



REQUEST FOR PROPOSALS FOR TRUSTEE SERVICES

November 8, 2022

I. Background

The Connecticut Housing Finance Authority (the “Authority” or “CHFA”) was created in 1969 by the State Legislature, as a public instrumentality and political subdivision of the State of Connecticut for the purpose of increasing the supply of and encouraging and assisting in the purchase, development, and construction of housing for low- and moderate-income families and persons throughout the State. CHFA’s stated mission is to help alleviate the shortage of affordable housing for low- and moderate-income families and persons in Connecticut, and when appropriate, to promote or maintain the economic development of the State through employer-assisted housing.

Since its inception, the Authority has issued over \$21 billion of tax-exempt and taxable bonds of which proceeds from the bonds were used to purchase single-family loans and make multifamily loans. Over the next three years, the Authority expects to issue \$1 billion to \$2 billion of Housing Mortgage Finance Program Bonds and \$10 million to \$20 million of Special Needs Housing Mortgage Finance Program Special Obligation Bonds. As of December 31, 2021, the Authority has approximately \$4 billion of debt outstanding. For more information, including the Authority’s 2021 audited financial statements or recent Authority Official Statements (“OS”), please visit www.chfa.org or www.emma.msrb.org.

II. Proposed Scope of Services (the “Services”)

The Authority is requesting proposals (the “Proposals”) from qualified financial institutions (the “Firms”) to provide the Authority with trustee services as described below in connection with the issuance of bonds under its new Housing Revenue Bond General Trust Indenture (the “Indenture”):

- a. Perform complete trustee functions for one or more future bond issues; act as Registrar, Paying Agent and Tender Agent where applicable;
- b. Establish accounts and maintain funds as required by the Indenture upon issuance of the bonds;
- c. Manage all funds and accounts according to the provisions of the Indenture and in compliance with federal tax law;
- d. Process security trades per instructions received from authorized persons;

- e. Provide for collateralization of un-invested cash balances held in excess of the Federal Deposit Insurance Corporation limit within each custody/trust account as set forth in the Indenture;
- f. Provide online access to all monthly activity statements and reports, including the market value of all portfolio holdings [Do not provide hard copies by mail];
- g. At a minimum, provide online web access to account and investment information related to transactions, balances, market values, etc.;
- h. Where applicable and as provided by the Indenture, monitor reserve funds to ensure that amounts required by the Indenture are maintained;
- i. Provide detailed monthly reporting of all transactions in all funds or accounts identified in the Indenture by account, to be received by the specified day of the following month and prepare such other reports as the Authority may request;
- j. Pay or transfer funds to issuer or others, as requested by the Authority, for costs of issuance, funding of loan originations or purchases, construction draws and other expenses provided for in the Indenture; and
- k. Prepare 1099 INT forms, if required, for certain accounts as indicated by the Authority.

III. Evaluation Criteria

Firms will generally be evaluated on the basis of their response to this RFP, additional written information requested by CHFA, face to face and oral interviews, if any, including, but not limited to the following criteria:

- 1. Experience and qualification of personnel and technological capacity
- 2. Responsiveness
- 3. Regulatory compliance and reputation
- 4. System integrity
- 5. Commitment to affirmative action and diversity, equity and inclusion
- 6. Fees

Additionally, each Firm must meet the qualifications outlined below. Failure to do so may result in the rejection of the proposal.

- a. Banking organization authorized to do business in the State of Connecticut;
- b. A member of the Federal Reserve Bank;
- c. Minimum capitalization of \$100,000,000;
- d. Rated at least within the third highest rating category without regard to gradations within such category by Moody's Investor Services or SP Global; and
- e. Corporate Trust Department located in the State of Connecticut.

IV. Requested Information

Unless instructed otherwise, each Firm must provide the following information:

A. Experience, Qualification of Personnel and Technological Capacity

1. A brief description of your Firm in providing the Services as described in this RFP. Why do you believe your firm can perform the Services?
2. Indicate the number of staff that you expect to assign to this engagement. Please list those people with their resumes. What are their responsibilities?
3. Please discuss three engagements that you feel are most similar to the relationship that is envisioned with CHFA since January 1, 2020. Who at your Firm was the primary contact for each engagement?

B. Responsiveness

1. In addition to traditional serial and term bonds payable every six months, the Authority may issue mortgage-backed securities pass-through bonds, direct placement bonds, cash collateralized bonds, physical (non-DTC) bonds, variable interest rate bonds payable and reset at different frequencies. Is your Firm capable of administering and monitoring such bonds?
2. What is the most important question that we haven't asked you? Why should the Authority hire your Firm?

C. Regulatory Compliance and Reputation

1. Describe in detail any potential conflicts of interest that your Firm may have for this engagement and your method of dealing with conflicts of interest.
2. Describe any and all material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions or law enforcement activities (including those by federal, state or local authorities, or self-regulatory organizations) or non-routine FED, FDIC and OCC inquiries or investigations relating to your Firm, including any proceedings to which your Firm or any of their respective officers, directors or employees is a named party or of which any of such has been the focus, that have occurred in the last three (3) years or that are currently threatened, including whether your Firm, or their respective officers, directors or employees have been censured by any regulatory body. Please summarize any reporting that your Firm has made to the FED, FDIC and OCC over the past three years in connection with your public finance activities.

D. System Integrity

1. Furnish evidence of the Firm's most recent penetration test or other related assessments on its server to ensure data integrity and security.

E. Commitment to Affirmative Action and/or Diversity, Equity and Inclusion

1. Submit specific information regarding your Firm's commitment to Affirmative Action and/or Diversity, Equity and Inclusion. Please include, at a minimum, policies and practices, including but not limited to hiring practices, and any information that would demonstrate your Firm's commitment to expanding diversity in the workplace, including recruiting initiatives, retention and promotion efforts and any ongoing assessment of your Firm's progress with respect to underrepresented groups (e.g., in terms of ethnicity, gender, sexual orientation, disability, etc.). Please include your Firm's most recent EEO-1 report if required to file.
2. Describe your Firm's commitment to diversity, education and training of the next generation of workers in your profession. Please include:
 - a. A brief description of any internship programs your Firm offers and the applicable percentage of the internships for the underrepresented groups.
 - b. A brief description of any scholarships your Firm provides to students and the applicable percentage of the underrepresented recipients.
3. Does your Firm have a written policy, program or initiatives to foster business relationships with the underrepresented groups? If so, please provide details of the program and the percentage of business conducted with those groups.
4. If your firm is registered as a small or minority-owned business, please provide a copy of your certificate.

F. Fees

1. Provide a fee structure based upon the Services as described in this RFP and assumptions set forth below. Firms are advised to submit fees based on their own prior experience with similar size/type clients.
 - Assume the Authority issues three (3) series of the Housing Revenue Bonds per year. One series is for single family and the remaining two are for multifamily. Each issuance is structured as mortgage-backed securities pass-through bonds.
2. When proposing a fee, indicate or identify
 - The upfront fee, if any
 - The annual fee
 - Whether the fee is fixed or based on size

- Whether the fee is impacted between stand-alone and parity issuances
- Whether the fee is impacted between multifamily and single-family issuance
- All variable rate bonds (may include swaps) associated fees
- Custodian fee, if any
- Physical bond fee, if any
- Bond payment frequency fee, if any
- Investment fee (as directed by authorized officer), if any
- Trustee counsel fee
- Other fees the Authority should be aware of
- Other services that are inclusive in the fees or not subject to fee

Please submit your fee proposal under separate cover.

VI. Submission Requirements

1. Please limit your response to 20 pages, exclusive of a cover letter, reports and exhibits; **Exhibit A**, Representations and Certifications; **Exhibit B** State of Connecticut Campaign Contribution Certification and SEEC Form 10; and **Exhibit C**, Affidavit of Disclosure, Investment Services Third Party Fees.

Submissions must be sent electronically (not to exceed 25 MB) to RFP.RFQ@chfa.org no later than 12:00 p.m. E.D.T. on **Thursday, December 8, 2022**.

2. Proposals received after the Submission Deadline date and time may result in CHFA's rejection of the Proposal.
3. Proposals must include a cover letter signed by an individual authorized to enter a contract with CHFA on behalf of the Firm, acknowledging that the Firm agrees to be bound by all terms and conditions of the RFP and affirming that all information contained in the Proposal is true and accurately portrays all aspects of the services to be provided. Do not forget to include completed **Exhibit A**, **Exhibit B**, **Exhibit C** and your fee proposal under separate cover.
4. Selected persons or firms must comply with CHFA and State Ethics requirements, laws and regulations. Persons or firms seeking to do business with CHFA are required to comply with the ethics statement, and the applicable provisions of the Code of Ethics and Code of Ethics for Lobbyists incorporated therein by reference.
5. An authorized signatory of any firm submitting qualifications or proposals is required to execute and submit with the proposals, qualifications and with any agreement or contract awarded in accordance herewith all applicable representations and certifications set forth on **Exhibit A**, attached hereto and made a part hereof, regarding:

- Whistleblowing; Connecticut General Statutes §4-61dd
 - Gift and Campaign Contributions; Connecticut General Statutes §4-252, as amended by Public Act 21-76
 - Entities Making Investments in Iran; Connecticut General Statutes §4-252a, as amended by Public Act 21-76
 - Nondiscrimination; Connecticut General Statutes §4a-60 & Connecticut General Statutes §4a-60a, as amended by Public Act 21-76
 - Consulting Agreements; Connecticut General Statutes §4a-81
 - Campaign Financing Contributions; Connecticut General Statutes §9-612, as amended by Public Act 21-76
 - Occupational Safety & Health; Connecticut General Statutes §31-57b
6. Please ensure the Firm is authorized to do business in Connecticut and is registered with the Connecticut Secretary of State.

VII. General Instructions

1. Firms can refer to the attached Frequently Asked Questions for additional information. Any other ex-parte communication regarding this RFP with any Members of the Board or staff of the Authority is NOT permitted and may be grounds for elimination from further consideration.
2. Failure to comply with the requirements of this RFP may result in CHFA's rejection of a Proposal.
3. CHFA shall not be liable for any pre-contract costs incurred by any organization participating in the selection process.
4. All matters set forth in this Proposal shall become the property of CHFA and may be disclosed by CHFA after the awarding of the contract. The contents of each Proposal will be available for public inspection after the awarding of a contract.
5. CHFA is exempt from the payment of excise and sales taxes imposed by the Federal Government and/or the State. Proposers remain liable, however, for any other applicable taxes.
6. CHFA reserves the right, in its sole discretion to: reject any and all Proposals received in response to this request; negotiate the fees and charges contained in any Proposal, and is not obligated to accept a Proposal based upon the lowest fee schedule; accept a Proposal based on considerations other than costs; accept multiple Proposals based on capabilities; waive or modify any irregularities or informalities in Proposals received; award contracts in any manner necessary to

serve the best interest of the CHFA and request additional information as determined necessary.

7. Firms should also be aware of the following:
 - a) The agreement between CHFA and the selected organization will be evidenced by a written engagement letter (the "Contract"), which shall incorporate this RFP, the Proposal and any related correspondence. In executing such Contract, the selected organization agrees to be bound by the terms and conditions of this RFP, and that all representations, warranties and commitments in the Proposal and related correspondence are contractual obligations. In the event of any conflict in the terms and conditions between the RFP, Proposal and any related correspondence, the RFP shall control.
 - b) Any work product issued or produced for CHFA belongs to CHFA. CHFA shall not be required to seek approval(s) from the Firm for the use of such work product (for the benefit of CHFA and its business activities).
 - c) If the Firm can no longer provide the Services as contemplated herein, or through merger, consolidation, change of business purpose, or otherwise changes form, the Authority, in its sole discretion, and upon its determination that such action is in the best interest of the Authority, reserves the right to retain such Firm, retain the surviving entity or replace such Firm with an approved firm (the "Substitute Firm") subject to the requirements of the Indenture.

The Connecticut Housing Finance Authority is an Affirmative Action / Equal Opportunity Employer