

STATE OF IOWA

OFFICE OF THE TREASURER OF STATE

REQUEST FOR PROPOSALS FOR

INVESTMENT BANKING SERVICES

FOR THE

IOWA FINANCE AUTHORITY

SINGLE FAMILY AND MULTIFAMILY

BOND PROGRAMS

ARTICLE 1 -- INTRODUCTION

1.1 Purpose

The purpose of this Request for Proposals (“RFP”) is to solicit proposals from investment banking firms to serve as part of the underwriting team for the Iowa Finance Authority’s (“Authority”) Single Family and Multifamily bond programs. The Treasurer of the State of Iowa (“Treasurer”) and the Authority intend to award a four year contract beginning on August 14, 2009, and ending on August 14, 2013, with up to two additional one (1) year extensions at the sole discretion of the Treasurer and the Authority.

1.2 Background Information

This RFP is designed to provide firms with the information necessary for the preparation of competitive bid proposals. The RFP process is for the Authority’s benefit and is intended to provide the Authority and the Treasurer with competitive information to assist in the selection process. This RFP is not intended to be comprehensive. Each firm is responsible for determining all factors necessary for submission of a comprehensive bid proposal.

The Iowa Finance Authority was established in 1975 pursuant to what is now Chapter 16 of the Code of Iowa, 2003 (the “Act”), to undertake programs which assist in the attainment of qualified housing, by encouraging the investment of private capital and stimulating the construction and rehabilitation of adequate housing through the use of public financing.

The FirstHome Program is the Authority’s single family bond program. Under the FirstHome Program, the Authority issues bonds (the “Bonds”) from time to time to provide funds to the trustee who, on behalf of the Authority, purchases mortgage-backed GNMA securities, guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, and mortgage-backed FNMA Securities, guaranteed as to payment of principal and interest by Fannie Mae, each of which is backed by pools of Mortgage Loans which have been made by participating financial institutions to qualified persons to finance the purchase of single family residential housing located within the State of Iowa (the “State”), all in accordance with agreements executed by the Authority, the trustee, the servicer and certain lenders. The Bonds are issued pursuant to the Act, the Single Family Mortgage Bond Resolution adopted by the Authority on July 10, 1991, as amended and supplemented, and a series resolution adopted by the Authority in connection with each series of Bonds (collectively, the “Resolution”).

The Authority expects to issue three to four series of Bonds each calendar year to fund the FirstHome Program. Depending on program growth, it is likely that each issue will be in the range of \$30-50 million, and may include tax-exempt and taxable new money bonds, refunding bonds, fixed and variable rate bonds, interest rate caps and interest rate swap agreements, and other financing structures deemed necessary by the Authority.

In addition, the Authority anticipates that it will develop and implement a bond-financed multifamily program.

ARTICLE 2 -- ADMINISTRATIVE INFORMATION

2.1 Issuing Officer

The Issuing Officer, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful firm or firms.

Eric Chatman, Issuing Officer
Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa 50312
Email: eric.chatman@iowa.gov

2.2 Restriction on Communication

From the issue date of this RFP until announcement of the successful firms, firms may contact only the Issuing Officer. The Issuing Officer will respond only to questions regarding the procurement process. Questions related to the interpretation of this RFP must be submitted via e-mail to the Issuing Officer by 4:30 p.m., central time, June 12, 2009. Verbal questions related to the interpretation of this RFP will not be accepted. The Issuing Officer will collect all questions and e-mail responses to those potential firms who have provided a letter of intent to bid pursuant to section 2.7 of this RFP. Firms may be disqualified if they contact any Authority Board Member or state employee other than the Issuing Officer.

2.3 Downloading the RFP from the Internet

Any amendments will be posted on either the Authority's website at www.ifahome.com or the Treasurer's website at www.treasurer.state.ia.us. The firm is advised to check the Authority's website and the Treasurer's website periodically for amendments to this RFP.

2.4 Procurement Timetable

The following dates are set forth for informational and planning purposes; however, the Treasurer and the Authority reserve the right to change the dates.

Issue RFP – on or about June 4, 2009
Letters of Intent and Questions Due – June 12, 2009
Response to Questions Issued – June 22, 2009
Closing Date for Receipt of Bid Proposals – July 10, 2009
Announce Successful Firms – on or about August 11, 2009

2.5 Questions and Requests for Clarification

Firms are invited to submit written questions and requests for clarifications regarding the RFP. The questions or requests for clarifications must be via e-mail and received by the Issuing Officer before 4:30 p.m., central time, June 12, 2009. Oral questions will not be permitted. If the questions or requests for clarifications pertain to a specific section of the RFP, the page and section number(s) must be referenced. Written responses to questions and requests for clarifications will be sent via e-mail on or before June 22, 2009 to firms who submit a letter of

intent to bid in accordance with Section 2.7 hereof. The written responses will be considered part of the RFP.

2.6 Amendment to the RFP and Bid Proposal and Withdrawal of Bid Proposal

The Treasurer and the Authority reserve the right to amend the RFP at any time. The firm shall acknowledge receipt of any and all amendments in its proposal. If the amendment occurs after the closing date for receipt of bid proposals, the Treasurer and the Authority may, in their sole discretion, allow firms to amend their bid proposals in response to the amendment if necessary.

The firm may amend its bid proposal. The amendment must be in writing, signed by the firm and received by the time set for the receipt of proposals. Electronic mail and faxed amendments will not be accepted. Firms who submit proposals in advance of the deadline may withdraw, modify, and resubmit proposals at any time prior to the deadline for submitting proposals. Firms must notify the Issuing Officer in writing if they wish to withdraw their proposals.

2.7 Letters of Intent to Bid

A letter of intent to bid must be mailed, sent via delivery service or hand delivered by the firm or the firm's representative to the Issuing Officer and received by 4:30 p.m., central time, June 12, 2009. The letter of intent to bid must include the firm's name, mailing address, electronic mail address, fax number, telephone number, a statement of intent to bid under this RFP, and an authorizing signature. Electronic mail and faxed letters of intent to bid will not be accepted. **Submitting a letter of intent to bid is a mandatory condition to submit a bid proposal** and to ensure receipt of written responses to firms' questions and amendments to the RFP. Failure to submit a letter of intent by the deadline specified will result in the rejection of the firm's bid proposal.

2.8 Submission of Bid Proposals

The Issuing Officer must receive the bid proposal at the address set forth in section 2.1 before 4:30 p.m., central time, July 10, 2009. **This is a mandatory requirement and will not be waived by the Treasurer and the Authority. Any bid proposal received after this deadline will be rejected and returned unopened to the firm.** Firms mailing bid proposals must allow ample mail delivery time to ensure timely receipt of their bid proposals. It is the firm's responsibility to ensure that the bid proposal is received prior to the deadline. Postmarking by the due date will not substitute for actual receipt of the bid proposal. Electronic mail and faxed bid proposals will not be accepted. Firms must furnish all information necessary to evaluate the bid proposal. Bid proposals that fail to meet the mandatory requirements of the RFP will be disqualified. Verbal information provided by the firm shall not be considered part of the firm's proposal.

2.9 Bid Proposal Opening

The Authority and the Treasurer will open bid proposals at 4:30 p.m., central time, July 10, 2009. The bid proposals will remain confidential until the Evaluation Committee has reviewed all of the bid proposals submitted in response to this RFP and the Treasurer has announced a notice of intent to award a contract. See Iowa Code Section 72.3.

2.10 Costs of Preparing the Bid Proposal

The costs of preparation and delivery of the bid proposal are solely the responsibility of the firm submitting such proposal.

2.11 Rejection of Bid Proposals

The Treasurer and the Authority reserve the right to reject any or all bid proposals, in whole and in part, received in response to this RFP. Issuance of this RFP in no way constitutes a commitment by the Treasurer and the Authority to award a contract. This RFP is designed to provide firms with the information necessary to prepare a competitive bid proposal. This RFP process is for the Authority's benefit and is intended to provide the Authority and the Treasurer with competitive information to assist in the selection of a firm to provide services. This RFP is not intended to be comprehensive and each firm is responsible for determining all factors necessary for submission of a comprehensive bid proposal.

2.12 Disqualification

The Treasurer and the Authority may reject proposals outright for any one of the following reasons:

2.12.1 The firm fails to deliver the bid proposal by the due date and time.

2.12.2 The firm states that a service requirement cannot be met.

2.12.3 The firm's response materially changes a service requirement.

2.12.4 The firm's response limits the rights of the Authority.

2.12.5 The firm fails to include information necessary to substantiate that it will be able to meet a service requirement. A response of "will comply" or merely repeating the requirement is not sufficient. Responses must indicate present capability; representations that future developments will satisfy the requirement are not sufficient.

2.12.6 The firm fails to respond to the Authority's request for information, documents, or references.

2.12.7 The firm fails to include any signature, certification, authorization, stipulation, disclosure or guarantee requested in section 4 of this RFP.

2.12.8 The firm presents the information requested by this RFP in a format inconsistent with the instructions of the RFP.

2.12.9 The firm initiates unauthorized contact regarding the RFP with state employees.

2.12.10 The firm provides misleading or inaccurate responses.

2.13 Nonmaterial and Material Variances

The Treasurer and the Authority reserve the right to waive or permit cure of nonmaterial variances in the bid proposal if, in the judgment of the Treasurer and the Authority, it is in the Authority's best interest to do so. Nonmaterial variances include minor informalities that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other firms; that do not change the meaning or scope of the RFP; or that do not reflect a material change in the services. In the event the Treasurer and the Authority waive or permit cure of nonmaterial variances, such waiver or cure will not modify the RFP requirements or excuse the firm from full compliance with RFP specifications or other contract requirements if the firm is awarded the contract. The determination of materiality is in the sole discretion of the Authority.

2.14 Reference Checks

The Treasurer and the Authority reserve the right to contact any reference to assist in the evaluation of the bid proposal, to verify information contained in the bid proposal and to discuss the firm's qualifications.

2.15 Information From Other Sources

The Treasurer and the Authority reserve the right to obtain and consider information from other sources concerning a firm, such as the firm's capability and performance under other contracts.

2.16 Verification of Bid Proposal Contents

The content of a bid proposal submitted by a firm is subject to verification. Misleading or inaccurate responses shall result in disqualification.

2.17 Bid Proposal Clarification Process

The Treasurer and the Authority reserve the right to contact a firm after the submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. The Treasurer and the Authority will not consider information received if the information materially alters the content of the bid proposal. An individual authorized to legally bind the firm shall sign responses to any request for clarification. Responses shall be submitted to the Authority within the time specified in the request. Failure to comply with requests for additional information may result in rejection of the bid proposal as noncompliant.

2.18 Disposition of Bid Proposals

All proposals become the property of the Treasurer and the Authority and shall not be returned to the firm unless all bid proposals are rejected or the RFP is cancelled. Otherwise, at the conclusion of the selection process, the contents of all bid proposals will be in the public domain and be open to inspection by interested parties subject to exceptions provided in Iowa Code Chapter 22 or other applicable law.

2.19 Public Records and Requests for Confidential Treatment

The Treasurer and the Authority may treat all information submitted by a firm as public information following the conclusion of the selection process unless the firm properly requests that information be treated as confidential at the time of submitting the bid proposal. The release of information is governed by Iowa Code chapter 22. Firms are encouraged to familiarize

themselves with chapter 22 before submitting a proposal. The Treasurer and the Authority will copy public records as required to comply with the public records laws. Any request for confidential treatment of information must be included in the transmittal letter with the firm's bid proposal. In addition, the firm must enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the firm to respond to any inquiries by the Treasurer and the Authority concerning the confidential status of the materials. Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal as confidential may be deemed non-responsive and disqualify the firm. If the firm designates any portion of the RFP as confidential, the firm must submit one copy of the bid proposal from which the confidential information has been excised. This excised copy is in addition to the number of copies requested in section 4 of this RFP. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible. The Treasurer and the Authority will treat the information marked confidential as confidential information to the extent such information is determined confidential under Iowa Code Chapter 22 or other applicable law by a court of competent jurisdiction. In the event the Treasurer or the Authority receive a request for information marked confidential, written notice shall be given to the firm seven calendar days prior to the release of the information to allow the firm to seek injunctive relief pursuant to Section 22.8 of the Iowa Code. The firm's failure to request confidential treatment of material will be deemed by the Treasurer and the Authority as a waiver of any right to confidentiality, which the firm may have had.

2.20 Copyrights

By submitting a bid proposal, the firm agrees that the Treasurer and the Authority may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The firm consents to such copying by submitting a bid proposal and warrants that such copying will not violate the rights of any third party. The Treasurer and the Authority shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals.

2.21 Release of Claims

By submitting a bid proposal, the firm agrees that it will not bring any claim or cause of action against the Treasurer and the Authority based on any misunderstanding concerning the information provided herein or concerning the Treasurer's or the Authority's failure, negligent or otherwise, to provide the firm with pertinent information as intended by this RFP.

2.22 Presentations

Firms may be required to make a presentation of the bid proposal. The presentation, if necessary, will occur at the Authority's offices. The determination as to need for presentations, the location, order, and schedule of the presentations is at the sole discretion of the Authority and the Treasurer.

2.23 Evaluation of Bid Proposals Submitted

Bid proposals that are timely submitted and are not subject to disqualification will be reviewed in accordance with Section 5 of the RFP.

2.24 Choice of Law and Forum

This RFP and the resulting contract are to be governed by the laws of the state of Iowa. Changes in applicable laws and rules may affect the award process or the resulting contract. Firms are responsible for ascertaining pertinent legal requirements and restrictions. Any and all litigation or actions commenced in connection with this RFP shall be brought in the appropriate Iowa forum.

2.25 Restrictions on Gifts and Activities

Iowa Code Chapter 68B restricts gifts which may be given or received by state employees and requires certain individuals to disclose information concerning their activities with state government. Firms are responsible to determine the applicability of this Chapter to their activities and to comply with the requirements. In addition, pursuant to Iowa Code section 722.1, it is a felony offense to bribe or attempt to bribe a public official.

2.26 No Minimum Guaranteed

The Authority anticipates that the selected firm will provide services as requested by the Authority. The Authority will not guarantee any minimum compensation will be paid to the firm or any minimum usage of the firm's services.

ARTICLE 3 -- SERVICE REQUIREMENTS

3.1 Introduction

The Authority is seeking investment banking firms for its single family bond program and for multifamily bonds that the Authority may issue from time to time. The selected firm or firms will be expected to work closely with Authority staff, bond counsel, the Financial Advisor, the bond trustee, rating agencies, financial institutions and other persons or organizations necessary in connection with the Authority's single family and multifamily bond issues.

The Authority currently has two co-senior managing underwriters and four co-managers for its single family program. Through this RFP, the Authority and Treasurer may implement a similar structure or the Authority and Treasurer may change the number and mix of senior and co-managers, and/or may choose to rotate the position of senior manager between selected firms.

Respondents should indicate their interest in serving as senior or co-managers or either role in their proposals.

3.2 Scope of Work

The services to be performed by the selected firm or firms will include, but are not limited to, the following:

Senior Manager

- Develop and recommend financing structures to meet the Authority's program goals and needs given current and projected market conditions;
- Prepare cashflow analysis for each issue of bonds;
- Provide cost effective financing for the Authority Single Family and Multifamily programs;
- Provide advice on the terms and structure of bonds, investment agreements, derivative transactions (mainly interest rate swap and interest rate cap/corridor transactions) and other matters related to the subject programs;
- Be prepared to act as counterparty on derivatives transactions as needed;
- Commit capital as required to underwrite the Authority's bond issues;
- Provide support for the Authority's bonds in the secondary market;
- Review and/or assist in the preparation of bond documents and program documents used in connection with the single family and multifamily programs (including but not limited to resolutions, tax documents, closing documents, official statements, swap documents, interest rate cap documents, etc.);
- Assist and participate in rating agency presentations and work with rating agencies in connection with each bond issue as necessary;
- Manage the process of marketing and selling the bonds to a diversified set of investors, including providing on-going analysis of market conditions leading up to each sale;
- Provide assistance and advice with respect to single family and multifamily bond issues and associated derivative transactions already outstanding and develop recommendations in regard to those bonds to enhance the Authority's financial profile;.
- Co-ordinate meetings and road shows with investors to support the Authority's bond issuance and name; and
- Provide on-going research and analysis on general market conditions and the municipal and housing bond sectors to support the Authority's market presence.

Co-Manager

- Serve as co-managers of financing structures and transactions designed to fund the Authority's housing activities;
- Assist in the marketing and distribution of the Authority's bonds and commit capital as required in the underwriting process;
- Distribute the Authority's bonds to a diversified set of end investors;
- Advise the Authority on financing structures to meet the Authority's program goals and needs given current and projected market conditions;
- Organize meetings with investors from time to time to support the Authority bond issuance and name;
- Provide the Authority with regular research and analyses on the general market environment and the municipals and housing bond sectors in particular; and
- Be prepared to act as counterparty or to facilitate derivatives transactions as needed.

ARTICLE 4 -- FORMAT AND CONTENT OF BID PROPOSALS

4.1 Instructions

These instructions prescribe the format and content of the bid proposal. They are designed to facilitate a uniform review process. Failure to adhere to the proposal format may result in the disqualification of the bid proposal.

4.1.1 The bid proposal shall be typewritten on 8.5" x 11" paper (one side only).

4.1.2 The bid proposal shall be sealed in an envelope. If multiple envelopes for each bid proposal are used, the envelopes shall be numbered in the following fashion: 1 of 4, 2 of 4, etc.

The envelopes shall be labeled with the following information:

Request for Proposals for Investment Banking Services for the Iowa Finance Authority

[Firm's Name and Address]

4.1.3 One (1) original and five (5) copies of the bid proposal shall be timely submitted to the Issuing Officer.

4.1.4 If the firm designates any information in its proposal as confidential pursuant to section 2.22, the firm must also submit one (1) copy of the bid proposal from which confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible.

4.2 Technical Proposal

The following documents and responses shall be included in the bid proposal in the order given below:

4.2.1 Transmittal Letter

An individual authorized to legally bind the firm shall sign the transmittal letter. The letter shall include the firm's mailing address, electronic mail address, fax number, and telephone number. Any request for confidential treatment of information shall be included in the transmittal letter in addition to the specific statutory basis supporting the request and an explanation why disclosure of the information is not in the best interest of the public. The transmittal letter shall also contain the name, address and telephone number of the individual authorized to respond to the Authority about the confidential nature of the information.

4.2.2 Background Information

The firm shall provide the following general background information:

4.2.2.1 Name, address, telephone number, fax number and e-mail address of the firm including all d/b/a's or assumed names or other operating names of the firm.

4.2.2.2 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the firm's performance under the terms of this RFP.

4.2.2.3 Local office address and phone number (if any).

4.2.2.4 Firm's capital structure, uncommitted excess net capital, underwriting capacity and your most recent audited financial statements and FOCUS report. This should include an explanation of the firm's leveraging practices, short-term financing and liquidity arrangements, and other relevant information.

4.2.2.5 Ownership structure of the firm and if applicable, the long-term ratings for each of the last two years and explanations as to any changes in those ratings during the time period.

4.2.2.6 Organizational structure including a list of business lines in which your firm operates, including housing finance.

4.2.3 Personnel

The firm must provide information for all key personnel who will be involved in providing the services contemplated by this RFP. Include only those who will likely be assigned to this account, and indicate the day-to-day contact person or persons. The following information must be included:

4.2.3.1 Full name.

4.2.3.2 Education.

4.2.3.3 Years of experience and employment history particularly as it relates to the scope of services specified herein.

4.2.3.4 Expected role in the Authority's transactions.

4.2.4 Overview and Demonstration of Knowledge

The firm shall prepare an executive summary and overview of the services it is offering, including all of the following information:

4.2.4.1 Statements that demonstrate that the firm understands and agrees with the terms and conditions of the RFP and the proposed contract.

4.2.4.2 Statement through which the firm certifies that the contents of the bid proposal are true and accurate.

4.2.4.3 An overview of the firm's plans for providing the necessary services to the Authority *as Senior Manager or Co-Manager, as applicable*.

4.2.4.4 A demonstration of the firm’s knowledge of single family and multifamily bond programs, and the municipal finance industry.

4.2.4.5 An explanation as to why the firm should be awarded this engagement.

4.2.4.6 An overview of what strategies or financing alternatives you would suggest the Authority consider in light of the unprecedented volatility that occurred in the financial markets and the housing sector in particular over the last two years.

4.2.5 Experience

The firm must provide the following information regarding its experience:

4.2.5.1 Number of years in business, and the resources devoted to public finance and the HFA sector.

4.2.5.2 Number of years experience with providing the types of services sought by the RFP.

4.2.5.3 Describe the level of technical experience in providing the types of services sought by the RFP. Include in this discussion details about experience with variable rate bonds, interest rate swaps and other derivative transactions in connection with single family and multifamily transactions.

4.2.5.4 List the information set forth below for each single family and multifamily housing transaction for which your firm has provided services in the last three years.

- Date of Issue
- Name of Issuer
- Description of Issue
- Principal Amount
- Role in transaction (senior manager, co-senior mgr., co-mgr. or selling group member)
- Gross Spread

4.2.5.5 List the state housing agencies where your firm currently and actively serves as: (1) senior manager; (2) co-senior manager; or (3) co-manager ***and indicate the date that your firm first began serving each agency.*** Discuss your firm’s performance where you served as a senior, co-senior or co-manager and include any unique contributions your firm has made in the underwriting process. ***List any state housing agencies for which your firm has served within the past three years but no longer serves in any capacity.***

4.2.5.6 List at least three (3) current or previous clients knowledgeable of the firm's performance in providing services similar to the services described in this RFP and a contact person and telephone number for each reference.

4.2.5.7 Discuss your firm's experience in working with Financial Advisors and how you have helped HFA's to best leverage the expertise and knowledge of an advisor. Please provide your firm's philosophy in working with Financial Advisors.

4.2.6 Distribution Capabilities

The firm must provide the following information:

4.2.6.1 Organizational charts showing the number of professionals specializing in housing finance in 2007 and 2009. Provide names and titles of your housing finance professionals for both years. IFA wants to know how many people have been added to or dismissed from your housing group as a result of the 2008 market turmoil. Is housing finance considered a competitive strength in your firm or not?

4.2.6.2 Organizational chart and number of retail sales offices / people for municipal bonds.

4.2.6.3 Please discuss your firm's distribution capabilities, both institutional and retail and include any increases or decreases in personnel devoted to those functions in the last two year. Specifically include in this discussion your ability to distribute bonds in the State of Iowa.

4.2.6.4 Discuss any recommendations or suggestions you may have to enhance HFAs' ability to market and sell their debt and how the marketing and selling process can be improved.

4.2.6.5 Other relevant information concerning your firm's distribution capabilities.

4.2.7 Additional Firm Information

4.2.7.1 Describe any significant changes in your firm's public finance, sales and trading department organization, focus or leadership since January 2006, and whether any changes are anticipated in the near future.

4.2.7.2 Describe any investigative, disciplinary or enforcement actions pending against your firm, and information on any such investigations which concluded with an enforcement or disciplinary action against your firm since January 2005.

4.2.7.3 Affirm your firm's compliance with MSRB Rule G-37. Disclose any lobbying efforts conducted on behalf of your firm with regard to any elected or appointed official of the State, or any contribution to any elected official of the State since January 2001.

4.2.8 Acceptance of Terms and Conditions

The firm shall specifically agree that the bid proposal is predicated upon the acceptance of all terms and conditions stated in the RFP. If the firm objects to any term or condition, the firm must specifically refer to the RFP page, and section. Objections or responses that materially alter the RFP may be deemed non-responsive and disqualify the firm.

4.2.9 Certification of Independence and No Conflict of Interest

The firm shall sign and submit with the bid proposal the document included as Attachment No. 1 in which the firm shall certify that it developed the bid proposal independently. The firm shall also certify that no relationship exists or will exist during the contract period between the firm and the Authority or the Treasurer that interferes with fair competition or is a conflict of interest. The Authority and the Treasurer reserve the right to reject a bid proposal or cancel the award if, in their discretion, any relationship exists that could interfere with fair competition or conflict with the interests of the Authority.

4.2.10 Authorization to Release Information

The firm shall sign and submit with the bid proposal the document included as Attachment No. 2 in which the firm authorizes the release of information to the Authority.

4.2.11 Firm Bid Proposal Terms

The firm shall guarantee in writing the availability of the services offered and that all bid proposal terms, including price, will remain firm a minimum of 90 days following the deadline for submitting proposals.

4.3 Cost Proposal

Firm's applying as Senior Manager shall provide a cost proposal for the proposed services. State the amount of the Management Fee (in dollars per thousand) and Underwriter's Expenses (including underwriter's counsel fees) your firm proposes to be paid for serving as book-running Senior Manager for (a) a \$50 million new issue of long term single family MRBs, (b) a \$15 million new issue of long term fixed rate multi-family MRBs (assuming 'AA' or better credit enhancement and bond rating), and (c) a \$15 million new issue of floating rate multi-family MRBs (assuming 'AA' or better credit enhancement, liquidity and bond rating). Assume none of the management fee proposed by your firm is to be shared with the other managers. (Note: Underwriter's counsel is / is not expected to prepare preliminary and final disclosure documents in connection with the Authority's public sale of bonds.)

The Authority understands the Takedown and Risk components of underwriter discount are “market-driven” costs and may fluctuate depending upon market conditions. Based upon current market conditions, provide estimates of the Takedown (in dollars per thousand) your firm would recommend for a typical issue of long term, fixed rate single family MRBs consisting of (a) par serial bond maturities out to 10 years, (b) par term bond maturities of 15, 20, 26 years, and (c) (10%) tax exempt premium PAC bonds to 32 years. For each of the par term bonds, indicate the extent to which the Takedowns could be reduced by offering those bonds only to institutional investors. (It may be assumed the premium PAC bonds would be offered only to institutional investors.)

Include in your cost proposal any assumptions and any other variables that might affect your quote. The response may also include suggestions concerning underwriting team and selling group compensation, syndicate rules, proposed designation policies and any other underwriting management considerations which you believe to be significant.

ARTICLE 5 --EVALUATION OF BID PROPOSALS

5.1 Introduction

This section describes the evaluation process that will be used to determine which bid proposal provides the greatest benefits to the Authority. The evaluation process is designed to award the contract not necessarily to the firm of least cost, but rather to the firm or firms with the best combination of attributes to perform the required services.

5.2 Evaluation Steps

The evaluation and award process shall consist of the following:

- a. Review of the bid proposals to assess compliance with mandatory requirements;
- b. Detailed evaluation of proposed services, programs, and solutions;
- c. Evaluation of technical proposals;
- d. Evaluation of cost proposals;
- e. Integration of technical proposal and cost proposal into an Evaluation Committee recommendation to the Treasurer; and
- f. Award decision by the Treasurer.

5.3 Evaluation Committee

The Treasurer and the Authority intend to conduct a comprehensive, fair and impartial evaluation of bid proposals received in response to this RFP. The Authority will use an Evaluation Committee to review and evaluate the proposals. The Evaluation Committee will make a recommendation to the Treasurer. The Treasurer will select the firm. The Treasurer is not bound by the Evaluation Committee’s recommendation.

5.4 Evaluation Criteria

The Evaluation Committee will evaluate all proposals and make an award recommendation to the Treasurer using the following criteria, which are listed in no particular order.

5.4.1 Experience and Qualifications (35%)

The firm's experience in the issuance of bonds for purposes similar to those outlined in this RFP and the experience of assigned staff.

5.4.2 Expected Service and Ability to Meet Needs of the Authority (35%)

Demonstrated knowledge of the Authority's objectives; the manner in which the firm's proposal has addressed the required items included in this RFP, including the detail and clarity of the responses; demonstrated financing, marketing and distribution abilities.

5.4.3 Fees (30%)

The firm's fee proposal will be evaluated in relation to other fee proposals received. The winning proposal may not be the proposal with the lowest cost.

5.5 Recommendation of the Evaluation Committee

The final recommendation(s) of the Evaluation Committee shall be presented to the Treasurer for consideration. This recommendation may include, but is not limited to, the name of one or more firms recommended for selection or a recommendation that no firm be selected.

ARTICLE 6 -- CONTRACT TERMS AND CONDITIONS

6.1 Contract Terms and Conditions

The Treasurer will include the contract terms and conditions in the award letter sent to the winning firm or firms. The resulting contract will consist of the following: the terms and conditions of this RFP, the offer contained in the firm's proposal, and other terms necessary for completing the services outlined in this RFP. The Authority and Treasurer may negotiate compensation of the selected firm and may renegotiate such compensation if conditions warrant.

6.2 Contract Length

The term of the contract will be four years and will commence on August 14, 2009 and end on August 14, 2013. The Authority and the Treasurer shall have the option to renew the contract upon the same terms and conditions for two additional one-year renewal terms.

Attachment #1

Date

Eric Chatman, Issuing Officer
Iowa Finance Authority
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Des Moines, Iowa 50312
Fax (515) 725-4901

Re: Request for Proposal for Investment Banking Services

CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST

Dear Mr.:

By submitting a proposal in response to the Request for Proposals for Investment Banking Services for the Iowa Finance Authority (RFP), the undersigned certifies the following:

1. The proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the Authority who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee.
2. The proposal has been developed independently, without consultation, communication or agreement with any other firm or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the proposal has not been knowingly disclosed and will not be knowingly disclosed prior to the award of the contract, directly or indirectly, to any other firm.
4. No attempt has been made or will be made by (Name of Firm) to induce any other firm to submit or not to submit a proposal for the purpose restricting competition.
5. No relationship exists or will exist during the contract period between (Name of Firm) and the Authority that interferes with fair competition or is a conflict of interest.

Sincerely,

Name and Title

Attachment #2

Date

Eric Chatman, Issuing Officer

Iowa Finance Authority

2015 Grand Avenue

Des Moines, Iowa 50312

Fax (515) 725-4901

Re: Request for Proposal for Investment Banking Services

AUTHORIZATION TO RELEASE INFORMATION

Dear Mr.:

[name of firm] hereby authorizes the Iowa Finance Authority ("Authority") to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to evaluation and the selection of a successful firm in response to Request for Proposal for Investment Banking Services. The firm acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The firm acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the Authority or may otherwise hurt its reputation or operations. The firm is willing to take that risk. The firm hereby releases, acquits and forever discharges the State of Iowa, the Authority, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Authority in the evaluation and selection of a successful firm in response to the Request for Proposal. The firm authorized representatives of the Authority to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the undersigned's proposal submitted in response to the Request for Proposal. The firm further authorizes any and all persons, entities to provide information, data, and opinions with regard to the undersigned's performance under any contract, agreement, or other business arrangement, the undersigned's ability to perform, the undersigned's business reputation, and any other matter pertinent to the evaluation of the undersigned. The undersigned hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references supplied to the Authority in the evaluation and selection of a successful firm in response to the Request for Proposal. A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

Printed Name of Firm

Name and Title of Authorized Representative Date