

**REQUEST FOR PROPOSALS 2012-03**

**INVESTMENT MANAGER SERVICES**

**for**

**FLORIDA HOUSING FINANCE CORPORATION**

**Published: September 21, 2012**  
**Responses Due: October 23, 2012 by 2 pm ET**

## **SECTION ONE INTRODUCTION**

Florida Housing Finance Corporation (“Florida Housing”) is soliciting competitive, sealed responses from qualified firms to provide investment manager services in accordance with the terms and conditions set forth in this Request for Proposals, and any other term and condition in any contract subsequently awarded. One or more Offerors may be selected and determined through Florida Housing’s review of each response, considering the factors identified in this Request for Proposals and any other factors that it considers relevant to serving the best interests of Florida Housing and its mission. Florida Housing Finance Corporation is expecting to enter into contracts with one or more providers. The current portfolio under management is approximately \$350 million.

## **SECTION TWO DEFINITIONS**

For purposes of this document, the following terms shall be defined as follows:

“Board”	The Board of Directors of Florida Housing Finance Corporation.
“Committee”	The review committee appointed by the Executive Director that acts according to Rule 67-49.007, F.A.C.
“Contract”	The document containing the terms and conditions of this Request for Proposals and any other term and condition that the parties require.
“Days”	Calendar days, unless otherwise specified.
“Effective Date”	The date the last party signs the Contract that is awarded as a result of this Request for Proposals.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“Interested Party”	A person or entity that obtains a copy of the Request for Proposals from Florida Housing.
“Investment Manager”	A person or entity providing the investment services described in Section Four of this RFP.

“IRS”	Internal Revenue Service.
“Offeror”	Any person or entity that submits a response to this Request for Proposals.
“Response”	The written submission by an Offeror.
“RFP”	This Request for Proposals, including all exhibits referenced in this document and all other documents incorporated by reference.
“SSAE”	Statements on Standards of Attestation Engagements
“SEC”	Securities Exchange Commission.
“Staff”	Any employee of Florida Housing, including the Executive Director.
“Threshold Item”	A mandatory requirement of the RFP. Failure to meet any requirement in the RFP designated as a “Threshold Item” shall result in rejection (no further action) of a Response.
“Website”	The Florida Housing Finance Corporation website, the Universal Resource Locator (URL) of which is <a href="http://www.floridahousing.org">www.floridahousing.org</a> .

**SECTION THREE  
PROCEDURES AND PROVISIONS**

A. An Offeror must submit an original and eight (8) copies of the Response in a sealed envelope marked “RFP 2012-03.” Each envelope or package containing Responses must clearly state the name of the Offeror. The Response that is the original must be clearly indicated on that Response. Florida Housing shall not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on Tuesday, October 23, 2012. Responses shall be opened at that time. Responses must be addressed to:

Sherry Green  
Contracts Administrator  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329  
(850) 488-4197; Fax (850) 414-6548

email: [sherry.green@floridahousing.org](mailto:sherry.green@floridahousing.org)

B. This RFP does not commit Florida Housing to award a Contract to any Offeror or to pay any costs incurred in the preparation or mailing of a Response.

C. Florida Housing reserves the right to the following:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this RFP;
3. Obtain information concerning any or all Offerors from any source;
4. Request an oral interview before the Board from any or all Offerors;
5. Select for Contract negotiation or for award a Response other than that with the highest rank or score if, in the judgment of Florida Housing, its and the public's best interest shall be served; and
6. Negotiate with the successful Offeror(s) with respect to the terms of the Contract, including the fees, prior to entering into the Contract. If Contract negotiations cannot be concluded successfully with any selected Offeror within 60 Days, or such other extended date approved by the Board, in its sole discretion, Florida Housing may negotiate a Contract with the next ranked Offeror.

D. Any Interested Party may submit any question regarding this RFP in writing via mail, fax, or e-mail to Sherry Green at the address given in Section Three, paragraph A. All questions are due by 5:00 p.m., Eastern Time, on Tuesday, October 2, 2012. Phone calls shall not be accepted. Florida Housing expects to respond to all questions by 5:00 p.m., Eastern Time, on Friday, October 5, 2012. Florida Housing shall post a copy of all questions received and their answers on Florida Housing's website at <http://www.floridahousing.org/Home/BusinessLegal/Solicitations/RequestForProposals.htm>. Florida Housing shall also send a copy of those questions and answers in writing to any Interested Party that requests a copy. Florida Housing shall determine the method of sending its answers, which may include regular U.S. mail, overnight delivery, fax, e-mail or any combination of the above. Only written responses or statements from Sherry Green that are posted on our website shall bind Florida Housing. No other means of communication, whether oral or written, shall be construed as an official response or statement from Florida Housing.

E. Any person who wishes to protest the specifications of this RFP must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, F.A.C. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

F. The term of the Contract shall be for three years, subject to satisfactory performance at the sole discretion of Florida Housing. If the parties mutually agree in writing, the Contract may be renewed twice. Each renewal shall be for an additional one-year period.

G. The terms of the RFP, and any modifications thereto, shall be incorporated into any Contract offered as a result of this RFP. Failure of a successful Offeror to accept these obligations in the final Contract may result in cancellation of the award at Florida Housing's sole discretion.

## **SECTION FOUR SCOPE OF SERVICES**

The services that the Investment Manager shall perform include, but are not limited to, the following:

### **A. INVESTMENT MANAGER**

1. Florida Housing shall appoint the Investment Manager as its attorney-in-fact to invest the investment account assets in accordance with Exhibit A, Florida Housing Finance Corporation Investment Guidelines, which may be amended from time to time.
2. The Investment Manager shall perform the duties in this section with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

### **B. INVESTMENT GUIDELINES**

The Investment Manager shall make recommendations to Florida Housing for amending the Florida Housing Finance Corporation Investment Guidelines as needed or requested.

### **C. INVESTMENT ACCOUNT ASSETS**

The Investment Account Assets shall consist of the cash and investments which Florida Housing may from time to time place in its account, plus all investments, reinvestment and proceeds of the sale of any investments, all dividends and interest earned, and all appreciation and additions, less any withdrawals.

#### D. PROCEDURES

All transactions will be consummated by payment or delivery of cash and/or securities to or from the investment account.

#### E. RECORDS RETENTION

The Investment Manager shall retain investment accounts supporting documentation and reports of investments on file for a period of ten (10) fiscal years. Documentation of investments includes: trust statements, investment income analysis, investment income allocation, and investment activity spreadsheets.

#### F. MEETINGS

Florida Housing and the Investment Manager shall meet periodically, at such times as Florida Housing may reasonably request, concerning the Investment Account(s). The Investment Manager shall be available to attend regularly scheduled meetings of Florida Housing's Board of Directors upon request. Attendance at one to two meetings per year for investment update presentations is anticipated.

#### G. REPORTS

The content and format of each report must be acceptable to Florida Housing. Reports shall include, but are not limited to, the following:

##### 1. Monthly Reports

- Summary report of account assets.
- Summary report of account activity.
- List of all securities in the portfolio at month end, showing cost, market value and rating of each security.
- Securities transactions journals including brokerage firm utilized.
- Income earned analysis.
- Computation of monthly expenses.
- Actual performance compared to benchmarks for the month and calendar year to date.
- Portfolio compliance with Florida Housing Finance Corporation Investment Guidelines.

##### 2. Other reports as requested, including but not limited to market outlook and portfolio review summaries.

## **SECTION FIVE CERTIFICATION**

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in this Section each Offeror certifies that:

A. The Offeror submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed and such joint filing is made clear on the face of the Response shall be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this RFP is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 10 Days after the Response is opened, whichever is earlier.

C. The Offeror is in compliance with Section 420.512(5), Fla. Stat., which provides:

“(5) Service providers shall comply with the following standards of conduct as a condition of eligibility to be considered or retained to provide services. For purposes of paragraphs (a), (b), and (c) only, the term “service provider” means and is limited to a law firm, an investment bank, or a credit underwriter, and the agents, officers, principals, and professional employees of the service provider.

(a) A service provider may not make contributions in any amounts, directly or indirectly, for or on behalf of candidates for Governor, nor shall any service provider make a contribution in excess of \$100 to any candidate for a member of the State Board of Administration other than the Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(b) The service provider shall not participate in fundraising activities for or on behalf of candidates for Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(c) Service providers shall provide to the corporation a statement that the service provider has not contributed to candidates for Governor or contributed in excess of the amounts allowed by this section for a member of the State Board of Administration or engaged in fundraising activities for or on behalf of candidates for Governor in Florida since the effective date of this section or during the 24 months preceding the service provider’s application to provide services to the corporation, whichever period is shorter.

(d) The service provider may not engage in prohibited business solicitation communications with officers, members, or covered employees of the corporation.

- (e) If a service provider is in doubt as to whether its activities, or the activities of its principals, agents, or employees, violate the provisions of this section, it may request a declaratory statement in accordance with the applicable rule and s. 120.565.
- (f) If the corporation determines that a service provider has failed to meet the provisions of this section, it shall consider the magnitude of the violation and whether there has been a pattern of violations in determining whether to terminate or decline to enter into contracts with the service provider.”

D. For the purpose of Section 420.512(5), Fla. Stat., “Prohibited Business Solicitation Communications” is defined by Section 420.503(32), Fla. Stat., which provides:

“‘Prohibited business solicitation communication’ means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:

- (a) A verbal communication made on the record during a public meeting;
- (b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;
- (c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.
- (d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communication does not relate to solicitation of business.
- (e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communication does not relate to solicitation of business.”

E. The Offeror is in compliance with Section 287.133(2)(a), Fla. Stat., which provides in part:

A person or affiliate who has been placed on the convicted vendor list, following a conviction for a public entity crime, may not:

- a. submit a bid on a contract to provide any goods or services to a public entity;
- b. submit a bid on a contract with a public entity for the construction or repair of a public building or public work;
- c. submit bids on leases of real property to a public entity;



- d. be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and;
- e. transact business with any public entity in excess of the threshold amount provided in Section 287.017, Fla. Stat., for CATEGORY TWO: \$35,000, for a period of 36 months from the date of being placed on the convicted vendor list. Any contract in violation of this provision shall be null and void.

F. The Offeror acknowledges that any Offeror selected shall be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Offeror other than for the compensation agreed upon in the Contract that results from this RFP, unless that Offeror has Florida Housing’s written consent after Florida Housing has been fully informed of such activities in writing.

G. The Offeror acknowledges that any Offeror selected shall provide the Offeror’s equity or total net assets, total combined net capital, surplus and undivided or retained earnings according to the most recent audited financial statements. Provide a copy of the Offeror’s latest annual report, including audited financial statements.

H. Certification Statement (Threshold)

**THE FOLLOWING SHALL BE REPEATED IN THE APPLICANT’S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE APPLICANT. FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE SHALL RESULT IN REJECTION OF THE RESPONSE.**

**“I agree to abide by all conditions of RFP 2012-03 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Applicant and that I am in compliance with all requirements of the RFP, including but not limited to, the certification requirements stated in Section Five of this RFP.”**

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Authorized Signature (Original)

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Print Name and Title

**SECTION SIX**  
**INFORMATION TO BE PROVIDED IN RESPONSE**

In providing the following information, restate each item and sub-item (with its letter and number), limit your proposal to one bound volume. Responses to the items must be included immediately after the restated items without any reference to any appendix.

**A. GENERAL INFORMATION**

1. Provide a brief history of the Offeror, including the year organized, ownership, affiliated companies and relationships, and the total number of employees.
2. Describe the Offeror's experience with providing services or engaging in activities as they relate to the work being requested in Section Four of this RFP.
3. Provide the name, job title, address, office and cellular telephone numbers, fax number, and e-mail address of the contact manager with the Offeror's entity.
4. Provide a description and contact information of the primary account manager, if different from above, and of any backup personnel that would be accessible to Florida Housing if the Offeror's primary contact cannot be reached.
5. Identify the services and requirements referenced in this RFP that the Offeror is unable to fully perform, if any, and state reasons for the same.
6. Provide a summary of fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries.
7. Provide a description of any recent (defined as the 6 months prior to the submission date of the Offeror's Response) or announced downsizing, merger, or acquisition pertaining to the Offeror.
8. Provide a description of any transaction during the five-year period ending on the submission date of the Offeror's Response, in which a proposed team member or the Offeror, including all holding companies and subsidiaries, was involved in the performance of investment manager services that was or is the subject of an adverse determination by or settlement agreement with the SEC, IRS, or U.S. Department of Treasury and a description of the results.

9. Provide a description of to what extent, if any, the Offeror, including all holding companies and subsidiaries, or any officers or directors or other key personnel, is now, or has been during the five years ending on the submission date of the Offeror's Response, under indictment, investigation, or order issued by a regulatory or governmental Agency, or engaged in litigation, or subject to an order from a court of competent jurisdiction. If any such condition exists, or existed, in the time period specified, discuss the outcome, if one has occurred, or probable outcome, and to what extent this could impair the level of service of the Offeror. In addition, describe any allegations made against the Offeror and any impending litigation of which Florida Housing should be made aware.
10. Provide a discussion of your firm's philosophy of average duration, maturity and yield for management of existing client portfolios similar to Florida Housing.
11. Provide a list of all clients, identifying the type of business, for which the Offeror has performed services that are similar in scope of services and size of portfolio to be provided to Florida Housing pursuant to this RFP. Provide contact names and phone numbers for five of these clients.
12. Provide a complete reference list of any canceled or non-renewed clients for the three years ending on the submission date of the Offeror's Response. State the reason(s) for each cancellation or non-renewal.
13. Provide a description of any new or proposed regulatory criteria or legislation that could affect Florida Housing in structuring its cash management operations.
14. Provide your firm's quarterly investment record for the past five years for the following:
  - Short Duration Composite vs. Bank of America Merrill Lynch 1-3 Year Treasury Benchmark.
  - Intermediate Duration Composite vs. Barclays Intermediate Government Benchmark.
15. Reporting requirement

Provide the most recent attestation report, in accordance with the Statement on Standards for Attestation Engagements No. 16, Reporting on Controls at a Service Organization, as issued by the AICPA, or superseding guidance, addressing controls at the organization relevant to the organization's processing for Florida Housing.

This report, at a minimum a SOC 1 Type 2 report, must be submitted to Florida Housing's contracts administrator at least annually for each year, or partial year, of the contract term. The report must cover, at a minimum, 6 months of the Florida Housing fiscal year (January through December) being audited. If a minimum of 6 months of the Florida Housing fiscal year is not covered by the report, a bridge letter for the period not covered must be provided to Florida Housing's contracts administrator upon issuance but must be provided no later than March 31 of each calendar year.

## B. QUALIFICATIONS OF PERSONNEL

Provide an organizational chart and an overview of no more than five of the key individuals (team members) proposed to be assigned to Florida Housing's account. The overview shall include the following information for each individual:

- Name of individual, title and role on this engagement;
- Office street address, e-mail address, and office telephone number;
- Total years experience with this Offeror and other entities, and a list of various roles and/or duties;
- Specific qualifications and expertise brought to this project; and
- A description of the individuals' educational and professional accomplishments.

## C. WORK PLAN FOR SCOPE OF SERVICES

1. Describe the Offeror's plan to provide the services requested in Section Four of this RFP.
2. Describe the Offeror's ability to provide the services requested in Section Four of this RFP immediately upon award of the Contract. Include a detailed implementation plan for assuming the responsibilities of an existing Investment Manager with a timeline of activities.
3. Provide information about staffing levels in the required areas as they relate to the services to be performed and other resources that shall be needed to complete the services requested in Section Four of this RFP.
4. Provide a description of any planned use of contract services, such as trust custodial services.
5. Provide sample reports you propose to provide to Florida Housing.

6. Provide a statement of any other qualifications or services, which the Offeror considers to be significant, innovative or otherwise relevant to Florida Housing.
7. Identify any initial or future problems that the Offeror foresees in the engagement and discuss the Offeror's method for dealing with these problems.
8. Describe any unique approaches that are designed to increase earnings or save Florida Housing time and/or money.

#### D. TECHNOLOGY

1. Describe the Offeror's technology capabilities with regard to equipment and systems.
2. Provide documentation of the business continuity plan of the Offeror including sufficient detail to cover the services requested in this RFP.
3. Describe electronic account access systems or online services provided for clients.

#### E. COMPENSATION

Provide a detailed proposal as to the Offeror's requested total compensation. Fees should be inclusive of any anticipated expenses. Fee structure may be tiered based on the amount of investments under management and should tie to performance against the stated benchmarks.

#### **FINAL FEES ARE SUBJECT TO NEGOTIATION**

#### F. DRUG-FREE WORKPLACE

If the Offeror has implemented a drug-free workplace program, pursuant to Section 287.087, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

#### G. MINORITY BUSINESS ENTERPRISE

If the Offeror is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

#### **H. Certification (Threshold Item):**

**FAILURE TO INCLUDE THE CERTIFICATION STATEMENT LOCATED IN SECTION FIVE OF THIS RFP BEARING AN ORIGINAL SIGNATURE SHALL RESULT IN REJECTION OF THE RESPONSE.**

### **SECTION SEVEN EVALUATION PROCESS**

Individual Committee members shall evaluate and rank the Responses independently. As indicated in this section, points shall be assigned to certain items presented in Section Six of this RFQ. The individual Committee members shall evaluate the Responses by reviewing the answers to each of the items and assigning points up to the maximum points allowed for each item. The Committee shall not use those items without points assigned in computing the numerical score, but shall use them as part of their evaluation and recommendation process, for informational purposes, or as a basis for possible disqualification. The Committee shall also use the various scored items as a part of its evaluation and recommendation process. Based on the criteria for selection, committee members shall rank each Response with the highest rank being “1”. The Committee may conduct one or more public meetings during which members may discuss their evaluations, make any adjustments deemed necessary to their evaluations to best serve the interests of Florida Housing’s mission, interview Offerors, observe presentations by Offerors, and develop a recommendation or series of recommendations to the Board. The Committee and/or Staff may make a recommendation, in addition to providing the ranking information and the information from the non-scored items to the Board for the Board to use in making the final selection. The Committee and/or Staff may also give the Board a written and/or verbal narrative describing the reasons for any recommendation. In the event of a tie, Florida Housing shall give preference to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat. If a tie continues to exist, Florida Housing shall give preference to minority business enterprises as defined in Section 288.703, Fla. Stat. Staff may recommend that the Board conduct oral interviews as part of the evaluation process to select the Offeror. The Board may use the Responses, the Committee’s ranking, the non-scored items in the Responses, any other applicable or relevant information or recommendation provided by the Committee or Staff, any oral presentations of Offerors and any other information the Board deems relevant in its selection of Offerors to whom to award a Contract.

<u>Item Reference</u> .....	<u>Maximum Points</u>
A. General Information .....	15
B. Qualifications of Personnel.....	30
C. Work Plan for Scope of Services .....	45
D. Technology .....	10
Total Points Available .....	100

**SECTION EIGHT  
AWARD PROCESS**

Florida Housing shall provide notice of its decision, or intended decision, for this RFP on Florida Housing’s Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., et. al. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., et. al. or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

**Exhibit A**  
**Florida Housing Finance Corporation**  
**Investment Guidelines**

**Investment Objective**

The return objective is to exceed the total return (net of fees) achieved by an index of short duration fixed-income securities as defined by the Bank of America Merrill Lynch 1-3 Year Treasury Index. Performance standards are included as a means of determining whether or not the investment objectives are being achieved.

**Portfolio Duration**

The portfolio duration shall not exceed 120% of the benchmark index.

**Permitted Securities**

I. Allowable securities per section 215.47, Florida Statutes

All securities purchased will be consistent with the guidelines established by Section 215.47, Florida Statutes and the limitations established by the Florida Housing Finance Corporation (Florida Housing) in the Investment Portfolio Guidelines. All securities purchased must be investment grade. Investment grade securities include those securities rated in the four highest categories by a major rating agency. Money market securities must be rated of the highest letter and numerical ratings as provided by at least one nationally recognized rating service. Only securities, which are specifically listed as authorized, may be purchased.

II. Investment Portfolio Guidelines

**Florida Treasury Special Purpose Investment Account**

Funds of Florida Housing may be invested in the Treasury Special Purpose Investment Account as authorized in Section 17.61, Florida Statutes.

Concentration Limit:     None

**U.S. Treasury Securities**

Maturity shall not exceed five years, otherwise as permitted by Florida Housing.

Concentration Limit:     None



### **U.S. Agency Securities**

1. Notes, bonds, and other obligations of agencies or Government Sponsored Enterprises of the United States.
2. The duration of any security shall not exceed five years.

Concentration Limit: None

### **Corporate Securities**

1. Section 215.47, Florida Statutes, permits the use of interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States.
2. United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, or foreign corporation or foreign commercial entities (Yankee Securities). Yankee Securities will be limited to 25 percent.
3. The maximum maturity of any corporate obligation shall not exceed five years, otherwise as permitted by Florida Housing. Corporate obligations with call, sinking fund or other refinancing provisions, whose price, duration and yield are consistent with an effective maturity of five years or less, are permitted.
4. The securities of a single corporate issuer shall not comprise more than five percent of the account's market value.

Concentration Limit: 50 percent

### **Asset-Backed Securities (ABS)**

1. Obligations of U.S. issuers backed by the monthly cash payments associated with consumer and business receivables.
2. Only ABS rated in the highest rating category may be purchased.
3. The effective duration of any Asset-Backed Security shall not exceed five-years.

Concentration Limit: 25 percent

## **Money Market Instruments**

### **1. Commercial Paper**

Commercial paper issued by banks, companies and other borrowers with a maximum maturity of 270 days.

Concentration Limit: None

### **2. Banker's Acceptances**

Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as "bankers acceptances," which are accepted by a member bank of the Federal Reserve System having total deposits of not less than \$400 million.

Concentration Limit: None

### **3. Negotiable Certificates of Deposit**

Savings accounts in, or certificates of deposit of, any banks, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof, in an amount that does not exceed 15 percent of the net worth of the institution.

Concentration Limit: None

### **4. Short-Term Liquidity Obligations**

Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.

Concentration Limit: None

## **Mutual Funds**

1. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss 80a-1 et. seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or an agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations.

Concentration Limit: None

## **Obligations of State and Local Governments**

1. Obligations of the State of Florida, its counties or districts pledging the full faith and credit of the State of Florida, its counties or districts.

Concentration Limit: None

2. Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of the State of Florida, if such obligations are rated in any one of the three highest ratings by two nationally recognized rating services. However, if only one nationally recognized rating service shall rate such obligations, then such rating service must have rated such obligations in any one of the two highest classifications heretofore mentioned.

Concentration Limit: 25 percent

## **Basket Clause**

Securities not otherwise authorized by this policy may be purchased upon express approval from Florida Housing's Executive Director or Chief Financial Officer. Request for approval shall include the expected benefits and potential risks of such activity; methods for monitoring and measuring the performance of the investment; a complete description of the type, nature, extent and purpose of the investment proposed to be made, voting rights or lack thereof and control to be acquired, restriction upon voting, transfer, and other material rights of ownership, and the existence of any contracts, arrangements, understandings, or relations with any person or entity (naming the same) with respect to the proposed investment.

Concentration Limit: 5 percent