	4.97
36202UJU8 GNMA POOL #609675 DUE 4.5% 07/15/2018 OFV 500,050	83,150.270000	107.863	86,060.54	86,060.54	89,688	3,628	0.25	3,742	4.17
36203YXW9 GNMA POOL #363493 DUE 7.125% 08/15/2025 OFV 1,029,091	33,153.890000	115.814	33,139.16	33,139.16	38,397	5,258	0.11	2,362	6.15

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36204QQZ6 GNMA POOL #376772 DUE 7.87% 11/15/2024 OFV 1,578,524	75,327.200000	117.891	75,327.20	75,327.20	88,804	13,477	0.24	5,928	6.68
36205F6V0 GNMA POOL #389784 DE 5% 12/15/2032 OFV 25,000	3,259.970000	109.052	3,214.64	3,214.64	3,555	340	0.01	163	4.59
36205JNY7 GNMA POOL #392007 DUE 7.87% 01/15/2025 OFV 2,423,243	31,816.480000	118.153	31,816.48	31,816.48	37,592	5,776	0.10	2,504	6.66
36205NDQ6 GNMA POOL #395311 DUE 7.87% 11/15/2024 OFV 1,566,116	49,124.130000	117.891	49,124.13	49,124.13	57,913	8,789	0.16	3,866	6.68
36205SUN3 GNMA POOL #399389 DUE 7.87% 11/20/2024 OFV 305,093	12,573.270000	117.488	12,573.27	12,573.27	14,772	2,199	0.04	990	6.70
36206DAU1 GNMA POOL #407819 DUE 7.65% 11/15/2025 OFV 710,083	40,301.270000	117.372	40,288.61	40,288.61	47,302	7,014	0.13	3,083	6.52
36206GVR8 GNMA POOL #411124 DUE 7.87% 06/15/2025 OFV 431,982	50,045.420000	118.153	50,045.42	50,045.42	59,130	9,085	0.16	3,939	6.66

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36206N3F3 GNMA POOL #416162 DUE 7.65% 02/20/2026 OFV 727,638	8,273.790000	100.448	8,267.43	8,267.43	8,311	43	0.02	633	7.62
36208EA78 GNMA POOL #448330 DUE 6% 04/15/2016 OFV 499,960	15,845.090000	109.728	15,845.09	15,845.09	17,387	1,541	0.05	951	5.47
36208VFJ9 GNMA POOL #461969 DUE 7% 12/15/2030 OFV 1,000,000	27,755.480000	116.770	27,755.48	27,755.48	32,410	4,655	0.09	1,943	5.99
36208WD34 GNMA POOL #462822 7/2013 6.5% 07/15/2013 OFV 83,241	516.130000	109.978	519.19	519.19	568	48		34	5.91
36209YD54 GNMA POOL #485324 DUE 7% 03/15/2031 OFV 699,931	2,922.900000	117.107	2,922.90	2,922.90	3,423	500	0.01	205	5.98
36209YFU7 GNMA POOL #485379 DUE 6% 04/15/2016 OFV 250,000	7,445.590000	109.728	7,500.29	7,500.29	8,170	670	0.02	447	5.47
3620A3KL7 GNMA GN 717699 4% 08/15/2024 OFV 2,220,000	2,001,754.620000	105.724	2,043,979.13	2,043,979.13	2,116,335	72,356	5.83	80,070	3.78

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36210JJ25 GN493581 07/2016 DUE 5.5% 07/15/2016 OFV 275,164	23,419.700000	108.416	23,653.90	23,653.90	25,391	1,737	0.07	1,288	5.07
36211LJH6 GNMA POOL #516064 8/2014 6.5% 08/15/2014 OFV 245,058	15,014.180000	109.978	15,103.32	15,103.32	16,512	1,409	0.05	976	5.91
36211UTJ1 GNMA POOL 523553 06/2016 5.5% 06/15/2016 OFV 547,064	82,040.070000	108.416	82,860.47	82,860.47	88,945	6,084	0.24	4,512	5.07
36212BSM6 GNMA POOL #528924 DUE 5.5% 12/15/2032 OFV 335,941	51,871.660000	110.719	52,674.02	52,674.02	57,432	4,758	0.16	2,853	4.97
36212S4K9 GNMA POOL #542726 04/2016 5.5% 04/15/2016 OFV 222,841	8,531.710000	108.416	8,617.02	8,617.02	9,250	633	0.03	469	5.07
36212SFC5 GNMA POOL #542063 DUE 5.5% 12/15/2032 OFV 318,470	76,718.990000	110.719	77,905.76	77,905.76	84,943	7,037	0.23	4,220	4.97
36213D6C7 GNMA POOL #551767X 7% 04/15/2032 OFV 1,249,872	10,655.520000	116.941	10,965.18	10,965.18	12,461	1,495	0.03	746	5.99

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36213QQD4 GNMA POOL #561252 DUE 6.5% 07/15/2031 OFV 649,900	29,450.600000	114.094	29,458.46	29,458.46	33,601	4,143	0.09	1,914	5.70
36213YFK3 GNMA POOL #568170 DUE 6% 11/15/2031 OFV 25,000	575.390000	111.958	578.22	578.22	644	66		35	5.36
36219D5M0 GNMA POOL #246652 DUE 7.65% 10/15/2025 OFV 1,263,112	44,761.200000	117.372	44,754.86	44,754.86	52,537	7,782	0.14	3,424	6.52
36219FDZ7 GNMA POOL #247720 DUE 7.65% 02/15/2026 OFV 884,262	72,381.330000	117.259	72,365.74	72,365.74	84,874	12,508	0.23	5,537	6.52
36220RRX8 GNMA POOL #285902 DUE 7.15% 04/15/2022 OFV 1,965,884	42,277.760000	116.215	42,277.76	42,277.76	49,133	6,855	0.14	3,023	6.15
36241KKV9 GNMA POOL #782108 DUE 5.5% 08/15/2021 OFV 1,500,000	498,774.000000	108.415	499,475.39	499,475.39	540,746	41,270	1.49	27,433	5.07
36290NBU5 GNMA POOL #613051 DUE 5% 10/15/2033 OFV 1,905,266	601,054.120000	109.052	601,054.12	601,054.12	655,462	54,407	1.81	30,053	4.58

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36290NMV1 GNMA POOL #613372 DUE 7.6% 04/15/2031 OFV 7,322,316	472,766.520000	117.716	485,531.27	485,531.27	556,522	70,991	1.53	35,930	6.46
36291RDM1 GNMA POOL #635608 DUE 6.25% 07/15/2027 OFV 2,942,984	437,077.170000	113.164	432,336.91	432,336.91	494,614	62,277	1.36	27,317	5.52
36291RDN9 GNMA POOL #635609 DUE 7.25% 09/15/2027 OFV 2,040,681	283,298.140000	116.352	290,057.58	290,057.58	329,623	39,565	0.91	20,539	6.23
36291RDQ2 GNMA POOL #635611 DUE 6.25% 04/15/2027 OFV 2,927,816	512,563.590000	113.164	507,113.64	507,113.64	580,037	72,924	1.60	32,035	5.52
36291RDR0 GNMA POOL #635612 DUE 7.25% 03/15/2027 OFV 2,072,728	235,690.730000	116.352	241,020.14	241,020.14	274,231	33,211	0.75	17,088	6.23
36291RHG0 GNMA POOL #635731 DUE 6.75% 01/15/2027 OFV 1,661,385	257,279.280000	115.460	256,707.84	256,707.84	297,055	40,347	0.82	17,366	5.85
36291VKR3 GNMA POOL #639404 7% 01/15/2028 OFV 2,009,553	487,421.730000	116.257	499,240.31	499,240.31	566,662	67,422	1.56	34,120	6.02

Asset data as of June 30, 2011

LHFA General Fund Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
36291VKR3 GNMA POOL #639404 7% 01/15/2028 OFV 2,009,553	487,421.730000	116.257	499,240.31	499,240.31	566,662	67,422	1.56	34,120	6.02
36291VKS1 GNMA POOL #639405 6% 01/15/2028 OFV 4,434,440	482,598.140000	112.090	477,306.57	477,306.57	540,944	63,638	1.49	28,956	5.35
Total For Mortgage Backed Securities	23,209,549.650000		23,512,354.31	23,512,354.31	24,883,959	1,371,605		1,119,931	
<hr/>									
Total Portfolio			34,645,053.23	34,645,053.23	36,345,834	1,700,781	100.00	1,491,706	4.10

Asset data as of June 30, 2011

LHFA HUD Disposition Overview



- Size \$8,442,431
- Quality (R.S. 33:2955) AAA Government
- Current Yield @ Cost 3.61%
- Current Yield @ Market 3.52%
- Projected Annual Income \$296,957
- Unrealized Gain Over Cost \$237,071

LHFA HUD Disposition Asset Detail



Asset Detail

June 30, 2011

LHFA HUD Disposition Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
Cash									
CASH									0.00
Total For Cash	0.000000								
Short Term Investments									
41012R100 HANCOCK HORIZON GOVERNMENT MMF TRUST CL	168,017.140000	1.000	168,017.14	168,017.14	168,017		1.99		0.00
Total For Short Term Investments	168,017.140000		168,017.14	168,017.14	168,017				
U S Government Obligations									
31331GFC8 FEDERAL FARM FFCB 3.2% 11/21/2011	300,000.000000	101.205	300,000.00	300,000.00	303,615	3,615	3.60	9,600	3.16
31331GS42 FEDERAL FARM FFCB 3% 09/22/2014	750,000.000000	100.661	750,000.00	750,000.00	754,958	4,958	8.94	22,500	2.98
31331JCM3 FFCB 3.65% 01/26/2017	1,000,000.000000	101.625	1,000,000.00	1,000,000.00	1,016,250	16,250	12.04	36,500	3.59

Asset data as of June 30, 2011

LHFA HUD Disposition Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31331QKT3 FEDERAL FARM CREDIT BANK DUE 1/12/13 4.86% 01/02/2013	1,000,000.000000	106.656	1,009,810.00	1,009,810.00	1,066,560	56,750	12.63	48,600	4.56
31339X2M5 FEDERAL HOME LOAN BANKS DUE 3.875% 06/14/2013	350,000.000000	106.529	364,000.00	364,000.00	372,852	8,852	4.42	13,563	3.64
3133XCTG8 FEDERAL HOME LN BKS CONS BD DTD 08/08/2005 4.5% 09/14/2012	200,000.000000	104.872	196,562.00	196,562.00	209,744	13,182	2.48	9,000	4.29
3133XH2V3 FEDERAL HOME LOAN BANK DTD 09/19/2006 NON CALLABLE 5% 10/13/2011	350,000.000000	101.388	351,618.27	351,618.27	354,858	3,240	4.20	17,500	4.93
3133XQR53 FEDERAL HOME LOAN BANK DUE 3.35% 01/17/2012	500,000.000000	101.693	502,615.00	502,615.00	508,465	5,850	6.02	16,750	3.29
3137EACM9 FHLMC 1.75% 09/10/2015	1,200,000.000000	100.416	1,178,028.00	1,178,028.00	1,204,992	26,964	14.28	21,000	1.74
Total For U S Government Obligations	5,650,000.000000		5,652,633.27	5,652,633.27	5,792,293	139,660		195,013	

Asset data as of June 30, 2011

LHFA HUD Disposition Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
Mortgage Backed Securities									
31288H6W5 FHLMC POOL #C78985 DUE 5% 05/01/2033 OFV 231,659	88,233.190000	106.937	90,411.44	90,411.44	94,354	3,942	1.12	4,412	4.68
31288JY67 FHLMC POOL #C79733 DUE 5% 04/01/2033 OFV 69,100	17,796.980000	106.937	18,236.35	18,236.35	19,032	795	0.23	890	4.68
3128MB3N5 FHLMC POOL #G13305 DUE 5% 11/01/2023 OFV 500,000	141,732.470000	107.251	141,511.01	141,511.01	152,009	10,498	1.80	7,087	4.66
3128MB5A1 FHLMC POOL #G13341 DUE 4.5% 11/01/2023 OFV 1,500,000	650,416.630000	106.131	661,595.68	661,595.68	690,294	28,698	8.17	29,269	4.24
3128MMKW2 FHLMC GOLD PROGRAM POOL #G18308 DUE 4% 05/01/2024 OFV 600,000	391,262.170000	104.396	395,663.87	395,663.87	408,462	12,798	4.84	15,650	3.83
31412SRE7 FNMA POOL #933485 DUE 4% 03/01/2023 OFV 525,000	239,407.860000	104.662	246,290.83	246,290.83	250,569	4,278	2.97	9,576	3.82

Asset data as of June 30, 2011

LHFA HUD Disposition Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31415YHJ1 FNMA POOL #993133 DUE 5.5% 10/01/2023 OFV 300,000	95,150.480000	108.760	96,279.91	96,279.91	103,486	7,206	1.23	5,233	5.06
31419LZH9 FNMA POOL #AE743 3.5% 12/01/2025 OFV 326,549	310,879.700000	101.974	314,862.84	314,862.84	317,016	2,154	3.75	10,881	3.43
36200DJS3 GNMA POOL #597973 DUE 4.5% 08/15/2018 OFV 400,000	113,763.630000	107.863	112,554.90	112,554.90	122,709	10,154	1.45	5,119	4.17
36202DX55 GNMA POOL #003400 DUE 4% 05/20/2033 OFV 300,000	148,692.190000	102.728	147,577.03	147,577.03	152,749	5,171	1.81	5,948	3.89

Asset data as of June 30, 2011

LHFA HUD Disposition Asset Detail



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
3620DX71 GNMA POOL #003402 DUE 5% 06/20/2033 OFV 300,000	70,758.850000	109.453	72,881.57	72,881.57	77,448	4,566	0.92	3,538	4.57
36292FTX5 GNMA POOL #647766 DUE 5% 09/15/2020 OFV 255,000	86,844.300000	108.233	86,844.30	86,844.30	93,994	7,150	1.11	4,342	4.62
Total For Mortgage Backed Securities	2,354,938.450000		2,384,709.73	2,384,709.73	2,482,121	97,411		101,945	
Total Portfolio			8,205,360.14	8,205,360.14	8,442,431	237,071	100.00	296,957	3.52

Asset data as of June 30, 2011

LHFA Single Family Transferred MRB



- Size \$4,446,935
- Quality (R.S. 33:2955) AAA
- Current Yield @ Cost 6.22%
- Current Yield @ Market 4.58%
- Projected Annual Income \$203,580
- Unrealized Gain Over Cost \$1,177,065

LHFA Single Family Transferred MRB



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
Cash									
CASH									0.00
Total For Cash	0.000000								
U S Government Obligations									
31398A4T6 FNMA .5% 10/30/2012	275,000.000000	100.163	275,260.43	275,260.43	275,448	188	6.19	1,375	0.50
Total For U S Government Obligations	275,000.000000		275,260.43	275,260.43	275,448	188		1,375	
Mortgage Backed Securities									
31377ANY9 FNMA POOL #371307 DUE 5.25% 03/01/2027 OFV 837,996	154,620.480000	109.122	120,513.46	120,513.46	168,725	48,212	3.79	8,118	4.81
31377EPM5 FNMA POOL #374928 DUE 5.25% 05/01/2027 OFV 544,578	27,149.320000	109.179	21,044.98	21,044.98	29,641	8,596	0.67	1,425	4.81
31379DUE7 FNMA POOL #416481 5% 12/01/2027 OFV 499,100	200,770.530000	108.029	154,679.81	154,679.81	216,890	62,211	4.88	10,039	4.63

Asset data as of June 30, 2011

LHFA Single Family Transferred MRB



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31385F3A2 FNMA PL #543593 DUE 5.6% 10/01/2030 OFV 610,627	85,512.090000	110.265	70,333.67	70,333.67	94,290	23,956	2.12	4,789	5.08
31386MWC0 FNMA PL #567743 DUE 5.6% 03/01/2031 OFV 367,732	124,110.200000	110.265	102,080.66	102,080.66	136,850	34,769	3.08	6,950	5.08
36290NMU3 GNMA POOL #613371 DUE 5.6% 06/15/2031 OFV 8,303,577	1,351,062.550000	111.025	1,103,818.16	1,103,818.16	1,500,017	396,199	33.73	75,660	5.04
36291RDL3 GNMA POOL #635607 DUE 5.25% 09/15/2027 OFV 2,337,434	688,932.020000	110.471	532,721.84	532,721.84	761,070	228,348	17.12	36,169	4.75
36291RDP4 GNMA POOL #635610 DUE 5.25% 03/15/2027 OFV 3,153,109	695,251.020000	110.471	541,847.32	541,847.32	768,051	226,203	17.27	36,501	4.75
36291VKT9 GNMA POOL #639406 5% 10/15/2027 OFV 1,995,086	451,111.510000	109.940	347,569.66	347,569.66	495,952	148,382	11.15	22,556	4.55
Total For Mortgage Backed Securities	3,778,519.720000		2,994,609.56	2,994,609.56	4,171,487	1,176,877		202,205	

Asset data as of June 30, 2011

LHFA Single Family Transferred MRB



CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield
31385F3A2 FNMA PL#543593 DUE 5.6% 10/01/2030 OFV 610,627	85,512.090000	110.265	70,333.67	70,333.67	94,290	23,956	2.12	4,789	5.08
31386MWC0 FNMA PL#567743 DUE 5.6% 03/01/2031 OFV 367,732	124,110.200000	110.265	102,080.66	102,080.66	136,850	34,769	3.08	6,950	5.08
36290NMU3 GNMA POOL #613371 DUE 5.6% 06/15/2031 OFV 8,303,577	1,351,062.550000	111.025	1,103,818.16	1,103,818.16	1,500,017	396,199	33.73	75,660	5.04
36291RDL3 GNMA POOL #635607 DUE 5.25% 09/15/2027 OFV 2,337,434	688,932.020000	110.471	532,721.84	532,721.84	761,070	228,348	17.12	36,169	4.75
36291RDP4 GNMA POOL #635610 DUE 5.25% 03/15/2027 OFV 3,153,109	695,251.020000	110.471	541,847.32	541,847.32	768,051	226,203	17.27	36,501	4.75
36291VKT9 GNMA POOL #639406 5% 10/15/2027 OFV 1,995,086	451,111.510000	109.940	347,569.66	347,569.66	495,952	148,382	11.15	22,556	4.55
Total For Mortgage Backed Securities	3,778,519.720000		2,994,609.56	2,994,609.56	4,171,487	1,176,877		202,205	
<hr/>									
Total Portfolio			3,269,869.99	3,269,869.99	4,446,935	1,177,065	100.00	203,580	4.58

Asset data as of June 30, 2011

Overview



Senior Investment Management Team

John Portwood, CFA

Senior Vice President

Director of Investments and Chief Investment Strategist

John sets and manages investment policy and strategy for the Investment Management Group. Prior to joining Hancock Bank in 1998, John served as Chief Investment Strategist for First Commerce Corporation and as portfolio manager for the Marquis Growth Equity Fund and the Marquis Value Equity Fund. His 37 years of investment experience include investment management responsibilities at Wachovia Bank where he specialized in endowments, foundations and charitable trusts. At NationsBank, he introduced quantitative investment techniques in the management of institutional portfolios. He received his B.A. in Economics from Rhodes College in Memphis, Tennessee, in 1962.

David J. Lundgren, Jr., CFA

Sr. Vice President

Director of Equities and Research

David formulates equity investment policy and strategy, and analyzes and researches quantitative equity strategies for the Investment Management Group. Prior to joining Hancock Bank in 1998, David served as a portfolio manager for individually managed client portfolios for First Commerce Corporation, and was an equity analyst for the Marquis Funds. His 15 years of investment experience also include working for Stotler & Co. on the Chicago Mercantile Exchange. He received his B.S. in Finance in 1989 and his M.B.A. in 1993 from the University of New Orleans.

Jeffery R. Tanguis

Sr. Vice President

Director of Fixed Income

Jeffery is responsible for developing and implementing fixed income policy and strategy for the Investment Management Group. He also oversees the bond credit analysis and trading operation for the Investment Management Group. Jeff has over 20 years of institutional fixed income portfolio management experience including mutual funds, pension plans, insurance company assets, public and corporate funds. He has also worked for a major Wall Street brokerage firm. Jeff received his B.S. in Finance from Louisiana State University and is a member of the CFA Institute.

Statement of Holdings E.O.M

FEDERAL HOME LOAN BANK-DALLAS
8500 FREEPORT PARKWAY SOUTH
SUITE 100
IRVING, TX 75063-2547

VERIFICATION STATEMENT as of 06/30/2011 *

Sales Representative: Jesse J Jackson

Account No: 40003

LA HOUSING FINANCE AGENCY
ATTN: CFO
2415 QUAIL DRIVE
BATON ROUGE, LA 70808

* The information included on this statement is based upon settlement date rather than entered date.

Customer Number: 40003
 Customer Name: LA HOUSING FINANCE AGENCY

Custody Holdings for Currency USD
 As of 06/30/2011

Page 1

Security Receipt	Acquired	Par/Shares Original Face	Description Rate, Maturity	Principal Cost Market Value	Date Priced
36176AM48 6788000058	03/24/2011	692,728.32 695,552.00	GN 760279 36176AM48 4.00, 02/15/2041	713,510.17 706,792.16	06/30/2011
36176AM55 6788000063	03/24/2011	446,185.40 447,907.00	GN 760280 36176AM55 4.25, 02/15/2041	459,570.96 463,572.58	06/30/2011
36176AM63 6788000066	03/24/2011	545,484.42 547,533.00	GN 760281 36176AM63 4.49, 02/15/2041	561,848.95 575,934.23	06/30/2011
36176AM71 6788000057	03/24/2011	248,009.58 249,324.00	GN 760282 36176AM71 2.45, 01/15/2041	124,004.79 224,520.84	06/30/2011
36176AM89 2176000001	04/20/2011	411,574.45 413,047.00	GN 760283 36176AM89 2.45, 02/15/2041	205,787.23 372,594.65	06/30/2011
36176AM97 2176000002	04/20/2011	122,529.77 122,948.00	GN 760284 36176AM97 2.65, 12/15/2040	61,264.89 112,426.09	06/30/2011
36176AMX4 6788000061	03/24/2011	697,151.61 699,944.00	GN 760274 36176AMX4 4.00, 03/15/2041	718,066.16 711,305.25	06/30/2011
36176AMY2 6788000062	03/24/2011	1,349,818.79 1,356,900.00	GN 760275 36176AMY2 3.45, 03/15/2041	1,390,313.35 1,302,829.84	06/30/2011
36176ANA3 2176000007	04/25/2011	525,268.29 526,840.00	GN 760285 36176ANA3 3.45, 02/15/2041	541,026.34 507,046.05	06/30/2011
36176ANB1 2176000003	04/20/2011	849,028.39 851,483.00	GN 760286 36176ANB1 3.75, 03/15/2041	874,499.24 845,862.11	06/30/2011
36176ANC9 2176000006	04/25/2011	1,502,944.19 1,507,273.00	GN 760287 36176ANC9 4.00, 03/15/2041	1,548,032.52 1,533,457.11	06/30/2011
36176AND7	04/20/2011	653,870.52	GN 760288	673,486.64	

2176000004	655,855.00	36176AND7 4.25, 02/15/2041	679,350.87	06/30/2011
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Customer Number: 40003	Custody Holdings for Currency USD	Page 2
Customer Name: LA HOUSING FINANCE AGENCY	As of 06/30/2011	

Security Receipt	Acquired	Par/Shares Original Face	Description Rate, Maturity	Principal Cost Market Value	Date Priced
36176ANE5 2176000005	04/25/2011	1,140,510.05 1,143,947.00	GN 760289 36176ANE5 4.49, 03/15/2041	1,174,725.35 1,204,175.15	06/30/2011
36176M6H1 6788000069	06/07/2011	318,199.00 318,199.00	GN 770672 36176M6H1 4.00, 03/15/2041	318,199.00 324,659.11	06/30/2011
36176M6J7 6788000068	06/07/2011	2,126,860.00 2,126,860.00	GN 770673 36176M6J7 4.49, 05/15/2041	2,126,860.00 2,245,584.73	06/30/2011
36176M6K4 6788000071	06/07/2011	673,717.00 673,717.00	GN 770674 36176M6K4 2.45, 05/15/2041	673,717.00 609,909.94	06/30/2011
36176NFK2 2176000008	06/28/2011	146,806.00 146,806.00	GN 770870 36176NFK2 4.00, 05/15/2041	146,806.00 149,786.47	06/30/2011
36176NFL0 2176000009	06/28/2011	4,265,241.00 4,265,241.00	GN 770871 36176NFL0 4.49, 06/15/2041	4,265,241.00 4,503,333.58	06/30/2011
3620C5P43 6788000065	03/24/2011	832,902.89 836,760.00	GN 749343 3620C5P43 3.45, 02/15/2041	857,889.98 803,808.68	06/30/2011
36230LW21 6788000060	03/24/2011	1,113,980.93 1,118,784.00	GN 752465 36230LW21 3.75, 02/15/2041	1,147,400.36 1,109,826.56	06/30/2011
36230LWF2 6788000059	03/24/2011	515,317.46 517,474.00	GN 752446 36230LWF2 3.75, 03/15/2041	530,776.98 513,395.69	06/30/2011
36230LWZ8 6788000064	03/24/2011	135,853.96 136,451.00	GN 752464 36230LWZ8 3.45, 03/15/2041	135,853.96 131,075.94	06/30/2011
Total USD Par		19,313,982.02	Total USD Cost	19,248,880.87	
Total USD Original Face		19,358,845.00	Total USD Market Value	19,631,247.63	

Louisiana Housing Finance Agency
General Fund Net Assets
(rounded to million \$)

	<u>6/30/2010</u>	
<u>Invested in Capital Assets, Net of Related Debt</u>		
Capital assets, net of accumulated depreciation	59	
Building bonds payable	(10)	
Total Invested in Capital Assets (net of debt)	<u>49</u>	22%
<u>Net Assets Restricted for Mortgage and Bond Programs</u>		
Restricted assets	174	
Elderly bonds payable	(16)	
Debentures payable	(14)	
Elderly interest payable	(1)	
Escrows payable	(7)	
Total Net Restricted Assets	<u>136</u>	60%
<u>Net Assets Unrestricted</u>		
Unrestricted assets	63	
Accounts Payable & Accrued Liabilities	(2)	
Accrued Interest Payable	(1)	
Due to Governments	(0)	
Other Postemployment benefit plan payable	(4)	
Compensated absences payable	(1)	
Unearned income	(13)	
Bonds Payable-Deferred Amount on Refunding	(0)	
Total Net Unrestricted Assets	<u>42</u>	19%
Total Net Assets	<u>227</u>	100%

**Louisiana Housing Finance Agency
Assets Breakdown
(rounded to million \$)**

within each group within restrict group 3 major groups

LHFA Unrestricted Assets	6/30/2010	%	%	%
Cash and Cash Equivalents	3			
Investments	56	89%		
Mortgage Loans (Risk Share Notes)	1			
Accrued Interest Receivable (Investments)	0			
Due From Governments	2			
Due From MRB Programs	0			
Other Assets	1			
Total Unrestricted Assets Excluding Capital Assets	63			21%
<hr/>				
Capital Assets by Location Net of Accumulated Depreciation	6/30/2010			
Quail Drive	8	13%		
Willowbrook Apartments	32	54%		
Village De Jardin Apartments-Construction In Progress	20	34%		
Total Capital Assets Net of Accumulated Depreciation	59	100%		20%
<hr/>				
Total Unrestricted Assets & Capital Assets Net of Accum. Depr.	122			
<hr/>				
LHFA Restricted Assets	6/30/2010			
<u>Cash and cash equivalents</u>				
Louisiana Housing Trust Fund	13	41%		
202 Elderly Projects Escrows	6	19%		
Debt Service Funds-2010 Building Bond Refunding	5	16%		
Petroleum Violation Fund	2	6%		
HOME, Energy, M2M, Risk Share Escrows	6	19%		
Total Restricted Cash and Cash Equivalents	32	100%	18%	
Advance to Sub-recipient	5		3%	
Mortgage Backed Securities Pledged to NIBP Single Family Issue	8			
202 Elderly Escrows	2			
HOME Transfer MBSs	4			
Total Restricted Investments	14		8%	
<u>Mortgage loans receivable (net of allowance for losses)</u>				
HOME-SF and MF net of allowance	61			
202 Elderly Projects	30			
Total Restricted Mortgage loans receivable	91		52%	
<u>Accrued Interest Receivable</u>				
HOME-SF and MF net of allowance	28			
202 Elderly Projects	3			
Total Restricted Accrued interest receivable	31		18%	
Construction In Progress-NSP	1		1%	
Total Restricted Assets	174		100%	59%
Total Assets	296			100%

New Issue: MOODY'S UPGRADES TO A1 FROM A2 THE ISSUER RATING OF LOUISIANA HOUSING FINANCE AGENCY AND ASSIGNS A1 RATING TO \$5.33 M GENERAL REVENUE OFFICE BUILDING REFUNDING BONDS, SERIES 2010. OUTLOOK REMAINS STABLE.

Global Credit Research - 08 Jun 2010

\$37.223 MILLION OF DEBT AFFECTED.

Housing
LA

Moody's Rating

ISSUE	RATING
General Revenue Office Building Refunding Bonds, Series 2010	A1
Sale Amount	\$5,330,000
Expected Sale Date	06/08/10
Rating Description	General Obligation

Opinion

NEW YORK, Jun 8, 2010 -- Moody's Investors Service upgraded the Issuer Rating of the Louisiana Housing Finance Agency to A1 from A2. The outlook remains stable. Moody's has also assigned the A1 rating to the \$5.33 million General Revenue Office Building Refunding Bonds, Series 2010.

The affirmation reflects the strong financial position and portfolio of the Agency, as demonstrated by robust net fund balances, significant coverage of assets to debt as well as a highly rated MBS-collateralized bond program.

USE OF PROCEEDS: Proceeds of the General Revenue Office Building Refunding Bonds, Series 2010 will be used to refund the Issuer's outstanding General Office Building Bonds, Series 2001.

LEGAL SECURITY: The bonds will be general obligations of the Issuer.

INTEREST RATE DERIVATIVES: None.

STRENGTHS

* Robust fund balances that are sizeable enough to cover all debts backed by LHFA's general obligation pledge. The adjusted combined fund balance was \$329 million and the general fund balance was \$278 million as of June 30, 2009. Net unrestricted assets in the general fund were almost \$70 million, in relation to \$37.223 million of debt as of June 30, 2009.

* A strong program asset to debt ratio (PADR) of 1.375 as of the 2009 audited financials, up from 1.330 in 2008.

* A securitized loan portfolio, with 99% of the Agency's single family loans backed by FNMA or GNMA

CHALLENGES

* Continued economic downturn or external factors could negatively affect the program asset-to-debt ratio, although LHFA has demonstrated the ability to retain strong financial performance despite the challenging environment in the housing sector

FINANCIAL PERFORMANCE: FUND BALANCES SUFFICIENT TO BACK ALL GENERAL OBLIGATIONS PLEDGES

LHFA maintains a strong and growing asset position, with net general fund assets able to cover all outstanding general obligation bonds. Audited financial statements as of 2009 indicate a combined fund balance of \$329 million, which is 35.9% of total agency bonds outstanding and a general fund balance of \$278 million or 30.3% of total agency bonds outstanding. Furthermore, PADR has been strong and has grown steadily over the past three years. As of the 2009 audit, the adjusted PADR was 1.375, up from 1.330 in 2008 and 1.303 in 2007. Furthermore, as of the 2009 audit the general fund maintained net unrestricted assets of almost \$70 million, which was enough to cover the \$37.223 million in GO debt at that time. We have reviewed the combined and general fund balances under various stress test scenarios appropriate at an A1 rating level, including write offs of various assets. Under all of these scenarios the fund balances were more than adequate to meet the stress tests. In addition, profitability for the agency has been solid, with net operating revenue as a percent of total operating revenue of 7.77% as of 2009, down from 11.21% as of 2008.

The general obligation of the Agency will be pledged to the payment of approximately \$5.33 million in General Revenue Office Building Refunding Bonds, Series 2010. Proceeds of the General Revenue Office Building Refunding Bonds, Series 2010 will be used to refund the Issuer's outstanding \$5.840 M in General Office Building Bonds, Series 2001. The General Obligation pledge also backs \$17.555 million in Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted - 202 Elderly Projects), Series 2006A, and \$13.828 million in debentures payable HUD. The debentures were issued by the agency in conjunction with an insurance claim made by HUD under the Agency's Risk-Sharing Program following property damage caused by Hurricane Katrina. The insurance payment was used to redeem a portion of the 2003A Multifamily Mortgage Revenue Bonds (Section 202 Elderly Projects) bonds. Pursuant to the Risk-Sharing Agreement, the Agency's percentage share of the face amount of the debentures is 50%, or \$6.914 million

LOAN PORTFOLIO CHARACTERISTICS: MAJORITY OF LOAN POOL COMPRISED OF MORTGAGE BACK SECURITIES

The vast majority of the Agency's assets are held in one single-family indenture rated Aaa. Within the indenture, 99% of the Agency's single family loans are securitized by mortgage backed securities from Ginnie Mae, Fannie Mae and Freddie Mac. The MBS have an established pass-through rate and are guaranteed with respect to payment regardless of the actual performance of the underlying pool of mortgage loans. The guarantees protect the program from cash flow disruptions and losses from future loan defaults.

LOW RISK DEBT STRUCTURE

Louisiana Housing Finance Agency has issued only fixed rate single family and general obligation bonds. The Agency does not have exposure related to its multifamily bond programs, as the Agency primarily functions as a conduit to provide tax-exempt financing for these bonds.

Outlook

The Outlook for the A1 bond rating is stable. The stable outlook is based on the Agency's demonstrated trend of robust fund balances over time and the anticipation that these levels of fund balance will continue.

What could change the rating - UP

A continued upward trend in substantive fund balances, net revenues and high PADRs over time.

What could change the rating - DOWN

Deterioration in the general fund or combined fund balances, unrestricted assets, net revenues and/or increases in the general obligation pledges.

The principal methodology used in assigning the rating was "Assigning Issuer Ratings to Housing Finance Agencies" published on May 10, 2001, and available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The last rating action with respect to the Louisiana Housing Finance Agency was November 23, 2009 when a municipal finance scale rating of A2 with a stable outlook was assigned. That rating was subsequently recalibrated to A2 with a stable outlook on May 7, 2010.

Analysts

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Public Finance Group
Moody's Investors Service

Ferdinand S. Perrault
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Rating Update: MOODY'S UPGRADES TO A1 FROM A2 THE RATING ON THE LOUISIANA HOUSING FINANCE AGENCY'S MULTIFAMILY MORTGAGE REVENUE REFUNDING BONDS (SECTION 8 ASSISTED- 202 ELDERLY PROJECTS), SERIES 2006A. OUTLOOK IS STABLE.

Global Credit Research - 08 Jun 2010

\$17.555 MILLION OF DEBT AFFECTED.

Housing
LA

Opinion

NEW YORK, Jun 8, 2010 -- Moody's Investors Service has upgraded the rating of the Louisiana Housing Finance Agency's Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted - 202 Elderly Projects), Series 2006 A to A1 from A2. The bonds are backed by the general obligation pledge of the Agency and the upgrade is occurring in conjunction with the upgrade of the Agency's Issuer Rating and the issuance of the General Revenue Office Building Refunding Bonds, Series 2010. The outlook remains stable.

The affirmation reflects the strong financial position and portfolio of the Agency, as demonstrated by robust net fund balances, significant coverage of assets to debt as well as a highly rated MBS-collateralized bond program.

INTEREST RATE DERIVATIVES: None.

STRENGTHS

* Robust fund balances that are sizeable enough to cover all debts backed by LHFA's general obligation pledge. The adjusted combined fund balance was \$329 million and the general fund balance was \$278 million as of June 30, 2009. Net unrestricted assets in the general fund were almost \$70 million, in relation to \$37.223 million of debt as of June 30, 2009.

* A strong program asset to debt ratio (PADR) of 1.375 as of the 2009 audited financials, up from 1.330 in 2008.

* A securitized loan portfolio, with 99% of the Agency's single family loans backed by FNMA or GNMA

CHALLENGES

* Continued economic downturn or external factors could negatively affect the program asset-to-debt ratio, although LHFA has demonstrated the ability to retain strong financial performance despite the challenging environment in the housing sector

FINANCIAL PERFORMANCE: FUND BALANCES SUFFICIENT TO BACK ALL GENERAL OBLIGATIONS PLEDGES

LHFA maintains a strong and growing asset position, with net general fund assets able to cover all outstanding general obligation bonds. Audited financial statements as of 2009 indicate a combined fund balance of \$329 million, which is 35.9% of total agency bonds outstanding and a general fund balance of \$278 million or 30.3% of total agency bonds outstanding. Furthermore, PADR has been strong and has grown steadily over the past three years. As of the 2009 audit, the adjusted PADR was 1.375, up from 1.330 in 2008 and 1.303 in 2007. Furthermore, as of the 2009 audit the general fund maintained net unrestricted assets of almost \$70 million, which was enough to cover the \$37.223 million in GO debt at that time. We have reviewed the combined and general fund balances under various stress test scenarios appropriate at an A1 rating level, including write offs of various assets. Under all of these scenarios the fund balances were more than adequate to meet the stress tests. In addition, profitability for the agency has been solid, with net operating revenue as a percent of total operating revenue of 7.77% as of 2009, down from 11.21% as of 2008.

The general obligation of the Agency will be pledged to the payment of approximately \$5.33 million in General Revenue Office Building Refunding Bonds, Series 2010. Proceeds of the General Revenue Office Building Refunding Bonds, Series 2010 will be used to refund the Issuer's outstanding \$5.840 M in General Office Building Bonds, Series 2001. The General Obligation pledge also backs \$17.555 million in Multifamily Mortgage Revenue Refunding Bonds (Section 8 Assisted - 202 Elderly Projects), Series 2006A, and \$13.828 million in debentures payable HUD. The debentures were issued by the agency in conjunction with an insurance claim made by HUD under the Agency's Risk-Sharing Program following property damage caused by Hurricane Katrina. The insurance payment was used to redeem a portion of the 2003A Multifamily Mortgage Revenue Bonds (Section 202 Elderly Projects) bonds. Pursuant to the Risk-Sharing Agreement, the Agency's percentage share of the face amount of the debentures is 50%, or \$6.914 million

LOAN PORTFOLIO CHARACTERISTICS: MAJORITY OF LOAN POOL COMPRISED OF MORTGAGE BACK SECURITIES

The vast majority of the Agency's assets are held in one single-family indenture rated Aaa. Within the indenture, 99% of the Agency's single family loans are securitized by mortgage backed securities from Ginnie Mae, Fannie Mae and Freddie Mac. The MBS have an established pass-through rate and are guaranteed with respect to payment regardless of the actual performance of the underlying pool of mortgage loans. The guarantees protect the program from cash flow disruptions and losses from future loan defaults.

LOW RISK DEBT STRUCTURE

Louisiana Housing Finance Agency has issued only fixed rate single family and general obligation bonds. The Agency does not have exposure related to its multifamily bond programs, as the Agency primarily functions as a conduit to provide tax-exempt financing for these bonds.

Outlook

The Outlook for the A1 bond rating is stable. The stable outlook is based on the Agency's demonstrated trend of robust fund balances over time and the anticipation that these levels of fund balance will continue.

What could change the rating - UP

A continued upward trend in substantive fund balances, net revenues and high PADRs over time.

What could change the rating - DOWN

Deterioration in the general fund or combined fund balances, unrestricted assets, net revenues and/or increases in the general obligation pledges.

The principal methodology used in assigning the rating was "Assigning Issuer Ratings to Housing Finance Agencies" published on May 10, 2001, and available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The last rating action with respect to the Louisiana Housing Finance Agency was November 23, 2009 when a municipal finance scale rating of A2 with a stable outlook was assigned. That rating was subsequently recalibrated to A2 with a stable outlook on May 7, 2010.

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New Issue: MOODY'S ASSIGNS Aaa RATING TO \$20 M LOUISIANA HOUSING FINANCE AGENCY SINGLE FAMILY MORTGAGE REVENUE BONDS (MORTGAGE-BACKED SECURITY PROGRAM) SERIES 2010A MARKET BONDS AND \$30 M SERIES 2010A PROGRAM BONDS. OUTLOOK IS STABLE.

Global Credit Research - 18 Oct 2010

Louisiana Housing Finance Agency
Housing
LA

Moody's Rating

ISSUE	RATING
Single Family Mortgage Revenue Bonds, Series 2010A Market Bonds (Non-AMT)	Aaa
Sale Amount	\$20,000,000
Expected Sale Date	10/21/10
Rating Description	Mortgage
Single Family Mortgage Revenue Bonds, Series 2010A Program Bonds (Non-AMT)	Aaa
Sale Amount	\$30,000,000
Expected Sale Date	10/21/10
Rating Description	Mortgage

Opinion

NEW YORK, Oct 18, 2010 -- Moody's Investors Service has assigned a rating of Aaa to the \$20 million Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds (Mortgage Backed Security Program) Series 2010A Market Bonds (Non-AMT) and \$30 million Series 2010A Program Bonds (Non-AMT). The outlook on the rating is stable.

The bonds are issued pursuant to the New Issue Bond Program (NIBP) established jointly by Fannie Mae and Freddie Mac (the GSEs), the Federal Housing Finance Agency, and the U.S. Department of the Treasury (Treasury) under which the Treasury provides funding for bond issuance by HFAs. The Single Family Mortgage Revenue Bonds are being issued under the trust indenture dated December 1, 2009. The 2010A Program Bonds are being placed with the United States Treasury and the 2010A Market Bonds are being sold to investors in the public market

USE OF PROCEEDS: Proceeds of the bonds will be used to purchase Mortgage Backed Securities (MBS) backed by pools of qualifying mortgage loans made to finance the purchase of single family residences in the State of Louisiana.

RATINGS RATIONALE

LEGAL SECURITY: The bonds are limited obligations of LHFA, payable solely from and secured by the trust estate.

INTEREST RATE DERIVATIVES: None

STRENGTHS

-Loan pool will be composed entirely of MBS

-Stress case cash flow projections demonstrate that the assets are sufficient to generate enough revenue to meet all existing debt obligations in full and a timely manner under all prepayment scenarios

CHALLENGES

-Ability to continue to originate mortgage loans in the uncertain market as well as to generate investment returns in the low rate environment. However, these risks are contemplated in the stress cash flows reviewed by Moody's

LOAN PORTFOLIO TO BE COMPOSED OF MBS

The MBS provide the highest quality security for the bonds because they are guaranteed as to full and timely payment of principal and interest by government sponsored entities such as GNMA and FNMA which carry Moody's Aaa ratings. The MBS have an established pass-through rate and are guaranteed with respect to payment regardless of the actual performance of the underlying pool of mortgage loans.

CASH FLOW PROJECTIONS: FULL AND TIMELY PAYMENT OF DEBT SERVICE DEMONSTRATED UNDER VARIOUS SCENARIOS

Cash flows for the issuance of the bonds are prepared and include 0%, three year average life and non-origination scenarios. Projections indicate that the asset to debt coverage will continue to generate sufficient revenue from its assets to meet all existing debt obligations in full and a timely manner under all prepayment scenarios.

Outlook

The stable outlook is based on the security provided by the MBSs.

What could change the rating - UP

Not applicable

What could change the rating - DOWN

Presence of economic or external factors that severely erode asset to debt ratio or profitability.

Key contact:

Rene' Landry

Louisiana Housing Finance Agency

The principal methodology used in rating Louisiana Housing Finance Agency GSE Program Single Family Mortgage Revenue Bonds was Strength in Structure: Moody's Approach to Rating Single-Family Housing Bonds Secured by Mortgage-Backed Securities rating methodology published in October 1998. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found on Moody's website.

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