

Questions and Answers for RFQ 2014-02  
Arbitrage Rebate Services

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- Q: The RFQ states that reports will be provided on an annual basis. Are all reports prepared through a single date (i.e. June 30<sup>th</sup>) or, are the report prepared through the anniversary of the bond year of each bond issue?
- A: The annual report will use the anniversary of the bond year of each bond issue.
- Q: How many single family and how many multifamily bond issues are outstanding?
- A: Selected Offerors will only calculate rebate on new tax exempt deals that are closed after the Offeror is under contract.
- How many bond issues have guaranteed investment contracts that are still outstanding? See previous answer.
- Q: What fees are the current provider(s) charging for reports prepared in connection with the single family and multi-family bond issues?
- A: The fee for the initial report for both multifamily (MF) and single family bonds is \$1,500. The fee for annual reports for MF bonds is \$1,250 and \$1,450 for SF bonds.
- Q: Who is the current provider?
- A: FHFC currently uses BLX Group LLC and Hawkins Delafield & Wood LLP.
- Q: Can you disclose its annual budget for arbitrage rebate services?
- A: There is not an exact annual budget that can be given as assignment to calculate rebate will be dependent on how many tax-exempt bond deals are closed.
- Q: Does Florida Housing perform arbitrage rebate calculations on all outstanding bond issues annually? If not, what is the general frequency in which reports are requested?
- A: Florida Housing currently requires annual calculations on most tax exempt bond deals.
- Q: If annual reports are required, are they as of the fiscal year end or as of each bond issues annual anniversary date?
- A: The annual report will use the bond issues annual anniversary date.
- Q: Scope of Services: Letter (I)7. asks for selected proponent to Legally Opine on the calculations provided. Would you like this to accompany all calculations or only calculations required as of an IRS filing date?
- A: This requirement is for every calculation.
- Q: Can you provide a list of bond issues outstanding that includes the following information:
- Fixed Rate or Variable Rate
  - Last Rebate Calculation Date
  - Proceeds Remaining as of last calculation date.
- A: Selected Offerors will only calculate rebate on new tax exempt deals that are closed after the Offeror is under contract.

Q: How will data be transmitted to the selected proponent (i.e. will access be provided to accounts held by trustees, electronic in excel, electronic in the form of pdf statements).

A: Currently the trustee provides access to the various accounts data.

Q: How are bond proceeds typically invested? For instance are separate accounts set up for each bond issue, or are proceeds of multiple bond issues invested together?

A: Currently, separate accounts are set up for each bond issue.

Q: The RFQ only appears to address arbitrage rebate, would you also be looking for the selected provider to cover excess earnings on the single family purpose obligations?

A: The RFQ is for arbitrage rebate services.

Q: What firm or consultant currently prepares arbitrage reports for Florida Housing?

A: FHFC currently uses BLX Group LLC and Hawkins Delafield & Wood LLP to prepare arbitrage reports.

Q: What is the current annual budget for this service?

A: There is not an exact number that can be given as assignment to calculate rebate will be dependent on how many tax-exempt bonds are closed.

Q: Can you provide a list of outstanding tax-exempt issues showing the interest rate type (e.g., fixed vs. variable), the date of the most recent calculation and the corresponding rebate liability? Also, please highlight any bond issues with commingled funds and/or integrated hedges. This will help us better understand the volume and complexity of the engagement.

A: Selected Offerors will only calculate rebate on new tax exempt deals that are closed after the Offeror is contracted.

Q: Can you confirm that Bank of New York is the trustee for all issues under scope (or provide a listing of all trustees)?

A: No, Bank of New York is not the only trustee. Wells Fargo and US Bank are also contracted to provide Trustee Services. Florida Housing is currently in negotiation for two additional trustees to add to the pool.

Q: Would Florida Housing consider five year calculations for issues with substantial negative liabilities (in lieu of annual calculations)? Given the interest rate environment since 2007, this is a more cost effective approach to maintaining compliance for issues with limited arbitrage exposure.

A: Florida Housing currently requires annual calculations on most tax exempt bond deals to insure that there will be enough funds to cover any positive rebate that may be due on the 5 year calculation date. The response to the RFQ can include suggestions from the Offeror.

Q: Can we obtain a copy of a Non-arbitrage Certificate for a representative series of multi-family and single-family bonds?

A: Florida Housing will provide this information once the Offeror is under contract.

Q: Who is your current provider for arbitrage rebate services?

A FHFC currently uses BLX Group LLC and Hawkins Delafield & Wood LLP.

Q: What is the calculation date of the most recent series of rebate reports?

A: The calculation date will use the bond issues annual anniversary date.

Q: Can the prior reports be relied upon as a starting point for future computations?

A: Selected Offerors will only calculate rebate on new tax exempt deals that are closed after the Offeror is contracted.

Q: Can you provide a list identifying the name and principal amount of each bond to be covered by this contract?

A: Selected Offerors will only calculate rebate on new tax exempt deals that are closed after the Offeror is under contract.

Q: What is the total annual fee you paid for rebate services during 2013?

A: There is not an exact annual budget that can be given as assignment to calculate rebate will dependent on how many tax-exempt bond deals are closed. Florida Housing will provide this information once the Offeror is under contract.