

**Questions and Answers for Request for Qualifications (RFQ) 2009-02  
Investment Banking Services**

**Question 1:**

In C. 3, I do not believe that "Institutional Investor" ranks housing bond issuance. Security Data Corporation is generally considered the objective source of rankings for municipal underwritings. In the same question, are the dates 12/31/07 through 2/28/08 correct or did you mean 2/28/09? Finally, in the same question, do you mean market capitalization or regulatory capital?

**Answer:**

Security Data Corporation and Bond Buyer Rankings may be used in lieu of Institutional Investor rankings.  
The correct date is 02/28/09.  
Provide both market capitalization and regulatory capital information.

**Question 2:**

D. 7. Regarding the PAC bond on the transaction provided, You provide a yield on the PAC bond. I presume that you would want us to provide what the required yield would be as of 3/31/09.

**Answer:**

Yes.

**Question 3:**

F. 3. Are you asking for the same information as in D.1.a) and b)?

**Answer:**

Although F.3. and D.1.a) and b) are similar. F3 is a more global question while D.1.a) and b) asks specific questions. The Offeror should respond to both questions.

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**Question 4:**

Section C Question 3

"...discuss your firm's market capitalization percentage and changes as of 12/31/07 through 02/28/08."

First, are you only looking for a two month window or should that be 2009? Second, what is meant by "market capitalization percentage" - are you referring to RJ's change in net capital or just more information about our overall change in capital position?

**Answer:**

Discuss your firm's market capitalization percentage changes as of 12/31/07 through 02/28/09. Provide both the change in net capital as well as your firm's overall change in capital position in regards to "market capitalization percentage."

**Question 5:**

Section D Question 2

"What fee would your firm charge for remarketing services?" and then later, "Is your firm willing to serve as remarketing agent for SF, MF and Guarantee Program bonds? If so supply the approximate fee that your firm would charge."

Is there a distinction between the two occurrences of this remarketing fee question or is one response adequate?

**Answer:**

Respond to both occurrences.

**Question 6:**

Section F Question 4

"Suggest ways Florida Housing could make use of SF acquisition funds with mortgage rates that are currently uncompetitive."

Is this question about how we can assist in reducing the mortgage rate for an existing deal or our ideas on incentives to encourage homeowners to borrow at higher than market rates (such as down payment assistance, etc.)?

**Answer:**

Florida Housing is looking for as many ways as possible to make SF mortgage rates attractive. Our intent is not to limit your response.

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**Question 7:**

Will there be separate metrics applied to proposals from firms that are proposing to serve only as co-manager for the fixed rate bonds? While our substantial retail distribution capability can offer a real benefit to FHFC, we are not looking to provide liquidity facilities, cash flow management, etc.

**Answer:**

There will be no separate metric for firms who propose to serve only as a co-manager for fixed rate bond deals.

**Question 8:**

In reference to question 5, Provide evidence of certification that the Offeror is qualified to do business in the State of Florida, what type certification would be acceptable? We have locations in all states and each branch is licensed to do business in the state they are located. Please advise what we may include that would be accepted. We do have a copy of our Florida Good Standing Certificate signed by the Florida Secretary of State.

**Answer:**

Florida Housing prefers that an actual copy of certification from the Department of State be provided. Florida Housing will also accept a letter from Bond Counsel regarding the qualification to do business in the State of Florida.

**Question 9:**

1) What are FHFC's current volume cap resources?

**Answer:**

Multi-Family:

2008 Remaining Carryforward	\$74,563,914
2008 HERA Housing Act Allocation	\$388,012,650
2009 Allocation	<u>\$143,186,086</u>
TOTAL	\$605,762,650

Single-Family

2007 Carry Remaining Carryforward	\$535,643,407
2008 HERA Housing Act Allocation	\$159,892,419
Total	\$695,535,826

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**Question 10:**

FHFC's 2007 Financial Statement audit letter was dated June of 2008, so we assume audited financial statements for 2008 will not be available soon. Would it be possible to obtain unaudited 12/31/08 statements or 6/30/08 statements?

**Answer:**

See attached as Exhibit A the 06/30/08 unaudited combining statement

**Question 11:**

FHFC's website discloses "Emergency Rule Implementing Provisions of Chapter 2009-1, Laws of Florida" due to the impact of SB 002A. What is the status of SB 002A?

**Answer:**

The special session budget bill—SB 002A—was signed by the Governor on January 27, 2009.

**Question 12:**

Section 6, Question C.3.— The RFQ requests that the Offeror provide its "ranking as senior manager of housing bonds as identified in *Institutional Investor's* most current rankings." To our knowledge, *Institutional Investor* no longer publishes rankings for senior managers of housing bonds. These rankings are, however, available from Securities Data Corporation ("SDC") and *The Bond Buyer*. May we respond to this question using the available market data from SDC or *The Bond Buyer*?

**Answer:**

See question 1

**Question 13:**

Section 6, Question C.3. – The RFQ requests our firm's "market capitalization percentage and changes as of 12/31/07 through 02/28/08." Was it intended that we discuss the firm's market capitalization changes through 02/28/09, rather than 02/28/08?

**Answer:**

See question 1

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**Question 14:**

Section 6, Question D.7. – Please clarify what information you would like us to provide regarding the 2039 PAC Bond. The price of 100% and yield of 5.00% provided in the RFQ seem contradictory.

**Answer:**

See question 2.

**Question 15:**

A-3. Provide information about availability of staff and other resources that will be needed to complete the services requested in Section Four of this RFQ. Include a description of the Offeror's computer capabilities for structuring and analyzing program alternatives including a description of computer hardware and software. If an external resource is used for cash flow analyses, indicate the provider.

Historically, we have been asked questions about our structuring software technologies, however, questions about our hardware and infrastructure have not been previously addressed. Does the Corporation intend to ask about the hardware we use?

**Answer:**

Include a description of computer hardware and software.

**Question 16:**

B-3. For services detailed in Section Four (Scope of Services) provide a detail of state-level HFA's in which you provide each of these services in a table.

Does the Corporation desire this detailed information only on senior managed accounts?  
Can multiple tables be used?

**Answer:**

The Offeror may provide detailed information as a senior manager, co-manager or selling group member. Multiple tables may be used.

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**Question 17:**

C-1. Provide a listing of all SF housing finance agency bond issues in which your firm or your current senior personnel at your firm to be assigned to this account have participated, noting your role as either senior manager, co manager or selling group member, in the past two years. In all senior manager situations, provide the number of additional senior managers existing on the account. Transactional details requested in your responses include par amounts, fixed and variable rate amounts, detailed breakdown of underwriter spread components and your role in the transaction. Summary information should be included in the proposal, but the detailed information may be presented in an exhibit. Summary information should clearly delineate between total firm housing activity and senior manager activity.

Please elaborate on: "Summary information should clearly delineate between total firm housing activity and senior manager activity." Is the Corporation looking for the breakdown between senior- and co-managed business?

**Answer:**

The Offeror should note their firm's role as senior manager, co manager or selling group member.

**Question 18:**

F-4. Suggest ways Florida Housing could make use of SF acquisition funds with mortgage rates that are currently uncompetitive.

Could the Corporation elaborate on what is being asked here? (We assume that the Corporation is enquiring about the current difficulty of achieving a competitive, spread-bearing mortgage loan from bond proceeds, and asking about alternatives?)

**Answer:**

See answer to question 6.

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**Question 19:**

According to Section One, Joint Responses are prohibited. Does this prohibition include “Distribution Agreements “ between two firms as disclosed in prior Florida Housing offerings where underwriting fees are shared?

**Answer:**

No, the joint response prohibition does not include “Distribution Agreements” between two firms. The Offeror is required to bear all underwriting risks. The Offeror will provide payment of underwriting fees from its share of the take down as a result of entering into a distribution agreement. Disclosure of any distribution agreement will be done in all Preliminary Official Statements and Official Statements.

Submitted by:

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EXHIBIT A  
QUESTIONS ANSWERS TO RFQ 2009-02 INVESTMENT BANKING SERVICES

**FLORIDA HOUSING FINANCE CORPORATION**  
UNAUDITED  
**SCHEDULE OF PROGRAM BALANCE SHEETS**  
AS OF JUNE 30, 2008

	Restricted Programs						2008
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal	Operating	
<b>ASSETS</b>							
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$ 1,401,717	\$ 137,603,349	\$ 4,745,570	\$ 114,995,563	\$ 5,251,272	\$ 2,844,285	\$ 266,841,756
Investments - net, current portion	11,655,858	1,477,140,082	380,503,296	240,629,708	975,096,166	136,888,756	3,221,913,866
Interest receivable on investments	65,146	7,293,867	103,646	1,404,643	967,255	5,055,983	14,890,540
Interest receivable on loans	-	787,934	-	25,139,943	-	16,454	25,944,331
Other assets	-	-	-	-	-	396,797	396,797
(Payable to) receivable from other programs	(235)	(5,041,924)	(52,726)	(1,361,681)	4,026,397	2,430,169	-
<b>Total current assets</b>	<b>13,122,486</b>	<b>1,617,783,308</b>	<b>385,299,786</b>	<b>380,808,176</b>	<b>985,341,090</b>	<b>147,632,444</b>	<b>3,529,987,290</b>
<b>NONCURRENT ASSETS:</b>							
Loans receivable--net	-	157,377,314	-	2,138,218,846	765,657,839	10,102,993	3,071,356,992
Deferred finance charges--net	25,684	16,990,872	1,960,085	19,819	-	-	18,996,460
Capital assets--net	-	-	-	-	-	207,307	207,307
<b>Total noncurrent assets</b>	<b>25,684</b>	<b>174,368,186</b>	<b>1,960,085</b>	<b>2,138,238,665</b>	<b>765,657,839</b>	<b>10,310,300</b>	<b>3,090,560,759</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,148,170</b>	<b>\$ 1,792,151,494</b>	<b>\$ 387,259,871</b>	<b>\$ 2,519,046,841</b>	<b>\$ 1,750,998,929</b>	<b>\$ 157,942,744</b>	<b>\$ 6,620,548,049</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES:</b>							
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ 4,044,221	\$ 228,184	\$ 6,989,612	\$ 11,262,017
Accrued interest payable	70,222	39,648,354	1,078,816	26,417,846	-	-	67,215,238
Accrued arbitrage rebate	-	420,062	-	46,024	-	-	466,086
Collateralized bank loans	185,000	25,690,049	-	-	-	-	25,875,049
<b>Total current liabilities</b>	<b>255,222</b>	<b>65,758,465</b>	<b>1,078,816</b>	<b>30,508,091</b>	<b>228,184</b>	<b>6,989,612</b>	<b>104,818,390</b>
<b>NONCURRENT LIABILITIES:</b>							
Bonds payable--net of discounts	11,552,343	1,622,392,550	254,420,871	2,317,883,368	-	-	4,206,249,132
Deferred fee income--net	-	-	5,016,718	-	-	56,065,204	61,081,922
Other liabilities	-	-	8,088,665	-	-	-	8,088,665
Due to developers	-	-	-	166,243,686	-	934,243	167,177,929
Due to state of Florida	-	-	-	-	24,824,125	-	24,824,125
<b>Total noncurrent liabilities</b>	<b>11,552,343</b>	<b>1,622,392,550</b>	<b>267,526,254</b>	<b>2,484,127,054</b>	<b>24,824,125</b>	<b>56,999,447</b>	<b>4,467,421,773</b>
<b>Total liabilities</b>	<b>11,807,565</b>	<b>1,688,151,015</b>	<b>268,605,070</b>	<b>2,514,635,145</b>	<b>25,052,309</b>	<b>63,989,059</b>	<b>4,572,240,163</b>
<b>NET ASSETS:</b>							
Invested in capital assets	-	-	-	-	-	207,307	207,307
Restricted	1,340,605	104,000,479	118,654,801	4,411,696	1,725,946,620	-	1,954,354,201
Unrestricted	-	-	-	-	-	93,746,378	93,746,378
<b>TOTAL NET ASSETS</b>	<b>1,340,605</b>	<b>104,000,479</b>	<b>118,654,801</b>	<b>4,411,696</b>	<b>1,725,946,620</b>	<b>93,953,685</b>	<b>2,048,307,886</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,148,170</b>	<b>\$ 1,792,151,494</b>	<b>\$ 387,259,871</b>	<b>\$ 2,519,046,841</b>	<b>\$ 1,750,998,929</b>	<b>\$ 157,942,744</b>	<b>\$ 6,620,548,049</b>



**FLORIDA HOUSING FINANCE CORPORATION**

UNAUDITED

**SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN PROGRAM NET ASSETS**

FOR THE PERIOD ENDED JUNE 30, 2008

	Restricted Programs						Operating	2008
	Single Family Home Ownership	Single Family Homeowner Mortgage	Guarantee	Multifamily Housing Revenue	State and Federal			
<b>OPERATING REVENUES</b>								
Interest on Loans	\$ -	\$ 5,056,870	\$ -	\$ 55,152,378	\$ 1,779,090	\$ 99,912	\$ 62,088,250	
Investment Income	443,550	33,680,441	6,142,500	3,307,417	12,749,887	1,830,970	58,154,765	
Other income	-	-	3,648,025	85,480	-	5,115,625	8,849,130	
HUD Administrative Fees	-	-	-	-	-	1,006,945	1,006,945	
<b>Total Operating Revenues</b>	<b>443,550</b>	<b>38,737,311</b>	<b>9,790,525</b>	<b>58,545,275</b>	<b>14,528,977</b>	<b>8,053,452</b>	<b>130,099,090</b>	
<b>OPERATING EXPENSES</b>								
Interest Expense	452,826	40,117,874	6,330,084	54,494,938	-	-	101,395,722	
Payments to Other Governments	-	-	-	-	51,807,227	-	51,807,227	
General and administrative	1,113	5,835,444	836,079	6,794,304	2,404,780	8,499,100	24,370,820	
Housing Assistance Payments	-	-	-	-	2,276,503	27,342	2,303,845	
<b>Total Operating Expenses</b>	<b>453,939</b>	<b>45,953,318</b>	<b>7,166,163</b>	<b>61,289,242</b>	<b>56,488,510</b>	<b>8,526,442</b>	<b>179,877,614</b>	
Operating Income (Loss)	(10,389)	(7,395,781)	2,624,362	(2,743,967)	(41,959,533)	(472,990)	(49,958,298)	
<b>NONOPERATING REVENUES:</b>								
HUD program receipts	-	-	-	-	24,846,127	196,023	25,042,150	
State documentary stamp tax receipts	-	-	-	-	81,611,185	-	81,611,185	
Transfers to state agencies	-	-	-	-	(1,652,049)	-	(1,652,049)	
<b>Total nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,805,263</b>	<b>196,023</b>	<b>105,001,286</b>	
Income (Loss) before transfers	(10,389)	(7,395,781)	2,624,362	(2,743,967)	62,845,730	(276,967)	55,042,988	
Transfers (To) From Other Programs	-	2,563,709	3,200,000	-	(3,201,764)	(2,561,945)	-	
Change in Net Assets	(10,389)	(4,832,072)	5,824,362	(2,743,967)	59,643,966	(2,838,912)	55,042,988	
Net assets:								
Beginning of year	1,350,994	108,832,551	112,830,439	7,155,663	1,666,302,654	96,792,597	1,993,264,898	
End of Period	\$ 1,340,605	\$ 104,000,479	\$ 118,654,801	\$ 4,411,696	\$ 1,725,946,620	\$ 93,953,685	\$ 2,048,307,886	