



REQUEST FOR PROPOSALS

**Senior Managing Underwriter
And / or
Co-Managing Underwriter**

Posting Date: November 12, 2024

Response Submission Deadline: 3:00 EST p.m. on December 16, 2024.

NOTE TO RESPONDENTS:

Please be advised that **all** submissions (including those not selected for engagement) may be made available to the public on request pursuant to the Rhode Island Access to Public Records Act, Chapter 2 of Title 38 of the Rhode Island General Laws (the “APRA”) upon award of a contract(s). As a result, respondents are advised not to include information that they deem proprietary or confidential or that constitutes a trade secret.

INTRODUCTION

Through this Request for Proposals (“RFP”), the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) seeks proposals from qualified firms to serve as senior managing bond underwriter and/or co-managing bond underwriter relating to the issuance or placement of municipal housing bonds and related financing structures and debt instruments for both single-family and multifamily housing programs. The proposed engagement is for RIHousing’s bond issuance for the years 2025 through 2028.

For information on RIHousing’s bond issuance activities including recent bond transactions, Official Statements and financial reports please visit rihousingbonds.com.

INSTRUCTIONS

Proposals must be submitted via email to: **Kara Lachapelle, Chief Financial Officer** at klachapelle@rihousing.com no later than the response submission deadline set forth above. Please keep your proposal (excluding exhibits) within a limit of 15 pages. A brief executive letter should accompany each proposal. Specifically indicate in your executive letter and in the cover page of the proposal whether your firm is proposing to be considered for senior managing underwriter, co-managing underwriter or both. Proposals should be concise and include all attachments and work samples.

Proposals that are not received by the response submission deadline or that do not adhere to the submission instructions described herein shall not be accepted or considered by RIHousing.



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Proposals should be concise and adhere to the page limitation of this Request for Proposals (“RFP”). Proposals should be presented on business letterhead and include all attachments, certifications (including the Submissions Certification at Attachment A), and work samples (as applicable). Please note that failure to provide any information, certification, or document requested in this RFP may cause your submission not to be reviewed or considered by RIHousing.

RIHousing may invite one or more finalists to make presentations, including demonstrations of requested products, if applicable.

Updates, amendments and Q&As related to this Request for Proposals may be posted from time to time at: [RFPs & RFQs | RIHousing](#).



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SCOPE OF WORK

Please see the Scope of Work as provided on Attachment B.

ITEMS TO BE INCLUDED WITH YOUR PROPOSAL

**SUBMISSION
CHECK LIST**

Section A: General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - a. Name of the principal(s) of the firm.
 - b. Name, business telephone number and business email address of a representative of the firm authorized to discuss your proposal.
 - c. Locations of all offices of the firm.
 - d. Number of employees of the firm.

RIHousing requests that the contact information provided in response to this subsection (1) be strictly limited to business addresses, telephone numbers, and email addresses to protect any personal information from being made available to the public pursuant to APRA.

Section B: Experience and Resources

1. Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work.

2. Describe the number of staff your firm delegates solely to housing issues and any changes in staffing levels for your housing and public finance activity over the past two years.

3. Indicate which principals and associates from your firm would be involved in providing services to RIHousing. Provide appropriate background information for each such person and identify their responsibilities.

4. Describe your firm's housing finance division, including its experience and ability to handle tax-exempt and taxable financings for both single family and multifamily offerings. Describe your firm's experience providing similar services for other state housing finance agency clients.



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- 5. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with RIHousing.
- 6. Describe how your firm will handle actual and or potential conflicts of interest.
- 7. Identify any material litigation, administrative proceedings or investigations in which your firm is currently involved. Describe the circumstances and provide assurance to RIHousing that these investigations or proceedings will not affect your ability to provide bond underwriting services. Do any of these activities involve your housing finance professionals? Please summarize any reporting that your firm has made to the SEC over the past three years in connection with your public finance activities.
- 8. List all state housing finance agency bond issues in which your firm or senior personnel served as senior managing underwriter or co-managing underwriter in the past two years. Note: This information should be presented as an exhibit to your proposal.
- 9. Provide a listing of your state housing agency clients, noting whether you provide senior or co-manager services.
- 10. Provide three state housing finance agency references that may be contacted during this RFP process, and applicable contact information.
- 11. Please discuss your recommended structure for the financing team, i.e., senior managers, co-managers, syndicate, selling group, etc. and the advantages and disadvantages of various sizes and type of structures. Also discuss your thoughts about including local and regional firms and women and minority-owned firms in the financing team.
- 12. Discuss any procedures you recommend to improve and optimize the distribution of bonds? How can the financing team (managers and selling group) work together to improve pricing and expand investor interest? What mechanisms would you recommend to provide reporting and monitoring of the sales performance of all participants?
- 13. Describe your presence in Rhode Island, your ability to market RIHousing paper and your performance during the past two years in the Rhode Island market. Please discuss the capacity of your trading desk area and your experience and success with both retail and institutional clients.
- 14. How does your firm commit capital to public finance activities? How much capital is committed to the municipal area? How might the absolute level of



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capital and the procedures that you use to allocate it affect your performance on RIHousing bond issues?

Section C: Fee Structure

The cost of services is one of the factors that will be considered in awarding this contract. The information requested in this section is required to support the reasonableness of your fees.

- 1. Describe your firm’s underwriter discount (management fee, takedown and other expenses) for a typical single-family (\$150MM), and multi-family (\$50MM) transaction, with various components, including serial bonds, term bonds, PAC, variable rate where applicable. Please be as specific as possible and provide details of the expense categories.
- 2. Describe any relationships that you have with other parties, e.g. brokers or fiscal advisory firms, or distribution agreements regarding fee splitting or consulting/soliciting of businesses.
- 3. Please provide any other fee information applicable to the engagement that has not been previously covered that you wish to bring to the attention of RIHousing, e.g. a fixed annual fee.

Section D: Financing Recommendations

- 1. List your firm's experience in structuring programs with unique features that target low-income homebuyers, tenants and the elderly that achieve the lowest rates, the lowest bond issuance costs, the least negative arbitrage and the maximum bond yield to mortgage rate spread.
- 2. What alternative investor channels are being explored for HFA eligible customers?
- 3. Discuss the impact the credit environment is likely to have on RIHousing during the next few years.
- 4. What new products are emerging to finance mixed-use and mixed-income housing that include affordable housing components?
- 5. Discuss your outlook for the MBS/TBA markets and housing bonds, including (but not limited to) taxable, tax exempt, and pass-through bonds. Which financing model or structure would you recommend given your views of the current market and understanding of RIHousing?



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- 6. Describe the costs and benefits of issuing fixed or floating rate bonds hedged with an interest rate swap.
- 7. What do you believe to be the most significant issues facing RIHousing in managing its financial activities during the next few years? What strategies do you recommend in dealing with those issues and what role do you envision for your firm in supporting these strategies?

Section E: Technology Resources

- 1. Describe your firm's technology capabilities including a description of your computer software. Indicate whether you rely upon external sources for cash flow analyses for rating agency presentations. What type of computer cash flow system do you utilize?
- 2. RIHousing utilizes the services of cfX, Inc. as its quantitative consultant. Describe any efficiencies and cost reductions you could incorporate because of our relationship with cfX, Inc.

Section F: Affirmative Action Plan and Minority Owned Business/Women Owned Business

- RIHousing encourages the participation of persons of color, women, persons with disabilities and members of other federally and State-protected classes. Describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either principals or senior managers in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on RIHousing's engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.

Section G: Miscellaneous

- Discuss any topics not covered in this Request for Proposals that you would like to bring to RIHousing's attention.

Section H. Certifications

- All applicants must respond to and provide documentation as outlined in the Request for Proposals Submission Certifications at Attachment A.



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EVALUATION AND SELECTION

A selection committee consisting of RIHousing employees will review all proposals that meet the requirements set forth in the “Instructions” section of this RFP and make a selection based on the following factors:

- Professional capacity to undertake the Scope of Work (as evaluated by reference in Section B: Experience and Resources);
- Proposed fee structure (as evaluated by reference in Section C: Fee Structure);
- Ability to perform within time and budget constraints (as evaluated by reference in Section B);
- Previous work experience and performance with RIHousing and/or similar organizations (as provided in Section B: Experience and Resources, subsection 3);
- Recommendations by references (as provided in Section B: Experience and Resources, subsection 3);
- Firm minority status and affirmative action program or activities (as requested in Section D: Affirmative Action Plan and Minority Owned Business/Women Owned Business)
- Other pertinent information submitted.

By this RFP, RIHousing has not committed itself to undertake the work set forth herein. RIHousing reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents. RIHousing reserves the right to make those decisions after its receipt of responses. RIHousing’s decision on these matters is final.

For additional information contact: klachapelle@rihousing.com.



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Attachment A

Requests for Proposals Submission Certifications

Please respond to **all** items below and include it in your response to this RFP. Be sure to include any additional information in the space provided or as an attachment as needed. Please ensure that any attachments refer to the appropriate item by name (i.e., “Conflict of Interest,” “Major State Decision Maker,” etc.)

Section A: Conflicts of Interest

1. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual’s status as a member of the board of directors of any organization likely to interact with RIHousing. **If none, check below.**

None

2. Describe how your firm will handle actual and or potential conflicts of interest (*please include in your proposal or attach a sheet with this information*).

Section B: Litigation, Proceedings, Investigations

1. Identify any material litigation, administrative proceedings, or investigations in which your firm is currently involved. **If none, check below.**

None

2. Identify any material litigation, administrative proceedings, or investigations to which your firm or any of its principals, partners, associates, subcontractors, or support staff was a party, that has been finally adjudicated or settled within the past two (2) years. **If none, check below.**

None

Section C: Certifications

1. RIHousing insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as RIHousing, for the aggregate sum of \$5,000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State



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Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a calendar year to any general officer, any candidate for general office, or any political party. **Please acknowledge your understanding below.**

I have read and understand the requirements of Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

2. Does any Rhode Island “Major State Decision-maker,” as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in this business?

For purposes of this question, “Major State Decision-maker” means:

- (i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, or chief of staff;
- (ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, or chief of staff;
- (iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

Please indicate your response below.

Yes

If your answer is “Yes,” please identify the Major State Decision-maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §§36-14-16, 17 and 18.

No



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3. In the course of providing goods or services to RIHousing, the selected respondent may receive certain personal information specific to RIHousing customer(s) including, without limitation, customer names and addresses, telephone numbers, email addresses, dates of birth, loan numbers, account numbers, social security numbers, driver’s license or identification card numbers, employment and income information, photographic likenesses, tax returns, or other personal or financial information (hereinafter collectively referred to as the “Personal Information”). The maintenance of the Personal Information in strict confidence and the confinement of its use to RIHousing are of vital importance to RIHousing.

Please certify below that in the event your firm is selected:

- (i) any Personal Information disclosed to your firm by RIHousing or which your firm acquires as a result of its services hereunder will be regarded by your firm as confidential, and shall not be copied or disclosed to any third party, unless RIHousing has given its prior written consent thereto; and
- (ii) your firm agrees to take all reasonable measures to (a) ensure the security and confidentiality of the Personal Information, (b) protect against any anticipated threats or hazards to the security or integrity of the Personal Information, and (c) maintain reasonable security procedures and practices appropriate to your firm’s size, the nature of the Personal Information, and the purpose for which the Personal Information was collected in order to protect the Personal Information from unauthorized access, use, modification, destruction or disclosure; and
- (iii) when discarding the Personal Information, destroying it in a commercially reasonable manner such that no third party can view or recreate the information, electronically or otherwise.

These provisions, which implement the requirements of the Rhode Island Identity Theft Protection Act, R.I.G.L. § 11-49.2 et seq., will also be incorporated into the final contract with the selected respondent(s). In addition, if selected, your firm may be requested to provide a copy of its information security plan.

I certify that in the event our firm is selected, we will comply with the Personal Information and Security guidelines noted above.

4. Your firm’s president, chairman or CEO must certify below that (i) no member of your firm has made inquiries or contacts with respect to this RFP other than in an email or written communication to klachapelle@rihousing.com seeking clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until March 1, 2025, (iii) all information in the proposal is true and correct to the best of your knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a



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RIHousing employee or Commissioner, or a relative of the same, based on any understanding that such person's action or judgment will be influenced, and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

I certify that no member of our firm has made or will make any such inquiries or contacts; all information supplied is true and correct; no member of our firm has provided anything of value to influence RIHousing; and our firm is in compliance with applicable political contribution reporting.

President, Chairman or CEO (*print*): _____

Signature: _____

Firm Name: _____



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Attachment B

Scope of Work

I. Services to be Provided

Services to be provided by the senior underwriter will include, but are not limited to:

- 1) The development of competitive and creative bond financing structures and mortgage products for eligible borrowers that result in the lowest interest rates, the lowest issuance costs, the lowest negative arbitrage, the greatest amount of financing flexibility, and the maximum bond yield to mortgage rate spread.
- 2) Provide information regarding current or forecasted conditions in the municipal bond market and in the taxable fixed income securities markets.
- 3) Assume primary responsibility for the underwriting, marketing and management of bond issues in a timely manner, including the coordination of the sale and closing of bonds.
- 4) Serving as a point of contact with the rating agencies.
- 5) The ability to provide ongoing qualitative and quantitative maintenance and support services prior to and following a transaction.
- 6) Review and comment on bond trust indentures, program agreements, disclosure related documents and other legal documents associated with RIHousing's programs and bond offerings.
- 7) Assistance with disclosure related requirements.
- 8) Providing additional services as requested by RIHousing.

Services to be provided by the co-managing underwriters include but are not limited to:

- 1) Providing input on and acting as members of the management group on market transactions.
- 2) Participation in new bond offering activities directed by the senior underwriters.
- 3) 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) Providing general support of RIHousing's bond offerings in the secondary market.

II. Project Schedule

RIHousing seeks to engage one or more qualified investment banking firms to serve as senior managing underwriter and/or co-managing underwriter for RIHousing's bond issues for the years 2025 through 2028.



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III. Budget and Payment Terms

Fees will be determined based on each individual issuance transaction and will be evidenced by a written contract such as a Bond Purchase Agreement or Remarketing Agreement.