

**REQUEST FOR PROPOSALS FROM
TRUSTEES
FOR
Single Family Mortgage Revenue Bonds
Series 2024
(1995 Indenture)**

SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION OF NOTICES OF INQUIRIES.



November 27, 2023

**Arkansas Development Finance Authority
#1 Commerce Way, Suite 602
Little Rock, AR 72202
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSER/ GENERAL INFORMATION

A. PURPOSE. The Arkansas Development Finance Authority (“ADFA” or the “Authority”) is restarting its Single Family Mortgage Revenue Bond program. The Authority has not issued bonds under this program since 2013. It is our intention to use our existing 1995 Indenture. We anticipate issuance of only fixed rate, 30-year securities, at a volume of approximately \$75,000,000 to \$100,000,000 tax-exempt per year, as well as a lesser amount of taxable bonds to be blended with these.

It is ADFA’s expectation that the proceeds of the bonds will be used to purchase mortgage-backed securities (primarily Ginnie Mae securities) comprised of loans created by ADFA’s HomeToOwn program. ADFA’s Master Servicer is Servisolution of Alabama.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal (“RFP”) should be submitted to the following:

rfp@arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than December 18, 2023, 12:00 p.m., via email. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Ro Arrington, Director of Public Finance and Homeownership at (501) 682-5910 (Robert.arrington@arkansas.gov) or Kristy Cunningham, Chief Financial Officer at (501) 682-5925 (Kristy.cunningham@arkansas.gov). Substantive questions and answers will be documented in letter form and will be sent by electronic mail to all the proposers who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE RO ARRINGTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Firms wishing to respond to this RFP may contact any of the ADFA staff persons identified herein. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM’S PROPOSAL.**

F. SELECTION TIMETABLE.

November 27, 2023	Request for Proposal Issued
December 18, 2023	Proposals due by 12:00 p.m., via email
TBA	Oral Presentations (if necessary)
January 18,2023	Board Action (Appoint/ratify the appointment of Trustee, authorizes the President of ADFA to negotiate fees).
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. ADFA’s Staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on the responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals that omit any of these items may be rejected as non-responsive. The ADFA Board Professional Selection Committee will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer’s cost, risk and expenses. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

Any firm selected will be required to complete a disclosure form in compliance with Governor’s Executive Order 98-04.

H. SELECTION CRITERIA. The proposals will be reviewed by the Staff Professional Selection Committee composed of selected members of ADFA staff. The committee generally will use the following criteria to evaluate all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee; however, ADFA reserves the right to evaluate the proposals based on factors beyond the listed criteria.

Criteria

1. Firm’s prior experience as trustee for:
 - a. ADFA bond issues.
 - b. Single Family housing bond issues.
2. Ability to handle daily receipts and payments.

Criteria

3. Timeliness and clarity of transaction reporting.
4. Qualifications of staff to be assigned. (Position in firm and years and type of experience will be considered.)
5. Responsiveness of written proposals to the purpose and scope of services.
6. Reasonableness of proposed fee.

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The trust indenture for this bond program, when adopted by the ADFA Board of Directors and accepted by the trustee, shall be deemed to be and shall constitute a contract between ADFA and the trustee. The indenture will require the trustee to perform services normally associated with being trustee for a revenue bond program, including, but not limited to:

1. Authenticate and deliver the Bonds authorized by the trust indenture.
2. Maintain registry books of ADFA showing the person in whose name the Bonds are registered, if applicable.
3. Hold and maintain trust funds pursuant to the trust indenture.
4. Apply or deposit all Bond proceeds, pledged funds and pledged revenues pursuant to the trust indenture.
5. Invest or reinvest moneys held in accounts pursuant to the trust indenture or as directed by an authorized officer of ADFA.
6. Maintain accurate records of all trust fund transactions.
7. Advise ADFA electronically, on or before the 5th business day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of the trust indenture as of the end of the preceding month.
8. Select bonds to be redeemed in such manner as prescribed in the trust indenture and as directed by ADFA in accordance with the trust indenture.
9. Give notice, in the name of ADFA, of redemption of Bonds at the time and in the manner required by the trust indenture.
10. Serve as Disclosure Dissemination Agent for ADFA - report all annual financial disclosure and material events to the Municipal Securities Rulemaking Board ("MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA") on behalf of ADFA. ADFA should be notified and copied on all correspondence relating to disclosure to EMMA on ADFA bond issues.
11. Bill and collect the ADFA administrative fee.

12. Ability to provide Internet accessibility of trust account information and provide access and/or submit daily transactions via interface program and month-end balances report.
13. Send copy of all unscheduled Bond Redemptions occurring prior to maturity to the ADFA Accounting/Finance Department.
14. Ensure timely receipt of arbitrage rebate calculations.
15. Prepare bond call calculations prior to each debt service date or upon direction of the Authority.

SECTION III: STATEMENT OF QUALIFICATIONS

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as trustee.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one page transmittal letter prepared on the proposer's business stationery should accompany the submitted proposal.

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Trustee for The Single Family Mortgage Revenue Bond Program." The submission must contain sufficient information to enable the ADFA Staff and Board Professional Selection Committees to evaluate the proposal. It should be prepared in a clear and concise manner and should address each of the following subsections:

1. **Experience.** Give a brief summary of your firm's prior experience as trustee for:
 - a) ADFA Bond issues.
 - b) Single Family housing bond issues.
2. **Staffing and Qualifications.** Give a brief summary of the qualifications and experience of the trust officer and staff who will be assigned to this account.
3. **Daily Processing and Reporting.** Please give a brief description of your computer systems and programs utilized in the Trust Division and their capabilities. Comment on your ability to handle daily receipts, daily payments and the timeliness and clarity of transaction reporting. Also discuss what account accessibility via the Internet you offer as well as any experience you have with electronic interfaces between your trust systems and your customer's accounting software.
4. **Scope of Services.** Elaborate on the services you propose to perform as trustee for the proposed financing. In what way do you expect the scope of services to differ

from those listed in Section II? Please also address your firm's ability to meet the aggressive timeframes outlined at the end of Section II.

5. **Financial Strength.** Please comment on your company's financial condition and any issues that might impact your ability to carry out this assignment.
6. **Trustee Fee & Reimbursable Expenses.** Complete the attached Proposed Trustee Fee Schedule, and, if necessary, use a narrative description to present the basic assumptions on which your firm's fee proposal is predicated and any factors that would change the proposed fee. List all anticipated expenses to be incurred by your firm for which you expect reimbursement. This includes any wire fees or sweep fees you anticipate to be charged on the account. For each expense item, give an estimated per unit cost and a total cost for the item.
7. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.
8. Under Arkansas Code 19-11-105 and 25-1-503, the firm selected will be required to represent, in the contract providing for the engagement, that (a) it does not currently employ or contract with an illegal immigrant, and (b) it is not currently engaged in a boycott of Israel and will not during the term of the contract engage in a boycott of Israel.
9. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
Proposed Trustee Fee Schedule

Acceptance Fee and Registration Fee. \$ _____

Administration Fee for Escrow Bonds*:
() Fixed fee, or \$ _____

() Other, please explain \$ _____

Administrative Fee for Long-Term Bonds:
() Fixed annual fee until final bond redemption, or \$ _____

() ____ basis points of outstanding bond balance, paid annually
Provide assumptions for fee structure here:
_____, or \$ _____

() Other basis (Explain) \$ _____

Additional Fees or Charges (Brief description and estimated \$ amount). **Wire fees and sweep fees should be included here:**

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Presented on behalf of: _____
By: _____
Title: _____
Phone: _____