OFFERING MEMORANDUM
Dated November 29, 2012

Book-Entry-Only

Ratings: Moody's: P-1
Standard & Poor's: A-1+
Fitch: F1+

TEXAS PUBLIC FINANCE AUTHORITY
TAX-EXEMPT COMMERCIAL PAPER REVENUE NOTES
SERIES 2003

The Notes are being issued by the Texas Public Finance Authority (the "Authority") pursuant to the Chapters 1232 and 1371, Texas Government Code, as amended, and Part 10, Title 34, Texas Administrative Code (the "Authorizing Law"), and a resolution adopted by the Board of Directors of the Authority on November 19, 2002 (together with any amendments or supplements thereto, referred to herein as the "Resolution"). The Notes are authorized by the Resolution in the aggregate principal amount of $150,000,000, provided that the Notes shall not be outstanding in an amount greater than the commitment under the Liquidity Agreement (as defined herein). The Notes are special obligations of the Authority, and are payable solely from revenues received by the Authority from leases of equipment, recently renovated or constructed buildings and other property to various agencies and institutions of the State of Texas (the "State"). Payments to the Authority under the leases are subject to biennial appropriations by the Legislature of the State (the "Legislature") of funds lawfully available for payment. The Legislature is not legally required to make the appropriations for such payments. See "THE NOTES – Payment and Security."

The Comptroller of Public Accounts of the State (in such capacity, the "Liquidity Provider") has agreed, pursuant to a liquidity agreement (the "Liquidity Agreement"), to provide a revolving line of credit to purchase any Notes that are not otherwise refunded or paid by the State upon their maturity. The commitment under the Liquidity Agreement is equal to $150,000,000 plus 270 days of interest at the Maximum Interest Rate (currently 10%), on an actual/365 (or 366) day year basis. See "THE NOTES - Liquidity Facility".

In the opinion of Winstead Sechrest & Minick P.C., ("Prior Counsel") issued in connection with the original delivery of the Notes (the "Original Opinion"), interest on the Notes is excludable from gross income for federal income tax purposes. See "TAX MATTERS" and Appendix B hereto. Fulbright & Jaworski L.L.P., Dallas, Texas, Bond Counsel to the Authority ("Bond Counsel"), will render an opinion that the substitution of the Liquidity Agreement for the prior liquidity facility will not in and of itself adversely affect the federal tax treatment of the Notes. See "TAX MATTERS" and Appendix C. The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended.

GOLDMAN, SACHS & CO.
as Dealer

INFORMATION CONCERNING THE OFFER

Goldman, Sachs & Co. serves as the dealer (the "Dealer") for the Texas Public Finance Authority Tax-Exempt Commercial Paper Revenue Notes, Series 2003 (the "Notes") offered or to be offered hereby.

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Offering Memorandum or the other information incorporated herein by reference, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Notes offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Notes, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Offering Memorandum (including the information relating to the Authority and the State and other information incorporated herein by reference) has been prepared from information furnished by the Authority or the State, and has been reviewed and approved by the Authority or the Comptroller of Public Accounts of the State (the "Comptroller") on behalf of the State, and such information is believed to be reliable. No representation is made as to either the accuracy or completeness of the information herein (including the information incorporated herein by reference). Neither the delivery of this Offering Memorandum nor the sale of any of the Notes implies that the information herein (including the information incorporated herein by reference) is correct as of any time subsequent to the date hereof. The summaries of and references to documents, statutes and agreements in this Offering Memorandum (including the information incorporated herein by reference) do not purport to be complete, comprehensive or definitive, and are qualified by reference to the complete text of each such document, statute or agreement. Copies of such documents, statutes and agreements may be obtained without charge by contacting the Texas Public Finance Authority, 300 West 15th Street, Suite 411, Austin, Texas 78701.

The information concerning the Authority and the State contained in this Offering Memorandum does not purport to cover all aspects of the Authority's and the State's operations and financial position. During the period of the offering of the Notes, reference is made to the Authority's most recent Official Statement for its general obligation bonds and the most recent audited financial statements and information concerning the financial condition of State government provided by the Comptroller, annually updated financial information and operating data provided by the Comptroller, and the quarterly updated disclosure appendix (the "Bond Appendix") used in State agency offerings. The foregoing information, other than the Bond Appendix, is available, without charge, from the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org. The Authority's most recent Official Statement is available on EMMA by using the muni search function and entering the term "Texas Public Finance Authority" under "Issuer Name" and "General Obligation Bonds" under "Issue Description". The Bond Appendix can be obtained via the Worldwide Web through a download at: www.window.state.tx.us/treasops/bondapp.html. See "FINANCIAL AND OTHER INFORMATION – General Information Regarding the State of Texas."

The Dealer has provided the following sentence for inclusion in this Offering Memorandum. The Dealer has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Dealer does not guarantee the accuracy or completeness of such information.

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TEXAS PUBLIC FINANCE AUTHORITY
TAX-EXEMPT COMMERCIAL PAPER REVENUE NOTES, SERIES 2003

OFFERING

Goldman Sachs & Co., as Dealer, is soliciting on behalf of the Texas Public Finance Authority (the "Authority") purchasers for the Authority's commercial paper notes styled "Texas Public Finance Authority Tax-Exempt Commercial Paper Revenue Notes, Series 2003" (the "Notes"). The aggregate principal amount of Notes authorized to be issued under the Resolution shall not exceed $150,000,000; provided, however, that the Notes shall not be outstanding in an amount greater than the commitment under the Liquidity Agreement (hereinafter defined), which currently is $150,000,000 plus 270 days of interest at the Maximum Interest Rate (currently 10%), on an actual/365 (or 366) day year basis. This offering does not constitute a re-issuance of Notes pursuant to the Authorizing Law and the Act. The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended. The interest on the Notes is excludable from the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein.

THE TEXAS PUBLIC FINANCE AUTHORITY

The Authority is a public authority and body politic and corporate created in 1984 by an act of the Texas Legislature, when the Authority succeeded the Texas Public Building Authority. The Authority is currently governed by a board of directors (the "Board") composed of seven members appointed by the Governor of the State with the advice and consent of the State Senate. The Authority employs an Executive Director who is charged with managing the affairs of the Authority, subject to and under the direction of the Board.

The Authority is authorized to issue obligations pursuant to the Act for the purpose of financing the construction of facilities and equipment (the "Projects") for agencies of the State of Texas (the "State Agencies"). the Authority will enter into leases (the "Leases") with State Agencies for the use of the Projects.

Pursuant to Article III, Sections 49-h, 49-l, 50-f and 50-g of the Texas Constitution, the Texas Public Finance Authority Act, Chapter 1232, Texas Government Code, as amended, and Chapters 1371, 1401 and 1403, Texas Government Code, as amended, the Authority issues general obligation bonds and revenue bonds for designated State agencies (including certain institutions of higher education). In addition, the Authority currently administers five commercial paper programs, namely: the Master Lease Purchase Program, which is primarily for financing equipment acquisitions (the program pursuant to which the Notes are issued); two general obligation commercial paper programs for certain general State government construction projects; a general obligation commercial paper program for the Colonia Roadway program; and a general obligation commercial paper program for the Cancer Prevention and Research Institute of Texas. In addition, in 2003, the Authority created a nonprofit corporation to issue debt on behalf of eligible charter schools pursuant to Chapter 53, Texas Education Code, as amended.

THE NOTES

The Notes are authorized pursuant to the Authorizing Law and the Resolution. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Resolution.

The Notes shall be issued in fully registered form and will mature in not more than 270 days from the date of issue and will pay par plus accrued interest at maturity. The Notes will be issued as fully registered securities registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), as further described herein under "THE NOTES - Book-Entry-Only System". The principal of and interest on the Notes will be payable at the office of U.S. Bank National Association, as the Issuing and Paying Agent (the "Issuing and Paying Agent"); provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Notes, all payments on the Notes will be made as described under "THE NOTES - Book-Entry-Only System" herein. Interest on the Notes is payable on an actual/365 (or 366, if applicable) basis. Pursuant to the Resolution, the interest rate borne by the Notes may not exceed the Maximum Interest Rate (defined below), which currently is 10%. The Notes will be offered in denominations of $100,000 and integral multiples of $5,000 thereafter. By acceptance of a Note, the purchaser thereof agrees that any transfer of such Note may be made only to the Issuing and Paying Agent or through the Issuing and Paying Agent to a purchaser whose purchase is recorded by the Issuing and Paying Agent.

"Maximum Interest Rate" means the lesser of (i) the maximum net effective interest rate allowable under Chapter 1204, Texas Government Code, as amended, which is currently 15% or (ii) such lesser annual rate as shall be from time to time authorized by the Authority, which is currently 10%.

Use of Proceeds

Proceeds of the sale of the Notes will be used to (i) finance or refinance certain Projects or to refinance Notes issued for such purposes and to (ii) pay, renew, refinance, or refund the Notes.

Payment and Security

The Notes are special obligations of the Authority and are payable solely from revenues the Authority obtains from the Leases. Payments to the Authority under the Leases are subject to biennial appropriations by the Legislature of funds available for payment. New Leases may not be entered into unless the leasing agency has sufficient appropriations for lease payments required in the current biennium. Further, leasing agencies are required to specifically include the amounts required for Lease Payments in their legislature appropriations requested for subsequent biennia; although absence of a specific Lease Payment appropriation does not release an Agency from Lease Payment obligations. The legislature is not legally required to make the appropriations for such payments.

Issuing and Paying Agent

The Issuing and Paying Agent for the Notes is U.S. Bank National Association. In the Resolution, the Authority retains the right to replace the Issuing and Paying Agent. The Authority covenants to maintain and provide a Issuing and Paying Agent at all times while any Notes are outstanding, and any successor Issuing and Paying Agent shall be a bank or trust company or other entity that (i) is authorized under law to exercise trust powers and perform the duties and functions of Issuing and Paying Agent for the Notes and (ii) is subject to supervision or examination by a federal or state governmental authority with jurisdiction over financial institutions. Promptly upon each change in the entity serving as Issuing and Paying Agent, the Authority will cause written notice of such change to be provided to the Securities Depository, which notice shall state the effective date of such change and the name and mailing address of the replacement Issuing and Paying Agent.

Liquidity Facility

The Comptroller of Public Accounts of the State of Texas (in such capacity, the "Liquidity Provider") and the Authority have entered into a Liquidity Agreement dated as of December 4, 2012 (the "Liquidity Agreement") under Section 404.024 of the Texas Government Code, as amended, pursuant to which the Liquidity Provider will purchase all maturing Notes, up to a maximum principal commitment of $150,000,000 that are not otherwise refunded or paid by the State. The Liquidity Provider's commitment to purchase maturing Notes as necessary expires the earlier of (a) August 31, 2013, or (b) such earlier date upon which the whole of the Commitment is terminated pursuant to the terms of the Liquidity Agreement. The Liquidity Agreement may be renewed for additional terms of one year each, coterminous with the State fiscal year, in the sole and exclusive discretion of the Liquidity Provider and with ninety (90) days advanced written request by the Authority. The Authority has agreed to not issue any Notes that mature later than the expiration date of the Liquidity Agreement. Capitalized terms used in this section and not otherwise defined shall have the meanings ascribed to such terms in the Liquidity Agreement.

Reduction of the Commitment...The Authority may, upon not less than three Business Days' prior written notice to the Liquidity Provider, reduce all or any portion of the unused Commitment, provided that (i) any partial reduction of the Commitment must be in the minimum amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof, and (ii) no such reduction shall result in the Commitment being less than the sum of the maturity of all Notes outstanding at such time. The Authority shall promptly give the Dealer and the Issuing and Paying Agent notice of any such reduction of the Commitment, which notice shall specify the effective date and the amount of any such reduction and shall be irrevocable once given and effective only upon receipt by the Liquidity Provider. Once terminated or reduced, the Commitment may not be increased or reinstated.

Events of Default...The Liquidity Agreement provides that the following events constitute Events of Default thereunder:

(i) the Authority fails to pay when due (whether upon demand, at maturity, by reason of acceleration, or otherwise), within ninety (90) days after written notice from the Liquidity

Provider specifying the failure, any fees, expenses or other amounts payable by it to the Liquidity Provider;

(ii) the Authority (i) becomes subject to or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or of a substantial part of its property or assets, (ii) admits in writing its inability to pay its debts as they become due or declares a moratorium for the repayment of its Debt, (iii) makes a general assignment for the benefit of creditors, (iv) files a petition seeking to take advantage of any other laws relating to bankruptcy, insolvency, reorganization, liquidation, winding-up or composition or adjustment of debts, or (v) takes any action for the purpose of effecting any of the acts set forth in Events of Default (i) through (iv);

(iii) the State or any other governmental entity having jurisdiction over the Authority imposes a debt moratorium, debt restructuring, or other event that results in a restriction on repayment when due and payable of the principal of or interest on the Notes;

(iv) the Authority shall fail to pay when due a final and nonappealable money judgment entered by a court or other regulatory body of competent jurisdiction against the Authority in an amount in excess of $5,000,000, and enforcement of such judgment continues unstayed and in effect for a period of 60 consecutive days after appropriated funds become available to the Authority;

(v) the Liquidity Agreement in its entirety for any reason ceases to be valid and binding on the Authority in accordance with its terms, or is declared pursuant to a final judgment by a governmental authority with jurisdiction to be null and void, or the validity or enforceability of the Liquidity Agreement or any of the other Transaction Documents as related to the payment of the Notes is repudiated, rejected or contested through legal procedures by the Authority or a proceeding is commenced by the Authority seeking to establish the invalidity or unenforceability thereof;

(vi) the State fails to pay when due and payable (whether at maturity or upon acceleration or otherwise), after giving effect to any applicable grace period, the principal of or interest on any general obligation debt of the State or the ratings of the general obligation debt of the State are withdrawn for credit related reasons or fall below Investment Grade by action of at least two of the rating agencies;

(vii) a breach or failure of performance by the Authority of any material covenant, condition or agreement on its part to be observed or performed contained in the Liquidity Agreement, including particularly Section 2, Subsections 3.E or 3.G, Section 7 or Section 8 (other than a breach or failure covered by Events of Default (i) through (vi) above) of the Liquidity Agreement that continues for a period of 45 days after written notice thereof from the Liquidity Provider to the Authority and that the Liquidity Provider reasonably determines may have a material adverse effect on the Liquidity Provider; or

(vii) any of the Authority's material representations or warranties made or deemed made by the Authority in the Liquidity Agreement or in any other Transaction Document or in any statement or certificate at any time given pursuant to the Liquidity Agreement or any other Transaction Document or in connection with the Liquidity Agreement or any other Transaction Document proves at any time to have been false or misleading in any material respect when made, or any such warranty is breached and may have a material adverse effect on the Liquidity Provider

Remedies Upon Event of Default...Under the Liquidity Agreement, upon the occurrence and continuance of an Event of Default (except an Event of Default described in (iv) and (vi) above), the Liquidity Provider may, by written notice to the Authority and the Issuing and Paying Agent, take one or more of the following actions:

(i) reduce (except with respect to an Event of Default described in Events of Default (i), (vii) or (viii) above) the Commitment to zero;

(ii) give a No Issuance Notice;

(iii) declare all amounts payable by the Authority to the Liquidity Provider under the Liquidity Agreement to be forthwith due and payable, whereupon such amounts shall immediately become due and payable, without presentment, demand, protest or any other notice of any kind; and/or

(iv) pursue any other remedy available to it at Jaw or in equity.

Any amount owing under the Liquidity Agreement (whether of principal, interest, fees or otherwise) which is not paid when due shall, to the extent permitted by law, bear interest, payable on demand, at the Treasury Rate.

Notwithstanding the foregoing, upon the occurrence of Events of Default (iv) or (vi) above, the Liquidity Provider may provide written notice of the termination of the Liquidity Agreement to the Authority and the Issuing and Paying Agent provided that: (a) the Liquidity Agreement may not be terminated prior to the maturity date(s) of any Notes then Outstanding and, (b) the termination of the Liquidity Agreement shall be subject to ninety (90) day extensions as provided in the Liquidity Agreement to allow the Authority to secure a substitute liquidity provider.

No Issuance Notice...In the event the Liquidity Provider delivers a No Issuance Notice pursuant to the provisions of the Liquidity Agreement, upon receipt of such notice, the Issuing and Paying Agent must cease authenticating Notes unless and until such No-Issuance Notice is rescinded by the Liquidity Provider in writing. Such No-Issuance Notice in and of itself will not render the liquidity facility ineffective with respect to Notes outstanding prior to the issuance of such No-Issuance Notice. The Liquidity Provider is not required to provide funds under the Liquidity Agreement with respect to Notes issued in violation of a No-Issuance Notice. However, no default under the Liquidity Agreement or any other document relating to the Notes will eliminate the obligation of the State to pay the Notes when they mature.

Notice of Liquidity Substitution (Rule 2a-7 Compliance)...The Issuing and Paying Agent shall give notice at least thirty (30) Business Days prior to the provision of any liquidity or credit facility acquired by the Authority as security or payment support for the Notes, or of a change in the identity of any provider of such liquidity or credit facility, to each registered Owner of the Notes at the registered address.

Book-Entry-Only System

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and accredited by The Depository Trust Company ("DTC") while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by sources the Authority, Dealer, and Financial Advisor believe to be reliable, but the Authority, Dealer, and Financial Advisor take no responsibility for the accuracy thereof.

The Authority, the Dealer, and the Financial Advisor cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of the Notes in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Authority or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

Effect of Termination of Book-Entry-Only System...In the event that the Book-Entry-Only System is discontinued, printed Note certificates will be issued to the holders and the Notes will be subject to transfer, exchange and registration provisions as set forth in the Resolution.

Use of Certain Terms in Other Sections of this Offering Memorandum...In reading this Offering Memorandum it should be understood that while the Notes are in the Book-Entry-Only System, references in other sections of this Offering Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Notes, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Authority, threatened) that affects the obligation of the Authority to deliver the Notes or the validity of the Notes.

The State is a party to various legal proceedings relating to its operation and government functions, but unrelated to the Notes or the security for the Notes. See Appendix A.

TAX MATTERS

Fulbright & Jaworski L.L.P., Dallas, Texas, Bond Counsel to the Authority ("Bond Counsel"), will render an opinion that the substitution of the Liquidity Agreement for the prior liquidity facility will not in and of itself adversely affect the federal tax treatment of the Notes.

In the opinion of Winstead Sechrest & Minick P.C., ("Prior Counsel") issued in connection with the original issuance of the Notes, interest on the Notes is (1) excludable under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), from gross income of the owners thereof for federal income tax purposes and (2) is not includable in the alternative minimum taxable income of individuals or corporations, except as described below.

The foregoing opinions of Prior Counsel are based on the Code and the regulations, rulings and court decisions thereunder in existence on the date of the initial delivery of the Notes. Such authorities are subject to change and any such change could prospectively or retroactively result in the inclusion of the interest on the Notes in gross income of the owners thereof or change the treatment of such interest for purposes of computing alternative minimum taxable income.

In rendering its opinion, Prior Counsel has assumed continuing compliance by the Authority with certain covenants in the Note documents authorizing the issuance of the Notes (the "Note Documents") and has relied on representations by the Authority with respect to matters solely within the knowledge of the Authority, which Prior Counsel has not independently verified. The covenants and representations relate to, among other things, the use of Note proceeds and any facilities financed therewith, the source of repayment of the Notes, the investment of Note proceeds and certain other amounts prior to expenditure, and requirements that excess arbitrage earned on the investment of Note proceeds and certain other amounts be paid periodically to the United States and that the Authority file an information report with the Internal Revenue Service (the "Service"). If the Authority should fail to comply with the covenants in the Note Documents, or if its representations relating to the Notes that are contained in the Note Documents should be determined to be inaccurate or incomplete, interest on the Notes could become taxable from the date of delivery of the Notes, regardless of the date on which the event causing such taxability occurs.

Interest on all tax-exempt obligations, such as the Notes, owned by a corporation (other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC) or a financial asset securitization investment trust (FASIT)) will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed.

Except as stated in the first paragraph of this section, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt or accrual of interest on, or acquisition or disposition of the Notes.

Neither Prior Counsel is nor Bond Counsel's opinions are a guarantee of a result, but represent their respective legal judgment based upon their respective review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Authority described above. No ruling has been sought from the Service with respect to the matters addressed in the opinions of Prior Counsel, Bond Counsel or the Authority, and Prior Counsel and Bond Counsel's respective opinions are not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Notes is commenced, under current procedures the Service is likely to treat the Authority as the "taxpayer," and the owners of the Notes may have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the Authority may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

Under the Code, taxpayers are required to provide information on their returns regarding the amount of tax-exempt interest, such as interest on the Notes, received or accrued during the year.

Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations, such as the Notes, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. Such prospective purchasers should consult their tax advisors as to the consequences of investing in the Notes.

Prior Counsel's opinion is based on existing law on the date of the initial delivery of the Notes. Such opinion is further based on Prior Counsel's knowledge of facts as of the date of such opinions. Prior Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Prior Counsel's attention or to reflect any changes in law that may thereafter occur or become effective.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Notes from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed or future changes in tax law.

FINANCIAL AND OTHER INFORMATION

Continuing Disclosure - Disclosure Event Notices

The offering and issuance of the Notes is exempt from Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") pursuant to Section (d)(1)(ii) thereof. Therefore, the Authority has not entered into a continuing disclosure undertaking in connection with the issuance of the Notes. The Authority has, however, previously entered into continuing disclosure undertakings pursuant to the Rule in connection with its issuance of other obligations.

Ratings

The following are the ratings assigned to the Authority's Lease revenue commercial paper program, including the Notes.

	Commercial Paper Notes
Moody's Investors Service	P-1
Standard & Poor's Ratings Services	A-1+
Fitch Ratings	F1+

An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations, and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any one or more of such rating companies if, in the judgment of any one or more of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Notes.

General Information Regarding the State of Texas

The information concerning the Authority and the State contained in this Offering Memorandum does not purport to cover all aspects of the Authority's and the State's operations and financial position. During the period of the offering of the Notes, reference is made to the Authority's most recent Official Statement for its general obligation bonds and the most recent audited financial statements and information concerning the financial condition of State government provided by the Comptroller, annually updated financial information and operating data provided by the Comptroller, and the quarterly updated disclosure appendix (the "Bond Appendix") used in State agency offerings. The foregoing information, other than the Bond Appendix, is available, without charge, from the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org. The Authority's most recent Official Statement is available on EMMA by using the muni search function and entering the term "Texas Public Finance Authority" under "Issuer Name" and "General Obligation Bonds" under "Issue Description". The Bond Appendix can be obtained via the Worldwide Web through a download at: www.window.state.tx.us/treasops/bondapp.html.

The Bond Appendix sets forth certain information regarding the State including its government, finances, economic profile and other matters for use by State entities when issuing debt. The most recent Bond Appendix is dated November 2012. Information about State government may also be obtained by contacting the Comptroller's BBS Window on State Government via the Internet at www.cpa.state.tx.us or at www.window.state.tx.us. The Comptroller has no obligation to prepare or file the Bond Appendix in connection with the Notes.

In addition, the Comptroller currently publishes *Fiscal Notes*, a monthly publication, which includes key economic indicators for the State's economy, as well as monthly statements of cash condition, revenues and expenses for State Government on a combined basis. Noteholders may subscribe to *Fiscal Notes* by writing to *Fiscal Notes*, Comptroller of Public Accounts, P.O. Box 13528, Austin, Texas 78711-3528. Information about State government may also be obtained by contacting the

Comptroller's *BBS Window on State Government* via the Internet at window.cpa.state.tx.us or via Worldwide Web at www.window.state.tx.us or by calling 1-800-227-8392. Upon request, the Dealer will be pleased to provide further information concerning the Authority or the State.

Miscellaneous

The foregoing information has been obtained from published sources or has been furnished by the Authority. The Dealer does not warrant the accuracy or completeness of this information. This memorandum should be considered in conjunction with Appendix A, and further financial information concerning the Authority and the State is available on request.

APPENDIX A

STATE INFORMATION

The Comptroller has filed with the MSRB the Appendix A for the State dated November 2012. The Appendix A is hereby incorporated by reference and made a part of this Offering Memorandum. Appendix A can be obtained via the Worldwide Web through a download at: www.window.state.tx.us/treasops/bondapp.html until the Comptroller posts a later version of such Appendix A.

APPENDIX B

ORIGINAL LEGAL OPINION

WINSTEAD

January 8, 2003

Texas Public Finance Authority Tax-Exempt Commercial Paper Revenue Notes, Series 2003

WE HAVE ACTED AS BOND COUNSEL for the Texas Public Finance Authority (the "Authority") in connection with the authorization and issuance of the Authority's Tax-Exempt Commercial Paper Revenue Notes, Series 2003 (the "Notes") in an amount not to exceed at any time outstanding $150,000,000 in aggregate principal amount, although the Authority may issue up to $300,000,000 in principal amount outstanding at any time if it takes supplemental action and increases the liquidity support. The Notes are as further described in that certain resolution authorizing the issuance of the Notes adopted on November 19, 2002 (the "Resolution"). Capitalized terms used herein and not otherwise defined have the meaning assigned to them in the Resolution.

WE HAVE ACTED AS BOND COUNSEL for the sole purpose of rendering an opinion with respect to the legality and validity of the Notes under the Constitution and laws of the State of Texas. We have not investigated or verified original proceedings, records, data, or other material, but have relied solely upon the transcript of certified proceedings described below. We have not assumed any responsibility with respect to the financial condition or capabilities of the Authority or the disclosure thereof in connection with any sale of the Notes.

PURSUANT TO THE PROVISIONS OF THE RESOLUTION, the proceeds of the Notes are to be used to provide money for the acquisition or refinancing of eligible projects for use by various agencies and institutions of the State of Texas (the "State Agencies") and to refinance, renew, or refund the Notes, all in accordance with the provisions of Chapters 1232 and 1371, Texas Government Code, as amended.

IN OUR CAPACITY AS BOND COUNSEL, we have examined the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Authority pertaining to the Notes, including the Resolution, customary certificates of officers and representatives of the Authority, the Liquidity Provider, the Issuing and Paying Agent, the Dealer, other pertinent instruments relating to the authorization of the Notes and the security for the payment thereof, including the Liquidity Agreement, the Issuing and Paying Agency Agreement, the Funds Management Agreement, and the Dealer Agreement, and such other materials and matters of law we deemed relevant. We have also examined the opinion of the Attorney General of the State of Texas with respect to the Resolution, the Liquidity Agreement, the Issuing and Paying Agency Agreement, the Funds Management Agreement, and the Dealer Agreement.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that:

(1) the transcript of certified proceedings evidences complete legal authority for the adoption of the Resolution and the issuance and sale of the Notes from time to time by the Authority thereunder in full compliance with the Constitution and laws of the State of Texas presently in effect;

(2) upon due execution, authentication, issuance, and delivery in compliance with the terms of the Resolution, the Notes will constitute legal, valid, and binding special obligations of the State of Texas, except as enforceability thereof may be limited by bankruptcy, insolvency,

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reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted for the relief of debtors generally, or the discretion of courts in the granting of equitable relief; and

(a) upon due execution, authentication, issuance, and delivery in compliance with the terms of the Resolution, the Notes will constitute special revenue obligations of the Authority, payable exclusively from Pledged Security, including Rent Payments made by the State Agencies participating in the Authority's Master Lease Purchase Program and pledged to the Comptroller as security for the Authority's obligations under the Liquidity Agreement and to the Note Owners as security for the Notes, from time to time. Rent Payments are payable solely from appropriations made by the Legislature. The Legislature is not required to make appropriations for Rent Payments. The Notes are not a debt, a pledge of the faith and credit, or secured by the taxing power of the State or any agency, political corporation, or political subdivision thereof.

IT IS OUR FURTHER OPINION that, under existing law:

(1) interest on the Notes is excludable from the gross income of Note Owners for federal income tax purposes; and

(2) interest on the Notes is not subject to the alternative minimum tax on individuals and corporations, except that interest on the Notes will be included in the "adjusted current earnings" of a corporation (other than any S corporation, regulated investment company, REIT, REMIC or FASIT) for purposes of computing its alternative minimum tax liability.

IN PROVIDING SUCH OPINIONS, we have relied on representations of the Authority with respect to matters solely within the Authority's knowledge, which we have not independently verified, and have assumed continuing compliance by the Authority with its covenants in the Resolution regarding the exclusion from gross income of interest on the Notes for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete, or the Authority fails to comply with its covenants in the Resolution, interest on the Notes could become includable in gross income retroactively from the issuance date of the Notes, regardless of the date on which the event causing such inclusion occurs.

EXCEPT AS STATED ABOVE, we express no opinion regarding any federal, state, or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership, or disposition of, the Notes.

OWNERS OF THE NOTES SHOULD BE AWARE that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, United States branches of foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. Prospective purchasers should consult their tax advisors regarding the applicability of these and other collateral tax consequences. Bond Counsel expresses no opinion regarding any collateral tax consequences.

OUR OPINIONS SET FORTH ABOVE are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention, or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the

"Service"); rather, such opinions represent our legal judgment based upon our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Notes. If such an audit is commenced, under current procedures, the Service would treat the Authority as the taxpayer, and Note Owners would have no right to participate in the audit process. In this regard, purchasers are advised that in responding to or defending an audit with respect to the Notes, the Authority might have different or conflicting interests from those of the Note Owners. We observe that the Authority has covenanted in the Resolution not to take any action (or omit to take any action), that if taken or omitted, respectively, might result in the treatment of interest on the Notes as includable in gross income for federal income tax purposes.

THIS OPINION MAY BE RELIED ON BY THE NOTE OWNERS, but only to the extent that: (i) no change occurs in existing regulations, Internal Revenue Service ruling positions or procedures, or law that may adversely affect the validity of the Notes or the exclusion of interest thereon from the gross income of Note Owners for federal tax purposes, (ii) the Resolution, the Federal Tax Certificate, the Liquidity Agreement, the Issuing and Paying Agency Agreement, the Funds Management Agreement, the Leases, and the Dealer Agreement, in their respective forms on the date hereof, remain in full force and effect, and Notes issued after the date hereof are issued in accordance with the provisions of the Resolution and the Issuing and Paying Agency Agreement, (iii) the representations, warranties, covenants, and agreements of the parties contained in the Resolution, the Federal Tax Certificate, the Liquidity Agreement, the Issuing and Paying Agency Agreement, the Funds Management Agreement, the Leases, the Dealer Agreement, and certain certificates dated the date hereof and delivered by authorized officers of the Authority remain true and accurate and have been complied with in all material respects, (iv) the Authority has not delivered an opinion of this firm of more recent date with respect to the matters referenced herein, and (v) this opinion has not been expressly withdrawn as evidenced by a letter to the Authority.

Respectfully submitted,

Winstead Sechrest & Minick P.C.

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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December 4, 2012

Texas Public Finance Authority
300 W. 15th Street, Suite 411
Austin, Texas 78701

Texas Comptroller of Public Accounts
c/o Texas Treasury Safekeeping Trust Company
208 East 10th Street, 4th Floor
Austin, Texas 78701

Re: Substitute Liquidity Agreement for "Texas Public Finance Authority Tax-Exempt Commercial Paper Revenue Notes, Series 2003" (the "Notes")

Ladies and Gentlemen:

This opinion is rendered at the request of the Texas Public Finance Authority (the "Authority") pursuant to Section 5.A.(iv) of the Liquidity Agreement, dated as of December 4, 2012 (the "Liquidity Agreement"), between the Authority and the Texas Comptroller of Public Accounts (the "Liquidity Provider") and Section 6.02(e) of the resolution of the Board of Directors of the Authority (the "Board") adopted on November 19, 2002 (the "Resolution") authorizing the Notes. The written resolution of the Board adopted on November 6, 2012 (the "Amending Resolution"), authorized, among other things, (a) the execution and delivery of the Liquidity Agreement and (b) the execution and delivery of the Second Amendment to Issuing and Paying Agency Agreement, dated as of December 4, 2012 (the "Issuing and Paying Agency Amendment"), between the Authority and U.S. Bank National Association. The Liquidity Agreement and the Issuing and Paying Agency Amendment are herein jointly referred to as the "Issuer Agreements."

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments, and we have conducted such other investigation of fact and law as we have found necessary or advisable for the purpose of this opinion.

We have assumed the due adoption of the Resolution and the Amending Resolution by the Board and the due authorization, execution and delivery of the Issuer Agreements by all parties thereto and that all such instruments constitute legal, valid and binding obligations of such parties, enforceable against such parties in accordance with their respective terms. We have assumed the genuineness of all signatures, the authenticity of all documents, records, instruments and certificates examined, and the conformity to the original of all such documents, records,

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instruments and certificates submitted to us as copies, and the accuracy of all statements of fact contained therein, as to which we have made no independent investigation other than solely as is specified herein.

Based upon the foregoing and subject to the qualifications, limitations and assumptions set forth herein, we are of the opinion that the execution and delivery of the Liquidity Agreement and the amendments to the Resolution contained in the Amending Resolution will not, in and of themselves, adversely affect the excludability of interest on any Note from the gross income of the owner thereof for federal income tax purposes.

The opinion expressed herein is subject to the following qualifications, limitations and assumptions:

A. In rendering the opinion set forth above, we have made no investigation of, and consequently express no opinion with respect to, the qualification of the Notes as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), or the present status of the interest on the Notes under section 103 of the Code, or (except for the matters specifically addressed above) any other federal tax matter.

B. The foregoing opinion is limited solely to the currently existing applicable federal law. We express no opinion as to the applicability of the laws of any other particular jurisdiction to the transactions described in this opinion.

C. In rendering the foregoing opinion, we have made no independent investigation as to the existence of any facts reflected in the factual assumptions we have made as described hereinabove, nor have we made any investigation as to the accuracy or completeness of any representations, warranties, data or other information, whether written or oral, that may have been made by, or on behalf of, the Authority or any director or officer of the Authority in certificates or otherwise, and we assume, in rendering such opinion, that none of such information, if any, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

D. This opinion is limited to the specific opinion expressly stated herein, and no other opinion is to be implied or may be inferred beyond the specific opinion expressly stated herein. Without limiting the foregoing, in rendering the opinion expressed herein, we express no opinion regarding the applicability or effect of, or compliance with, any federal and state securities laws and regulations or federal and state tax laws and regulations (except as specifically addressed above).

E. Our opinion is based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinion to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinion is not a guarantee of result and is not binding on the Internal Revenue Service; rather, such opinion represents our legal judgment based upon our review of existing law that we deem relevant to such opinion and in reliance upon the representations and covenants referenced above.

This opinion is intended solely for your benefit and is not to be quoted in whole or in part, disclosed, made available to, or relied upon by any other person, firm or entity without our express prior written consent.

Very truly yours,