Communication to Those Charged
with Governance for

Oregon Affordable Housing Assistance Corporation

December 31, 2012

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COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

To the Board of Directors
Oregon Affordable Housing Assistance Corporation

We have audited the financial statements of the Oregon Affordable Housing Assistance Corporation (OAHAC) as of and for the year ended December 31, 2012 and2011 have issued our report thereon dated April 25, 2013. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated January 9, 2013, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with generally accepted auditing standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OAHAC's internal control over financial reporting. Accordingly, we considered OAHAC's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility for other information in the Statements of Functional Expenses does not extend beyond the financial information identified in our report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents. However, we have read the information and nothing came to our attention that caused us to believe that such information or its manner of presentation is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

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PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated January 9, 2013. OAHAC management requested an extension for with the US Treasury for the completion of the audit due to questions regarding applicability of Oregon Budget Law and the type of reporting entity.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by OAHAC are described in Note 2 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2012 or 2011. We noted no transactions entered into by OAHAC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates for the year ended December 31, 2012 or 2011.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear and understandable.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 25, 2013.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to OAHAC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

During the course of our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies which are summarized below.

Financial Close & reporting:
OAHAC has not fully documented its financial close and reporting process. The program has been operational for just over two years and will sunset December 31, 2017, and the financial statements are not overly complex. However, the financial close and reporting process should be vetted and documented to ensure the processes detects and corrects errors timely.

> We recommend OAHAC management fully vet and document its financial reporting and closing process.

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Accounting System Access Rights: Review of the system access rights indicates that some user may have more access than needed for their position and access rights that may not support management's intention for segregation of duties. For example, accounting staff have full rights for accounts receivable, credit memos, accounts payable, bill entry, and bill payment. Specifically, three individuals have the ability to add a new vendor and authorize payment to that vendor, including the ability to write and cut checks.

> We recommend that OAHAC management further segregate functional responsibilities by granting system access based on a need to know/do. In situations where management cannot adequately segregate functional responsibilities we recommend management ensure its detective controls are sufficient to ensure errors are caught and corrected as close to the point of origination as possible.

This report is intended solely for the information and use of the Board of Directors, management, others within OAHAC, and the US Treasury and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, OR
April 25, 2013