

**WASHINGTON STATE HOUSING FINANCE COMMISSION**

1000 Second Avenue, Suite 2700

Seattle, Washington 98104-1046

**REQUEST FOR FEE QUOTATION**

**Conduit Bond Trustee Services beginning on or about April 1, 2020**

**Issued: November 20, 2019**

**Response due: December 9, 2019 by 5:00 pm (PDT)**

**An original and three (3) hard copies and one (1) electronic copy by email**

**Submit Responses to:**

**Debra L. Stephenson, Senior Controller**

**Email: [Debra.L.Stephenson@wshfc.org](mailto:Debra.L.Stephenson@wshfc.org)**

**Phone: (206) 464-7139**

The Washington State Housing Finance Commission (the “Commission”) is issuing a Request for Fee Quotation (“RFQ”) from qualified institutions to act as bond trustee, paying and fiscal agent for its Multifamily and Nonprofit Revenue Bond programs, as well as for our affiliate agency, Washington Higher Education Facilities Authority (Attachment 1). The Commission intends to enter into a fee agreement with an institution to provide these services for new bonds issued on or about April 1, 2020 through June 30, 2022, with up to five, one-year extensions. The Commission expects that the appointed trustee selected under this agreement will serve in that capacity for the life of the bond issues, if performance remains satisfactory.

## **Background**

The Commission was created by the Washington State Legislature; Laws of 1983, Ch. 161, codified at chapter 43.180 RCW, as amended (the “Act”) to increase the supply of capital, through the use of mortgage revenue bonds to “participate in federal, state, and local housing programs and thereby make additional funds available at affordable rates to help provide housing throughout the state.” The Commission was given additional authority by the Act to issue non-recourse revenue bonds for 501(c)(3) organizations, tax-exempt industrial revenue bonds for beginning farmers and ranchers, and to finance energy efficiency and energy renewable projects. The Commission also administers the low-income housing tax credit program for the state.

The Commission provides low interest rate loans to first-time home buyers, multifamily developers who agree to set aside a certain amount of the project for low-income persons, and a broad array of nonprofit organizations across the state, including social services, educational, and cultural organizations and providers of housing and residential care services to the elderly.

The Commission also provides access to funding for first mortgages through a taxable, daily-priced To-Be-Announced (TBA) program, in partnership with Hilltop Securities.

The Commission’s fiscal year begins on July 1 and ends on June 30.

Bonds issued under this authority, except for the first-time homebuyer indentures, are expected to be included under this RFQ and referred to as “Multifamily and Nonprofit Revenue Bonds”

Multifamily and Nonprofit Revenue Bonds:

Multifamily and Nonprofit revenue bonds are generally issued under separate indentures. The Commission has issued \$10.5 billion bonds under these programs with \$4.75 billion remaining drawn and outstanding at August 31, 2019.

The trustee’s principal contact with the Commission will be Debra L. Stephenson, Senior Controller. More detailed information on the Commission’s programs can be found on our website, [www.wshfc.org](http://www.wshfc.org), and in the previous year’s annual report and audited financial statements for the fiscal year ended June 30, 2019, which are also available on our website.

## **Trustee Responsibilities**

In addition to the traditional duties of trustee, the selected firm(s) will perform additional duties on Multifamily and Nonprofit Revenue Bond transactions including, but not limited to:

- Participate in document sessions to the fullest degree by reading and commenting on documents, and working to ensure consistency among them;
- Provide access to electronic transaction data including redemption notices and bond calls, month-end bonds outstanding balances, and monthly statement reporting for all accounts;
- Provide annual Service Organization Control (SOC 1) report;

- Assist the Commission’s auditors and staff in obtaining information as necessary;
- Act as the Commission’s Dissemination Agent
- Assist the Commission in administering its volume cap recycling program by assisting in coordinating management of prepayments and the fund transferred required.
- Store documents relating to the financing;
- Assist with release of arbitrage rebate holdbacks;
- Assist with facilitating transactions, including loan origination, closings and disbursement of fees on closing date;
- And other duties as may be required by the Commission.

**Evidence of insurance**

Please provide your institution’s insurance coverages and limits in relation to your duties as trustee for the following:

Commercial General Liability (CGL) Insurance

Employers Liability (“Stop Gap”) Insurance

Within fifteen (15) days of the fee agreement effective date, the selected trustee may be required to furnish evidence in the form of a Certificate of Insurance that the said insurance is in effect. [The Commission reserves the right to require minimum limits levels.](#)

**RFFQ Information**

***Quotation Submission***

The original and three copies and an electronic version of a quotation must be received by the contact person named below no later than [December 9, 2019](#) at 5:00 p.m. Pacific Time.

***RFFQ Process Schedule***

<b>Event</b>	<b>Date</b>
RFQQ Issuance	November 20, 2019
RFQQ Questions received from potential offerors	November 25, 2019
RFQQ Answers provided for offeror’s questions	December 2, 2019
Due date for quotations	December 9, 2019
Interview notification (if necessary)	December 20, 2019
Interview of selected candidates (if necessary)	January 16, 2020
Anticipated selection of Multifamily & Nonprofit trustee	January 24, 2020
Agreement executed for Multifamily & Nonprofit trustee	February 28, 2020
Anticipated start date of services	April 1, 2020

***Contact Person***

Inquiries regarding the RFFQ and quotations should be submitted to:

Debra L. Stephenson  
Senior Controller  
Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, WA 98104-1046  
Phone: 206-287-4465  
Fax: 206-587-5113  
[debra.l.stephenson@wshfc.org](mailto:debra.l.stephenson@wshfc.org) (Subject: Trustee RFQQ Questions)

### ***Evaluation Procedures***

Quotations submitted will be evaluated by the evaluating team. The evaluating team will make a recommendation to the full Commission for final selection.

In making its selection, the Committee will consider characteristics including, but not limited to, the following:

- Demonstrated experience administering bonds;
- Demonstrated ability in solving problems in a cooperative, innovative, and timely manner;
- Demonstrated ability and qualification of personnel assigned to the account;
- Reputation and ability to provide customer service;
- Financial stability of the firm; and
- Proposed costs and fee structure.

The evaluation team may select an offeror based upon the RFFQs received and without conducting in-person interviews.

### ***Instructions to Offeror***

Quotations submitted to the Commission must, at a minimum, contain information on the following topics and shall be organized as follows:

#### **1. Letter of transmittal**

Please include the following in your letter:

- A. Name, address and telephone number of Offeror;
- B. Signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror;
- C. Date of quotation; and
- D. Contact person for further information or questions regarding the quotation.

#### **2. Institution and experience**

Please provide a description of your institution (include your rating); and your organization's experience in providing services for the types of programs the Commission operates. This includes experience in monitoring covenants in unrated bonds, variable funding bonds public sale – cash collateral, FNMA M-TEBS and Freddie Mac TEL, back to back issues and health care type facilities like continuing care retirement communities.

#### **3. Service plan**

Please tell us the following about how you propose servicing our account:

- A. Location of office(s) involved and the role of each;

- B. Names and roles of key personnel who would be assigned to our account;
- C. Specific experience in corporate trust and housing and nonprofit bond issues of key personnel including involvement in industry activities, experiences working with bank bonds, and expiring letters of credit;
- D. Describe what you see as the trustee role in the full cycle of a bond issue, beginning with the initial development through final redemption. Please include a brief discussion of the procedures/policies in place that guide how that role is performed. Please assure you include:
  - Document review
  - Day-to-day administration (account set up, depositing assets in funds as directed in indentures, resolutions, or WSHFC direction, reconciliations, timely and accurate debt service payments)
  - Please specifically include your policies as they relate to disbursements authorized or required by the bond documents
  - Any required compliance monitoring
  - Accurate and timely filing of any required or informational postings to EMMA;
- E. Describe how this differs when acting in the role as fiscal agent.
- F. Describe any technical advancements you have made that can potentially improve trust operations with WSHFC;
- G. Describe your experience acting as Trustee or Fiscal Agent where issuers use multifamily open indentures.
- H. Describe your strategy for determining appropriate workload, plan for support and backup for primary persons servicing account; and
- I. Circumstances under which trustee's counsel is used, the name of the attorneys you use, and how fees for counsel are recovered.

#### **4. *Systems and technology***

Please tell us about your corporate trust systems and the role technology plays in the administration of your corporate trust duties:

- A. The internal systems you use to administer corporate trust transactions;
- B. Tools or products that you provide to your clients; including the online reporting capabilities;
- C. In detail, describe the types of reports and information available from your online site;
- D. The ability of your clients to download real-time and historical data, and the ability to download and convert information to a usable format (e.g., CSV, Excel), including in a form compatible with Emphasys software; and
- E. The kinds of technical assistance you have provided or are willing to provide to clients seeking to implement electronic data exchange. Include examples, if applicable.

**5. Business continuity plan**

Please tell us about your institution's business continuity plan. Address your firm's most recent audit report in business continuity terms. Describe whether business continuity was addressed and, if so, the auditors' assessment of your firm's readiness.

**6. Recent bond issue activity**

Please provide the following information on your two recent Multifamily or Nonprofit Housing Revenue bond transactions and two recent Nonprofit, non-housing bond transactions (do not use transactions involving the Commission in this summary):

- A. Name of issuer, including contact name and phone number;
- B. Date, type, structure and size of issue;
- C. Personnel assigned to the account;
- D. Indicate the number of issues and dollar volume of bonds you have acted in this capacity since 2018;
- E. Discuss your firm's ability to provide the services required and why your firm is best qualified to provide Multifamily, Nonprofit trustee services to the Commission;
- F. Please provide information or describe examples of how your firm has participated as a cooperative member of a bond issuance finance team and contributed to the solution of a significant problem encountered by the issuer during the last 2 years; and
- G. Any other services, which might have been provided including compliance monitoring, arbitrage calculations, SEC reporting, etc.

**7. Problem and default resolution**

Tell us about your procedures for handling defaults, including the outcome of each. Please describe a few recent workout situations or defaults that you have administered.

**8. List of references**

Please provide a list of five references, at least three of which are housing or State agency related clients.

**9. Fee quotation**

Please submit fee schedules, in the format included as Attachment 2, inclusive of all costs for the Commission's Multifamily and Nonprofit Revenue Bond programs assuming your organization was awarded the fee agreement.

**10. Statement of assurance**

Provide a statement of assurance that your firm is not currently in violation of any regulatory agency rules, or if in violation, explain why the violation does not have a material adverse effect on your firm's ability to perform under this contract.

**11. Additional information**

Please include current copies of the following:

- A. Annual audited financial statements;
- B. Annual Service Organization Control (SOC 1) Report or equivalent;
- C. Internal control review and rating of the corporate trust department;
- D. CRA report and rating;
- E. Evidence of Insurances, and

F. Attachment 3 – Quotation Certification Statement form provided as part of this RRFQ.

### **Right to Reject Quotations**

- The Commission reserves the right without prejudice to reject any or all Quotations and to waive irregularities;
- The Commission reserves the rights to retain all quotations submitted and use any idea in a quotation regardless of whether that quotation is selected;
- Submission of a quotation indicates an irrevocable acceptance by the Offeror of the conditions contained in this Request for Quotation unless exceptions to specific conditions are clearly and specifically noted in the submitted quotation; and
- The Commission reserves the right to negotiate a final acceptable quotation with one or more Offerors selected by the Commission.

### **Protest Procedures**

Any Applicant showing a substantial economic interest in the award who claims to be aggrieved in connection with the quotation process or quotation award of an agreement under this RRFQ may protest to the Commission but only in accordance with the procedures set forth below. Exhaustion of the protest procedures shall be a condition precedent to any legal action based on or related to the protest.

All protests must be in writing and contain the original signature of the protesting party or an authorized agent. Such protests must state all facts and arguments on which the protesting party is relying as the basis for its action. Copies of a protest against the solicitation must be mailed or hand-delivered to the office of the Commission and must be received by the Commission no later than 5:00 p.m. two (2) business days prior to the date quotations are due if the protest relates to the RRFQ process or any other improprieties in the solicitation which are apparent prior to the quotation submittal date. Filing of such protest does not entitle the protesting party to an extension of time for submitting its quotation.

If the protest involves the proposed award of an agreement or the rejection of a quotation, the protest must be received by the Commission no later than 5:00 p.m. five (5) business day following applicant's receipt of the notice of rejection, whether oral or written, or the announcement of the apparent successful applicant, whichever occurs first. Only those who are eligible to submit a quotation under the criteria established by the Commission may protest the rejection of a quotation.

The Executive Director of the Commission will consider the record and all facts available and issue a decision within five (5) business days of receipt of the protest unless additional time is required, in which case the protesting party will be notified by the Commission. The decision of the Executive Director will be final unless the party (or parties) affected delivers a written request for reconsideration to Karen Miller, Chair, Washington State Housing Finance Commission, 1000 Second Ave, Suite 2700, Seattle, WA 98104-1046, within three (3) business days after receiving the decision. The Chair shall consider all the facts and issue a decision within five (5) business days after receiving the request for reconsideration unless additional time is required, in which case the protesting party will be notified of the delay.

Failure to comply with the deadlines set forth above will result in the waiver of any rights to protest or claim. Nothing in this protest procedure shall be interpreted to require the Commission to suspend agreement award, performance or terminate an awarded agreement.

**\*\*\*\*THIS PAGE MUST BE COMPLETED, SIGNED AND RETURNED\*\*\*\*  
PRIOR TO THE QUOTATION CLOSING DATE AND TIME.  
FAILURE TO DO SO WILL RESULT IN QUOTATION REJECTION.**

ATTACHMENT 3  
Quotation Certification Statement

Our quotation, of which this statement is a part, identifies certain staffing fees and compensation for services identified in the Request for a Quotation for Multifamily and Nonprofit Revenue Bonds Services to the Washington State Housing Finance Commission.

The undersigned hereby: a) acknowledges he/she has read and understands all requirements and specifications of this Request for Quotations (including attachments); b) agrees to all requirements, specifications, terms, and conditions contained in this Request for Quotation; c) offers and agrees to perform the services with the staffing identified for the fees and compensation stated; and d) verifies that this quotation shall remain valid for at least sixty (60) day after Commission's December 9, 2019, closing deadline date for Quotations.

\_\_\_\_\_  
(Firm Name)

By: \_\_\_\_\_  
(Typed or Printed Name)