

GUIDELINES OF THE STATE OF NEW YORK  
MORTGAGE AGENCY  
FOR THE SALE AND REPORTING OF  
STATE OF NEW YORK MORTGAGE AGENCY BONDS

(as amended through April 5, 2007)

ARTICLE I

STATEMENT OF PURPOSE

101. The provisions set forth below (the "Guidelines") have been developed and are adopted to provide the State of New York Mortgage Agency (the "Agency") with an administrative framework for conducting its bond and note sales. These Guidelines reflect and incorporate policies and practices that the Agency has followed. It is anticipated that the Guidelines will be amended from time to time to reflect the evolution of public finance practices.

ARTICLE II

DEFINITION OF TERMS

201. Definitions. The following terms shall, for purposes of these Guidelines, have the following meanings unless the context shall clearly indicate some other meaning:

"Act" shall mean Chapter 612 of the 1970 Laws of New York, as amended.

"Agency" shall mean the State of New York Mortgage Agency.

"Directors" shall mean the Directors of the State of New York Mortgage Agency.



## ARTICLE IV

### SELECTION OF MANAGING UNDERWRITERS

#### AND PRIVATE PLACEMENT AGENTS

401. Methods of Selecting Managing Underwriters and Private Placement Agents. At the time the Directors authorize the issuance of bonds by the Agency, the Directors shall delegate to the President and Chief Executive Officer the authority to select managing underwriters or private placement agents for such sale of bonds. The following general procedures shall be followed:

(1) Establishment of Pre-qualified Panel. It is the policy of the Agency to assure the widest possible solicitation of qualified underwriting firms. From time to time the President and Chief Executive Officer or a designee shall issue a Request for Statements of Qualifications from investment banking firms with experience in the structuring and marketing of tax-exempt and taxable bonds for housing finance and related programs. The President and Chief Executive Officer or a designee shall establish one or more committees to evaluate the responses to the Agency's Request. Said committee(s) shall evaluate the firms submitting responses based on appropriate criteria, and shall make recommendations in writing to the President and Chief Executive Officer. The criteria used in evaluating each underwriting firm may include, but need not be limited to, (a) the firm's financial strength or net capital, (b) the firm's presence in New York, (c) the firm's ability to support the Agency's bond issues, (d) the firm's ethical standards and practices, and (e) the firm's compliance with the equal opportunity/affirmative action policies of the Agency. The President and Chief Executive Officer or a designee shall compile a qualified list of potential managing underwriters after reviewing the recommendations of the evaluating committee(s). The President and Chief Executive Officer shall document in writing the reasons for any disagreement with said recommendations. The qualified list of underwriters prepared by the President and Chief Executive Officer shall be subject to review and approval by the Directors.

(2) Requests for Proposals for Specific Financings. As appropriate in connection with the development and marketing of a specific bond issue, the President and Chief Executive Officer or a designee may issue a Request for Proposals to firms on the pre-qualified panel of managing underwriters to solicit specific ideas and recommendations with respect to a specific bond issue.

(3) Selection of Managing Underwriters for Public Negotiated Sales. The President and Chief Executive Officer shall select managing underwriters for a specific bond issue to be sold through public negotiated sale, generally taking into account the following factors: (a) inclusion on the pre-qualified panel; (b) responses to a Request for Proposals, if any; (c) support provided to the Agency through the general marketing of Agency bonds and/or assistance in the development of new financing programs; (d) an evaluation of any conflict of interest, impropriety or appearance of impropriety; and (e) such other factors that are deemed relevant to the particular bond issue.

(4) Selection of Private Placement Agent. Where it has been determined by the President and Chief Executive Officer or a designee that a private placement is the appropriate method of sale, the President and Chief Executive Officer may select a placement agent generally taking into account the factors described in (3) above, as well as particular expertise and experience of effectuating a private placement in a cost-effective manner.

(5) Ethical Considerations. It is the policy of the Agency to expect the highest ethical standards from its underwriters. The Directors and the President and Chief Executive Officer or a designee shall implement appropriate measures to promote the highest ethical standards and practices in the underwriting of every Agency bond issue. The President and Chief Executive Officer or a designee shall notify the Directors if he or she has reason to believe that any firm on the Agency's list of qualified potential managing underwriters has engaged in conduct that may be inconsistent with the Agency's best interests, and shall indicate the reasons therefor. The Directors may remove any firm from the Agency's list of qualified potential managing underwriters for such period as they determine to be appropriate upon a determination by the Directors (which may be based upon a finding by another administrative or judicial body or such other facts and circumstances as they deem appropriate) that said firm has engaged in conduct inconsistent with the Agency's best interests, whether or not such conduct involves the underwriting of an Agency bond issue.

402. Promotion of Minority and Women-Owned Business Enterprises. It is the goal of the Agency to, among other things, promote and assist participation by Minority and Women-Owned Business Enterprises in the underwriting of the Agency's bonds. This goal shall be considered in the selection of managing underwriters and private placement agents as described in Subsection 401 above.

It is also the Agency's goal to select as managing underwriters or private placement agents those investment banking firms that have evidenced compliance with the laws of the State of New York prohibiting discrimination in employment. The Agency recognizes that this goal may be achieved by selecting as managing underwriters or private placement agents those firms that have demonstrated that they do not discriminate in employment. Accordingly, the President and Chief Executive Officer or a designee shall request from investment banking firms such information on employment policies and practices as is necessary to assess such firms' compliance with relevant laws and policies on equal employment opportunity and affirmative action.

403. Promotion of New York State Business Enterprises. It is also the goal of the Agency to, among other things, promote and assist participation by New York State Business Enterprises in the underwriting of the Agency's bonds. This goal shall be considered in the selection of managing underwriters and private placement agents as described in Subsection 401 above.

## ARTICLE V

### REPORTS ON BOND SALES

501. Quarterly Reports; Annual Report. The Agency shall, on a quarterly basis, prepare and approve a bond sale report which shall include the Agency's Bond Sale Guidelines, amendments to such guidelines since the last Agency report, and if necessary, an explanation of the Bond Sale Guidelines and the results of any sale during such period, including, but not limited to, the underwriter's discount and net interest costs of bonds (and shall include current comparable market net interest cost data) sold during the reporting period. Such bond sale report shall also identify which of the Agency's bond sales were conducted as public sales and which were conducted as private sales and of those, which were taxable, and describe the participation of minority and women-owned business enterprise firms in such sales. Such report shall also include the names of the senior managing underwriters or placement agent, and shall indicate the percentage of bond issues during such period for which any one senior managing underwriter or placement agent has performed as senior managing underwriter or placement agent. The quarterly reports may be part of any report that the Agency is required to make.

In addition to quarterly reports, the Agency, after approval by its Directors, shall annually submit its bond sale report, which shall incorporate the material included in its quarterly reports.

Copies of the bond sale report shall be available to the public upon reasonable request at the Agency's main office.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

601. Powers of Amendment. Any modification or amendment of these Guidelines may be made by a Resolution adopted at any duly constituted Directors' meeting; provided, however, that no such modification or amendment shall abrogate the rights and duties of existing Agency contracts, the terms of which were established pursuant to these Guidelines; and further provided that the Chairman or President and Chief Executive Officer may make non-material changes in these Guidelines.

602. No Recourse Under these Guidelines. No provision of these Guidelines shall be the basis for any claim based on these Guidelines against any Director, officer or employee of the Agency or the Agency itself. Furthermore, notwithstanding the provisions of these Guidelines, once the Directors have authorized the issuance of bonds, these Guidelines shall not be construed to restrict in any way the issuance of such bonds.

603. Effect upon Existing Agency Contracts. These Guidelines shall not abrogate the rights and duties of Agency contracts with third parties executed prior to the effective date of these Guidelines.

604. Inability to Act. In any case where action by the Chairman of the Agency is required under these Guidelines, if the Chairman is absent or unable to act as required for any reason (including, without limitation, an actual or potential conflict of interest), the Vice-Chairman of the Agency (or, in his or her absence or inability to act, the most senior Director appointed by the Governor who is able to act) may act in the place and stead of the Chairman.

605. Designee. Any reference in these Guidelines to a "designee" shall mean a person designated by the President and Chief Executive Officer as a designee of the President and Chief Executive Officer.