

OFFERING CIRCULAR

\$327,338,000

U.S. Department of Housing and Urban Development
Section 108 Government Guaranteed Participation Certificates, Series HUD 2019-A,
Guaranteed by the Secretary of Housing and Urban Development

- The certificates represent fractional undivided interests in a portion of a trust sponsored by the Secretary of Housing and Urban Development or his authorized designee. The assets of the Trust will consist of Notes issued by units of general local government or their designated local public agencies, and a guarantee issued by the Secretary of Housing and Urban Development pursuant to which the Secretary will guarantee the timely payment of principal and interest due on these Notes.
- The Secretary of Housing and Urban Development will also guarantee the timely pass-through distribution of interest and principal on the certificates.
- Distributions of interest will be made by the trustee to the certificateholders on each February 1 and August 1, or the next Business Day if such day is not a business day, commencing August 1, 2019. Interest will accrue on the certificates at the rates specified in the table below.
- Distributions of principal in respect of any certificate will be made by the trustee no later than the related maturity date for such certificate set forth in the table below. Principal distributions in respect of certificates that have a maturity date before August 1, 2029, are not subject to prepayment. Certificates having maturity dates on or after August 1, 2029, are subject to principal prepayments if there is a prepayment on a related Note or if the Secretary accelerates a related Note because there has been a default as described herein. See “Description of Notes — Optional Redemption and Acceleration” herein.

The full faith and credit of the United States is pledged to honor the note guarantee and the certificate guarantee. See “Full Faith and Credit Guarantee” herein.

The certificates are exempt from the registration requirements of the Securities Act of 1933, so no registration statement related to the certificates has been filed with the Securities and Exchange Commission. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this offering circular. Any representation to the contrary is a criminal offense.

Amount	Maturity Date⁽¹⁾	Interest Rate	Price to Public⁽²⁾	CUSIP Number	Amount	Maturity Date⁽¹⁾	Interest Rate	Price to Public⁽²⁾	CUSIP Number
\$25,575,000	August 1, 2019	2.540%	100.00%	911759 MS4	\$8,931,000	August 1, 2029	3.185%	100.00%	911759 NC8
\$27,761,000	August 1, 2020	2.550%	100.00%	911759 MT2	\$9,176,000	August 1, 2030	3.235%	100.00%	911759 ND6
\$29,948,000	August 1, 2021	2.570%	100.00%	911759 MU9	\$7,509,000	August 1, 2031	3.285%	100.00%	911759 NE4
\$31,650,000	August 1, 2022	2.547%	100.00%	911759 MV7	\$7,501,000	August 1, 2032	3.335%	100.00%	911759 NF1
\$33,212,000	August 1, 2023	2.618%	100.00%	911759 MW5	\$8,869,000	August 1, 2033	3.385%	100.00%	911759 NG9
\$30,627,000	August 1, 2024	2.668%	100.00%	911759 MX3	\$7,083,000	August 1, 2034	3.435%	100.00%	911759 NH7
\$28,011,000	August 1, 2025	2.738%	100.00%	911759 MY1	\$8,756,000	August 1, 2035	3.485%	100.00%	911759 NJ3
\$23,352,000	August 1, 2026	2.860%	100.00%	911759 MZ8	\$5,929,000	August 1, 2036	3.535%	100.00%	911759 NK0
\$13,976,000	August 1, 2027	2.870%	100.00%	911759 NA2	\$6,137,000	August 1, 2037	3.585%	100.00%	911759 NL8
\$12,021,000	August 1, 2028	2.985%	100.00%	911759 NB0	\$1,314,000	August 1, 2038	3.635%	100.00%	911759 NM6

(1) Principal amounts due on or after August 1, 2029 are subject to prepayment as described herein. Distributions with respect to any prepayment or acceleration will occur no earlier than August 1, 2028. See “Description of Notes—Optional Redemption and Acceleration” herein.

(2) Plus accrued interest, if any, from the Closing Date.

We expect that the certificates will be ready for delivery in book-entry form only through The Depository Trust Company, on or about March 28, 2019.

BofA Merrill Lynch

BNY Mellon Capital Markets, LLC

Wells Fargo Securities, LLC

The date of this Offering Circular is March 20, 2019.

OFFERING CIRCULAR SUMMARY

The following summary is qualified in its entirety by more detailed information appearing elsewhere in this Offering Circular.

Sponsor..... The Secretary of Housing and Urban Development (“HUD”), acting through an authorized designee, as sponsor of a trust on behalf of the borrowers, through the trustee.

The Certificates The U.S. Department of Housing and Urban Development Section 108 Government Guaranteed Participation Certificates, Series HUD 2019-A, guaranteed by the Secretary of HUD.

Full Faith and Credit

Guarantee Pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended (the “HCD Act”), 42 U.S.C. §5308, the Secretary of HUD will guarantee the timely payment of principal and interest due on the Notes and the timely pass-through of principal and interest to the certificateholders. The full faith and credit of the United States is pledged to honor such guarantees.

The Notes The notes and other similar obligations (the “Notes”) have been issued by certain units of general local government or local public agencies designated by such local governmental units. The Notes provide for the semiannual payment of interest by borrowers seven business days prior to each related interest due date, commencing July 23, 2019. The Notes provide for the payment by borrowers of principal seven business days prior to the related principal due date, subject to any optional redemptions or acceleration payments as described herein. See “Description of Notes.”

The Borrowers..... The borrowers are units of general local government or local public agencies designated by such units of general local government that have issued Notes in conjunction with the Community Development Block Grant Program and pursuant to Section 108 of the HCD Act. See “Description of the Section 108 Loan Guarantee Program.”

Amount of Offering \$327,338,000

Closing Date On or about March 28, 2019.

Distributions of Interest Interest on any certificate will accrue on the outstanding principal amount thereof from the Closing Date at the per annum rates set forth on the cover page hereof. Distributions of interest will occur on each February 1 and August 1, unless such day is not a business day, in which case, payment shall be made on the next business day, commencing August 1, 2019. Interest will be calculated on the basis of a year of 360 days, consisting of twelve 30-day months.

Distributions of Principal Distributions of principal in respect of any certificate will be made on the applicable maturity date for such certificate based on principal amounts due on the related Notes on the related principal due date, subject to any payments in respect of optional redemptions or acceleration payments. If any principal due date or maturity date is not a business day, distributions of principal in respect of any certificate will be made on the next business day.

Any principal amount due on a Note on or after August 1, 2029 may be prepaid by the related borrower, in whole or in part, as of any interest due date on or after August 1, 2028, and will be distributed to the certificateholders entitled thereto on the corresponding distribution date. Payments made in respect of such optional redemptions will be applied to outstanding principal amounts of the related Note in accordance with instructions of the related borrower as approved by HUD. See “Description of Notes — Optional Redemption and Acceleration.”

An acceleration event with respect to any Note may occur on any note payment date on or after August 1, 2028. If the Secretary of HUD elects an acceleration, he will make an acceleration payment of 100% of the related aggregate principal amount of such Note, together with accrued and unpaid interest thereon to the interest due date next following such acceleration event. Such amount will be paid to the trustee and be distributed to the certificateholders entitled thereto on the distribution date corresponding to such interest due date.

As a result of payments in respect of optional redemptions and acceleration payments, the final distributions of principal in respect of certificates that have maturity dates on or after August 1, 2029 may occur as early as August 1, 2028.

See “Description of Notes — Optional Redemption and Acceleration.”

The anticipated frequency and amount of payments of principal in respect of optional redemptions and acceleration payments cannot be predicted and will be influenced by a variety of factors. In the event of any such payments of principal in respect of optional redemptions or acceleration payments on the Notes, there can be no assurance that the certificateholders of the related certificates will be able to reinvest the distributions of principal in respect thereof in comparably yielding securities. See “Description of Notes — Optional Redemption and Acceleration.”

TrusteeThe Bank of New York Mellon (“BNY Mellon”) will act as trustee under a trust agreement, dated as of January 1, 1995, as amended, and a supplement to the trust agreement, dated as of March 28, 2019.

DenominationsEach certificate will be registered in the book-entry system of The Depository Trust Company, and beneficial interests therein will be held by investors in minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof (except for no more than one beneficial interest in each certificate representing the remainder of such certificate).

Tax StatusFor federal income tax purposes, each certificateholder will be treated as the owner of an undivided pro rata interest in particular payments on particular Notes. Ownership of the certificates will be treated as ownership of “government securities” and “obligations of the United States” for purposes of certain provisions of the federal income tax laws. See “Tax Status.”

Legality of Investment Under federal law, the certificates are acceptable for purchase by and as security for advances to member banks of the Federal Reserve System. Additionally, the certificates are eligible as security for the deposit of public moneys of the United States and as collateral for Treasury Tax and Loan Accounts.

Purchases by Employee Benefit Plans — ERISA

Considerations The acquisition of a certificate by an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, and a plan or arrangement described in Section 4975 of the Internal Revenue Code of 1986 could, in some instances, result in a prohibited transaction or other violation of the fiduciary responsibility provisions of such laws. See “Purchases by Employee Benefit Plans — ERISA Considerations.”

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with a purchase of Certificates. Capitalized terms used in this section have the meanings ascribed to them elsewhere in this Offering Circular.

Certificates have limited liquidity and market disruption may adversely affect the value of the Certificates

As described in this Offering Circular, guaranteed trust certificates under the Section 108 Loan Guarantee program were offered annually or biennially from 1995 through 2011, and were offered in 2015, when the last guaranteed trust certificates were offered, and have historically had a limited secondary market. There is currently a limited secondary market for the Certificates. If a secondary market does develop for the Certificates, market prices may be below or substantially below the principal amounts of such Certificates. In addition, if a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow Certificateholders to resell Certificates at any time. Consequently, Certificateholders may not be able to sell Certificates readily or at prices that will enable Certificateholders to realize a desired yield. In addition, the lack of a defined secondary market may make it difficult to determine the fair value of Certificates even if a Certificateholder does not intend to sell. The market values of the Certificates are likely to fluctuate. Any of these fluctuations may be significant and could result in losses to Certificateholders desiring to sell in the secondary market.

Illiquidity can have an adverse effect on the prices of securities, including the Certificates, that are especially sensitive to prepayment or interest rate risk.

The rate of prepayment on the Notes is uncertain and may adversely affect the average life of and yield on the Certificates

The anticipated frequency and amount of principal prepayments on the Notes cannot be predicted and may be influenced by a variety of factors. Any prepayment can impact the yield on the Certificates.

As described in this Offering Circular, the Notes are subject to prepayment in respect of Optional Redemptions or Acceleration Payments.

- Each Note is subject to Optional Redemption, in whole or in part, without penalty or premium, at the option of a Borrower as of any Interest Due Date on or after August 1, 2028, at a prepayment price of 100% of the principal amount due on the Note. See “Description of Notes—Optional Redemption and Acceleration.”
- Upon a Borrower default, pursuant to the Note Guarantee, the Secretary will make timely payments of principal and interest on the Notes. On or after August 1, 2028, an Acceleration Payment with respect to a Note may, but is not required to, be made by the Secretary if the related Borrower is in default under the related Note and Contract for Loan Guarantee Assistance. If the Secretary elects to make an Acceleration Payment, such payment will equal the entire unpaid principal amount of a Note, together with interest accrued and unpaid to the related Interest Due Date. See “Description of Notes—Optional Redemption and Acceleration.”

Economic, financial and regulatory conditions are unpredictable and influence the timing and number of accelerations and prepayments. Therefore, the anticipated rate and amount of prepayments of principal, if any, to the Certificateholders in respect of Optional Redemption or Acceleration Payments cannot be determined. The amount of Optional Redemptions may be influenced by a variety of economic factors, including a decrease in interest rates, which may make the prepayment of a Note attractive to a Borrower. Acceleration Payments may result upon the occurrence of a Borrower being in default of its payment obligations, or for a reason specified in the related Note and Contract for Loan Guarantee Assistance. The rate at which Borrower defaults are experienced may be influenced by a variety of factors, including but not limited to the weakening of local economic conditions, increased project development costs and various other issues related to public entities and state-assisted public entities.

INTRODUCTION

This Offering Circular provides certain information relating to the offering of \$327,338,000 aggregate principal amount of U.S. Department of Housing and Urban Development, Section 108 Government Guaranteed Participation Certificates, Series HUD 2019-A (the “Certificates”). The Certificates are guaranteed as to timely pass-through distribution of interest and principal (the “Certificate Guarantee”) by the Secretary of Housing and Urban Development or his authorized designee (the “Secretary”) pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended.

The Certificates represent the fifteenth underwritten offering of guaranteed trust certificates under the Section 108 Loan Guarantee program. The initial issue comprised \$245,785,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on February 1, 1995. The second issue comprised \$322,195,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 5, 1996. The third issue comprised \$283,320,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on October 28, 1997. The fourth issue comprised \$614,595,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on April 28, 1999. The fifth issue comprised \$355,415,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 14, 2000. The sixth issue comprised \$313,756,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 9, 2001. The seventh issue comprised \$281,319,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 8, 2002. The eighth issue comprised \$340,280,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on August 7, 2003. The ninth issue comprised \$283,451,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 30, 2004. The tenth issue comprised \$324,129,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on September 14, 2006. The eleventh issue comprised \$492,051,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on June 12, 2008. The twelfth issue comprised \$366,912,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on July 21, 2010. The thirteenth issue comprised \$331,561,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on November 17, 2011. The fourteenth issue comprised \$391,805,000 aggregate principal amount of guaranteed trust certificates, and was sold in an underwritten offering on May 28, 2015. The Certificates are being issued pursuant to Public Law 103-233, enacted on April 11, 1994, which amends Section 108 to allow the Secretary to guarantee the timely payment of the principal and interest on trust certificates backed by a trust composed of notes guaranteed or eligible for guarantee by the Secretary.

HUD currently anticipates the offering, on an annual or more frequent basis, of additional guaranteed certificates backed by notes or other obligations issued by units of general local government or public agencies designated by such units of general local government. However, HUD’s plans with respect to future offerings under the Section 108 Loan Guarantee Program (as defined below) are subject to change due to such factors as the level of demand for funds by local governments, statutory amendments, market conditions, and changes in HUD policy.

The statements herein with respect to the Certificates and related documents are subject to the detailed provisions of such Certificates and related documents, and the statements made herein are qualified in their entirety by reference thereto. Copies of these documents are available at the Trustee’s Corporate Trust Office (as defined below).

DESCRIPTION OF CERTIFICATES

Each Certificate offered hereby represents a fractional undivided interest in a portion of a trust (the “Trust”) sponsored by the Secretary and administered by the Trustee pursuant to the Trust Agreement and related Supplement (each, as defined below). The assets of the Trust will consist of Notes issued by the Borrowers and a guarantee issued by the Secretary pursuant to which the Secretary will guarantee the timely payment of principal and interest due on the Notes (the “Note Guarantee,” together with the Certificate Guarantee, the “Guarantee”).

The aggregate principal amount of Notes for each Principal Due Date (as defined below) will be represented by a single Certificate with a corresponding Maturity Date (as defined below) and will be registered in the name of the nominee of The Depository Trust Company (the “DTC”), and beneficial ownership interests therein will be held by investors through the book-entry facilities of DTC in minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof (except for no more than one beneficial interest in each Certificate representing the remainder of such Certificate).

Each Certificate will have a maturity date (each, a “Maturity Date”) and an original principal amount, and will bear interest at the per annum rate set forth on the cover page hereof. Distributions in respect of interest on each Certificate will be made on each February 1 and August 1 (each a “Distribution Date”) in an amount equal to the interest accrued on the outstanding principal amount of such Certificate from and including the immediately preceding Distribution Date or, in the case of the first Distribution Date, from and including the Closing Date, to but excluding the related Distribution Date at the applicable interest rate. If any such Distribution Date is not a Business Day (as defined below), distributions in respect of interest and principal will be made on the next succeeding Business Day. The first Distribution Date for the Certificates will be August 1, 2019. Distributions in respect of principal will be made on each Distribution Date based on receipt of the principal amounts due on the Notes as of the Principal Due Date (as defined below) corresponding to the Maturity Date for such Certificate except as provided in the following paragraph. A “Business Day” shall be a day on which banking institutions in New York City are not required or authorized to be closed and on which the Federal Reserve Bank and the New York Stock Exchange are not closed.

With respect to Certificates having Maturity Dates on or after August 1, 2029, principal distributions may occur earlier than such Maturity Dates as a result of the prepayment of principal of the related Notes by the Borrower in accordance with the provisions thereof (an “Optional Redemption”) or as a result of the occurrence of a default by a Borrower and the election by the Secretary to accelerate the Note to which the default relates (an “Acceleration Event”). The payment made by the Secretary as a result of an Acceleration Event is referred to herein as an “Acceleration Payment.” See “Description of Notes — Optional Redemption and Acceleration.”

Since principal amounts due on certain Notes are subject to payments in respect of Optional Redemptions or Acceleration Payments, final distributions in respect of the Certificates may occur earlier than the related Maturity Dates but no earlier than August 1, 2028. See “Description of Notes — Optional Redemption and Acceleration.” The Trustee will provide at least thirty days’ notice to Certificateholders of any Optional Redemption expected to occur.

The anticipated frequency and amount of principal payments in respect of Optional Redemptions and Acceleration Payments on the Notes cannot be predicted and will be influenced by a variety of factors. In the event of any such principal payments, there can be no assurance that a holder of Certificates (a “Certificateholder”) entitled to distributions of principal in respect thereof will be able to reinvest such distributions in comparably yielding securities. See “Risk Factors — The rate of prepayment on the Notes is uncertain and may adversely affect the average life of and yield on the Certificates.”

Book-Entry Only Registration of the Certificates

The Certificates will initially be issued in book-entry form and be registered as a single certificate for each Maturity Date in the name of Cede & Co. (“Cede”), as nominee of DTC. As used in this Offering Circular, Certificateholders are persons in whose name a Certificate is registered in the register maintained by the Trustee. For so long as the Certificates are in book-entry form with DTC, the only “Certificateholder” of the Certificates as the term “Certificateholder” is used in the Trust Agreement will be Cede. No person acquiring an interest in the Certificates will be entitled to receive a definitive certificate representing such person’s interest in the Trust (“Definitive Certificates”), except in the event that Definitive Certificates are issued under the limited circumstances set forth below. Unless Definitive Certificates are issued, all references herein to Certificateholders shall mean and include the rights of beneficial owners of Certificates, as such rights may be exercised through DTC and its participating organizations.

Under a book-entry format, as long as the only Certificateholder is Cede, the beneficial holders of Certificates will not be recognized by the Trustee as Certificateholders under the Trust Agreement. The beneficial holders of such Certificates will be permitted to exercise the rights of Certificateholders under the Trust Agreement only indirectly through DTC and its Participants (as defined below), who in turn will exercise their rights through DTC.

Definitive Certificates will be issued in registered form to Certificateholders, or their nominees, rather than to DTC, only if (i) DTC or the Sponsor advises the Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as nominee and depository with respect to the Certificates and the Sponsor is unable to locate a qualified successor, or (ii) the beneficial owners of the Certificates representing not less than 51% of the aggregate original principal balance of the book-entry Certificates advise the Trustee and DTC that the book-entry system is no longer in the best interests of such beneficial owners. Upon issuance of Definitive Certificates to Certificateholders, such Certificates will be transferable directly (and not exclusively on a book-entry basis) and registered holders will deal directly with the Trustee with respect to transfers, notices and distributions.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities for its participating organizations (“Participants”) and facilitate the clearance and settlement of securities transactions between Participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system also is available to others such as brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participant”).

Under a book-entry format, Certificateholders that are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of Certificates registered in the name of Cede, as nominee of DTC, may do so only through Participants and Indirect Participants. Such Certificateholders will receive all distributions of principal of and interest on the Certificates from the Trustee through DTC and its Participants. Under a book-entry format, Certificateholders may receive distributions after the related Distribution Date because, while distributions are required to be forwarded to Cede, as nominee for DTC, on each such date, DTC will forward such distributions to its Participants, which thereafter will be required to forward them to Indirect Participants or Certificateholders. For so long as DTC shall be the only registered Certificateholder, the Certificateholder shall be paid by wire transfer for the account of such person in immediately available funds to a commercial bank located in the continental United States having appropriate facilities therefor upon written request received by the Trustee on or before the Record Date, as defined herein, prior to the applicable Distribution Date. If DTC shall no longer be the only registered Certificateholder, any Certificateholder holding Certificates in an aggregate original principal amount of less than \$1 million shall be paid by check to the person in whose name such Certificates are registered at the close of business on the Record Date.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the Certificates and is required to receive and transmit distributions of principal of and interest on the Certificates. Participants and Indirect Participants with which Certificateholders have accounts with respect to the Certificates similarly are required to make book-entry transfers and receive and transmit such distributions on behalf of such Certificateholders. Accordingly, although Certificateholders will not possess physical certificates, such rules, regulations and procedures provide a mechanism by which Certificateholders will receive distributions and will be able to transfer their interests.

Certificateholders who are not Participants may transfer ownership of Certificates only through Participants by instructing such Participants to transfer Certificates, by book-entry transfer, through DTC for the account of the purchasers of such Certificates, which account is maintained with their respective Participants. Under the rules and in accordance with DTC’s normal procedures, transfers of ownership of Certificates will be executed

through DTC and the accounts of the respective Participants at DTC will be debited and credited. Similarly, the respective Participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing Certificateholders.

Because DTC can act only on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a Certificateholder to pledge Certificates to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such Certificates, may be limited due to the lack of a physical certificate for such Certificates.

DTC in general advises that it will take any action permitted to be taken by a Certificateholder under a Trust Agreement only at the direction of one or more Participants to whose account the Certificates are credited. Additionally, DTC in general advises that it will take such actions with respect to specified percentages of the Certificateholders only at the direction of and on behalf of Participants whose holdings include current principal amounts of outstanding Certificates that satisfy such specified percentages. DTC may take conflicting actions with respect to other current principal amounts of outstanding Certificates to the extent that such actions are taken on behalf of Participants whose holdings include such current principal amounts of outstanding Certificates.

Any Certificates initially registered in the name of Cede, as nominee of DTC, will be issued in fully registered form as Definitive Certificates to Certificateholders or their nominees, rather than to DTC or its nominee, only under the events specified in the Trust Agreement. Upon the occurrence of any of the events specified in the Trust Agreement, DTC will be required to notify all Participants of the availability through DTC of Definitive Certificates. Upon surrender by DTC of the physical certificates representing the Certificates and instruction for re-registration, the Trustee will issue the Certificates in the form of Definitive Certificates, and thereafter the Trustee will recognize the holders of such Definitive Certificates as Certificateholders. Thereafter, distributions of principal of and interest on the Certificates will be made by the Trustee directly to Certificateholders in accordance with the procedures set forth in the Trust Agreement. The final distributions in respect of any Certificate (whether Definitive Certificates or Certificates registered in the name of Cede), however, will be made only upon presentation and surrender of such Certificates on the final Distribution Date at such office or agency as is pursuant to the Trust Agreement.

Same-Day Settlement and Payment

Settlement for the Certificates will be made by the Underwriters in immediately available funds. All payments of principal and interest on the Certificates will be made in immediately available funds so long as the Certificates are maintained in book-entry form.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing house or next-day funds. In contrast, the Certificates will trade in DTC's Same-Day Funds Settlement System and secondary trading activity in the Certificates will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Certificates.

DESCRIPTION OF NOTES

General

The Trustee will be the holder of each Note for the benefit of the Trust. The funding of the Notes is being arranged by the sale of individual beneficial interests in the Trust to the Certificateholders. Each Note contained in the Trust specifies one or more dates on which principal amounts are due (each such date, a "Principal Due Date") and the rate of interest corresponding to each such amount. Each Note requires semiannual payments of interest by Borrowers seven Business Days (as defined above) prior to each February 1 or August 1 (each such February 1 or August 1, an "Interest Due Date"), commencing July 23, 2019. Interest on the outstanding principal amount of each Note will accrue at the respective pass-through interest rate on the basis of a year of 360 days, consisting of twelve 30-day months, from the Closing Date until the date as of which such principal amount is paid. Each date on which payments in respect of interest, and, if applicable, principal are required to be made by the related Borrower is a "Note Payment Date." Payments of interest and principal due under the Notes will be made to the Trustee. The Trustee will collect payments of interest and principal due on the Notes

(including payments in respect of Optional Redemptions and Acceleration Payments, if any) and remit such payments, together with any amounts received from the Secretary under the Guarantee, to the Certificateholders entitled thereto on the corresponding Distribution Date. Late payments of interest made by Borrowers will be deposited by the Trustee into the Certificate Account (as defined below) upon receipt thereof and such payments will be promptly transmitted to the Secretary as reimbursement for payments made pursuant to the Guarantee.

Scheduled Payments on the Notes

Pursuant to the terms of each Note, each Borrower will be required to deposit with the Trustee all principal and interest payments then required to be made on the related Note no later than 3:00 P.M. (New York City time) on each Note Payment Date. No later than 1:00 P.M. (New York City time) on the sixth Business Day next preceding each Distribution Date, the Trustee shall determine whether all payments required to be made on the Notes have been received from each Borrower. If such payments have not been received, the Trustee shall notify HUD on such day that it may be required to make one or more payments pursuant to the Guarantee, and shall specify the amount thereof. If moneys in the requisite amount shall not have been received by the Trustee from the related Borrowers by the close of business on the third Business Day next preceding such Distribution Date, the Trustee shall notify HUD on such Business Day that it is required to make a payment pursuant to the Guarantee, and shall provide notice of the amount. HUD shall make any payment required to be made under the Guarantee directly into the Certificate Account by 10:00 A.M. on such Distribution Date. The Notes provide that Certificateholders shall rely exclusively on the Secretary for enforcement thereunder and no Certificateholder shall have any right to enforce the Notes directly against any Borrower.

Optional Redemption and Acceleration

Any principal amount due on a Note on or after August 1, 2029, may be prepaid by the Borrower, in whole or in part, without penalty or premium, as of any Interest Due Date on or after August 1, 2028, and will be distributed to the Certificateholders entitled thereto on the Distribution Date corresponding to such Interest Due Date. Payments made in respect of such Optional Redemptions will be applied to outstanding principal amounts of the related Note in accordance with instructions received by the Trustee from the related Borrower and approved by HUD. As a result, such Optional Redemptions will be distributed in respect of Certificates with Maturity Dates corresponding to the Principal Due Dates of the outstanding principal amounts of the related Note as to which the Borrower, with approval of the Secretary, has instructed that the Trustee apply such redemptions. As provided in the Trust Agreement, notice by a Borrower of its intention to prepay a Note may not be revoked.

If a Borrower is in default under the related Note and Contract (as defined below), whether for non-payment or other reason specified in such Note and Contract, the Secretary will continue to make timely payments of principal and interest pursuant to the corresponding Note Guarantee, if the Borrower does not do so. However, the Secretary may, but is not obligated to, make on any Distribution Date on or after August 1, 2028 an Acceleration Payment to the Trustee equal to the entire unpaid principal amount of a Note, together with accrued and unpaid interest thereon to the related Interest Due Date.

Prepayments or defaults by a Borrower will not result in (i) distribution of principal to the Certificateholders entitled to such distribution prior to the earlier of either the related Maturity Date or the Distribution Date occurring on or after August 1, 2028 or (ii) distribution of interest on the related Certificates at any time other than the Distribution Dates on which such interest is required to be distributed.

FULL FAITH AND CREDIT GUARANTEE

Pursuant to Section 108 of the HCD Act, the Secretary guarantees timely payment of principal and interest as of the respective Interest Due Dates and Principal Due Dates under each Note. The Note Guarantee is set forth in the guarantee executed on behalf of the United States by the Secretary or his authorized designee. In the event a Borrower fails to make any payment of principal or interest due on the related Note on a Note Payment Date, the Secretary will assure that such principal or interest payment is made on or before the Distribution Date immediately following such Note Payment Date. The full faith and credit of the United States is pledged to honor the performance of the Note Guarantee.

The Secretary also guarantees to the Certificateholders the timely pass-through distribution of interest and principal on the Certificates. The Certificate Guarantee is set forth on the Certificates and is executed on behalf of the United States by the Secretary. The full faith and credit of the United States is pledged to honor the performance of the Certificate Guarantee. As long as DTC or its nominee shall be the only registered Certificateholder, the Trustee shall act as DTC's agent solely for the purpose of enforcing the Certificate Guarantee.

Collectively, the Note Guarantee and the Certificate Guarantee form the Guarantee. In the event that the principal amount of a Note is prepaid as a result of an Optional Redemption or Acceleration Payment, the obligation of the Secretary represented by the Certificate Guarantee will be reduced by (i) the amount of principal so prepaid upon the pass-through distribution of such payments to Certificateholders, and (ii) the amount of interest that would have accrued on such principal thereafter.

Should there be any change in the status of HUD as a United States Department, the Guarantee and the full faith and credit of the United States pledged to honor the performance of the Guarantee will not be altered or impaired.

DESCRIPTION OF SECTION 108 LOAN GUARANTEE PROGRAM

HUD is an executive department of the United States of America, established in 1965 by the Department of Housing and Urban Development Act. At its establishment, HUD was vested with the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, the Public Housing Administration and the predecessor of the Government National Mortgage Association. HUD administers the principal Federal government programs that provide assistance for housing and for community development.

Pursuant to Title I of the HCD Act, HUD is required to calculate annual formula-based allocations of appropriated community development block grant ("CDBG") funds and provide grants based thereon to units of general local government that meet statutory and regulatory requirements — generally, cities with populations of 50,000 or more (including the District of Columbia) and urban counties with populations of 200,000 or more (the "Community Development Block Grant Entitlement Program"). Similarly, HUD is also required to calculate annual formula-based allocations and provide CDBG grants therefrom to states (including, for this purpose, the Commonwealth of Puerto Rico ("States")) that have elected and met the statutory and regulatory requirements to administer and distribute such CDBG funds to units of general local government in nonentitlement areas of such States (the "State Community Development Block Grant Program"). The States award CDBG funds to units of general local government in nonentitlement areas pursuant to a distribution plan and related documents submitted annually to HUD. In two States (New York and Hawaii), HUD has historically provided CDBG grants directly to units of general local government from the annual CDBG allocation calculated for each such State. Beginning with the CDBG allocation for nonentitlement areas of New York State for Federal fiscal year 2000, the State of New York elected and met the applicable requirements to administer and distribute such allocation to units of general local government in nonentitlement areas of the State. In all cases, the CDBG grants may be used for a variety of eligible community development activities in accordance with the applicable regulations and grant agreements.

Pursuant to Section 108 of the HCD Act, HUD may guarantee (the "Section 108 Loan Guarantee Program"): (i) notes or other obligations issued by units of general local government eligible to receive annual CDBG grants under the Community Development Block Grant Entitlement Program, units of general local government eligible to receive CDBG grants from their State government under the State Community Development Block Grant Program, and units of general local government eligible to receive CDBG grants directly from HUD in Hawaii and certain units of general local government with pre-Federal fiscal year 2000 awards in New York, or by public agencies designated by such local governments; and (ii) certificates backed by trusts or pools of such notes or other obligations. Each unit of general local government pledges its current and future CDBG grants and grant allocations for the repayment of its Note under the Section 108 Loan Guarantee Program. In the case of a local government eligible to receive CDBG grants from its State government, the State also pledges its current and future annual CDBG grants and grant allocations for the repayment of the loan guaranteed under the Section 108 Loan Guarantee Program. A State or local government generally is not required to pledge its full faith and credit to secure repayment of loans under the Section 108 Loan Guarantee Program. In addition to a Note, each Borrower under the Section 108 Loan Guarantee Program executes a related Contract for Loan Guarantee

Assistance (each, a “Contract”) with the Secretary that sets forth the applicable pledge of CDBG grants and allocations.

TRUST AGREEMENT

The Certificates will be issued pursuant to a (i) Trust Agreement dated as of January 1, 1995, between the Secretary, as authorized by the Borrowers in their respective Contracts, and BNY Mellon (successor to JPMorgan Chase Bank, N.A.), as Trustee, as amended (the “Trust Agreement”), and (ii) a Supplement to such Trust Agreement dated as of the Closing Date relating specifically to the Certificates (the “Supplement”). Certificateholders will be entitled to the benefits of such Trust Agreement to the full extent provided therein. The responsibilities of the Trustee, summarized below, are limited to those set forth in the Trust Agreement, and no further responsibilities should be inferred. All references to time herein refer to New York City time.

The Supplement and the Trust Agreement will be available for reasonable inspection and copying by any Certificateholder or its designee, at such person’s expense, at the Trustee’s Corporate Trust Office, 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262.

Exchange of Notes; Issuance of Certificates

Pursuant to the Supplement and the Trust Agreement, the Secretary, as sponsor of the Trust on behalf of the Borrowers, will deliver to the Trustee each Note to be included in the related Trust. In exchange therefor, the Secretary, through BNY Mellon, as Trustee, will issue Certificates representing fractional undivided interests in such Trust to or upon the order of the Underwriters. All Certificates will initially be registered in the name of Cede, as nominee of DTC. See “Description of Certificates — Book-Entry Only Registration of the Certificates.”

Appointment of Trustee

The Secretary has appointed the Trustee to administer the Notes pursuant to the Supplement and the Trust Agreement but retains full power and authority, acting alone, to do any and all things in connection with such administration which it may deem necessary or desirable. The Secretary retains the sole and exclusive right to take action and assert claims with respect to the Notes. Without limiting the generality of the foregoing, the Secretary may execute and deliver, on behalf of the Trustee and the Certificateholders, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge and all other comparable instruments, with respect to the Notes.

Collection of Note Payments — Certificate Account

The Trustee will establish and maintain a separate non-interest-bearing trust account (the “Certificate Account”) into which the Trustee will deposit the following payments and collections received by it in respect of principal of and interest on the Notes: (i) all interest payments on the Notes, including those made by the Secretary pursuant to a Note Guarantee; (ii) all payments of principal of the Notes, including amounts paid by the Secretary in respect thereof pursuant to a Note Guarantee; (iii) all payments in respect of Optional Redemptions; and (iv) all Acceleration Payments.

The Trustee will not deposit into the Certificate Account any payment received from a Borrower on account of an Optional Redemption unless such payment conforms to all of the requirements specified in the related Note for an Optional Redemption; provided, however, that the receipt of any non-conforming payment will not in any way reduce the obligation of the Secretary under the related Note Guarantee. Any payments received from a Borrower that were previously covered by payments made by the Secretary under a Note Guarantee (including late payments of interest and principal) and any payments received from a Borrower after an Acceleration Payment has been made with respect to the related Note will be deposited by the Trustee into the Certificate Account upon receipt thereof, and such payments will be promptly transmitted to the Secretary.

Distributions to the Certificateholders

On each Distribution Date, the Trustee will distribute to the Certificateholders of record as of the close of business on the Business Day immediately preceding such Distribution Date (the “Record Date”), other than as described herein or in the Trust Agreement respecting any Definitive Certificate or the final distribution on any

Certificate, the respective amounts of interest and principal to which such Certificateholders are entitled from all related amounts credited to the Certificate Account as of 10:00 A.M. on the applicable Distribution Date.

Statements to the Holders

At the time of each distribution, the Trustee will furnish to each Certificateholder a statement setting forth the following information, stated on the basis of \$1,000 original principal amount, with respect to the Certificates owned of record by such Certificateholder:

- (i) the amount of such distribution allocable to principal;
- (ii) the amount of such distribution allocable to interest; and
- (iii) the amount of such Certificateholder's fractional undivided interest in the aggregate unpaid principal amounts of Notes due on the Principal Due Date coinciding with the Maturity Date for such Certificates, after giving effect to distributions of principal made on such Certificates distributed on such Distribution Date.

In addition, within a reasonable period of time after the end of each calendar year, the Trustee will furnish a report to each person who has held the status of Certificateholder at any time during such calendar year as to the aggregate of amounts reported pursuant to (i) and (ii) above for such calendar year or, in the event such person was a Certificateholder of record during a portion of such calendar year, for the applicable portion of such year.

Modifications of Notes

Any term of any Note may be modified by such amendments as may be agreed upon from time to time by the Secretary and the Borrower under such Note. No such change in the terms of any Note shall alter or affect the Note Guarantee with respect to such Note on the basis of the terms thereof as of the date of the Note Guarantee.

Registration of Transfer and Exchange of Certificates

The Trustee has been appointed Certificate Registrar for the purpose of registering the ownership of Certificates and any transfers and exchanges of Certificates as herein provided. The Trustee will maintain at its Corporate Trust Office a Certificate Register in which, subject to such requirements as it may prescribe, the Trustee will provide for the registration of the Certificates and of transfers and exchanges of Certificates.

A service charge equal to a reasonable fee of the Trustee will be charged to the person presenting a Certificate for transfer or exchange, as the case may be, for any registration of transfer or exchange of such Certificate. The Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

The Certificates will initially be issued in book-entry form only. See "Description of Certificates — Book-Entry Only Registration of the Certificates."

Persons Deemed Owners

Prior to due presentation of a Certificate for registration of transfer, the Secretary, the Trustee and any agent of the Secretary or the Trustee may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions as described herein and for all other purposes whatsoever, and the Secretary, the Trustee and any agent of the Secretary or the Trustee shall not be affected by notice to the contrary. All Certificates will initially be registered in the name of Cede, as nominee of DTC.

Amendments to the Trust Agreement

The Trust Agreement may be amended from time to time by the Secretary and the Trustee, without the consent of any of the Certificateholders; provided, however, that no such amendment shall reduce in any manner the amount of, or delay the timing of, payments received on Notes, including Guarantee Payments, which are required to be distributed on any Certificate without the consent of the related Certificateholders.

Termination

The respective obligations and responsibilities of the Secretary and the Trustee with respect to the Trust (other than the obligation of the Secretary and the Trustee to make payments to Certificateholders as set forth in the Trust Agreement) shall terminate upon the final payment of the last remaining principal amount of a Note in the Trust, whether as of the Note Payment Date immediately preceding the related Principal Due Date, upon an Acceleration Payment or upon an Optional Redemption.

With respect to any Certificate as to which a final payment is due to an Optional Redemption or an Acceleration Payment, the Trustee will give notice of any such final payment by letter to the Certificateholders (with a copy thereof to the Secretary) mailed not later than the fifth Business Day subsequent to the Note Payment Date as of which all outstanding amounts of principal and accrued interest have been paid in full as a result of Optional Redemptions, or on which the Secretary has given notice of Acceleration Events, or a combination of both. Such notice will specify that final payment will be made from the Certificate Account upon presentation and surrender of the Certificate at the Corporate Trust Office of the Trustee, on the Distribution Date immediately following such Note Payment Date. If final payment of a Certificate occurs absent an Optional Redemption or Acceleration Payment, no notice will be given and final payment will be made from the Certificate Account on the next following Distribution Date upon presentation and surrender of the Certificate at the Corporate Trust Office of the Trustee.

Any moneys held by the Trustee for the payment of any Certificate upon final payment that remain unclaimed for six months after the Distribution Date on which such final payment was made available, will be repaid to the Secretary. Certificateholders must thereafter look to the Secretary for payment of such amounts, and all liability of the Trustee with respect to such amounts will thereupon cease.

TRUSTEE

BNY Mellon, a New York banking corporation, serves as Trustee for the Certificates and performs such duties as specified in the Trust Agreement and as described herein. The Corporate Trust Office of BNY Mellon where its duties under the Trust Agreement shall be performed is located at 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262, Attention: Corporate Trust Department. The Borrowers agreed in their Contracts with the Secretary to make single payments as a condition of the Guarantee, either by wire transfer to the Trustee or by deductions from the proceeds of the Notes, intended to cover each Borrower's share of the ordinary and necessary costs of trust administration by the Trustee as long as the Trust is outstanding, as approved by the Secretary, pursuant to the Trustee compensation provisions of the Trust Agreement.

TAX STATUS

The following is a general discussion of certain of the anticipated United States Federal income tax consequences of the purchase, ownership and disposition of the Certificates under the Internal Revenue Code of 1986, as amended (the "Code"), without consideration of the particular facts and circumstances of each prospective investor's special tax situation. The discussion addresses only a beneficial owner that acquires a Certificate at original issuance and that holds the Certificate as a capital asset, and does not address a taxpayer that is not a "United States Person" (as defined below). The discussion is based on interpretations of laws, regulations, rulings and decisions, all of which are subject to change. Any such change may be applied retroactively and may adversely affect the Federal income tax consequences described herein. Such discussion is not binding on the Internal Revenue Service ("IRS"), which may take a contrary view as to the matters discussed herein. **Accordingly, each prospective investor is urged to consult its own tax advisor with respect to the United States Federal income tax consequences of holding a Certificate, as well as any consequences arising under the laws of any other taxing jurisdiction.**

Under certain U.S. federal income tax legislation enacted in December 2017 (the "2017 Act"), a beneficial owner of Certificates that uses an accrual method of accounting for U.S. federal income tax purposes generally is required to include certain amounts in income no later than the time that such amounts are reflected on an "applicable financial statement." For this purpose, an "applicable financial statement" generally includes a financial statement that is certified as having been prepared in accordance with generally accepted accounting principles and that is used by the taxpayer for various specified purposes. The application of this rule thus may

require the accrual of income earlier than would be the case prior to the enactment of the 2017 Act, although the precise application of this rule is unclear at this time. The IRS has issued Notice 2018-80 stating its intention to issue regulations that would exclude market discount from this rule effective January 1, 2018. In addition, the 2017 Act imposes limits on the deductibility of business interest expense in excess of business interest income. The remainder of this summary does not address accounting rules pursuant to the 2017 Act that could accelerate income or whether interest on the Certificates qualifies as business interest income for a particular beneficial owner. Beneficial owners of Certificates that use an accrual method of accounting for U.S. federal income tax purposes or that have business interest expense are encouraged to consult with their tax advisors regarding the potential applicability of the 2017 Act to their investment in the Certificates.

United States Persons

A “United States Person” is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any State (other than a partnership that is not treated as a United States Person under any applicable Treasury regulations), or an estate whose income is subject to United States federal income tax regardless of its source of income, or a trust if a court within the United States is able to exercise primary supervision of the administration of the trust and one or more United States Persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States Persons prior to such date, that elect to continue to be treated as United States Persons, also will be a United States Person.

Trust Assets

Each beneficial owner of a Certificate will be treated for Federal income tax purposes as an owner of a fractional undivided interest in a portion of the Trust represented by particular payments of principal and interest on the Notes. Each beneficial owner of a Certificate will be required to report on its Federal income tax returns, consistent with its method of accounting, such income, including interest and, as discussed below, the portion of any Optional Redemption or Acceleration Payment that exceeds its basis in the portion of the Note being prepaid, as well as any amount paid by the Secretary as interest under its Guarantee.

The Trustee will furnish to each Certificateholder a statement with respect to each distribution, setting forth the amount of such distribution allocable to principal and interest and the source thereof. In addition, the Trustee will furnish, within a reasonable time after the end of each calendar year, to each person who was a Certificateholder at any time during such year, a statement setting forth such Certificateholder’s share of interest received. A beneficial owner of a Certificate who is an individual and certain pass-through entities, such as partnerships, must also include in gross income a portion of the expenses of the Trust. An individual taxpayer must treat such expenses as miscellaneous itemized deductions, and, as a result, an individual taxpayer’s ability to deduct such expenses may be limited.

Redemption Price

The portion of the prepayment price received by any beneficial owner of a Certificate in excess of the beneficial owner’s basis allocable to the Note that is prepaid will be treated as short-term or long-term capital gain (assuming the Certificate is a capital asset in the hands of the beneficial owner).

Characterization of Certificates

Ownership of the Certificates will be treated as ownership of (i) “obligations of the United States” within the meaning of Section 7701(a)(19)(C)(ii) of the Code, relating to the definition of Federal and domestic savings and loan associations and certain other financial institutions; (ii) “government securities” within the meaning of Section 851(b)(3) of the Code, relating to the definition of regulated investment companies; (iii) “government securities” within the meaning of Section 856(c)(4)(A) of the Code, relating to the definition of real estate investment trusts; and (iv) “obligations of the United States or of any agency or instrumentality thereof” within the meaning of Section 895 of the Code, relating to the exemption from withholding tax for foreign central banks of issue in certain circumstances. Ownership of Certificates will not be treated as ownership of “obligations secured by mortgages on real property or on interests in real property” for purposes of Section 856(c)(3)(B) of the

Code, relating to the definition of real estate investment trusts.

State and Local Taxes

Under Title 31, Section 3124 of the United States Code, as amended, “obligations of the United States” are exempt from state, municipal or local taxes, other than estate or inheritance taxes and nondiscriminatory taxes or other nonproperty taxes imposed on corporations. The United States Supreme Court has held, however, that certain Federally guaranteed trust or pool certificates should not be treated as “obligations of the United States” for purposes of Section 3124, principally because such certificates are secondary, and not primary, obligations of the United States. Consequently, beneficial owners of Certificates will be unable to claim that the Certificates and the interest thereon are exempt from state, municipal, or local taxes under Section 3124 or under the principle of intergovernmental tax immunity. Prospective investors are urged to consult their individual tax advisors to determine the tax treatment of the Certificates and the interest thereon in their states.

Sale or Other Disposition

If a beneficial owner of a Certificate sells, exchanges or otherwise disposes of the Certificate, the beneficial owner will recognize gain or loss in an amount equal to the difference between the amount realized by the beneficial owner upon the sale, exchange or other disposition and the beneficial owner’s adjusted tax basis in the Certificate. The adjusted tax basis of a Certificate to a particular beneficial owner generally will equal the beneficial owner’s cost for the Certificate, increased by any discount previously included by such beneficial owner in income with respect to the Certificate and decreased by the amount of principal payments previously received by such beneficial owner with respect to the Certificate. Any such gain or loss will be a capital gain or loss if the Certificate was held as a capital asset, except for gain representing accrued interest and accrued discount not previously included in income. Capital losses generally may be used only to offset capital gains.

Backup Withholding

A backup withholding tax may be imposed on any reportable payment unless the recipient (i) has furnished under penalties of perjury an accurate taxpayer identification number or (ii) is exempt from the backup withholding provisions of the Code. Corporations and certain other entities are, and individuals are not, exempt from the backup withholding provisions. In the case of an individual, the individual’s social security number is his or her taxpayer identification number. A reportable payment would include interest payments to a beneficial owner of a Certificate and proceeds from the sale of a Certificate before maturity to or through a broker or dealer in securities. Any amount withheld under the backup withholding rules from a reportable payment to a beneficial owner of a Certificate would be allowed as refundable credit against the beneficial owner’s United States Federal income tax, provided that the required information is furnished to the IRS.

LEGAL MATTERS

The legality of the sale of the Certificates will be passed upon for the Secretary by the General Counsel of the Department of Housing and Urban Development or his designee. Morgan, Lewis & Bockius LLP, Washington, D.C., will serve as counsel to the Underwriters.

LEGALITY OF INVESTMENT

The Certificates are acceptable as security for the deposit of public moneys subject to the control of the United States or any of its officers, agents or employees, and are eligible as collateral for Treasury Tax and Loan Accounts. Under Federal law, national banks and state banks which are members of the Federal Reserve System may deal in, underwrite and purchase for their own account Certificates without regard to any limitation based on capital and surplus. The Certificates are eligible as security for advances to member banks by Federal Reserve Banks.

PURCHASES BY EMPLOYEE BENEFIT PLANS — ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 4975 of the Code impose certain requirements on those employee benefit plans and other arrangements to which they apply (collectively “Plans”) and on those persons who are fiduciaries with respect to such Plans. Certain employee benefit plans, such as governmental plans (as defined in ERISA Section 3(32)) and certain church plans (as defined in ERISA Section (3)(33)), are not subject to ERISA, and assets of such plans may be invested in the Certificates without regard to the ERISA considerations described below, subject to other applicable Federal and state law. However, any such governmental or church plan which is qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code is subject to the prohibited transaction rules set forth in Section 503 of the Code. Investments by Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a Plan’s investments be made in accordance with the documents governing the Plan.

Prohibited Transactions

In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA and the corresponding provisions of the Code prohibit a broad range of transactions involving assets of a Plan (“plan assets”) and persons having certain specified relationships to a Plan (“parties in interest” and “disqualified persons”). Such transactions, including the acquisition of Certificates, are treated as “prohibited transactions” under Sections 406 and 407 of ERISA, and excise taxes are imposed upon such persons and upon such Plans by Section 4975 of the Code.

Plan Assets Regulations

Pursuant to Department of Labor Regulation §2510.3-101 (the “Plan Assets Regulation”), in general when a Plan acquires an equity interest in an entity such as the Trust and such interest does not represent a “publicly offered security” (that is owned by one hundred or more investors independent of the issuer and of one another) or a security issued by an investment company registered under the Investment Company Act of 1940, as amended, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either that the entity is an “operating company” or that equity participation in the entity by “benefit plan investors” is not “significant”. In general, an “equity interest” is defined under the Plan Assets Regulation as any interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. It is anticipated that the Certificates will be considered equity interests in the Trust for purposes of the Plan Assets Regulation, and that the assets of the Trust may therefore constitute plan assets if Certificates are acquired by Plans. In such event, the fiduciary and prohibited transaction restrictions of ERISA and Section 4975 of the Code would apply to transactions involving the assets of the Trust. Specifically, transactions occurring in the management of the Trust’s assets might constitute prohibited transactions, and if any of the Borrowers or certain affiliates of the Trust are considered or become “parties in interest” or “disqualified persons” with respect to a Plan, the acquisition or holding of Certificates by or on behalf of such Plan could be considered to give rise to a “prohibited transaction” within the meaning of ERISA and the Code, unless a statutory, regulatory or administrative exemption is available. Class exemptions granted by the Department of Labor, such as Prohibited Transaction Class Exemption (“PTCE”) 84-14 (Class Exemption for Certain Transactions Involving a Qualified Professional Asset Manager), PTCE 91-38 (Class Exemption for Certain Transactions Involving Bank Collective Investment Funds), PTCE 90-1 (Class Exemption for Certain Transactions Involving Insurance Company Pooled Separate Accounts), PTCE 95-60 (Class Exemption for Certain Transactions Involving Insurance Company General Accounts) or PTCE 96-23 (Class Exemption for Certain Transactions Involving an In-House Asset Manager) may exempt certain, but not necessarily all, specified transactions involving such assets. There is a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a party in interest that is a service provider to a Plan investing in the Certificates for adequate consideration, provided such service provider is not (i) the fiduciary with respect to the Plan’s assets used to acquire the Certificates or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan. However, Department of Labor Regulation §2550.408b-2 exempts ordinary and necessary servicing transactions and may apply in connection with the management of the Trust and its assets, which management duties may be ministerial in nature and not involve the exercise of fiduciary discretion.

Conclusion

Fiduciaries of Plans should consider whether (i) an investment in the Trust is permitted under the governing Plan instruments and is appropriate for the Plan in view of its overall investment policy, the composition and diversification of its portfolio, and (ii) an investment in the Certificates could give rise to a prohibited transaction under ERISA or the Code. Consequently, we suggest that each investor subject to ERISA consult with its legal counsel concerning the matters discussed above.

UNDERWRITING

The Underwriters named below acting through their Representative, Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Representative”) have severally agreed, subject to the terms and conditions of the Underwriting Agreement, as supplemented by a Terms Agreement (the “Underwriting Agreement”) between the Secretary and the Underwriters, to purchase the principal amount of Certificates set forth below opposite their respective names. The Underwriters will receive a total fee of \$865,170, plus reimbursement of certain expenses incurred in connection with the issuance of the Certificates.

<u>Underwriter</u>	<u>Principal Amount of Certificates</u>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$109,114,000
BNY Mellon Capital Markets, LLC	109,112,000
Wells Fargo Securities, LLC	109,112,000
Total	<u>\$327,338,000</u>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent, and that the Underwriters will be obligated to purchase all of the Certificates if any are purchased.

The Underwriters are permitted to engage in certain transactions that stabilize the price of the Certificates. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of such Certificates.

If the Underwriters create a short position in the Certificates in connection with the offering, *i.e.*, if they sell more Certificates than is set forth on the cover page of this Offering Circular, the Underwriters may reduce that short position by purchasing such Certificates in the open market.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

Neither HUD nor the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of such Certificates. In addition, the Underwriters make no representation that the Underwriters will engage in such transactions or that such transactions, if commenced, will continue.

The Secretary has been advised by the Representative that the Underwriters propose to offer the Certificates to the public initially at the offering prices set forth on the cover page of this Offering Circular and to certain dealers at such price less a concession not in excess of the amount set forth below for each Maturity Date. The Underwriters may allow and such dealers may reallow a concession not in excess of the amount set forth below for each Maturity Date to certain other dealers. After the initial public offering, the public offering prices and such concessions may be changed. The Certificates are a new issue of securities with no established trading market. The Underwriters intend to make a market in the Certificates but are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Certificates.

Maturity Date	Concession (Percent of Principal Amount)	Reallowance (Percent of Principal Amount)
August 1, 2019	0.0750%	0.0375%
August 1, 2020	0.1000%	0.0500%
August 1, 2021	0.1250%	0.0625%
August 1, 2022	0.1500%	0.0750%
August 1, 2023	0.1750%	0.0875%
August 1, 2024	0.2000%	0.1000%
August 1, 2025	0.2250%	0.1125%
August 1, 2026	0.2250%	0.1125%
August 1, 2027	0.2250%	0.1125%
August 1, 2028	0.2250%	0.1125%
August 1, 2029	0.2500%	0.1250%
August 1, 2030	0.2500%	0.1250%
August 1, 2031	0.2500%	0.1250%
August 1, 2032	0.2500%	0.1250%
August 1, 2033	0.2500%	0.1250%
August 1, 2034	0.2500%	0.1250%
August 1, 2035	0.2500%	0.1250%
August 1, 2036	0.2500%	0.1250%
August 1, 2037	0.2500%	0.1250%
August 1, 2038	0.2500%	0.1250%

The Underwriting Agreement provides that HUD will, if an appropriation specifically is made available by the United States Congress for such purpose, indemnify each Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, or contribute to payments that the Underwriters may be required to make in respect thereof.

The Underwriters and or their affiliates may have performed certain investment banking and advisory and general financing, trustee and commercial banking services for HUD from time to time for which they have received customary fees and expenses. The Underwriters and or their affiliates may, from time to time, engage in transactions with or perform services for HUD in the ordinary course of their business.

AVAILABLE INFORMATION

This Offering Circular contains a summary of the material terms of the Certificates and the Trust Agreement. Any statements made herein are qualified in their entirety by reference to the more detailed information contained in the above documents, copies of which are available from the Trustee at 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by HUD or any Underwriter. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of HUD since such date.

\$327,338,000

**U.S. Department of
Housing and Urban
Development**

**Section 108 Government
Guaranteed Participation
Certificates,**

Series HUD 2019-A

OFFERING CIRCULAR

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