

**Iowa Finance Authority  
Single Family Mortgage Bonds**

**Standby Bond Purchase Agreement and/or Floating Rate Note Solicitation**

The Iowa Finance Authority (the “Authority”) is seeking indications of interest from qualified entities to provide Standby Bond Purchase Agreements or similar facility (the “Liquidity Facility”), which will offer liquidity support for the purchase of the Authority’s variable rate bonds (“VRDOs”). The Authority is also seeking the option of a direct purchaser of Floating Rate Notes (“FRNs”) based on the SIFMA index. The Authority plans to issue new variable or floating rate Single Family Mortgage Bonds, potentially in one or more debt issuances, between now and December 31, 2021. In addition, the Authority has a FRN with a 10/1/21 mandatory tender that Authority plans to keep in a variable rate instrument.

The VRDOs or FRNs, together with the outstanding bonds and newly issued bonds comprising each issue of Single Family debt (collectively, the “Series Bonds”), are and will be expected to be rated “AAA” and “Aaa” by S&P Global Ratings and Moody’s, respectively. The Authority makes no commitment to issue FRNs or use a liquidity facility provider for the issuance of new VRDOs which may or may not occur. The following are the proposed terms and conditions:

**Facility:** The Authority is seeking up to \$75 million of total commitment for new issuance of VRDOs or FRNs during Calendar Year 2021. *Please note that the Authority may choose to use less liquidity support or issue fewer FRNs than \$75 million. The Authority anticipates pricing and closing our next Single Family transaction prior to June 30, 2021, with a potential subsequent transaction closing later in 2021. Please include appropriate fee information in your response if your bank’s fee offering differs based on the amount of liquidity used.*

**Facility**

**Amount:** Up to \$75 million in principal plus days’ interest

**Security:** The Series Bonds are on parity with other Bonds under the Authority’s Single Family Mortgage Bond Resolution adopted by the Authority on July 10, 1991, as amended (the “Resolution”) and are general obligations of the Authority, payable out of any of the available moneys, assets or revenues of the Authority, subject to any agreements heretofore and hereafter made with holders of particular notes or bonds pledging particular moneys, assets or revenues for the payment thereof or State or federal laws and regulations designating or appropriating particular funds for a special purpose, and are secured by a pledge of the Mortgage-Backed Securities and certain other moneys, assets and revenues pledged to payment of the Bonds, including the Series Bonds, under such Resolution.

The Authority has an Issuer Credit Rating from S&P Global Ratings of AA+ and a general obligation rating from Moody’s of Aa2. The Series Bonds shall not constitute an obligation of the State and the State shall not be liable thereon, nor shall the faith, revenues, credit, general funds or taxing power of the State be pledged to the payment of the principal of or interest on the Series Bonds. The Authority has no taxing power. To view the Authority’s fiscal year 2020 financial statements, visit the Authority’s website at <https://www.iowafinance.com/content/uploads/2020/10/2020-IFA-Financial-Statements.pdf>

**Schedule:** The Liquidity Facility must be in place on or before the delivery date of the next Single Family transaction in 2021, which is anticipated to be in either May 2021 or June 2021.

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**VRDO Interest**

**Payments:** First business day of each month

**Underwriter and  
Remarketing**

**Agent:** TBD

**Interest Rates:** All interest charge calculations should be based on a 365-day year.

**Preferred Rating  
of Facility Provider:**

Long-term ratings: "Aa3" and "AA-" or better

AND

Short-term ratings: "P-1," and "A-1" from Moody's Investors Service and S&P Global Ratings, respectively.

Please provide the bank's long-term and short-term credit ratings over the past three years, including any dates when changes occurred.

**Fees:**

Please quote fees as a single per annum fee in basis points based upon the outstanding principal component of the Liquidity Facility Amount (excluding interest) and assumed to be paid quarterly in arrears based on actual days elapsed and a 365/366 day year. In addition, please provide a not-to-exceed estimate of all out-of-pocket and legal expenses related to the delivery of the Liquidity Facility to be reimbursed by the Authority.

**Term-Out Provisions:**

Please indicate the specific term-out provisions, including the rate imposed during the term-out period, for the proposed Liquidity Facility. The Authority desires a minimum of five years for any term-out. The term-out provisions will be factored into the selection process.

**Conditions To Funding :**

Any conditions to the bank's obligation to fund should be specified.

**Conditions Precedent :**

Any conditions precedent to entering into the Liquidity Facility should be specified.

**Bank  
Information:**

If selected, the Authority will need information relating to the bank for inclusion in the Official Statement, together with certifications from the bank and opinions from bank's counsel in a form acceptable to the Authority, its bond counsel and its underwriters as to the adequacy of disclosure relating to the bank and relating to certain tax matters.

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**Legal Opinion:**

If selected, the Authority and the underwriters will need legal opinions relating to the enforceability of the Liquidity Facility from U.S. counsel and also from foreign counsel in the case of foreign banks.

**Bank Counsel:** Please provide us with your choice as bank counsel. The Authority reserves the right to reject the choice of bank counsel.

**Schedule:** The Authority expects to respond to the proposals on or about April 7, 2021. Negotiation with the selected bank(s) will be completed shortly thereafter.

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***INTERESTED BIDDERS MUST COMPLETE THE ATTACHED SHEETS***

**PROPOSALS ARE DUE BY 5:00 P.M. EASTERN TIME, APRIL 2, 2021.**

**ALL PROPOSALS MUST REMAIN EFFECTIVE THROUGH DECEMBER 31, 2021.**

**PLEASE EMAIL RESPONSES TO:      Mark Fairley, Iowa Finance Authority  
Email: [mark.fairley@iowafinance.com](mailto:mark.fairley@iowafinance.com)**

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It may be necessary for the Treasurer and the Authority to request additional information from one or more banks and the Treasurer and the Authority reserve the right to do so.

The Treasurer and the Authority reserve the right to reject any and all responses, to waive any minor informality in a response, to request clarification of information from any bank and to effect any agreement deemed by the Authority to be in its best interest with one or more banks. All responses and their contents will become the property of the Treasurer and the Authority.

The Treasurer and the Authority will not reimburse banks for any costs associated with the preparation or submittal of any response or for any travel and/or per diem incurred in any presentations of such responses.

Nothing in this Request for Information, the responses, nor in the Treasurer's and the Authority's acceptance of any response in whole or in part shall oblige the Treasurer and the Authority to complete negotiations with the related bank. The Treasurer and the Authority reserve the right to end, in their sole discretion, negotiations with any bank at any time up to the consummation of the transactions arising from this Request for Information.

**OFFER TO PROVIDE LIQUIDITY FACILITY**

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**Name of Bank:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

- Name
- Telephone
- Address
- E-mail
- Fax

**Maximum Commitment Amount at proposed pricing level:** \$\_\_\_\_\_ million

*The maximum commitment amount should represent your bank's full commitment amount.*

**Credit Ratings      *Moody's (long/short) and S&P (long/short)***

- At present:            Moody's (\_\_\_\_/\_\_\_\_) and S&P (\_\_\_\_/\_\_\_\_)
- As of 1/1/21:        Moody's (\_\_\_\_/\_\_\_\_) and S&P (\_\_\_\_/\_\_\_\_)
- As of 1/1/20:        Moody's (\_\_\_\_/\_\_\_\_) and S&P (\_\_\_\_/\_\_\_\_)
- As of 1/1/19:        Moody's (\_\_\_\_/\_\_\_\_) and S&P (\_\_\_\_/\_\_\_\_)

**A. Floating Rate Note Pricing** (spread to SIFMA) **Additional fees, if any, should be noted separately.** Assume a 30 year term bond.

<b>Term</b>	<b>Annual Fee (bps)</b>
2 years	
3 years	
4 years	
5 years	
7 years	
10 years	
Other	

Please note other redemption provisions.

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**B. Liquidity Pricing** (in basis points per annum on amount of the Liquidity Facility actually utilized (do not include unused amount), payable quarterly in arrears based upon the actual days elapsed divided by a 365-day year). **Additional fees, if any, should be noted separately** (i.e., upfront fees,

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commitment fees for unused commitment amounts, etc.). Potential liquidity facility providers need not provide a fee quote for every category.

<b>Term</b>	<b>Annual Fee (bps)</b>
2 years	
3 years	
4 years	
5 years	
7 years	
10 years	
Other	

**B.1** Indicate any upfront not-to-exceed fees, including legal fees and expenses; and any commitment fees if applicable:

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**B2. Legal Counsel:** \_\_\_\_\_

Attorney

\_\_\_\_\_  
Firm

\_\_\_\_\_  
City

\_\_\_\_\_  
Capped Fees (including costs)

**B3. Proposed Term Out Provisions**

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**B4. Interest Rate Charged on Purchased Bonds**

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**B5. Other Conditions to Funding**

**OFFER TO PROVIDE LIQUIDITY FACILITY**

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**B6. Terms of Facility.** *By acceptance of the bank's proposal, the Authority reserves the right to negotiate any proposed conditions and covenants. If any conditions are not negotiable, the bank should indicate such provisions in its proposal.*

Indicate any representations, warranties, covenants or other terms required by the bank.

Indicate any 30-day notice default provisions required by the bank.

Indicate any automatic termination provisions required by the bank.

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**B7. Timing**

Indicate the number of days required to receive final credit approval upon notification of your selection.

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**B8. Remarketing Agent**

IFA will appoint the Remarketing Agent for the variable rate bonds. Please note if an affiliated entity of your bank provides remarketing agent services.

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Submitted by:

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**THIS COMPLETED AND SIGNED PROPOSAL MUST BE RECEIVED VIA EMAIL  
NO LATER THAN 5:00 P.M. EASTERN TIME ON APRIL 2, 2021.**

**Proposals must remain effective through December 31, 2021.**

Questions may be directed to Mark Fairley at [mark.fairley@iowafinance.com](mailto:mark.fairley@iowafinance.com)

**PLEASE EMAIL RESPONSES TO: Mark Fairley, Iowa Finance Authority  
Email: [mark.fairley@iowafinance.com](mailto:mark.fairley@iowafinance.com)**