

REQUEST FOR PROPOSAL ("RFP")
FOR
MANAGING UNDERWRITERS
FOR
OKLAHOMA HOUSING FINANCE AGENCY'S
2023 SINGLE FAMILY MORTGAGE PROGRAM

ISSUED BY:
OKLAHOMA HOUSING FINANCE AGENCY

March 14, 2023

Proposals must be submitted no later than 4:30 PM, CDT

April 12, 2023

LATE PROPOSALS WILL BE REJECTED

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1. GENERAL INFORMATION

1.1 Introduction and Background

Oklahoma Housing Finance Agency ("OHFA") intends to select "service providers" relating to the financing of OHFA's 2023 Single Family Programs (collectively, the "OHFA 2023 SF Program") in accordance with the requirements of the Council of Bond Oversight ("The Council") and Reform Act, 62 O.S. 695 (1991) (hereinafter referred to as "H.B. 1444"). This selection procedure applies to underwriters, bond counsel, trustee banks, financial advisor, cash flow verifier, financial printers, and master servicer, as required by H.B. 1444.

H.B. 1444 imposes certain limitations or requirements on OHFA relating to the incurring or issuance of debt, including policies and procedures regarding the selection of service providers to assist in the process of structuring and executing securities transactions. Under H.B. 1444, OHFA may select service providers using either of two approaches:

- (1) Single Project. Under this approach, servicer providers are selected to structure and execute a specific transaction (a "Single Project"), with their term of service being equal to the time required to complete the transaction.
- (2) Single Program. Under this approach, service providers are selected to structure two or more Single Projects which are related under a single "program".

Service providers selected under this Request for Proposal (RFP) will be retained to provide services under the "Single Program" approach, for the OHFA 2023 SF Program.

In May 1994, OHFA adopted a new "open" master bond indenture relating to its Homeownership Loan Program. To date, the following transactions have been completed under this new indenture:

The 1994 Master Indenture. Pursuant to the Indenture of Trust, dated as of May 1, 1994, and various supplements thereto (the "1994 Master Indenture"), the Agency previously issued several series of single family mortgage revenue bonds (the "1994 Master Indenture Bonds"). All such Series of 1994 Master Indenture Bonds constitute Senior Bonds (as defined in the 1994 Master Indenture), and none of such 1994 Master Indenture Bonds constitutes Subordinate Bonds (as defined in the 1994 Master Indenture). Certain of such Series of 1994 Master Indenture Bonds were initially issued as convertible option bonds, subsequently remarketed with Permanent Interest Rates, and the remainder were initially issued as long-term fixed interest rate bonds. The proceeds of such 1994 Master Indenture Bonds were applied to finance and refinance Guaranteed Mortgage Securities backed by Mortgage Loans originated under the Agency's Homeownership Loan Program (the "Program").

The 1994 Master Indenture Bonds issued and remaining outstanding under the 1994 Master Indenture are set forth below:

1994 Master Indenture Summary of Single Family Mortgage Revenue Bonds Outstanding

Bond Series	Principal Amount of Bonds Issued	Interest Rate Ranges	Maturities	Bonds Outstanding as of 3-31-2023
2013C	25,143,342	3.75%	3/1/44	6,583,741
2013D	31,150,654	3.35%	9/1/35	4,868,562
Total	<u>\$ 56,293,996</u>			<u>\$ 11,452,303</u>

The Agency does not presently intend to issue additional Series of 1994 Master Indenture Bonds pursuant to the 1994 Master Indenture. Bonds to finance the Program or to refinance the 1994

Master Indenture Bonds or other bonds which financed the Program are expected to be issued pursuant to the hereinafter-described 2018 General Indenture.

The 2009 Master Indenture. Pursuant to the Indenture of Trust, dated as of December 1, 2009, and various supplements thereto (the “2009 Master Indenture”), the Agency previously issued several series of single family mortgage revenue bonds (the “2009 Master Indenture Bonds”). The Agency entered into the 2009 Master Indenture in connection with the Single Family New Issue Bond Program (“NIBP”) of the United States Department of the Treasury, Fannie Mae and Freddie Mac. All such Series of 2009 Master Indenture Bonds constitute Senior Bonds (as defined in the 2009 Master Indenture), and none of such 2009 Master Indenture Bonds constitutes Subordinate Bonds (as defined in the 2009 Master Indenture). The proceeds of such 2009 Master Indenture Bonds were applied to finance and refinance Guaranteed Mortgage Securities backed by Mortgage Loans originated under the Program.

On December 30, 2009, the Agency issued its Single Family Mortgage Revenue Bonds (Homeownership Loan Program) 2009 Series C Bonds in the original aggregate principal amount of \$150,000,000 (the “2009C Bonds”) under the 2009 Master Indenture as supplemented by a series supplement dated as of December 1, 2009. The Agency released and converted the entire \$150,000,000 principal amount of the 2009C Bonds under the NIBP. All proceeds of the released and converted 2009C Bonds have been fully expended for the acquisition of Guaranteed Mortgage Securities backed by Mortgage Loans under the Agency’s Program.

The 2009 Master Indenture Bonds issued and remaining outstanding under the 2009 Master Indenture are set forth below:

**2009C Master Indenture
Summary of Single Family Mortgage Revenue Bonds Outstanding**

Bond Series	Principal Amount of Bonds Issued	Interest Rate Ranges	Maturities	Bonds Outstanding as of 3-31-2023
2009C-4	42,000,000	2.89%	3/1/41	12,095,000
2012A	63,500,000	5.00%	9/1/27	10,285,000
Total	\$ 105,500,000			\$ 22,380,000

The 2018 General Indenture. Pursuant to the General Indenture of Trust, dated as of October 1, 2018, and one supplement thereto (the “2018 General Indenture”), the Agency has issued six series of single family mortgage revenue bonds (the “2018 General Indenture Bonds”). None of the 2018 General Indenture Bonds constitutes Subordinate Bonds (as defined in the 2018 General Indenture). The proceeds of the 2018 General Indenture Bonds were applied to finance and refinance Guaranteed Mortgage Securities backed by Mortgage Loans originated under the Program. The Agency presently intends to issue additional Series of 2018 General Indenture Bonds pursuant to the 2018 General Indenture to finance and refinance the Program.

**2018 General Indenture
Summary of Single Family Mortgage Revenue Bonds Outstanding**

Bond Series	Principal		Interest Rate Ranges		Maturities		Bonds Outstanding as of 3-31-2023
	Bonds Issued	Amount of					
2018A	44,310,000		2.50%	4.75%	9/1/23	9/1/48	17,210,000
2019A	66,755,000		2.00%	5.00%	9/1/23	9/1/49	32,845,000
2020A	50,000,000		1.50%	4.00%	9/1/23	3/1/50	31,705,000
2020B	30,000,000		0.35%	3.25%	9/1/23	9/1/50	24,630,000
2022A	40,000,000		1.80%	5.00%	9/1/23	3/1/52	39,480,000
2022B	50,000,000		3.10%	6.25%	9/1/23	9/1/53	50,000,000
Total	<u>\$ 281,065,000</u>						<u>\$ 195,870,000</u>

The firms selected under this RFP to serve as Managing Underwriter for the OHFA 2023 SF Program may be requested to assist in the structuring and implementation of the transactions described in Section 4.2.

1.2 Service Provider Sought to Provide Bond Underwriting Services

The purpose of this RFP is to obtain proposals from qualified proposers to serve as the Managing Underwriter, or as a member of a team of Managing Underwriters, for one or more transactions involving the issuance of bonds relating to the OHFA 2023 SF Program for the term designated herein.

In connection with any negotiated public sale of bonds, OHFA reserves the right to (but is not required to) authorize or direct the Senior Manager to form a "Selling Group" to assist in the sale of the bonds. The Selling Group may include underwriting firms designated at the discretion of OHFA, the State Deputy Treasurer for Debt Management, or the Senior Manager, with the approval of the Trustees of OHFA or their duly authorized representative, without regard as to whether such designated firms will have responded to this RFP.

In connection with a private placement of bonds, OHFA reserves the right to (but is not required to) designate one of the Managing Underwriters as the Placement Agent to assist in negotiating the interest rates and other terms of the bonds being privately placed. Such designation, if any, will be treated as a turn in the rotation process among the Managing Underwriters.

In connection with the public sale of bonds via competitive bid, none of the Managing Underwriters will be retained to assist in the structuring and execution of the bond issue. Accordingly, under those circumstances, the Managing Underwriters shall be free to form or join a bidding syndicate of their choice in order to potentially participate in the underwriting, distribution and sale of the bonds in their capacity as members of the bidding syndicate to which the bonds are awarded.

1.3 Procuring and Contracting Agency

OHFA is a public trust and agency of the State of Oklahoma created and established under the terms and provisions of Title 60, Oklahoma Statutes commonly known as the Public Trust Act, and hereinafter referred to as the " Act"), and duly organized under its Trust Indenture and the State of Oklahoma is its sole beneficiary.

1.4 OHFA Reservation of Rights

OHFA reserves the right to:

- (1) Cancel this solicitation;

- (2) Reject any and all proposals;
- (3) Request an oral interview with, and/or additional information from, proposers prior to final selection;
- (4) Select for negotiations those proposers which, in its judgment, will best meet OHFA's needs;
- (5) Negotiate an agreement that, subject to the approval of the State Deputy Treasurer for Debt Management, covers selected parts of a proposal, or an agreement that may be interrupted for a period, or terminated, or be expanded depending on the financing strategies determined from time to time by OHFA.; and
- (6) End the term of service of a service provider prior to the latest authorized termination date established under the engagement agreement.

1.5 Clarification of the Specifications and Requirements

If additional information is needed regarding OHFA, RFP specifications, or the RFP process, written questions will be accepted by:

Valentia Doolin, Director, Homeownership Programs
 Oklahoma Housing Finance Agency
 Phone:(405) 419-8156
 E-Mail:valentia.doolin@ohfa.org

Written questions must be submitted by email on or before 4:30 p.m. CDT on March 15, 2023. Written responses to questions, together with the questions posed (without identifying the firm(s) which submitted the questions), will be sent by email to all Registered Proposers to this RFP.

1.6 Timetable

Request for Proposal Issued	3/14/2023
Deadline for Receipt of Written Questions	4:30 PM CDT 3/20/2023
Answers Provided to all Proposers	3/22/2023
Deadline for Receipt of Proposals	4:30 PM CDT 4/12/2023
Virtual Oral Presentations for Top 5 Proposals	4/17 to 4/20/2023
OHFA Board Meeting (to consider recommendations from staff)	5/10/2023

It is expected the OHFA Board, at its May 10, 2023 meeting, will receive recommendations from staff and choose the Managing Underwriter or team of Managing Underwriters; or in the alternative, choose a short list of proposers to be invited to make oral presentations at a subsequent meeting of the OHFA Board.

1.7 Contract Term

The term of the engagement shall be from June 29, 2023 to June 28, 2024, provided the term shall be automatically extended to cover the delivery of any bond issue for which a Specific Authorizing Resolution has been approved by the OHFA Board prior to June 28, 2024. Similarly, the engagement would not include a bond issue for which a Specific Authorizing Resolution has been entered into prior to June 29, 2023. The term of engagement will commence with the first bond issue after May 2023 award and will continue for one year from this first issue. For these purposes a Specific Authorizing Resolution is defined as a resolution granting final approval of the issuance of a bond issue which might or might not include a waiver of competitive bidding, but which is not required to have specific terms of the bond issue included in the resolution other than caps of the size, maturities, interest rate and underwriters' compensation relating to such issue.

2. PREPARING AND SUBMITTING A PROPOSAL

2.1 General Instructions

The evaluation and selection of proposers, and the agreement with the Managing Underwriters, will be based on the information submitted in the proposals plus information provided by references and any oral presentations. Proposers should respond clearly and completely to all requirements. Failure to respond clearly and completely may be the basis for rejecting a proposal. Elaborate proposals (e.g. expensive artwork) beyond that sufficient to present a complete and effective proposal are not necessary or desired.

2.2 Incurring Costs

OHFA is not liable for any cost incurred by proposers in replying to this RFP.

2.3 Submitting the Proposal

The proposal must be sent to the OHFA Post Office box, first class, by US Postal service.

Submissions shall be marked with the following information:

- Proposer(s) name and address
- Request for Proposal title
- Proposal due date

The proposal package containing one (1) hard copy must be mailed by USPS to:

Attention: Valenthia Doolin, Director Homeownership Programs
Oklahoma Housing Finance Agency
P.O. Box 26720
Oklahoma City, OK 73126-0720

All proposals must be received via email by OHFA no later than 4:30 PM, CDT April 10, 2023. Proposers must allow sufficient time for delivery of their proposals by the time specified. Proposals which are not received on time will not be accepted or considered. Proposals will only be accepted via US mail.

2.4 Proposal Organization and Format

2.4.1 General

Proposers must submit one email with attached proposal. Proposals must be organized with the headings listed in Section 2.4.3, below. Each heading should be separated by tabs or otherwise clearly marked.

2.4.2 Cover Letter

The cover letter must identify the services contract applied for and the application date and must be signed by the person designated as having responsibility for the service contract.

2.4.3 Table of Contents

Immediately following the cover letter, a table of contents is required which identifies the beginning page of each section of the proposal. The following sections must be included in the Table of Contents:

- A. Capital Strength
- B. Single Family MRB Experience
- C. Staffing
- D. Floating Rate Bonds and Interest Rate Swaps
- E. Fees and Expenses
- F. Litigation, Investigations and Regulatory Proceedings
- G. Underwriter Counsel
- H. Professional Liability Insurance Coverage
- I. Compliance with Expense Guidelines and Code of Ethics

2.4.4 Responses

Proposals must respond, in sequence, to the questions included in Section 4.3, below. **THE RESPONSE TO EACH QUESTION MUST BE LIMITED TO NO MORE THAN TWO PAGES, WITH THE APPLICABLE QUESTION (OR A SUMMARY THEREOF) RESTATED AT THE TOP OF THE FIRST PAGE OF EACH RESPONSE.** The submission of pre-printed materials and materials or information unrelated to these questions is discouraged.

Proposals must be complete and self-contained. OHFA will not refer to information provided by proposers in any prior proposals or other materials provided to OHFA by other means.

2.5 Oral Interviews

The top 5 (five) proposers will be required to make oral presentations in the virtual "Zoom" format. These presentations will be held subsequent to the receipt of the proposal to provide an opportunity for the proposer(s) to prepare responses to questions regarding the proposal. OHFA will schedule a time and location for each oral presentation. Failure to honor the request for oral presentations will result in the rejection of the proposal. To the extent that your firm is selected for an interview, key individuals from the investment banking team and the underwriting desk should be in attendance.

3. PROPOSAL SELECTION AND AWARD PROCESS

3.1 Review of Mandatory Requirements

The proposals will first be reviewed to determine if mandatory requirements are met. Failure to meet mandatory requirements will result in the proposal being rejected.

3.2 Scoring of Proposals

All proposals submitted and accepted will be reviewed by staff and scored against the stated criteria referred to below and set out in Appendix V hereto. The staff may review and contact references by telephone and use their evaluation of the responses received from such references in scoring the proposals. The staff's scoring will be tabulated, and proposals ranked based on the numerical scores received in order to present to the Board a "short list" of recommended proposers.

3.3 Award and Final Offers

Final selection of the successful proposers will be at the discretion of the Trustees, subject to the limitations of Oklahoma Law. Trustees are not required to select proposers based solely on the relative numerical score assigned to their proposal by OHFA staff and may independently make their

own evaluations of each of the proposals, and may take into consideration such other or additional factors as they, in their discretion, may deem to be relevant to their selections.

3.4 Right to Reject Proposals and Negotiate Contract Terms

OHFA reserves the right to reject any and all proposals, and to negotiate the terms of the agreement with selected proposers prior to entering into an agreement. If negotiations cannot be concluded successfully with any selected proposer, OHFA may negotiate an agreement with one or more of the alternate proposers(s) designated by the Trustees. All fees and expense allowances for each bond issue to be paid and/or reimbursed to the firm or firms chosen to serve as underwriter(s) for the 2023 Single Family Program, are subject to further negotiation and approval by the State Deputy Treasurer for Debt Management contemporaneously with the closing of each bond issue originated within the applicable term of the engagement.

3.5 Evaluation Criteria

Evaluation criteria are:

- A. Capital Strength
- B. Single Family MRB Experience
- C. Staffing
- D. Fees and Expenses
- E. Oral Presentations for Top 5

3.6 Notification of Award

Each proposer will receive written notice identifying the firms to which OHFA intends to award the contract, subject to approval by the Deputy Treasurer for Debt Management.

4. GENERAL PROPOSAL REQUIREMENTS

4.1 Introduction and Background

This RFP provides the information necessary for proposers to prepare and submit proposals to provide the services of Managing Underwriter necessary to assist OHFA in implementing the 2023 Single Family Programs.

4.2 Scope of Services

This RFP applies to those firms wishing to serve as a Managing Underwriter for the issuance and/or remarketing of bonds issued by OHFA under the 2023 Single Family Program.

4.2.1 Description of Potential Transactions

The Managing Underwriters will be expected to assist in the structuring and implementation of any of the following potential transactions to the extent such transactions are implemented via negotiated public sale.

- (1) Multiple bond issuances aggregating from \$75 million to \$200 million issued under the Homeownership Loan Program master trust indenture, and potentially consisting of a blend of tax exempt and taxable bonds initially issued in fixed rate or floating rate mode.

Subject to approval by the Trustees, the Managing Underwriters may be required to assist in the structuring and implementation of any additional transactions which occur within their term of service, and which are designated as a part of the OHFA 2023 Single Family Program.

4.2.2 Scope of Services as Senior Manager

The scope of services to be rendered to OHFA by the Senior Manager in connection with any one or more transactions providing for the issuance of bonds via negotiated public sale under the OHFA 2023 Single Family Programs will include, but not necessarily be limited to, the following:

- (1) Assist in the development of the overall bond financing strategy relating to the proposed sequence of transactions.
- (2) Provide information regarding current or forecasted conditions in the municipal bond market and in the taxable fixed income securities markets.
- (3) Make recommendations regarding the timing and method of sale for each proposed transaction.
- (4) Work with the OHFA bond financing team to refine the structure of each transaction.
- (5) Review and comment on the bond trust indenture, program agreements, and other legal documents associated with each transaction.
- (6) Upon request, make all arrangements with financial printers for printing and mailing of the preliminary and final official statements.
- (7) Assist in obtaining any bond insurance commitment or other form of credit enhancement to secure the bonds to be issued in each transaction.
- (8) Assume primary responsibility for all activities associated with the underwriting, sale and distribution of the bonds, (including, as appropriate, the formation of a Selling Group) to be issued in each transaction.
- (9) Upon request of OHFA, prepare for each transaction (i) computer cash flow analyses relating to the structuring of new issues for submission to the rating services or to the bond credit enhancer, and/or (ii) bond/mortgage yield calculations required by Bond Counsel. (Note: these services may, at the discretion of OHFA, be provided for OHFA by its Financial Advisor or by another service provider.)
- (10) Assist OHFA and its advisors in the development and implementation of the bond proceeds reinvestment strategy for the 2023 Single Family Program.
- (11) Will cooperate and assist OHFA in responding to any subpoena or inquiry from any federal, state or local regulatory or enforcement agency or issued by a court of competent jurisdiction related to any Bond issuance wherein Underwriter has provided services.

If OHFA elects to issue any particular series of bonds via private placement, and if OHFA exercises its option to designate one of the Managing Underwriters as the Placement Agent for such transaction, that Managing Underwriter will be expected to assist in negotiating the interest rates and other terms of the issue with the purchaser of the bonds.

4.2.3 Scope of Services for Co-Managers

In connection with negotiated sale of bonds for which the Co-Managers participate as Managing Underwriters, the scope of services to be rendered to OHFA will include, but not necessarily be limited to, the following:

- (1) Review and comment on the proposed structure, timing, and method of sale of the bonds.

- (2) Provide recommendations to OHFA, to the Financial Advisor and to the Senior Manager regarding the deal-specific strategy for pricing, marketing, and distributing the bonds.
- (3) Review and comment on the near-final drafts of the related bond trust indenture, program agreements, and official statement.
- (4) Review and comment on the proposed bond proceeds reinvestment strategy.
- (5) Utilize the institutional and retail sales capacity of the firm to assist in implementing the marketing and distribution strategy for the bonds, particularly to enhance the in-state sale of bonds to retail investors

4.3 Mandatory Requirements

The proposal requirements stated in this RFP are mandatory. Failure by a proposer to respond to a specific requirement may be the basis for elimination from consideration during the competitive evaluation of proposals by OHFA.

By submitting a response to this Request for Proposals, the bidder certifies that it agrees, when it is applicable, to the following required by Oklahoma law effective as of November 1, 2022: If (a) a company has ten (10) or more full-time employees; and (b) this contract has a value of \$100,000 or more that is to be paid wholly or partly from public funds, the following certification shall apply; otherwise, this certification is not required. Pursuant to Title 74, Oklahoma Statutes Section 12005, the company hereby certifies and verifies that the company does not boycott energy companies and will not boycott energy companies during the term of the proposed contract and agrees to the inclusion of said representations in the final contract.

For purposes of this contract, the term “company” shall mean a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit. The term “boycott energy company” shall mean “without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (a) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil-fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law, or (b) does business with a company described by subparagraph a of this paragraph”. See Title 74, Oklahoma Statutes Section 12002(A).

The successful proposer may be required to provide evidence of financial capability sufficient for OHFA to be reasonably assured that adequate working capital and other financial resources will be available to such successful proposer for the duration of the proposed term of service. Financial capability may be demonstrated by audited financial statements and/or by evidencing coverage by general liability insurance, errors and omissions insurance, worker's compensation insurance and other forms of insurance as may be necessary to protect the interests of the OHFA and the proposer.

The successful proposer may be required to provide evidence of current compliance with any federal or state licensure requirements to provide the services requested.

4.3.1 Capital Strength

State the dollar amount of proposer's excess net capital as of the end of the most recent fiscal year for which audited financial statements are available. Provide a statement as to the willingness and ability (under applicable SEC/NASD/MSRB rules) of proposer to commit its capital to underwrite (as sole managing underwriter) issues of OHFA bonds up to \$75-200

million. (Alternatively, state the maximum OHFA issue size which proposer is willing/able to underwrite as sole manager, if such amount is less than \$75-200 million.

4.3.2 Single Family MRB Experience

Provide the following summary data with respect to negotiated public offerings or private placements of long term single family mortgage revenue bonds for which proposer served as "book-running" senior manager, co-manager or Placement Agent, for the period indicate.

YEAR	SENIOR MANAGER		CO-MANAGER		PRIVATE PLACEMENT	
	# of ISSUES	\$ VOLUME (Millions)	# of ISSUES	\$ VOLUME (Millions)	# of ISSUES	\$ VOLUME (Millions)
2022						
2021						
2020						
TOTAL						

4.3.3 Staffing

Include brief resumes of the senior and support staff of proposer who will be assigned to OHFA's account, if proposer is chosen. Clearly state the degree of involvement of each such person in the development and/or execution of single family MRB transactions **during the past three years**. Identify the primary contact person(s) in connection with this proposal (include name, address, phone number and e-mail address).

4.3.4 Experience and Resources

- a. List all state housing financing agency bond issues in which your firm served as senior "book running" managing underwriter during the past two years.
- b. Discuss your firm's experience in housing bond structuring and issuance including the number of directors and associates in your housing area.
- c. Discuss your firm's Housing Finance Division including its experience and ability to handle different types of bond financings, including but not limited to, tax-exempt, taxable, variable rate, fixed rate and pass through bonds. Discuss the risks and benefits of the different types of structures and what you would recommend in today's bond market.
- d. Discuss your firm's ability, experience, and limitations with respect to serving HFAs in the role of remarketing agent, liquidity provider, and swap provider. Discuss your firm's ability and willingness to provide these services to OHFA and the related fees your firm would propose. Include in your discussion your firm's experience with various forms of variable rate debt and the advantages and disadvantages of each type. Discuss your firm's ability and willingness to provide other forms of credit to OHFA and the related fees you would propose.
- e. Discuss your firm's role and experience in providing financial products to HFAs for purpose of recycling prepayments and preserving volume cap.
- f. Discuss your firm's institutional and retail bond sales capability. Provide examples of the competitive strengths that you would ascribe to your bond sales team. Discuss the difference in your firm's efforts and success selling bonds to individual (not professional)

retail investors if the role of your firm is book-running senior manager, co-senior manager or co-manager.

- g. List the amount of bonds from a primary market offering that were taken into inventory by the firm during calendar year 2022 when the firm served as senior “book running” managing underwriter. List the housing financing agency, series, amount and type of bond (i.e. serial, term, etc.).
- h. Provide a list of your state housing finance agency clients, noting whether you provide senior managing underwriter or co-managing underwriter services.
- i. If your firm is currently a senior manager, co-manager, or member of the Agency’s selling group, please describe specific contributions your firm has made to OHFA’s team since its appointment. If your firm is not currently a member of OHFA’s team, please describe specific contributions your firm has made during the past year for another HFA that issued single family bonds.
- j. Provide three state housing finance agency references that may be contacted during this RFP process.
- k. Detail your firm’s experience in structuring bonds that achieve the lowest cost of funds, the lowest cost of issuance, the least negative arbitrage and the maximum tax law spread.
- l. Discuss how your firm could be helpful to OHFA as it seeks to develop new programs for single family housing. Discuss any specific recommendations that you would propose for OHFA to consider.
- m. Discuss the outlook for housing bonds, including, but not limited to taxable, tax-exempt, PACs, premium bonds, and pass-through bond structures and the impact of issue size for each structure. Describe structures you would recommend OHFA utilize given your views of the current market and the limited availability of volume cap.
- n. How would your firm describe the “perfect” pricing in terms of subscription levels, mix between institutional, professional retail and individual retail orders, and the amount of bonds that are underwritten, including the level of adjustments, if any, to the scale.
- o. Describe your firm’s approach to premarketing and establishing the initial pricing wire. Discuss the factors that are involved in determining whether a transaction should initially be brought to market with a conservative scale versus an aggressive scale. Discuss your thoughts on presenting a scale based on your firm’s view of the market versus premarketing to investors to determine the initial scale.
- p. Discuss any strategies you might have to expand OHFA’s retail sales and institutional distribution. Include specific recommendations to enhance investor interest.
- q. Propose the syndicate procedures for the retail and institutional order periods, including order priorities and designation rules, that would be optimal for OHFA’s bond sales. Discuss your views on whether professional retail should be a separate priority from individual retail and whether or not professional retail should be subject to designation rules.
- r. Propose and justify how many senior and co-manager firms would be appropriate for OHFA’s syndicate, and the types of firms that should be included. Discuss your thoughts on the practice of elevating one or more selling group members to co-manager positions and moving an equivalent number of co-managers to the selling group based on retail sale performance by each firm during the issuer’s prior bond sale.

4.3.5 Fees and Expenses

Assuming a \$75 million issue size for a transaction, state the fees and expenses proposer proposes to charge to structure and execute the transaction based on sale of long term (32 year final maturity) fixed rate bonds.

Base your responses to this question on the following considerations:

- a. All four components of underwriter discount (Management Fee, Underwriting, Takedown and Expenses) are to be stated separately.
- b. The Takedown component shall be based on the proposer's assessment of market conditions.
- c. The Expense component shall include underwriter counsel fees/expenses; however, such fees should be based on the assumption that OHFA's Disclosure Counsel will prepare the disclosure document(s);
- d. The Expense component shall include CUSIP, DTC, and BMA, fees as well as allowances for syndicate communication charges;
- e. State the extent to which (if any) the Underwriter Discount will be reduced if the Senior Manager structured and executed the example transaction.
- f. OHFA reserves the right to choose either the Management Fee of \$/1,000 or the Management Flat Fee for each transaction during the term of the contract
- g. State the extent to which the Takedown component will be reduced if a portion of the bonds are not offered publicly, but are instead sold to Fannie Mae and/or Freddie Mac via an institutional block sale.

The proposed Management Fee and Takedown will become a "not to exceed" pricing commitment of the proposer, and is subject to further negotiation and to final approval by the State Deputy Treasurer for Debt Management. The State Deputy Treasurer for Debt Management will negotiate and approve the Management fee allowances, the Takedown, Underwriting (Risk) and underwriter expense components at the time of sale of each bond issue.

4.3.6 Litigation, Investigations and Regulatory Proceedings

Provide a summary of any material inquiries, investigations, or litigation occurring during the past two years (including those in progress) regarding the conduct of the proposer, the proposer's management, or any employee or official associated with the proposer. Describe any related actions taken against proposer or employees by any court or regulatory authority, including fines, suspensions, censure, etc. For the purposes of this paragraph, "material" means anything involving claims of violation of state or federal securities laws.

Additionally, state whether there are any material pending investigations, or completed investigations within the past 2 years by the National Association of Securities Dealers, Inc. ("NASD"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities Exchange Commission ("SEC"), the Oklahoma Securities Commission, or any other regulatory body (federal, state or local) regarding the conduct of the proposer, the proposer's management, or any employee or official associated with the proposing organization. If the statement is affirmative, provide a summary of such proceedings and the resolution or outcome thereof.

4.3.7 Underwriter Counsel

Identify the law firm(s) which proposer would consider employing as Underwriter Counsel and the reason(s) for such consideration.

Note: Under a separate RFP process with selection in May 2023, OHFA will be selecting Legal/Bond Counsel and Tax Counsel. It is anticipated that selected Legal/Bond counsel firm will serve as Bond Counsel for each transaction and selected Tax Counsel will serve as Special Tax Counsel for each such transaction. The Managing Underwriters may either request the selected Tax Counsel as its underwriter counsel, or select their own underwriter counsel subject to the condition that OHFA shall not be obligated to pay such underwriter counsel a fee in excess of that amount agreed upon by OHFA's underwriter counsel designee.

4.3.8 Professional Liability Insurance Coverage

Indicate whether or not proposer maintains professional liability insurance coverage. If so, (i) state the name of the insurer, and the expiration date of the policy, and (ii) state whether or not it is your intent to maintain such coverage during the term of service contemplated by this RFP. State whether the policy excludes securities claims and state the policy limits unless the insurer prohibits disclosure of coverage amount.

4.3.9 Compliance with Expense Guidelines

State the proposer's willingness to adhere at all times to OHFA's Travel and Expense Guidelines. State the proposer's willingness to adhere to any amendments of these policies and to submit any disclosures requested in the above policies upon acceptance of the proposal.

4.3.10 Conflicts of Interest

Describe any conflicts or potential conflicts with OHFA or its Trustees or any financial interest, direct or indirect, in any contract between OHFA and any contractor or program participants. A list of OHFA's contractors and program participants is available from OHFA, upon request. Please describe your procedures for determining conflicts of interests.

4.3.11 Confidentiality of Nonpublic Personal Financial Information.

Describe your firm or institution's standards and safeguards to ensure the security and confidentiality of nonpublic personal financial information, to protect against threats or hazards to the security or integrity of such records and to protect against unauthorized access to or use of such records or information. The successful bidder may be required to execute a confidentiality agreement respecting personal nonpublic financial information.

4.4 No Proprietary Considerations

All information submitted in response to this RFP will be handled in accordance with the open records law of the State of Oklahoma and will be subject to inspection by the public. Data contained in the proposal, all documentation provided therein, and innovations developed as a result of these contractual services cannot be copyrighted or patented. All data, documentation, and innovations submitted in response to this Request for Proposal shall be deemed by OHFA to have been voluntarily placed in the public domain by proposer, and may be used by OHFA, at its discretion, without incurring any liability to proposer for the use thereof by OHFA. **Under Oklahoma law, OHFA may not grant any proprietary considerations to any proposer.**

5. FEE PROPOSAL

5.1 Evaluation of Fee Proposals

The proposal will be scored using a standard quantitative calculation where the most points for fee proposal will be awarded to the proposal with the lowest cost. Various costing methodologies and models may be used to analyze the cost information submitted to determine the lowest costs to OHFA. Other additional factors will be used by OHFA in the selection process.

5.2 Submitting Fee Proposals

Oklahoma law requires that all bond service provider fee and expense allowances be negotiated and approved by the State Deputy Treasurer for Debt Management contemporaneously with the sale of bonds for each transaction. Accordingly, OHFA expects to present to the State Deputy Treasurer for Debt Management the names of the firm(s) selected by the Board as primary selectee(s), as well as one or more alternate(s) for selection. Preliminary fee and expense negotiations will then be conducted by OHFA for the purpose of establishing the “not to exceed” amounts for those fees and expenses and are subject to approval by the State Deputy Treasurer for Debt Management, starting with the primary selectee(s). If such negotiations result in a mutually satisfactory arrangement, the primary selectee(s) will be confirmed. Otherwise, OHFA and the State Deputy Treasurer for Debt Management will begin negotiations with the alternate selectee(s) and repeat that process. As previously stated, final determination of fees and expenses will be made through the State Deputy Treasurer for Debt Management contemporaneously with the sale of bonds for each transaction.

Fee and expense quotes are to be submitted by proposer on a “not-to-exceed” basis for the purpose of any such negotiation.

Refer to Section 4.3.5 for a more complete description of Fees and Expenses proposals required.

Neither the State nor OHFA assumes any liability to any proposer or any officer, employee, or agent of any proposer for any costs or expenses incurred in connection with the proposal submitted by or on behalf of any proposer, including, but not necessarily limited to, travel expenses, costs of time, materials and services used in connection with the submission of the proposal and personal presentations made by or on behalf of proposer. All materials submitted to OHFA in response to this RFP shall become the property of OHFA and will be available for public inspection and copying.

5.3 Proposal Obligation Period

All proposals submitted to OHFA shall constitute a legally binding offer which shall remain fixed and valid for acceptance by OHFA for 60 days starting on the due date for proposals. Upon acceptance by OHFA and approval thereof by the Deputy Treasurer for Debt Management, the contract for underwriting services shall remain valid through the OHFA 2023 Single Family Program Term, provided that the fee amount for each Transaction of the OHFA 2023 Single Family Program shall not exceed the fee amount proposed and shall be subject to negotiation with, and approval by, OHFA and the Deputy Treasurer for Debt Management contemporaneously with the sale of bonds for each transaction.

5.4 Contingent Billing

FEES AND EXPENSE REIMBURSEMENTS RELATING TO EACH TRANSACTION SHALL BE CONTINGENT UPON SUCCESSFUL COMPLETION OF THE RESPECTIVE TRANSACTION.

6. STANDARD CONTRACT

6.1 Acceptance of Proposals Content

The contents of the proposal submitted, together with this RFP, shall become a part of the contractual obligations of the proposer, if selected, and by this reference shall be incorporated into each additional contract between OHFA and proposer relating to the OHFA 2023 Single Family Program. Refusal of a successful proposer to incorporate the terms and conditions set forth herein and, in the proposal, submitted in response hereto by the successful proposer, in the contract or agreement covering any specific transaction, upon the request of OHFA, may result in cancellation of the award.

6.2 Recordkeeping and Record Retention

Each proposer selected hereunder shall establish and maintain adequate records of all expenditures reimbursable by OHFA incurred during the term of engagement. All records must be kept in

accordance with generally accepted accounting procedures, applicable with federal and state laws and this RFP.

OHFA shall have the right to audit, examine, copy and transcribe any pertinent records or documents relating to any contract or agreement resulting from this RFP held by the proposer. The proposer will retain all documents applicable to the contract for a period of not less than three (3) years after final payment is made.

6.3 Reimbursement for Travel Expenditures

Underwriter shall limit all reimbursements by OHFA for travel expenditures in accordance with the State Travel Reimbursement Act (74 O.S. 500.1, et.seq.).

6.4 No Discrimination

Underwriter shall not discriminate in the provision of services on the basis of race, color, age, sex, national origin, religion, political affiliation, or handicapping condition and shall cooperate with any investigation of allegations of such discrimination.

6.5 Confidentiality

Underwriter and all of its employees and other parties assisting proposer shall maintain the confidentiality of any confidential information received and collected through the delivery of services pursuant to this RFP, as required by the laws of the State of Oklahoma, and by any applicable federal laws, rules, regulations, or policies.

6.6 Acts and Omissions

Underwriter shall be responsible for the acts and omissions of its agents, servants, employees, and subunderwriters in the violation of any confidential or privileged communications.

6.7 Hold Harmless

Underwriter agrees to hold harmless OHFA and its Trustees, officers, servants, employees, agents and consultants, against any claims, demands and liabilities resulting from any act or omission on the part of the underwriter and/or its agents, subunderwriters, servants, and employees in the performance of this contract.

6.8 Termination of Agreement

OHFA reserves the right to cancel any contract or agreement with the proposer relating to this RFP, in whole or in part with or without clause. If performance and/or delivery of services are not made in accordance with the terms specified herein but not limited to the following:

- 6.8.1** Failure or unwillingness of the proposer to comply with the approved proposal, with the applicable federal and state laws and the terms of this contract, or with such directives as may become generally acceptable at the time,
- 6.8.2** Submission of reports to OHFA by the proposer which are inconsistent with the detailed specifications; and
- 6.8.3** Improper use of funds by the proposer.

No suspension or termination will affect any expenditures or legally binding commitments made prior to receiving notice of suspension or termination. Upon suspension or termination, the replacement of the underwriter will be subject to OHFA's discretion.

6.9 Survival of Terms

The terms, conditions, and obligations set out in this RFP, together with the proposals of each selected proposer shall survive each and every Purchase Contract and the closing of the sale of bonds pursuant to such Purchase Contract, regardless of whether or not this RFP and the proposal submitted by each such successful proposer is referred to in the applicable Purchase Contract.

6.10 News Releases

News releases pertaining to any part of this proposal, or any transaction contemplated, undertaken, or closed shall not be made without prior approval of OHFA.

6.11 Location of Relevant Documents

All necessary reports, records and source documents will be available to the proposer at The OHFA Corporate/Administrative Offices. Correspondence should be mailed to PO Box 26760, Oklahoma City, OK 73126-0720.

7. APPENDICES

- I Certificate of Independent Price Determination
- II Certificate of No Conflicting Relationships
- III Non collusion Affidavit of Vendor
- IV Certification of Non-Debarment

APPENDIX I

STATE OF OKLAHOMA

- Certificate of Independent Price Determination -

By submission of this proposal, the proposer certifies that in connection with this procurement:

- (1) Prior to the date established herein as the deadline for proposal submission, the prices which have been quoted in this proposal have not been knowingly disclosed by the proposer, directly or indirectly, to any other proposer or to any competitor; and
- (2) No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing this proposal certifies that:

- (1) He/she is the person in the proposer's firm responsible within that organization for the decision as to the prices being offered herein and the he/she has not participated, and will not participate, in any action contrary to the restrictions cited above; or
- (2) He/she is not the person in the proposer's firm responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the person responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to the restrictions cited above and as their agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to the restrictions cited above.

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

APPENDIX II

STATE OF OKLAHOMA

- Certificate of No Conflicting Relationships -

The undersigned hereby certifies that:

- (1) He/she is an officer of the proposer, authorized to commit the proposer to all terms and conditions outlined in this proposal.
- (2) No conflict of interest exists, or is likely to exist, between the proposer and Oklahoma Housing Finance Agency and/or its Trustees.
- (3) No relationship exists between the proposer and Oklahoma Housing Finance Agency or any of its Trustees or any of its employees that would in any way interfere with fair competition in the selection process; and
- (4) There is no relationship, contractual or otherwise, between the proposer and any other individual, firm or organization that may be a party to the contract that may be a conflict of interest or would in any way interfere with the proposer's ability to perform the duties described in the Request for Proposal.

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

APPENDIX III
NONCOLLUSION AFFIDAVIT OF VENDOR

State of _____

County of _____, being first duly sworn, deposes and says that:

1. They are the _____ of _____ the proposer that has submitted the attached proposal.
2. They are fully informed respecting the preparation and contents of the attached proposal and all pertinent circumstances respecting such proposal.
3. Such proposal is genuine and is not a collusive or sham offer.
4. Neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affidavit, has in any way colluded, conspired, connived, or agreed, directly or indirectly, with any other proposer, firm, or person to submit a collusive or sham offer in connection with the contract for which the attached proposal has been submitted; or to refrain from making a proposal in connection with such contract; or has in any manner, directly or indirectly, sought by agreement, collusion, communication, or conference with any other proposer, firm or person on prices in the attached proposal or to fix any overhead, profit, or cost element of the proposal price of the proposal of any other proposer; or to secure through any collusion, connivance, or unlawful agreement any advantage against the Oklahoma Housing Finance Agency or any person interested in the proposed contract; and,
5. The price or prices quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affidavit.

Print Name

Signature

Title

Subscribed and sworn to and before me this _____ day of _____ 2023.

Notary Public

My commission expires _____, _____.

APPENDIX IV
CERTIFICATION OF NON-DEBARMENT

I, _____, hereby certify that
(Print Name)

_____ nor any of its officers or principals are not now
(Firm)

nor have they ever been debarred, suspended, or otherwise prohibited from professional practice by any Federal, State or Local Agency.

Signature: _____

Title: _____

Date: _____, 2023

State of _____

County of _____

Personally appeared before me, the undersigned authority, _____ who,
after first being sworn by me, affixed their signature in the space provided above on
this _____ day of _____, 2023.

Notary Public

My commission expires _____