State of Georgia
Georga Housing and Finance Authority

Request for Proposal (RFP) for Senior Managing Underwriters and Co-Manager Members

For all questions about this RFP, Contact the Procurement Agent Identified in Section VI

GHFARFP2019
Released On:
August 9, 2019

Due On:
August 30, 2019
5:00 PM EST
I. Purpose of RFP:
The Georgia Housing and Finance Authority ("Authority" or "GHFA") is seeking a team of underwriters to serve as Senior Managing Underwriter(s) (individually "Senior Manager" and collectively "Senior Managers") or as Co-Manager Member(s) (individually "Co-Manager" and collectively "Co-Managers") for the anticipated period of January 1, 2020 to December 31, 2022. It is intended that the successful candidate(s) will be selected for a period of up to three (3) years beginning with future issues of single family housing bonds after January 1, 2020, contingent upon the approval of the Georgia State Financing and Investment Commission ("GSFIC"). If a bond deal has begun prior to GSFIC's approval, then current underwriters will continue to serve until the following bond deal.

The Authority retains the right to solicit proposals for Senior Managers at any time. Furthermore, the Authority may, at any time, and in its sole discretion, elect to use a competitively bid structure.

In addition to the Senior Managers, the Authority seeks to compile a pool of underwriting firms to serve as revolving members of the finance team. Firms named to the pool will have the opportunity to serve as Co-Managers on future bond issues. However, pool members will not be guaranteed a position on the finance team on any particular issue, or a continuing position beyond the deal on which they are selected to serve. The Authority reserves the right to select pool members on an as needed basis.

II. RFP Schedule:
The schedule of events set out herein represents the GHFA's best estimate of the schedule that will be followed. However, delays to the procurement process may occur which may necessitate adjustments to the proposed schedule. If a component of this schedule, such as the close date, is delayed, the rest of the schedule may be shifted as appropriate. An email notification of any changes to the dates up to the closing date of the RFP will be sent to the offeror prior to the closing date of this response. After the close of the RFP, GHFA reserves the right to adjust the remainder of the proposed dates, including the dates for evaluation, negotiations, award and the contract term on an as needed basis with or without notice.

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Time</th>
</tr>
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<tbody>
<tr>
<td>Release of RFP</td>
<td>As Published at <a href="https://www.dca.ga.gov/singlefamilyunderwriterrfp">https://www.dca.ga.gov/singlefamilyunderwriterrfp</a></td>
<td>5:00 p.m. ET</td>
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<tr>
<td>Deadline for written questions sent via email to the Procurement Agent referenced in Section VI</td>
<td>August 9, 2019</td>
<td>5:00 p.m. ET</td>
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<tr>
<td>Deadline for GHFA's responses to written questions back to offerors</td>
<td>August 22, 2019</td>
<td>Noon ET</td>
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<tr>
<td>Deadline for offerors to deliver via email the electronic copy of response to the Procurement Agent referenced in Section VI</td>
<td>August 28, 2019</td>
<td>5:00 p.m. ET</td>
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<tr>
<td>In-person presentations</td>
<td>Week of October 25, 2019</td>
<td></td>
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<tr>
<td>Announcement of selected underwriting teams</td>
<td>No later than December 31, 2019</td>
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III. General Information:
The Authority's bond issuance program was established in 1976 for the purpose of facilitating economic development; for the improvement of public health, safety, and welfare; and for other public purposes, including providing a continuous flow of funds to produce housing. The Authority’s programs are administered by the Department of Community Affairs ("DCA"), a legislatively created executive branch of the State government. The same persons who comprise the State's Board of Community Affairs also constitute the Authority's Board of Directors. The Commissioner of DCA is, by law, also the Executive Director of the
Authority and appoints such directors, deputies, and assistants as may be necessary to manage the operations of the Authority.

In the 43 years since its first single family bond issue, the Authority has issued approximately $5.18 billion in qualified mortgage bonds under four separate general resolutions:

A. Resolution 1 (1976). This resolution has had more than $3.562 billion in bonds issued and is currently the only active issuing resolution. This resolution allows cross calls and this option has been extensively exercised. The Resolution has been used exclusively since 1993 and allows for the purchase of FHA, VA, USDA/RD and conventional loans, together with FMNA and GNMA Program Securities. This resolution has been assigned a rating of "AAA" by Standard and Poor's since July 1998. The Trustee is U.S. Bank.

B. Resolution 2 (1982). There was only one series issued under this resolution and all associated bonds have been redeemed.

C. Resolution 3 (1984). Fifteen series were issued under this resolution and all associated bonds have either been redeemed or defeased.

D. Resolution 4 (1992). Only three series were issued under this resolution and all associated bonds have been redeemed.

During calendar year 2017, the Authority issued $264.67 million in mortgage revenue bonds; during calendar year 2018, the Authority has issued $235.33 million in mortgage revenue bonds. As a result, during calendar year 2018, the Authority purchased 2,004 qualifying single family first mortgage loans totaling $270 million from the homeownership program’s lender partner network across the State. The financing structures used by the Authority support continuous funding and allow the Authority to adjust mortgage rates weekly or as necessary. Currently, the Authority is primarily purchasing FHA-insured mortgages and all mortgages are accompanied by down payment assistance ("DPA"). Digital Assurance Certification LLC ("DAC") acts as the Authority’s disclosure agent and financial information concerning the Authority may be accessed at www.dacbond.com.

Under the Bond Issuance Program, the Authority's primary objective is to facilitate the purchase of affordable housing by offering mortgage loans to qualified borrowers at the lowest possible rate consistent with sound fiscal management. To meet this objective the following parameters have been established:

A. Maintain single family mortgage rates at an economically attractive level accompanied by DPA when necessary;

B. Structure each single family deal to achieve as closely as possible the full 1.125 basis point spread between the bond yield and the mortgage yield;

C. Maintain retail bond sales, especially within the state of Georgia;

D. Maintain the Authority's "AAA" bond rating from Standard & Poor's;

E. While maintaining the "AAA" rating, use excess funds in the most effective manner to support other single family housing based programs;

F. Maintain and support the purchase of homes in rural areas of Georgia; and

G. Continue to provide uninterrupted single family program funding in a manner such that the Authority's customers (lenders and home buyers) have a continuous supply of funds to carry out the Georgia Dream Homeownership Program.

The firm of cfX, Inc. serves as the Authority's cash flow consultant, and is responsible for:

A. performing extensive analysis of the Authority's entire portfolio;

B. identifying deal structure options for GHFA staff analysis and selection; and
C. calculating final cash flows for the rating agency reviews.

cfX, Inc. is an Independent Registered Municipal Advisor for purposes of the Municipal Advisor Rules of the Securities and Exchange Commission.

IV. The Senior Managers & Services of the Underwriting Team:
The Senior Managers will be responsible for the marketing and selling of the Authority’s bond issues. The Senior Managers will be expected to present and, when authorized, incorporate structural, market, and programmatic innovations into bond sales. The Authority expects to use the Senior Managers as a source of market information on new bond issues.

Traditionally, the Authority has used two Senior Managers, alternating the Lead (book-running) Senior Manager with each new issue. However, as the Authority deems it necessary, the Authority reserves the right to not alternate Senior Managers or to use more or fewer Senior Managers.

The Senior Manager(s) will share 100% of the management fee equitably on each deal regardless of status as Lead Senior (book-runner) or Co-Senior. All firms (Senior Managers and Co-Manager Members) will be compensated on a “takedown” basis for the sale of bonds.

The Authority will actively participate in and have final approval of the orders and allotments process.

The scope of services expected from the Senior Managers in connection with issuing bonds shall include, but not be limited to, the following:

A. Participate in evaluating various options under Resolution 1 and/or any subsequent resolutions.

B. Participate in achieving optimal pricing while minimizing cost of issuance.

C. Provide personnel to be readily available to Authority representatives to ensure that all tasks are completed on time (for example, assist in the drafting and review of relevant documents such as official statements and resolutions) and to coordinate all efforts with the Authority and its counsel, bond counsel, and cash flow consultants.

D. Provide scales to the Authority and cfX for bond deal structuring.

E. Pre-market and market GHFA’s bonds, coordinate with Co-Manager Members, provide preliminary and final pricing wires and offering scales to be reviewed and approved prior to publication, negotiate the sale of the bonds, provide preliminary pricing, take orders and finalize pricing, and maintain the records of the account.

F. Offer to purchase the bonds on terms and conditions mutually acceptable to the Authority and the underwriters.

G. Prepare a comprehensive "Final Pricing Book" within one week, or otherwise agreed to by the Authority, of the pricing date of each issue of bonds. The information to be included in the “Final Pricing Book” should include a summary of the key points of a bond sale and should include such information as:

1. actual price scale for the bonds;
2. comparison of actual pricing to the Municipal Market Data (MMD) benchmark;
3. details and comparisons to actual recent comparable sales;
4. description of actual market conditions at the time of sale;
5. orders and allotments by firm (including overall totals, and a breakdown by Priority and Non-priority);
6. zip codes for all GA retail purchases;
summary of total compensation to all participants in the transaction (broken out by management fee and takedown), including designations by firm; and

8. a comparison of the interest rates and yields to other comparable issues in the market, and any applicable articles regarding current market indicators and credit market comments. The comparables should include preliminary and final wires for other HFA deals done thirty (30) days prior or fifteen (15) days after GHFA’s institutional pricing.

H. Provide continuing investment banking services and deal management input as required by the Authority after the closing of the bond issues. Co-managers will be expected to provide input on an as-needed basis and to act as members of the management group on the proposed financings. All members of the underwriting team will be expected to provide other customary services requested by the Authority.

I. Keep GHFA informed about housing programs and/or financing structures previously implemented or being implemented by other issuers.

J. Assist GHFA in maintaining its continuous lending program through the use of alternative practices to sell the single family loans when it is not prudent to sell bonds.

V. Instructions to Offeror:

A. Restrictions on Communicating with Staff
From the issue date of this RFP until the final decision is announced (or the RFP is cancelled), offerors are not allowed to communicate for any reason with any GHFA staff except through the Procurement Agent named in Section VI. Prohibited communication includes all contact or interaction, including but not limited to telephonic communications, emails, faxes, letters, or personal meetings, such as lunch, entertainment, or otherwise. GHFA reserves the right to reject the response of any offeror violating this provision. If you have any questions regarding the RFP or the attachments, please submit the questions to Demetria Jones via email at Demetria.Jones@dca.ca.gov. The offeror will have nine (9) business days after the release of RFP to submit those questions. Offerors are cautioned that GHFA may not elect to entertain late questions or questions submitted by any other method than as directed by this section.

B. Failing to Comply with Submission Instructions
Responses received after the identified RFP schedule due date and time or submitted by any other means will not be considered. Only emailed responses to the Procurement Agent in Section VI will be accepted. Incomplete documents will not be considered.

C. Costs for Preparing Responses
Each offeror’s response should be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete presentation. The cost for developing the response and participating in the procurement process is the sole responsibility of the offeror. GHFA will not provide reimbursement for such costs.

Please carefully review all information contained in the RFP, including all documents available as attachments or available through links. Any difficulty accessing or opening provided links or documents should be reported immediately to the Procurement Agent listed in section VI.

D. Preparing a Response
1. Use the provided worksheets (Mandatory Response, Mandatory Scored, and additional exhibits) to prepare your response. Enter your responses directly into the worksheet. Unless otherwise directed, do not insert “see attached file” (or similar statements) in the worksheet to reference separate documents. Any documents in your response that are not requested by GHFA will not be reviewed.

2. Provide a cover letter and attach it as Exhibit A in your response. On the cover letter, indicate the following:
a. Names of Firm and its ultimate parent, if applicable
b. Principal Address
c. Contact Person
d. Telephone Number
e. Email Address
f. Indication of whether your firm is interested in serving as a Co-Manager if GHFA does not select your firm to serve as a senior manager

3. One (1) electronic copy of the full response to the RFP (Section VII) must be submitted to the Procurement Agent referenced in Section VI via email, by August 30, 2019, no later than 5:00 pm ET.
4. Answer each question in sufficient detail for evaluation while using judgment within the given word limit.
5. Proofread your response and make sure it is accurate and readily understandable.
6. Label any and all uploaded files using the corresponding section numbers of the RFP or any other logical name so that GHFA can easily organize and navigate the offeror’s response.
7. Use caution in creating electronic files to be uploaded. If GHFA is unable to open an electronic file due to a virus or because the file has become corrupted, the offeror’s response may be considered incomplete and disqualified from further consideration.
8. Use commonly accepted software programs to create electronic files. GHFA has the capability of viewing documents submitted in the following format: Microsoft Word, Microsoft Excel, portable document format file (PDF), and plain text files with the file extension noted in parentheses (.txt). Unless the RFP specifically requests the use of another type of software or file format than those listed above, please contact the Procurement Agent listed in Section VI prior to utilizing another type of software and/or file format. In the event GHFA is unable to open an electronic file because GHFA does not have ready access to the software utilized by the offeror, the offeror’s response may be considered incomplete and disqualified from further consideration.
9. Provide your answers to the questions listed in Exhibit E – Continuing Disclosure.

E. Mandatory Requirements
As specified with each requirement listed in the Mandatory Questions Worksheet, the offeror must indicate whether its RFP meets the individual requirements by marking either a “YES” or “NO” in the response block provided. A Pass/Fail evaluation will be utilized for all mandatory requirements. Ordinarily, to be considered responsive, responsible and eligible for award, all questions identified as mandatory must be marked “YES” to pass. Generally, any mandatory questions marked “NO” will fail the technical requirements and will result in disqualification of the RFP.

F. Mandatory Scored Response
As specified with each requirement listed in the Mandatory Scored Questions Worksheet, the offeror must indicate whether it will meet the individual requirement (if any) and provide a supporting narrative in the space provided, or by uploading specifically requested exhibit. To be considered responsive, responsible and eligible for selection of the underwriting team, any and all requirements identified in the Mandatory Scored Response Worksheet must be met. Failure to meet any mandatory scored requirements may result in disqualification of the proposals or loss of the scoring points. The narrative description, along with any required supporting materials, will be evaluated and awarded points. A word limit is assigned to each question that requires a narrative description. Please do not exceed the word limit for a question.

G. Cost Proposal
Each offeror is required to submit a cost proposal as part of its response. Please use the spreadsheet in Exhibit H – Proposed Underwriter Fee Structure. The cost proposal will be evaluated and scored.

\[\text{For the purposes of the RFP, the Firm or firm shall be defined as the legal entity authorized to sign a Bond Purchase Agreement or another form of contract on behalf of the parent company, if they differ.}\]
H. **Scoring Criteria**

The evaluation is comprised of the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>1. Proposed Underwriter Fee Structure</td>
<td>80 points</td>
</tr>
<tr>
<td>Technical/Proposal Factors</td>
<td>2. &quot;Mandatory&quot; Requirements</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Technical/Proposal Factors</td>
<td>3. &quot;Mandatory Scored&quot;</td>
<td>920 points</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1000 points</td>
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</table>

By submitting a response to the RFP, the Offeror is acknowledging that the Offeror:
- Has read the information and instructions
- Agrees to comply with the information and instructions contained herein
- Documents are to be submitted in accordance with Section V.D. including the Excel spreadsheets. Please do not change the general format or alter the spreadsheets unless otherwise directed or adjusted for purposes of printing.

VI. **Procurement Agent Contact Information:**

Demetria Jones  
Georgia Housing and Finance Authority c/o  
Georgia Department of Community Affairs  
60 Executive Park South, N.E.  
Atlanta, GA 30329-2231  [Demetria.Jones@dca.ga.gov](mailto:Demetria.Jones@dca.ga.gov) — 404-679-1740

VII. **List of Attachments**

The following documents make up this RFP. Any difficulty accessing the following documents should be immediately reported to the Procurement Agent in Section VI.

A. Mandatory Questions Worksheet  
B. Mandatory Scored Questions Worksheet  
C. Exhibit A – Cover Letter (See Section V.D.2)  
D. Exhibit B – Certification Statement  
E. Exhibit C – List of Institutional Investors  
F. Exhibit D – Recent State Single Family Bond Issuance Participation (State HFAs only)  
G. Exhibit E – Continuing Disclosure  
H. Exhibit F – Proposed Underwriter Fee Structure