



Homes and Community Renewal

Andrew M. Cuomo, Governor James S. Rubin, Commissioner/CEO

Request for Proposals for Trustee Services & Depository Services

Issuance Date: September 26, 2016
Submission Deadline: October 21, 2016, 3PM EDT

**NEW YORK STATE HOUSING FINANCE AGENCY
STATE OF NEW YORK MORTGAGE AGENCY
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
TOBACCO SETTLEMENT FINANCING CORPORATION
641 LEXINGTON AVENUE • NEW YORK, NEW YORK 10022
www.nyshcr.org**

Proposal Checklist

CHECKLIST FOR VARIOUS REQUIRED FORM RELATED ITEMS TO BE COMPLETED AND RETURNED:

- Tab I - Application Coversheet
- Tab I - Cover Letter
- Tab 2 – Technical Proposal
- Tab 3 – Cost Proposal Forms, Schedules 1 and 2

- Tab 4 - Administrative Proposal

- [Lobbying Reform Law Form 1](#)
- [Lobbying Reform Law Form 2](#)
- [Non-Collusive Bidding Certification Form](#)
- [Contractor and/or Vendor Information Form](#)
- [Vendor Responsibility Questionnaire – For Profit Business Entity](#)
- [EEO Staffing Plan, PROC-1](#)
- [Company Demographic Profile, PROC-7](#)
- [EEOC Statement, PROC-8](#)
- [Diversity Practices Questionnaire, PROC-9](#)
- Evidence of Insurance
- Conflict Of Interest Statement
- Statement regarding Disclosure of Commission Findings

Application Coversheet

Attach this form to the top of your proposal.

APPLYING FOR: (Check all that may apply)

- Trustee Services
- Depository Services

DATE OF APPLICATION: _____

GENERAL INFORMATION ON FIRM:

Legal Name of Firm:

Firm's Mailing Address:

Firm's Website:

Firm's Main Telephone Number (including area code):

Federal Tax ID Number:

FINRA and/or SEC Registration Number (if applicable):

MWBE Registration Number (if applicable):

Service-Disabled Veteran-Owned Business Registration Number (if applicable):

MAIN CONTACT INFORMATION FOR THIS PROPOSAL:

Please list the individual that will be the main contact *regarding this proposal*:

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

PRINCIPAL IN CHARGE:

Please list the primary staff person(s) who will provide services to the Agencies. Attach additional sheets if necessary.

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

ADDITIONAL CONTACTS (if applicable):

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

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**New York State Housing Finance Agency
State of New York Mortgage Agency
State of New York Municipal Bond Bank Agency
Tobacco Settlement Financing Corporation**

REQUEST FOR PROPOSALS

FOR

TRUSTEE SERVICES & DEPOSITORY SERVICES

The Lobbying Law designated Contact Officer for this solicitation is:

Alejandro J. Valella, Vice President and Deputy Counsel
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor New York, New York 10022
Alex.Valella@nyshcr.org

1. Introduction

[New York State Homes and Community Renewal](#) (“**HCR**”) consists of all the major housing and community renewal agencies of the State of New York (“**State**” or “**NYS**”) including the New York State Housing Finance Agency (“**HFA**”), State of New York Mortgage Agency (“**SONYMA**”), State of New York Municipal Bond Bank Agency (“**MBBA**”) and Tobacco Settlement Financing Corporation (“**TSFC**”) (individually, “**Agency**” and collectively, “**Agencies**” and individually or collectively, “**Agency(ies)**”). HCR includes other agencies not involved in this request for proposal (“**RFP**”) process.

2. Purpose

The Agencies seek competitive proposals from qualified financial institutions (“**Firms**” or “**Respondents**”) to provide the Agencies with trustee services and/or depository services, as the basis of establishing a prequalified list. The services provided will be in accordance with this Request for Proposal (“**RFP**”) and attachments.

3. Overview of the Agencies

The Agencies are public benefit corporations of the State of New York, co-located and co-administered from their New York City (“NYC”) office.

The Agencies actively participate in the issuance of their respective bonds and the Agency staff supervises each step of the financing process.

More detailed information relating to the Agencies and their respective programs may be found at the Agencies’ website www.nyshcr.org.

3.1 New York State Housing Finance Agency

The [New York State Housing Finance Agency](#) was created in 1960 to promote the production and preservation of affordable rental housing opportunities for low- to moderate- income citizens of the State. Today, HFA is one of the nation’s most prolific issuers of multifamily housing bonds. In furtherance of its mission, HFA is committed to preserving existing affordable rental housing while continuing to be a strong presence in the financing of new affordable housing throughout the State. In 2015, as one of the primary issuers of municipal bonds for housing in the nation, HFA issued approximately \$2.1 billion of bonds to finance nearly 7,300 units.

Currently, HFA utilizes three financing tools to fund its projects: (i) variable rate demand bonds for its 80/20 developments; (ii) fixed rate bonds for its all affordable projects funded under the Affordable Housing Revenue Bond Resolution; and (iii) unrated private placements on a case by case basis. As part of its mission, the Agency looks to continuously explore new and innovative cost-effective financing techniques and efficiencies that can be implemented in its existing financing structures.

3.2 State of New York Mortgage Agency

The [State of New York Mortgage Agency](#) was created in 1970 to provide single-family homeownership opportunities for low- to moderate-income New Yorkers. The Agency funds its mortgage lending activities through the issuance of taxable and tax-exempt bonds under two resolutions: the Homeowner Mortgage Revenue Bond (“**HMRB**”) Resolution and Mortgage Revenue Bond (“**MRB**”) Resolution. SONYMA has approximately \$2.592 billion of bonds outstanding under its HMRB and MRB Resolutions. The majority of the Agency’s recent bond transactions have been issued under its HMRB Resolution. The Agency is one of the nation’s largest issuers of single family housing bonds and the only issuer of such bonds in New York State. In 2015, the Agency issued over \$419 million in bonds and funded over 1,417 mortgages.

Together with HFA, the two agencies combined to be the largest housing issuer in the nation last year.

3.3 State of New York Municipal Bond Bank Agency

The [State of New York Municipal Bond Bank Agency](#) was created in 1972 as a public benefit corporation to help municipalities gain access to the capital markets. MBBA’s mission is to facilitate access to the capital markets for municipalities across the State. To accomplish this mission, MBBA issues bonds on an “as-needed basis” for purposes specified under its statute and uses the proceeds to purchase bonds and notes issued by local governments to finance public improvements. In its 44 year history, MBBA has issued bonds for various projects and purposes consistent with its mission including Build America Bonds and bonds on behalf of the City of New York and the City of Buffalo.

3.4 Tobacco Settlement Financing Corporation

The [Tobacco Settlement Financing Corporation](#), created in 2003 as a subsidiary of MBBA, monetizes the State’s Tobacco Settlement Revenues. Pursuant to the Tobacco Settlement Financing Corporation Act, TSFC was authorized to issue bonds in an aggregate principal amount not to exceed \$4,200,000,000 (excluding costs of issuance and refunding bonds). TSFC’s authority to issue bonds, other than refunding bonds, expired on June 30, 2004. TSFC used its total new money bond authority through bond issuances in 2003. Since then, it has issued refunding bonds in 2008, 2011, and 2013. As of October 31, 2015, TSFC has approximately \$1.378 billion of bonds outstanding.

4. Calendar of Events and Milestones

It is anticipated that a prequalified panel of Firms will be established, eligible for engagements, in response to this RFP based on the following schedule:

Event	Date
Issuance of RFP	September 26, 2016
Deadline for RFP Questions	October 11, 2016, 3PM EDT
Deadline for Responses to RFP Questions	October 14, 2016
Deadline for Submission of Proposals	October 21, 2016 3PM EDT
Anticipated Selection Date*	December 15, 2016

*Subject to the approval of the Agencies’ Board Members and Directors (“**Boards**”).

The Agencies reserve the right to modify this schedule at their discretion. Notification of changes in connection with this RFP will be made available to all interested parties via the Agencies’ web page at: <http://www.nyshcr.org/AboutUs/Procurement/HCR-Procurement.htm>.

5. Minimum Qualifications

A Respondent must meet all of the qualifications outlined in this section. Failure to do so will result in the rejection of the proposal.

5.1 Trustee Services:

- Banking organization authorized to do business in the State of New York;
- A member of the Federal Reserve Bank;
- Minimum capitalization of \$250,000,000;
- Rated at least within the third highest rating category without regard to gradations within such category by Moody's Investor Services ("Moody's") or Standard & Poor's ("S&P"); and
- Corporate Trust Department located in the State of New York.
 - Competent and efficient operation of corporate trust unit

5.2 Depository Services:

- A bank or its holding company that is a member or reports to the Federal Reserve Bank and is also a State bank as defined under Article 3 of the New York State Banking Law;
- Minimum capitalization of at least \$50,000,000; and
- Rated at least within the second highest rating category without regard to gradation within such category by Moody's or S&P.

6. Scope of Services ("Scope of Work")

6.1 General Scope of Services (Scope of Work) for Trustee Services work

In addition to the requirements of the specific Bond Indenture ("Indenture"), the overall responsibilities in regards to Trustee Services shall include the following tasks:

- a. Perform complete trustee functions for one or more future bond issues. Act as Registrar, Paying Agent and Tender Agent;
- b. Establish accounts and maintain funds as required by bond indenture upon issuance of the bonds;
- c. Manage all funds and accounts according to the provisions of the Indenture and in compliance with federal tax law;
- d. Process security trades per instructions received from authorized persons;

- e. Provide for collateralization of un-invested cash balances held in excess of the Federal Deposit Insurance Corporation (“**FDIC**”) limit within each custody/trust account as set forth in the respective Bond Indentures;
- f. Provide monthly activity statements and reports, including the market value of all portfolio holdings;
- g. Provide online web access to account and investment information related to transactions, balances, market values, etc.;
- h. Where applicable and as provided by the Indenture, monitor reserve funds to ensure that amounts required by the Bond Indentures are maintained;
- i. Provide detailed monthly reporting of all transactions in all funds or accounts identified in the Bond Indenture by account, to be received by the specified day of the following month, and prepare such other reports as the Agencies may request; BAI2 file format electronic bank statement delivery is preferred (Please state any additional cost, if any, involved in sending statement in this format.)
- j. Pay or transfer funds to issuer or others, as requested by the Agencies, for costs of issuance, funding of loan originations or purchases, construction draws and other expenses provided for in the Indenture; and
- k. Provide up to two additional sets of bank statements for all accounts authorized by the Indenture, to be forwarded to parties designated by the Agencies.

6.2 General Scope of Services (Scope of Work) for Depository Services

Depository banks are utilized by the Agencies to maintain escrow accounts and provide other banking services. Below is a listing of the scope of work for depository services.

- a. The types of accounts required to be established include tax and insurance escrow, reserve for replacement funds, and any other escrow or depository accounts required by the Agencies. Separate accounts are set up for each individual borrower’s distinct escrow accounts or any other specific escrow or depository accounts needed.
- b. A central clearing account must be established for the deposit of funds on a daily basis via an ACH transfer to the depository bank. Funds are then transferred from the clearing account to individual accounts. Banks must give the Agencies the ability to disburse monies by wire transfer. In addition, for most tax payments, the Agencies need to be provided by the depository with cashier’s checks upon request. Under the current practice, the Agencies initiate wire requests through remote bank system access and requests the depository bank to issue cashier’s checks payable to the taxing authority, vendor or mortgagor. When cashier checks are requested, they are forwarded by overnight mail to the Agencies for disbursement.

- c. Amounts on deposit (exclusive of the sum covered by FDIC) must be collateralized by the bank at a minimum of 102% and delivered to an Agency approved third party custodian. Collateral must be wire-able direct obligations of the U.S. Government or at least AA rated registered securities of a U.S. Government Agency for which prices are quoted in the Wall Street Journal, the New York Times or another nationally recognized statistical ratings organization. See Exhibit A-1 for sample third party custodial agreement.
- d. The Agencies' preferred method of deposit for escrows funds is in money market accounts. Respondents must indicate the monthly rate to be offered to the Agencies based on a percentage of the 13 week U.S. Treasury Bill yield which will be reset on a quarterly basis. Requests for alternative basis should be included with your proposal.
- e. The Agencies will also require electronic data transmission of monthly earnings for each of the escrow accounts for purposes of automatic interface with our General Ledger system. On a monthly basis, the Agency will require an electronic file containing the earnings posted to each account at the end of the month. The file will be used to upload the data to the General Ledger. The Agencies currently receive the file in a CSV format in a protected email. The file must contain a separate line for each of the bank accounts and should display the bank account numbers, cash balances in each of the accounts, the amount of earnings posted in each of the accounts for the month and the date the earnings were posted. The file will be read by the Agencies' IT system to be uploaded to the General Ledger.
- f. The Agencies must be provided the ability to access online balance and transaction information.
- g. For banking services, the Agencies utilize lockbox services for certain revenue collection and distribution. Your Firm's proposal must describe the type of service provided including, lockbox location and a full description of the lockbox services.

7. Administrative Information

7.1 Questions and Answers

Any questions or requests for clarification regarding this RFP must be submitted via email to Lisa.Pagnozzi@nyshcr.org, citing the RFP page and section, no later than the date identified in the "*Calendar of Events and Milestones*" section of this RFP. The "Subject" line of the email should indicate "2016 Trustee and Depository Services RFP Questions."

Questions will not be accepted orally and any question received after the deadline may not be answered. The list of questions/requests for clarifications and the official Agency responses will be posted in a timely manner on [HCR's "Procurement Opportunities" webpage](#).

Respondents should note that all clarifications and exceptions are to be resolved prior to submission of the proposal.

An electronic version of this RFP will be posted on [HCR's website](#) in addition to any subsequent changes, additions or deletions to the RFP, including the timelines and target dates. **Respondents are encouraged to check HCR's website frequently for notices of any clarifications, changes, additions, or deletions to the RFP.**

7.2 Amendments and Addenda

The Agencies reserve the right to modify any part of this RFP including, but not limited to, the date and time by which proposals must be submitted and received by the Agencies, at any time prior to the Deadline for Submission of Proposals date listed in the “*Calendar of Events and Milestones*” section of this RFP. Modifications to this RFP will be made by issuance of amendments and/or addenda. Any amendment or addendum to this RFP will become part of this RFP.

Prior to the Deadline for Submission of Proposals date, any such clarifications or modifications as deemed necessary will be posted to [HCR's website](#).

If the Respondent discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the Respondent will immediately notify the Agencies of such error in writing and request clarification or modification of the document.

There are no designated dates for release of addenda. Therefore, interested Respondents should check the Agencies' website frequently through the Deadline for Submission of Proposals date. It is the sole responsibility of the Respondent to be knowledgeable of all addenda related to this RFP process.

7.3 Restriction of Communication

Pursuant to State Finance Law (“SFL”) §§139-j and 139-k, this RFP imposes certain restrictions on communications between the Agencies and their Affiliates (including the New York State Affordable Housing Corporation, Housing Trust Fund Corporation and the State's Division of Housing and Community Renewal, other agencies constituting HCR), and a potential Respondent during the RFP process. A Respondent is restricted from making contacts that a reasonable person may infer were intended to influence the selection of a firm or company to perform (or provide) the proposed professional services (or goods) in this RFP, from the date of publication of this RFP until the awarding of a contract(s) by the Agencies (the “**Restricted Period**”) with any person other than the designated staff member named below, unless it is a contact that is included among certain statutory exceptions set forth in SFL §139-j(3)(a). Employees of the Agencies, including any employees of the agencies that constitute HCR, are required to obtain certain information when contacted during the Restricted Period and make a determination of responsibility of the Respondent under the SFL. Findings of non-responsibility can result in rejection for contract award and in the event of two (2) findings within a four (4) year period, the Respondent will be debarred from obtaining governmental contracts.

For further information, please refer to the following website:
<http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/Faq.htm>.

For all Lobbying Law Contacts, please contact:

Alejandro J. Valella, Vice President and Deputy Counsel
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Alex.Valella@nyshcr.org

If you have inquiries regarding this RFP or would like to contact the Agencies regarding issues not relating to Lobbying Law Contacts, please contact:

Lisa G. Pagnozzi, Vice President, Contracts and Administration
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Lisa.Pagnozzi@nyshcr.org

OR

Berniesha Coleman, Assistant Contract Administrator
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Berniesha.Coleman@nyshcr.org

Other than the three contact persons identified above, prospective Respondents shall not approach Agency employees, or any employees of the agencies that constitute HCR, during the Restricted Period about any matters related to the RFP or any proposal(s) submitted pursuant thereto.

7.4 Term of Engagement

The Agencies anticipate establishing a panel or panels of firms for trustee and/or depository services. The engagement term for depository services will be for a five year period; however, the Agencies may exercise their option to extend the engagement, subject to approval by the Agencies' Members/Directors and at management's discretion. If a Firm is selected and Board approved to provide trustee services, the term of the engagement will run for the life of the bond issue or in the case of a resignation, until the appointment of a successor trustee.

Any Firm selected for an engagement will be required to execute a written agreement with the Agency that incorporates Appendix I [Standard Clauses for Contracts](#), hyperlinked herein. Inclusion on the Panel does not guarantee participation in a minimum number of engagements with the Agencies.

7.5 Engagement requirements

7.5.1 Syndicate Structures

The Agencies reserve the right to review performance and reassign Firms on the list to new roles at any time during the engagement.

7.5.2 Reports to the Agencies

Where applicable, Firms will be required to provide pricing information to the Agencies for each engagement.

7.6 Affordable Care Act

It is the sole responsibility of the Firm to provide and maintain all Affordable Care Act (“ACA”) requirements/benefits. The ACA mandates employers with 50 or more full-time equivalents to offer coverage to full-time employees and their dependents or pay taxes if an employee obtains Exchange coverage and a premium tax credit¹. Employees of selected Firms providing services to the Agencies are employees of the Firm and are not employed by any Agency nor the State of New York.

8. Proposal Requirements

A complete proposal for this RFP is comprised of four (4) separate tabs: (i) Tab One: Application Cover Sheet and Cover Letter; (ii) Tab Two: Technical Proposal; (iii) Tab Three: Cost Proposal; and (iv) Tab Four: Administrative Proposal.

Respondents should indicate if they wish to be considered for Trustee Services, Depository Services or both.

Proposals must be complete and prepared in a format consistent with the instructions provided in this RFP. In all instances, the Agencies’ determination regarding a proposal will be final. Proposals not organized in the manner prescribed in this RFP may be considered non-responsive at the Agencies’ sole discretion. Respondents should not refer to other parts of the proposal, to information that may be publicly available elsewhere, or to the Respondent’s or other websites in lieu of answering a specific question.

¹ . Exchange coverage allows a Firm to use the State’s insurance exchange marketplace to obtain coverage from competing private health care providers.

8.1 Proposal Submission Requirements

Proposals must be delivered by email no later than the proposal due date and time indicated in the “*Calendar of Events and Milestones*” section of this RFP.

Proposals must be submitted by email to Nyhomes.proposal@nyshcr.org in searchable portable document format (“**PDF**”) compatible with Adobe Reader XI. The Agencies will not accept discs, flash drives, or FTP file references that require the Agencies to download information from the Respondent’s or a third party’s site. If the file is large, it may be submitted in multiple email attachments, with the proper Part One or Part Two label (if applicable) and “1 of X”, “2 of X”, etc., and the last email as “X of X – Final” for each additional email.

The proposal must be bookmarked and divided into four parts: (i) Tab One: Application Cover Sheet and Cover Letter; (ii) Tab Two: Technical Proposal; (iii) Tab Three: Cost Proposal; and (iv) Tab Four: Administrative Proposal. Proposals must be sent in two emails and labeled as follows: (a) one email to include Tabs One and Two and the subject line of the email must be labeled: “2016 Trustee and Depository Services: Tabs 1 and 2”; and (b) the other email must include Tabs Three and Four, and the subject line of the email must be labeled “2016 Trustee and Depository Services: Tabs 3 and 4”.

Any proposal delivered after the date and time designated as the proposal submission deadline listed in the “*Calendar of Events and Milestones*” section of this RFP may be deemed ineligible. It is the Respondent’s sole responsibility to ensure that all emails and attachments are delivered on time in a legible format. Respondents assume all risk for proposal delivery.

A proposal may be deemed to be non-responsive because it is materially incomplete. The Agencies reserve the right to seek clarification or request additional information.

The determination of whether any proposal is complete or was received on time is at the sole discretion of the Agencies.

All submitted proposals shall become the property of the Agencies.

9. Contents of Proposals

The Respondent must submit a proposal that clearly provides all of the information required in this RFP. Emphasis should be made on conformance to the RFP instructions, responsiveness to the RFP requirements, and clarity of content. The Respondent is advised to thoroughly read and follow all instructions contained in this RFP. Proposals that do not comply with these instructions, or do not meet the full intent of all the requirements of this RFP may be subject to scoring reductions during the evaluation process or may be deemed non-responsive.

The Agencies do not require, nor desire, any promotional material that does not specifically address the response requirements of this RFP.

Proposals should demonstrate that the Respondent is qualified to perform the Scope of Work based upon prior relevant professional experience. An Agency review committee will conduct a comprehensive review of each proposal.

Each Respondent is required to submit the information and documentation listed below in the order in which it is requested. A proposal that does not include all required information and completed forms may be subject to rejection.

The completed proposal will include Tabs One through Four, as described in the Proposal Submission Requirements section of this RFP. Each Tab must be electronically bookmarked as “Tab 1,” “Tab 2,” “Tab 3,” and “Tab 4” and must be presented in the exact order requested in this RFP. The content in Tab 2 must be limited to five (5) letter-size pages (single or double spaced, minimum 12 point font, and at least one inch margins). The five page limit in Tab 2 does not include resumes, references, organizational chart, etc.

The Respondent’s proposal should contain the following:

9.1 TAB 1: Cover Letter

The Respondent’s cover letter must not exceed three (3) pages and should include:

1. The Respondent’s name, address, telephone number, fax number, email address and web site address, if applicable;
2. The name, title, telephone number, fax number and email address of the individual within the Respondent’s organization who will be the Agencies’ primary contact concerning the proposal;
3. A summary of the Respondent’s organizational history and legal structure (e.g. corporation, evidence of MWBE and/or SDVOB certification status, etc.);
4. A statement indicating in what capacities the proposal is being submitted: (i) Trustee Services; and/or (ii) Depository Services.
5. A statement affirming the number of years that the Firm or its principals have provided trustee services and/or depository services;
6. The name(s) of the primary staff who will provide services to the Agencies;
7. A written certification confirming that the information contained in the proposal is true and accurate and that the person signing the cover letter is authorized to submit the proposal on behalf of the Respondent.

9.2 TAB 2: Technical Proposal

This section of the RFP provides instructions to Respondents regarding information that is to be included in the Technical Proposal. Proposals must be complete, factual and as detailed as necessary to allow the Agencies to adequately evaluate capabilities and experience.

The purpose of the Technical Proposal is to provide the Respondent an opportunity to demonstrate its qualifications, competence and capacity to undertake the Scope of Work described in Section 6 of this RFP, in a manner which complies with the requirements of this RFP. Proposals should specifically detail a Respondent's qualifications and experience in providing services sought by the Agencies. The proposal should:

- Briefly describe your Firm's qualifications to serve as a trustee and demonstrate experience providing corporate trust services for municipal issuers, specifically addressing the Scope of Work in Section 6.1 of this RFP;
- Briefly describe your Firm's qualifications to provide depository services and demonstrate experience providing depository services for municipal issuers, specifically addressing the Scope of Work in Section 6.2 of this RFP;
- If your Firm has done business with the Agencies before, please indicate if any problems have occurred and how they were resolved;
- List key staff who will be engaged in this relationship, their qualifications, resumes and location;
- Discuss your Firm's presence in New York State including offices maintained in the State;
- Firm's ratings by Moody's, S&P and Fitch Ratings; and
- Provide Firm's technical capabilities including systems used to meet processing and reporting requirements of bond issues and on-line access to account information.

9.3 TAB 3: Cost Proposal

For trustee services, complete the fee schedule, attached to this RFP as Schedule 1 that includes:

- Annual trustee administration fee per bond series;
- Trustee counsel fees per closing;
- Any administrative and/or counsel fees for mini-closings associated with credit substitution or recycling; and
- Any other fees or charges associated with the scope of work as trustee.

For depository services, complete the fee schedule attached to this RFP as Schedule 2 which should include a schedule of all charges associated with the Scope of Work including, but not limited to:

- Deposit administration;
- DDA account maintenance;
- Depository services;
- Disbursement services;
- General ACH services;
- Wire and transfer services, etc.; and
- Lock Box services.

Although proposed fees will be taken into account, the Agencies reserve the right to negotiate a lower or different fee structure with institutions selected. Fees for trustee services will remain in effect until December 31, 2019 and will be re-evaluated annually thereafter. Fees for depository services will remain in effect for five years.

9.4 TAB 4: Administrative Proposal

Respondents are subject to the requirements described in the [Agencies' Standard Clauses and Requirements for Solicitations](#), hyperlinked herein as Exhibit A. Such requirements include, but are not limited to, submission of the following information and forms of the Agencies: (a) [Lobbying Procurement Law FORM 1](#) and [Lobbying Procurement Law FORM 2](#); (b) [Non-Collusive Bidding Certification FORM](#); (c) [Contractor and Vendor Information FORM](#); and (d) [Vendor Responsibility Questionnaire for For-Profit Business Entity](#); (e) [Company Demographic Profile PROC-7](#); (f) [EEOC Statement, PROC-8](#), applicable to Respondents with 15 or more employees; (g) [Diversity Practices Questionnaire, PROC-9](#); and (h) [EEO Staffing Plan, PROC-1](#).

In addition to completion of the forms hyperlinked in the paragraph above, Respondents must provide all other information indicated in this Section 9.4 for Tab 4.

9.4.1 Insurance

The Respondent shall maintain adequate liability insurance to protect the Agencies against any loss, damage and/or expense related to the Firm's performance under the contract.

The insurance coverage shall include, but shall not necessarily be limited to, general liability, professional liability, etc. Written evidence of the insurance coverage shall be provided by the Respondent upon request by the Agencies.

In the event the insurance coverage is cancelled, the Agencies must be notified immediately.

9.4.2 Conflict of Interest

Disclose any existing or contemplated relationship with any other person or entity, including relationships with any parent, subsidiary or affiliated entity, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the Respondent or former officers and employees of the Agencies and their Affiliates, in connection with your rendering services enumerated in this RFP. If a conflict does or might exist, please describe how your Firm would eliminate or prevent it. Indicate what procedures will be followed to detect, notify the Agencies of, and resolve any such conflicts.

9.4.3 Disclosure of Commission Findings

The Respondent must disclose whether its entity, or any of its members discussed in the above paragraph, has been the subject of any investigation or disciplinary action by the New York State Commission on Public Integrity or its predecessor State entities (collectively, “**Commission**”), and if so, a brief description must be included indicating how any matter before the Commission was resolved or whether it remains unresolved.

10. Evaluation of Proposals

10.1 The Selection Process

The selection process will begin with the review and evaluation of each of the written proposals. The purpose of the evaluation is two-fold: (1) to examine the responses for compliance with the requirements of this RFP; and (2) to identify the complying Firm(s) that have the highest probability of satisfactorily performing the Scope of Work, described herein. The evaluation will be conducted in a comprehensive and impartial manner as set forth herein.

10.2 Preliminary Review

The Agencies reserve the right to reject all proposals received after the RFP due date and time. All proposals will be reviewed to determine if they contain all required submittals specified in this RFP. Incomplete proposals may be rejected.

10.3 Evaluation and Criteria for Selection

Proposals will undergo an evaluation process conducted by a committee of the Agencies (“**Committee**”). Given ongoing changes in banking organizations, the Agencies will evaluate proposals based on the qualifications of both the Firm and its current personnel, which will include an individual’s experience at other firms during the relevant time period. The Committee will evaluate the proposals based upon the following criteria:

- The information submitted in response to this RFP, including:
 - Respondent’s experience as Trustee for municipal bond issuers, in general and housing bonds in particular, dealing with the construction and financing of housing projects;
 - Demonstrated competence, knowledge and technical expertise and capacity to perform the expected services;
 - Cost effectiveness;
 - Availability of on-line services for account access and management;
 - Capitalization;
 - Presence of an office in the State;
 - Diversity and commitment to equal opportunity and SDVOB programs;

- Avoidance of any potential conflict of interest or appearance of impropriety and policies designed to ensure the avoidance of such conflicts in the future;
- Financial stability;
- Review of the Firm's insurance information;
- Review of all information provided in the proposal; and
- Interviews to clarify or expand on the RFP response (to be conducted at the discretion of the Agencies).

10.4 Interviews

The Agencies reserve the right to determine whether interviews will be necessary and the number of Firms to be interviewed. If the Agencies deem interviews necessary, selected Firms will be notified. The primary relationship manager who would be responsible for the Agencies' relationship with the Respondent, as well as other key personnel proposed to provide services must be present and participate in the interview. The purpose of the interview is to further document the Respondent's ability to provide the required services, and to impart to the Agencies' Committee an understanding of how specific services will be furnished. The interview will be evaluated on the basis of whether it substantiates the characteristics and attributes claimed by the Respondent in its written response to this RFP and any other information requested by the Committee prior to the interview.

The Agencies reserve the right to negotiate or hold discussions with any Respondent.

10.5 Selection and Notification Process

The selected Respondents will be notified via U.S. mail or email. Respondents who are not selected will be notified of the Agencies' determination via U.S. mail or email.

11. Important Information Affecting Proposers

11.1 Proposal Requirements

A Respondent may withdraw a proposal any time prior to the final due date and time by written notification, signed by an authorized agent, to the contact person identified in Section 7 above. The proposal may thereafter be resubmitted, but not after the final due date and time. Modifications offered in any other manner, oral or written, will not be considered.

By responding to this RFP, the Respondent indicates its acceptance of the provisions and conditions enumerated in this RFP. The Respondent warrants and affirms that the terms of this RFP, and any resultant agreement, do not violate any contracts or agreements to which it is a party, and that its other contractual obligations will not adversely influence its capabilities to perform under the contract.

11.2 Agency Requirements

By submitting a proposal, the Respondent covenants that it will not make any claims or have any right to damages because of any misinterpretation or misunderstanding of the specifications or because of lack of information.

The Agencies shall not be obligated for any cost incurred by the Respondent in proposal preparation or in activities related to the review of this RFP or any interview costs.

12. Information relating to EEO and use of State Businesses

12.1 Equal Employment Opportunity Requirements

To ensure compliance with this Section, the Bidder will be required to submit with the bid or proposal an [Equal Employment Opportunity Staffing Plan PROC-1 Form](#), identifying the anticipated work force to be utilized on the Contract and if awarded a Contract, will, upon request, submit an *Equal Employment Opportunity Workforce Employment Utilization Compliance Report* identifying the workforce actually utilized on the Contract, if known, through the New York State Contract System; provided, however, that a Bidder may arrange to provide such report via a non-electronic method by contacting Ms. Lisa G. Pagnozzi at Lisa.Pagnozzi@nyshcr.org.

Further, pursuant to Article 15 of the Executive Law (the “**Human Rights Law**”), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

12.2 The Use of New York State Businesses in Contract Performance

The Agencies are committed to awarding a contract to a Firm that will provide high-quality services at a reasonable and competitive cost and will substantially perform the Scope of Work, as described in this RFP, from an office(s) or location(s) within New York State.

New York State businesses have a substantial presence in State contracts and strongly contribute to the economics of the State and the nation. In recognition of their economic activity and leadership in doing business in New York State, Respondents for this Agency procurement are strongly encouraged and expected to consider New York State businesses in the fulfillment of the

requirements of the Agencies' awarded contract(s). Such partnering may be as subcontractors, suppliers, protégés, providers of office and work space, and/or other supporting roles.

Respondents need to be aware that all authorized users of the awarded contract will be strongly encouraged, to the maximum extent practical and consistent with legal requirements, to use responsive New York State businesses in purchasing commodities that are of equal quality and functionality and in utilizing services and technology. Furthermore, Respondents are reminded that they must continue to utilize small, minority and women-owned businesses, and service-disabled veteran businesses consistent with current State law.

Utilizing New York State businesses in the Agencies' contracts will help create more private sector jobs, rebuild New York's infrastructure, and maximize economic activity to the mutual benefit of the contractor and its New York State business partners. New York State businesses will promote the contractor's optimal performance under the contract award, thereby benefiting the public sector programs that are supported by associated procurements.

Public procurements can drive and improve the State's economic engine through promotion of the use of New York businesses by its contractors. The Agencies therefore expect the successful Respondent to provide maximum assistance to New York businesses in its use of the awarded contract. The potential participation of all kinds of New York businesses will deliver great value to the State and its taxpayers.

THIRD PARTY CUSTODIAN AGREEMENT
(Collateralized Municipal Deposits)

THIS AGREEMENT, made and executed as of _____ between NEW YORK STATE HOUSING FINANCE AGENCY ("Agency"), ___ ("Bank") and Custodian ("Custodian").

WITNESSETH

WHEREAS, Agency desires to maintain or continue to maintain public deposits with the Bank;

WHEREAS, the Bank desires to obtain such deposits and to provide security therefor as required by the General Municipal Law, Banking Law and other applicable statutes;

WHEREAS, the Custodian agrees to provide safekeeping services and to hold any securities pledged by the Bank in a custodial account established for the benefit of the Agency as secured party pursuant to this Agreement;

NOW, THEREFORE, in consideration of the mutual promises set forth hereafter, the parties hereto agree as follows:

1. Security Requirements.

(a) The Bank, to secure the timely payment of Uninsured Deposits heretofore or hereafter made by the Agency, including any interest due thereon and any costs or expenses incurred by Agency and arising out of the collection of any deposits made with the Bank, shall provide the Agency with Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. Whenever Eligible Collateral is provided pursuant to this paragraph, the Bank hereby grants to the Agency a pledge and security interest in and to such Eligible Collateral and shall deliver such Eligible Collateral to the Custodian in the manner prescribed in Section 2 of this Agreement. The security interest of the Agency in Eligible Collateral shall terminate upon the transfer of such Eligible Collateral from the Account.

(b) The Custodian will daily determine the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement. If the Adjusted Market Value of such Eligible Collateral is less than the Collateral Requirement, the Custodian will so notify the Bank and the Bank shall, upon such notice, be required to provide additional Eligible Collateral having an Adjusted Market Value equal to or greater than such deficiency no later than one Business Day after receipt of such notice. If the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement, the Custodian, at the direction of the Bank, shall transfer securities from the Account, or in the case of other Eligible Collateral, cause or consent to a reduction in the amount thereof, to the extent of such excess.

(c) The Bank may substitute Eligible Collateral ("Substitute Collateral") for any Eligible Collateral previously provided pursuant to this Agreement so long as the Substitute Collateral has an Adjusted Market Value equal to or greater than the Eligible Collateral which it will replace. The Bank shall give Written or Oral Instructions to the Custodian with respect to any proposed substitution. If the Substitute Collateral described in such Written or Oral Instructions consists exclusively of Eligible Collateral having sufficient Adjusted Market Value, the Custodian, at the direction of the Bank, shall transfer the Eligible Collateral out of the Account against delivery to the Account on the same Business Day of the Substitute Collateral.

2. Custody of Eligible Collateral

(a) The Bank and Agency hereby appoint the Custodian as custodian of all Eligible Collateral at any time delivered to the Custodian pursuant to this Agreement. The Custodian hereby accepts appointment as such

Custodian and agrees to establish and maintain the Account and appropriate records identifying the Eligible Collateral as pledged by the Bank to the Agency. Securities in the Account shall be kept separate and apart from the general assets of the Custodian and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or liability of the Custodian or any other person or entity. The Custodian, in performing its duties and responsibilities pursuant to this Agreement, shall act as custodian for, and agent of, the Agency.

(b) The Bank and Agency agree that Eligible Collateral delivered to the Custodian for deposit in the Account may be in the form of credits to the accounts of Custodian at the Book Entry System or a Depository or by delivery to the Custodian of physical certificates in a form suitable for transfer or with an assignment in blank to the Agency or Custodian. The Bank and Agency hereby authorize the Custodian on a continuous and ongoing basis to deposit in the Book Entry System and/or the Depositories all Eligible Collateral that may be deposited therein and to utilize the Book Entry System and/or Depositories and the receipt and delivery of physical Securities or any combination thereof in connection with its performance hereunder. Eligible Collateral credited to the Account and deposited in the Book Entry System or Depositories or other financial intermediaries will be represented in accounts of Custodian that include only assets held by Custodian for its customers, and including but not limited to accounts in which Custodian acts in a fiduciary, agency or representative capacity. Eligible Collateral that is not held in the Book Entry System, Depositories or through another financial intermediary will be held in the Custodian's vault and physically segregated from securities and other non-cash property belonging to the Custodian.

(c) (i) The Custodian shall provide to the Agency weekly and monthly statements reflecting the activity in the Account. Upon request, the Custodian shall also provide to the Agency a daily statement on any Business Day on which Eligible Collateral is transferred to or from the Account.

(ii) Agency agrees that it shall promptly review all statements and shall promptly advise Custodian by Oral or Written Instruction of any error, omission or inaccuracy in such statements. In the event that Custodian receives such a Written or Oral Instruction identifying a specific concern with respect to the Market Value, Adjusted Market Value, or any other matter connected with the Account, Custodian shall undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred. Any such corrections shall be reflected on subsequent statements.

(d) The Account shall not be subject to any security interest, lien or any right of set-off by or against the Custodian.

(e) With respect to all Eligible Collateral held in the Account, the Custodian by itself, or through the use of the Book Entry System or the appropriate Depository, shall, unless otherwise instructed to the contrary by the Bank: (i) collect all income and other payments reflecting interest and principal on the Eligible Collateral in the Account and credit such amounts to the account of the Bank; (ii) forward to the Bank copies of all information or documents that it may receive from an issuer of Eligible Collateral which, in the opinion of the Custodian, is intended for the beneficial owner of the Eligible Collateral including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any Eligible Collateral held by the Custodian hereunder; and (v) upon receipt of Written Instructions from the Bank, the Custodian will exchange Eligible Collateral held hereunder for other securities and/or cash in connection with (a) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (b) any exercise, subscription, purchase or other similar rights.

3. Events of Default

In the event the Bank shall fail to pay the Agency any amount of the Deposits by the Agency covered by this Agreement in accordance with the terms of such Deposit, or should the Bank fail or suspend active operations, the Deposits in such Bank shall become due and payable immediately and the Agency shall have the right to unilaterally demand delivery of all Eligible Collateral in the Account by notice to the Custodian and to sell such securities at public or private sale. In the event of such sale, the Agency, after deducting all legal expenses and other costs, including

reasonable attorneys fees, from the proceeds of such sale, shall apply the remainder towards any one or more of the liabilities of the Bank to the Agency and shall return the surplus, if any, to the Bank.

4. Representation and Warranties

(a) Representations of the Bank. The Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:

- (1) it is the legal and actual owner, free and clear of all liens and claims, of all Eligible Collateral pledged pursuant to this Agreement;
- (2) this Agreement was executed by an officer of the Bank who was authorized by the Bank's board of directors to do so and will at all times be maintained as an official record of the Bank;
- (3) all securities pledged pursuant to this Agreement are Eligible Collateral;
- (4) the Bank is a banking organization located and authorized to do business in the State of New York;
- (5) all acts, conditions and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed.

(b) Representations of the Agency. The Agency hereby represents and warrants, which representations and warranties shall be deemed to be continuing, that:

- (1) this Agreement has been legally and validly entered into, does not and will not violate any statute or regulation applicable to it and is enforceable against the Agency in accordance with its terms;
- (2) the appointment of the Custodian has been duly authorized and no other action by the Agency is required and this Agreement was executed by an officer of the Agency duly authorized to do so;
- (3) it will not transfer or assign its rights or interests in or with respect to any Eligible Collateral pledged pursuant to this Agreement, except as authorized pursuant to Section 3 of the Agreement;
- (4) all acts, conditions and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed.

5. Concerning the Custodian.

(a) The Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss, damage, claim or expense arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by the Book Entry System or any Depository. The Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of counsel and shall be fully protected with respect to anything done or omitted by it in good faith and conformity with such advice or opinion. The Agency and Bank agree, jointly and severally, to indemnify the Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which the Custodian may sustain or incur or which may be asserted against the Custodian by reason of or as a result of any action taken or omitted by the Custodian in connection with operating under this Agreement except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of the Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of the Agency and Bank notwithstanding the termination of this Agreement.

(b) The Custodian shall not be responsible for, or considered to be the Custodian of, any Eligible Collateral received by it for deposit in the Account until the Custodian actually receives and collects such Eligible Collateral directly or by the final crediting of the Custodian's account on the books of the Book Entry System or the appropriate Depository. The Custodian will be entitled to reverse any credits made on the Agency's behalf where such credits have been previously made and the Eligible Collateral is not finally collected.

(c) The Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against the Custodian in connection with this Agreement. In no event shall Custodian be liable to Agency, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement.

(d) The Agency's authorized officer, upon reasonable notice, shall have access to the Custodian's books and records maintained with respect to the Agency's interest in the Account during the Custodian's normal business hours. Upon the reasonable request of the Agency, copies of any such books and records shall be provided by the Custodian to the Agency or the Agency's authorized officer at the Agency's expense.

(e) In performing hereunder, the Custodian may enter into subcontracts, agreements and understandings with third parties (including subsidiaries of The Bank of New York Mellon Corporation), whenever and on such terms and conditions as it deems necessary or appropriate. No such subcontract, agreement or understanding shall discharge the Custodian from its obligations hereunder.

(f) Reliance on Pricing Services. Custodian is authorized to utilize any generally recognized pricing information service (including brokers and dealers of securities) in order to perform its valuation responsibilities hereunder, and the Bank and the Agency agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

(g) Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service outside of Custodian's reasonable control, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

(h) Bank shall pay to Custodian the fees and charges as may be agreed upon from time to time. Bank shall also reimburse Custodian for out-of-pocket expenses which are a normal incident of the services provided hereunder.

6. Termination

Any of the parties hereto may terminate this Agreement by giving to the other parties a notice in writing specifying the date of such termination, which shall be the earlier of (i) not less than 90 days after the date of giving such notice or (ii) the date on which the Deposits are repaid in full. Such notice shall not affect or terminate the Agency's security interest in the Eligible Collateral in the Account. Upon termination hereof, the Custodian shall follow such reasonable Written Instructions of the Bank and the Agency concerning the transfer of custody of Eligible Collateral, collateral records and other items. In the event of a discrepancy between Written Instructions of the Bank and the Agency, the Custodian shall act pursuant to the Agency's Written Instructions. Upon the date set forth in the termination notice, this Agreement shall terminate except as otherwise provided herein and all obligations of the parties to each other hereunder shall cease.

7. Miscellaneous.

(a) The Agency and Bank each agrees to furnish to the Custodian a new Certificate in the event that any present Authorized Person ceases to be an Authorized Person or in the event that any other Authorized Persons are appointed and authorized. Until such new Certificate is received, the Custodian shall be fully protected in acting upon Oral or Written Instructions or signatures of the present Authorized Persons.

(b) Any Written Instructions or other instrument in writing authorized or required by this Agreement shall be given to the Custodian and shall be sufficiently given if sent to the Custodian by regular mail to its offices at _____, Attn: _____, or at such other place as the Custodian may from time to time designate in writing.

(c) Any notice or other instrument in writing authorized or required by this Agreement to be given to the Bank shall be sufficiently given if sent to the Bank by regular mail to its offices at _____ such other place as the Bank may from time to time designate in writing.

(d) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Agency shall be sufficiently given if sent to the Agency by regular mail to its offices at _____ or at such other offices as the Agency may from time to time designate in writing.

(e) In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

(f) This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties hereto.

(g) This Agreement shall extend to and be binding upon the parties hereto, and their respective successors and assigns; provided however, that this Agreement shall not be assignable by any party without the written consent of the other parties.

(h) This Agreement shall be construed in accordance with the substantive laws of the State of New York, without regard to conflicts of laws principles thereof. Bank, Agency and Custodian hereby consent to the jurisdiction of a state or federal court situated in New York in connection with any dispute arising hereunder. Bank, Agency and Custodian hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. Bank, Agency and Custodian each hereby irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement.

(i) Waiver of Immunity. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees not to claim, and it hereby waives, such immunity in connection with this Agreement.

8. Definitions.

Whenever used in this Agreement, the following terms shall have the following meanings:

(a) "Account" shall mean the custodial account established with the Custodian for the benefit of the Agency as secured party in accordance with this Agreement.

(c) "Authorized Person" shall be any officer of the Agency or Bank, as the case may be, duly authorized to give Oral Instructions or Written Instructions on behalf of Agency or Bank, such persons to be designated in a Certificate substantially in the form of Appendix "C"- attached hereto, as such Appendix may be amended from time to time.

(d) "Book Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

(e) "Business Day" shall mean any day on which the Custodian and the Bank are open for Business and on which the Book Entry System and/or the Depositories are open for business.

(f) "Certificate" shall mean the Certificate attached hereto as Appendix "C".

(g) "Collateral Requirement" shall mean the amounts required in Appendix "A" unless the Bank and Agency agree to a different amount in accordance with this Agreement.

(h) "Depository" shall include the Depository Trust Company, the Participants Trust Company and other securities depositories and clearing agencies (and their successors and nominees) registered with the Securities and Exchange Commission or otherwise regulated by appropriate federal or state agencies as a securities depository or clearing agency.

(i) "Deposits" shall mean all deposits by the Agency in the Bank that are available for all uses generally permitted by the Bank to the Agency for actually and finally collected funds under the Bank's account agreement or policies.

(j) "Eligible Collateral" shall mean any securities of the types enumerated in the Schedule of Eligible Collateral attached hereto as Appendix "B" as such Schedule may be amended by the parties in writing from time to time, Eligible Letters of Credit, and Eligible Surety Bonds.

(k) Reserved.

(l) Reserved.

(m) "Margin Percentage" shall mean the percentage indicated on Appendix B attached hereto with respect to particular types of Eligible Collateral.

(n) "Market Value" shall mean, with respect to any Eligible Security held in the Account, the market value of such Eligible Security as made available to the Custodian by a generally recognized source selected by the Custodian plus, if not reflected in the market value, any accrued interest thereon, or, if such source does not make

available a market value, the market value shall be as determined by the Custodian in its sole discretion based on information furnished to the Custodian by one or more brokers or dealers; provided however that, if agreed in writing by the parties hereto, the Bank may provide the Custodian with such Market Values.

(o) "Nationally Recognized Statistical Rating Organization" shall mean Moody's, Standard and Poor's, Fitch, Duff and Phelps, BankWatch and IBCA and in the case of Eligible Surety Bonds, shall also include Bests.

(p) "Oral Instructions" shall mean verbal instructions actually received by the Custodian from an Authorized Person or from a person reasonably believed by the Custodian to be an Authorized Person.

(q) "Substitute Collateral" shall have the meaning set forth in paragraph C of Section 1 of this Agreement.

(r) "Uninsured Deposits" shall mean that portion of the Agency's Deposits with the Bank which exceeds the insurance coverage available from the Federal Deposit Insurance Corporation.

(s) "Written Instructions" shall mean written communications actually received by the Bank or the Custodian from an Authorized Person or from a person reasonably believed by the Bank or the Custodian to be an Authorized Person by a computer, telex, telecopier or any other system whereby the receiver of such communications is able to verify by codes or otherwise with a reasonable degree of certainty the identity of the sender of such communication.

-REMAINDER OF THIS PAGE LEFT PAGE INTENTIONALLY-

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed, as of the day and year first above written.

**NEW YORK STATE
HOUSING FINANCE AGENCY**

By: _____

Title:

DEPOSITORY BANK

By: _____

Title:

CUSTODIAN

By: _____

Title:

Approved as to Form by HFA:

By: _____

APPENDIX A
Collateral Requirement

Collateral Requirement. On any Business Day that the Agency has Uninsured Deposits in the Bank, the Bank, in accordance with paragraph b of Section 1 of this Agreement, agrees to deliver or cause to be delivered to the Custodian for deposit in the Account, Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. For purposes of this Agreement, Collateral Requirement shall mean the amount of such Uninsured Deposits times the Margin Percentage, if any.

APPENDIX B
Schedule of Eligible Collateral

Margin %

102 (i) Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

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102 (xi) Zero coupon obligations of the United States government marketed as "Treasury strips".

APPENDIX C
CERTIFICATE OF AUTHORIZED PERSONS
(Agency - Oral and Written Instructions)

The undersigned hereby certifies that he/she is the Senior Vice President/CFO of NEW YORK STATE HOUSING FINANCE AGENCY

(the "Agency"), and further certifies that the following officers or employees of the Agency have been duly authorized in conformity with the Agency's By-Laws _____ to deliver Oral and Written Instructions to _____ ("Custodian") pursuant to the Third Party Custodian Agreement between the Agency, _____ ("Bank") and Custodian dated _____, and that the signatures appearing opposite their names are true and correct:

Name	Title	Signature

This certificate supersedes any certificate of authorized individuals you may currently have on file.

[seal]

Title:

Date:

**CERTIFICATE OF AUTHORIZED PERSONS
(Bank - Oral and Written Instructions)**

The undersigned hereby certifies that he/she is the duly elected and acting _____ of _____ (the "Bank"), and further certifies that the following officers or employees of the Bank have been duly authorized in conformity with the Bank's Articles of Incorporation and By-Laws to deliver to deliver Oral and Written Instructions to _____ ("Custodian") pursuant to the Third Party Custodian Agreement between the Bank, _____ ("Agency") and Custodian dated _____, and that the signatures appearing opposite their names are true and correct:

_____ Name	_____ Title	_____ Signature

This certificate supersedes any certificate of authorized individuals you may currently have on file.

[corporate
seal]

Title:

Date:

SCHEDULE 1

TRUSTEE FEES

Fee Itemization	
<i>Base Fees</i>	<i>COST</i>
Acceptance Fee (Per Closing/Issue Year)	
Annual Trustee Administration Fee per Series	
Counsel Fee per Closing	
Total Base Fees	
<i>Additional Fees (If applicable)</i>	
Administration Fee per Mini-Closing	
Mini-Closings - legal fee no opinion	
Mini-Closings - legal fee with opinion	
Fee for Annual Review of IA and PA agreements	
Annual Continuing Disclosure Fee	
Annual Tender Agent Fee	
LOC Extension Fees per series	
Supplemental Acceptance Fee per issue	
Dissemination Agent Fee	
LOC of Credit Substitution Fee	
Total Additional Fees	
Cumulative Cost (Total Base Fees + Additional Fees)	

DEPOSITORY SERVICES

Fee Itemization <i>Account Administration Fees</i>	COST
Deposit Administration DDA Account Maintenance Depository Services Disbursement Services General ACH Services <i>Wire and transfer services etc.</i> Lock Box Services	
Total	

Note: Please disclose any other fees not identified above.