

Request for Qualifications and Proposals for Depository and Safekeeping Services

We invite your institution to submit a proposal to provide depository and safekeeping services for the Missouri Housing Development Commission (MHDC) per the attached “Request for Qualifications and Proposals for Depository and Safekeeping Services” (RFP).

The RFP details the depository and safekeeping services the Commission seeks and provides details regarding MHDC’s depository account activity. As described in the RFP Section II.B, the Commission will provide responses to inquiries submitted in writing via email to mlappin@mhdc.com and received no later than August 13, 2025 1:00 p.m. CT.

As noted in RFP Section II.B, this RFP is considered a “Competitive Matter” as that term is defined in the Commission’s “Standards of Conduct” Policy. Respondents are strongly encouraged to review and ensure compliance with the Standards of Conduct. The Commission’s Standards of Conduct Policy is available on MHDC’s website at www.mhdc.com.

Proposals of qualified institutions satisfying the eligibility requirements of RFP Section V will be evaluated based on the criteria outlined in the RFP Section IV. MHDC, as an agency of the state of Missouri, is dedicated to non-discrimination in a manner consistent with state and federal laws along with applicable executive orders. Business practices within the state of Missouri, including contractual agreements with financial institutions, should not discriminate against anyone in violation of any law, executive order, rule, regulation, or judicial decision.

Proposals in PDF file format, along with the spreadsheet listing in Excel file format of the bidding institution’s owners pursuant to Section VII.B.2 of the RFP, are due by Noon Central Time on September 3, 2025.

MISSOURI HOUSING DEVELOPMENT COMMISSION



Request for Qualifications and Proposals for Depository and Safekeeping Services

Released: July 30, 2025

Proposals Due: September 3, 2025 Noon Central Time
via email to: mlappin@mhdc.com

Section I: Introduction

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. The Commission’s authority is derived from Section 215.030 RSMo.

MHDC administers, and provides financing for, the construction of affordable housing. The Commission also provides funding for mortgages for qualified homebuyers through a network of certified, private mortgage lenders. Mortgage financing is facilitated through the sale of revenue bonds the Commission is authorized to issue and when financially beneficial, through the sale of mortgage-backed securities. The Commission administers the federal and Missouri Low-Income Housing Tax Credit (LIHTC) programs, the Affordable Housing Assistance Program Tax Credit (AHAP), federal HOME funds, and the direct funding of other housing assistance programs. Additional information is available on the Commission’s website at www.mhdc.com. The Commission’s most recent audited financial statements are available on the MSRB Electronic Municipal Market Access website at <https://emma.msrb.org/P21848472-P21415956-P21858963.pdf>.

The purpose of this Request for Statement of Qualifications and Proposals (“RFP”) is (1) to obtain statements of qualifications and proposals (“Proposals”) from FDIC-insured, national or state banks to select one or more institutions to provide general depository and safekeeping services to the Commission and (2) to evaluate banking relationships to provide maximum services and competitive pricing to the Commission. It is anticipated that the selected institution(s) will be retained by the Commission for a minimum of five years beginning January 2026 with one additional two-year option, for a total of seven years. Interested institutions should respond in accordance with this RFP.

Currently MHDC maintains 26 active separate accounts with five different banks. Eight of those accounts with three banks (the payroll account, loan servicing operating and escrow funds, grant programs nearing conclusion and other funds pledged for purposes of the related financing arrangements) will continue to be maintained with the institutions currently holding those accounts for administrative or contractual reasons.

MHDC has aggregated the remaining accounts into four categories or groups based upon the function and activity of the accounts. The account groups consist of Operations, Production, Contract Administration and Community Programs. The Commission anticipates awarding its banking services by group to one or more banking institutions for ease of administration and to achieve economies of scale. For example, depending upon the Proposals and the Commission's determination, each account group may be allocated to a different institution, or one institution may be allocated two or more groups with the remaining groups allocated to one or more institutions; all four groups may be allocated to a single institution. Set forth in Appendix A is a listing of each account, statistics related to the account and the grouping of the accounts. Proposals are required to include fee and interest earning quotations for each group separately.

MHDC maintains an investment portfolio of approximately \$400 million that requires safekeeping of directly owned securities. MHDC currently uses nine different safekeeping portfolio accounts. The Commission anticipates entering into a safekeeping agreement with one financial institution for the purpose of safekeeping MHDC's investment portfolio. MHDC will continue to select investments for purchase from suitable securities presented by approved security broker/dealers.

Section II: Procedures and Instructions

- A. Completed proposals must be submitted to the Commission electronically by the proposal due date. Respondents shall transmit completed proposals to the Commission by email to mlappin@mhdc.com in PDF file format along with the spreadsheet listing in Excel file format of the bidding firm's owners pursuant to Section VII.B.2. The "Subject" line of the email should state "[name of institution] Statement of Qualifications to Serve as Depository."
- B. **The Commission will provide responses to inquiries submitted by institutions to the Commission's contact person, Marilyn Lappin. All questions must be submitted in writing via email to Ms. Lappin at mlappin@mhdc.com and received no later than August 13, 2025, 1:00 p.m. CT. The "Subject" line of the email should be, "2025 RFP Depository and Safekeeping Services Questions."** Questions submitted after the deadline will not receive a response. Responses will be provided by August 20, 2025, 3:00 p.m. CT to all interested prospective respondents who have provided an email address to Ms. Lappin prior to the above deadline for the submission of questions.

All inquiries must be submitted by email, citing the particular proposal section and paragraph number. Respondents should note that all clarifications and exceptions are to be resolved prior to submission of any Proposals.

This RFP is considered a "Competitive Matter" as that term is defined in the Commission's "Standards of Conduct" Policy. Please refer to the Commission's "Standards of Conduct" Policy for information regarding "Interested Parties," contact with MHDC commissioners or staff in connection with this RFP, necessary disclosures thereunder and other policies regulating the actions of

interested parties, employees and commissioners and the policies regulating the actions of employees, commissioners, and former employees or commissioners during a competitive matter. The failure of any Interested Party to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of the Respondent's Response. Therefore, Respondents are strongly encouraged to review and ensure compliance with the Standards of Conduct. The Commission's Standards of Conduct Policy is available on MHDC's website at www.mhdc.com.

Furthermore, pursuant to the Standards of Conduct, any Proposal under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent as set forth in Section VII.B.2. As provided in MHDC's Standards of Conduct, once the RFP is submitted and the deadline has passed, the proposer is an "Interested Party" in the "Disclosure Period" and subject to disclosure protocol. The disclosure period extends until seven days prior to a scheduled MHDC decision on the RFP, which is when the "quiet period" begins. Interested parties are prohibited from contacting commissioners and staff members during the quiet period.

- C. A Respondent may not modify or correct its Proposal any time after the deadline, except in direct response to a request from the Commission for clarification.
- D. In the event it becomes necessary to revise any part of the RFP, the Commission will provide an addendum to each institution receiving this RFP. Any additional information required to clarify portions of this RFP will be issued in the form of an addendum.
- E. The Commission is not responsible for any expense incurred in preparing and submitting a Proposal or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Proposal.
- F. The Commission will engage the services of the Respondent(s) it determines as best qualified based upon the Evaluation Criteria set forth in Section IV. The Commission reserves the right to conduct an investigation of the qualifications of any Respondent that it deems appropriate; negotiate modifications to any of the items proposed in the Proposal; request additional information from any Respondent; reject any or all Proposals; and waive any irregularities in any Proposal. **The Commission retains the right to negotiate the fees and compensation arrangements for its depository and safekeeping services.** The engagement described in this RFP is not exclusive and MHDC expressly retains the right at any time to retain any other bank to provide services without violating the engagement contemplated by this RFP.
- G. All Respondents to this RFP must be prepared to schedule a visit to its facility or to another location upon request by the Commission. Such a visit, if scheduled,

may encompass a review of the Respondent's systems, the process to be used in handling the Commission's deposits and transactions, and an introduction to the staff who would be involved in responding to information and other requests. The Commission will determine the Respondents, if any, for which a visit will be required.

- H. Respondents should be aware that the Proposals are public records under state law after the evaluation and selection process has been completed.
- I. The Commission retains the right to add and remove accounts and services as needed for its purposes in the future. Rates and costs for additional services will be negotiated at that time.
- J. Anticipated Timetable

Release RFP	July 30, 2025
Statements of Qualifications Due	September 3, 2025, Noon Central
Evaluation Committee Recommendation	TBD – estimated Fall 2025
Selection by Board	TBD – estimated Fall 2025

Section III: Structure of Proposal

- A. The Commission desires to consider Proposals in a consistent and easily comparable format as established in this RFP. Proposals not organized as set forth in this RFP may, at the Commission's discretion, be considered unresponsive. Do not refer to other parts of the Proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available in lieu of providing specific information in the Proposal.
- B. Each Proposal shall include a transmittal letter signed by an authorized representative of the Respondent. In the transmittal letter, the Respondent shall certify (i) that no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFP, (ii) that the information included in the Proposal is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Proposal on behalf of the Respondent.
- C. Proposals should be organized in the same order and manner as the individual information request contained in **Section VII: Proposal Details**. Responses to each lettered question shall begin on a separate page (e.g., answers to Question B should begin on a separate page from the response to Question A).
- D. Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

Section IV: Evaluation Criteria

The criteria to be used in evaluating the Proposals will include, but are not limited to, the following:

- (1) Financial strength of the Respondent.
- (2) Experience and expertise of the personnel to be assigned to the Commission's account.
- (3) The presence of headquarters or offices in Missouri, including locations and the extent and capabilities of the financial institution's offices and employees in Missouri.
- (4) Relevant experience managing similar accounts and services with public sector and/or large commercial clients.
- (5) The Respondent's ability and willingness to provide the services desired by the Commission and demonstrated understanding of the operational requirements of the Commission.
- (6) Innovative ideas or suggestions reflected in the Proposal.
- (7) Community involvement specifically through the Respondent's Community Reinvestment Act policies.
- (8) Proposed fees and charges for services and proposed interest earnings on balances.
- (9) Regulatory issues and legal actions taken against the Respondent.
- (10) The Commission's prior experiences, if any, with the Respondent and any other factors the Commission believes would be in its best interest to consider.

Section V: Eligibility Requirements

- A. Each Respondent must meet the following threshold requirements to be considered eligible to serve as a depository for the Commission:
 - (1) The Respondent must be a federal or State of Missouri chartered financial institution.
 - (2) The Respondent must be FDIC insured.
 - (3) The Respondent must have a Community Reinvestment Act (CRA) rating of "satisfactory" or better for the most recent examination conducted.
- B. If the Respondent intends to utilize the services of a related financial institution (e.g., a bank within the same holding company as the Respondent) or third party provider in the Respondent's proposed method of performance, the related financial institution or third party provider must be identified in the Proposal, must also satisfy the applicable criteria described in (1) through (3) immediately above, and must be acceptable to the Commission.
- C. If the Respondent proposes to provide services for the Contract Administration account group, the Respondent must be willing and able to enter the Project-based Section 8 Contract Administration Depository Agreement (Appendix D) as required by the U.S. Department of Housing and Urban Development. In addition, the Respondent must have a rating consistent at all times with current minimally acceptable ratings as established by Government National Mortgage Association (GNMA).

Section VI: Other Requirements

The Respondent agrees to fully cooperate with any audit or investigation from federal, state or local law enforcement agencies.

Section VII: Proposal Details

Respondents to this RFP should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated. Respondents interested in responding to this RFP should submit the following information.

- A. Cover Letter (limit to 1 page) stating that: (i) no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFP, (ii) the information included in the Proposal is true and correct to the best of its knowledge and (iii) the person signing the transmittal letter is authorized to execute the Proposal on behalf of the Respondent.

B. Proposal, including the following information:

1. Location and Personnel. The Commission prefers to have a full-service banking facility located within reasonable proximity of the Commission's Kansas City, Missouri office. List the location of Respondent's main office and the number of branch offices in the State of Missouri. Provide the address of the office location that will service the Commission's accounts. Identify the individual directly responsible as the account representative on behalf of the Commission ("Account Representative") and identify the office in which the Account Representative is located. Identify any individuals that would serve as the back-up to the Account Representative. Provide resumes or brief summaries of qualifications for the Account Representative and other key personnel that would be assigned to the Commission's account. Provide information as to the hours the Account Representative and other personnel will be available to assist the Commission.
2. Ownership. Provide a summary of ownership and management of Respondent and describe any significant changes in management and/or ownership of Respondent that have occurred during the past five years. Does Respondent foresee or anticipate any organizational changes in the next two years?

Pursuant to the Commission's Standards of Conduct (see Section II.B of this RFP), any Proposal under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFP is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. **For purposes of providing firm ownership information, please complete Attachment 1 in spreadsheet format to include a listing of the Respondent's owners/shareholders.** Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Anne Powell, by phone at 314-877-1373 or email apowell@mhdc.com.

3. Customer Contacts. Provide a list of five (5) customers who had or have accounts with the Respondent that are similar in nature to those proposed herein, with particular attention given to public agency accounts. Provide contact information for a representative of each agency that the Commission may contact as a reference.
4. Federal Reserve. Is the Respondent a direct member of the federal reserve system or does the institution utilize a correspondent or intermediary relationship to send and receive wires? If using a correspondent relationship, identify the correspondent. What are the deadlines for sending and receiving wires? Can the Commission's wires receive any priority treatment if needed?

5. Regulatory Capital Ratios. Provide the institution's current (1) Tier 1 Leverage Ratio, (2) Tier 1 Risk-Based Capital Ratio and (3) Total Risk-Based Capital Ratio. Also provide these ratios for the three most recent annual fiscal periods.
6. Legal Actions. Provide a summary of any litigation, arbitration and regulatory proceedings, pending, adjudicated or settled, that Respondent has been subject to within the last five years involving services Respondent provides. Please describe each regulatory proceeding in detail and any litigation or arbitration proceeding resulting in judgments, settlements or damage claims (for those matters not yet resolved) in excess of \$100,000.
7. Eligibility. Respond to each of the Eligibility Requirements in **Section V** and indicate whether or not Respondent meets the Eligibility Requirements to provide depository services for the Commission.
8. Collateral. The Commission requires that collateral be provided on (1) repurchase agreements, (2) time certificates of deposit and (3) regular deposits. All securities pledged as collateral shall be held in a segregated account on behalf of the Commission by an independent third party acceptable to the Commission. Only collateral authorized in the Commission's Investment Policy and Guidelines (a copy of which is attached hereto as Appendix "C") may be utilized. Please confirm Respondent's willingness and ability to satisfy these collateral requirements.
9. Depository Services – On-Line Banking Capabilities. Respondents shall be required to provide on-line services, including: electronic access to (i) the daily ledger balance, collected balance, and all accounts for the current and previous day's activity, (ii) initiation and confirmation of wire transfers, (iii) initiation of other transactions including account transfers and ACH files and (iv) general access to other reports. Describe the services available to MHDC from Respondent electronically. In the Proposal, include information regarding guaranteed payment timing of transactions initiated on-line and security measures in place to prevent fraudulent or unauthorized on-line access to the Commission's accounts. Detail fees, if any, that are charged.
10. Depository Services - Reporting. The Commission prefers the option to receive any and all reports electronically including monthly bank statements for all accounts. Statement ending dates must be the last business day of the month. Describe the reports the Respondent can provide electronically and any reports that are not available electronically. The Commission expects to receive copies of canceled checks and similar records electronically in a permanent format including for accounts not utilizing positive pay. Describe the format of the electronic reports and how the Commission would receive them. Also indicate the frequency in which records can be reviewed (e.g., daily, weekly, monthly) and whether canceled checks and similar records can be provided in this manner as well. Detail fees, if any, that are charged.

11. Safekeeping. MHDC's investment portfolio consists of government and agency securities purchased through banks and brokers. These securities, when purchased, must be delivered to the safekeeping agent on a delivery versus payment (DVP) basis. The safekeeping agent for MHDC must title all securities in the name of MHDC and track all securities by portfolio account. Sales of securities owned by MHDC and held by the safekeeping agent are also delivered on a DVP basis. Same day funds settlement should be available for all transactions. The safekeeping agent is required to value all securities in MHDC's investment accounts at least monthly and preferably weekly or more frequently. Describe the safekeeping services that Respondent has available and ability to meet MHDC's requirements. Include a description of Respondent's safekeeping pricing procedures.
12. Investment Reports and Electronic Access to Information. MHDC would like the safekeeping agent to provide accounting and performance reporting with regard to MHDC's investment portfolios. The safekeeping agent shall prepare monthly reports for each account showing at a minimum the holdings at month-end (both on a cost and market valuation basis; by account and consolidated) and a schedule of transactions for the month. Please describe the types of reports available and include examples. Please describe the frequency of the reports, particularly how soon after month-end such reports are available. Include information regarding market valuation process and source for market value data. Also describe on-line access and options to download reports. MHDC desires electronic on-line access to transactions and holdings information for its investment accounts. Access should be available on a daily basis to "live" current data, but more limited access (less frequent) access will be considered. Ideally, information should also be available on a historical basis. Respondents must provide information on how this requirement will be accomplished, as well as what safeguards exist to restrict information to only those persons authorized by MHDC. Detail fees, if any, that are charged.
13. Safe Deposit Boxes. The Commission currently retains certain original mortgage documents and disaster recovery materials in three safe deposit boxes that are approximately 9x10x22 in size. One institution serving as a depository will be selected to provide safe deposit box services for the Commission with a similar volume capacity and without reliance on a single oversized, heavy box. The Commission must be able to access the boxes at any time during normal business hours. These boxes must be located within reasonable proximity of the Commission's Kansas City, Missouri office. Confirm Respondent's ability to provide this service and identify the site at which the safe deposit boxes will be located. Detail fees that are charged.
14. Overdraft Protection. Overdrafts of Commission accounts occur very rarely, but, nonetheless, the Commission requires its banking institutions provide protection from disruption of its payments due to an error or circumstances beyond its control. Describe the extent of Respondent's overdraft protections for the Commission and any related charges.

15. Positive Pay. The Commission requires that Respondent offer Positive Pay options to use for select accounts to assist MHDC in preventing check fraud. Describe the availability of and charges for these services.
16. Security Policies. In addition to the response to Positive Pay above, describe other security policies and procedures the Respondent has in place to protect the Commission's assets. Provide details regarding the Respondent's services or products that will protect the Commission from fraud (e.g., forged checks, unauthorized phone transfers or electronic transactions, etc.).
17. Disaster Recovery. The Commission requires that each banking institution providing services to it maintain comprehensive disaster recovery procedures. Describe the Respondent's disaster recovery procedures; the projected response time to catastrophic events; and the frequency, extent, and results of testing of these procedures. In the event of a disaster requiring the Respondent to rely on these procedures, describe the impacts the Commission would experience as a result.
18. Requirements for Deposit Acceptance and Validation. Respondents must agree to validate and post the Commission's deposits for the face amount identified on each deposit slip. The Commission does not deposit cash or require supplies in order to do so. The Respondent selected as depository bank is not permitted to return deposits or assess a separate charge to the Commission for improperly prepared deposits. Discrepancies shall be adjusted through the use of error correction notices forwarded to the Commission within 24 hours of discovery. Confirm the ability and willingness of the institution to validate and post deposits in this manner.
19. Handling of Returned Items. Respondents shall agree to forward for collection a second time any check returned due to insufficient funds (NSF) prior to debiting the return item to the account. In addition, Respondents must agree not to immediately debit the Commission's depository account for large returned items, but notify the Commission of the returned item and debit the depository account no sooner than 24 hours after notification. Confirm the ability and willingness of the Respondent to handle returned items in this manner. Detail charges for this service.
20. ACH Transactions. The Commission utilizes ACH transactions for several accounts. The Commission currently originates NACHA-approved ACH batches from various third-party software programs and uploads them to banks via the institution websites. Please describe the ACH services, including same day ACH, available through the institution, including whether the Respondent would accept ACH files created by MHDC or whether bank software is required. In addition, indicate if ACH transactions can be initiated electronically on-line. Please describe the Respondent's online ACH reporting system and its capabilities, including information retention periods, as well as how frequently the information is updated. Detail fees, including any additional fees for same day ACH, that are charged including outside ACH debit and credits received, monthly maintenance

(ACH and per account), debit block and filters, file upload cost and per item cost per upload.

21. Remote Deposit. MHDC currently utilizes remote deposit for certain accounts. Please describe Respondent's remote deposit capabilities, including third party software used, hardware required and reports available. Discuss how the software and hardware required could be used to process remote deposits for another bank if such other bank was awarded accounts for the other group and used the same software. Detail fees, both bank and third party, that are charged.
22. Audit Confirmations. Describe Respondent's process for responding to audit confirmation requests, including name and address to direct requests and fees, if any, that are charged.
23. Zero Balance Accounts. The Commission maintains certain accounts as zero balance accounts. Describe any advantages or disadvantages to the Commission of maintaining any zero balance accounts and any alternatives Respondent would recommend. Describe Respondent's zero balance account capabilities and any fees charged.
24. Fees and Charges. The Commission seeks to obtain fee quotations, separate and apart from interest earnings quotations, for each of the four account groups detailed in Section I above. Provide a summary of Respondent's proposal of charges for the various depository/clearing services as set forth in Appendix B for each of the four groups: Operations, Production, Contract Administration and Community Programs. Certain accounts within some groups will have fees settled from a different account within the group. In addition, please indicate any minimum balance requirements. Respondents may aggregate fee quotations, in addition to individual group quotations, for one or more groups if the Commission would realize cost savings as a result. These fee quotations must be complete and comprehensive and include all of the services detailed above and all other fees and charges payable by MHDC. In addition, if Respondent believes a fee arrangement other than using the methodology in Appendix B would better serve the Commission, please include that alternative. The Commission is unlikely to consider off-setting balances as the basis for its service fees. For the accounts listed in Appendix A, please provide a prospective account analysis using average figures for each account and applying the costs in Appendix B. In addition, include in each prospective account analysis interest earnings based on the index or arrangements presented in response to item 26 below. Detail any implementation costs or set up fees that will be charged.
25. Time Commitment for Fees. Describe the length of time the Respondent's charges and fees would remain in effect at the levels set forth in the Proposal. In the event those fees would not extend for the full duration of the initial five-year engagement and one two-year renewal period, describe Respondent's process and expected frequency for rate changes, including maximum percentage increases.

26. Investment of Cash Balances. The Commission seeks competitive earnings on all account balances other than interest restricted accounts via interest crediting on account balances or daily sweep to an overnight repurchase agreement or other authorized investments. Please provide details regarding options for the Commission to earn interest for its cash balances, including any of the following, as applicable, or alternatives. State if the Commission may select from the options offered for its accounts.

- (a) Interest Rates on Balances. If the Respondent proposes to credit interest on cash balances, describe the method to determine the interest rate and include the outside index Respondent would use to establish rates paid on MHDC accounts. Describe how the interest rate on those accounts would be determined relative to that index (e.g., percentage of the index or basis points above or below the index). Indicate if the interest crediting method, including the proposed index and margin, will be subject to change during the initial five-year engagement and one two-year renewal period. If it is subject to change, detail the circumstances under which it would change. State where this index is published. Provide Respondent's funds availability policy.

Calculate the earnings that would have been paid on each account group using the method as described, including as applicable, Respondent's index and margin, and the average collected balance as shown in Appendix A for the month of July 2025.

Detail the calculation of interest that would have been paid indicating the rate of interest used for each day of July 2025. The Commission is looking for how often the index changes – daily, weekly, monthly or an average of the prior periods. This will be used to calculate future earnings after the RFP awards have been made. Calculate earnings for each of the four groups separately. Calculate combined earnings only if the rate paid would be different from the rate for individual groups.

- (b) Repurchase Agreement. Describe Respondent's available repurchase agreements or arrangements with third-party institutions for repurchase agreements, such as an overnight sweep account, or similar investment arrangement. Balances in a repurchase sweep account must not be subject to reserve requirements. The requirements for collateral are described in the Commission's Investment Policy and Guidelines included in Appendix C. Please provide the designated custodian for the securities and the detail reporting, including frequency, available to the Commission.

Calculate the earnings that would have been paid on each account group proposed to include a repurchase agreement or other proposed investment arrangement using the average collected balance as shown in Appendix A for the month of July 2025. Calculate earnings for each of the four groups separately. Calculate combined earnings only if the interest paid would be different from the rate for individual groups. Detail the assumptions used to determine the earnings.

27. Project-based Section 8 Contract Administration Depository Agreement. If the Proposal includes providing services for the Contract Administration account group, indicate Respondent's willingness and commitment to enter the Project-based Section 8 Contract Administration Depository Agreement as required by the U.S. Department of Housing and Urban Development (Appendix D). Provide documentation of the Respondent's rating. Respondent must have a rating consistent at all times with current minimally acceptable ratings as established and published by Government National Mortgage Association (GNMA).
28. Recommendations and Other. Describe any optional services or make any recommendations Respondent believes would enhance the depository functions of the Commission. Respondents are encouraged to make suggestions or add additional information not requested in this RFP, including any innovative ideas or technological enhancements that would improve the Commission's security, ease of use, or would reduce fees or increase earnings. Respondents may also describe services and other factors that distinguish them from potential competitors.
29. Economic Impact to Missouri. The Respondent must provide information and data concerning the economic impact of any contract entered into pursuant to this RFP. At minimum, the Respondent must provide: i) a description of proposed services that will be performed and/or the proposed products that will be provided by Missourians; ii) a description of the economic impact returned to the State of Missouri through tax revenue obligations and otherwise; and iii) a description of the Respondent's economic presence within the State of Missouri, including Missouri employee statistics.
30. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, institution(s) selected pursuant to this RFP shall provide MHDC with an affidavit stating that Respondent does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that Respondent is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any agreement contemplated herein, Respondent shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Anne Powell, by phone at 314-877-1373 or email apowell@mhdc.com. **In your proposal, please indicate whether the Respondent is currently enrolled in and participating in a federal work authorization program such as E-Verify.**
31. Prohibition to Boycott Israel. Pursuant to *Mo. Rev. Stat. §34.600*, MHDC shall not enter into a contract with any firm that boycotts Israel. In your proposal, state whether the Respondent is or is not currently engaged in a boycott of (i) goods or services from the State of Israel; (ii) companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or (iii) persons or entities doing business in the State of Israel. "Boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

32. Exhibits. Please include electronic copies of the following documents as exhibits to the Proposal.

Exhibit A: Respondent's most recent audited financial statement

Exhibit B: Respondent's most recent rating agency report

Exhibit C: Respondent's most recent Call Report

Exhibit D: Respondent's CRA Statement

Exhibit E: Respondent's most recent CRA Report and all information in the public file related to any assessment area in the state of Missouri

APPENDIX A – COMMISSION BANKING STATISTICS

OPERATIONS ACCOUNT GROUP

Projects			
Description	Average	High	Low
Number of deposits	-	-	-
Items deposited	25	41	13
Checks paid	1	3	-
Returned items	-	-	-
Stop payments	-	-	-
Wires - incoming	38	48	30
Wires - outgoing	5	9	2
ACH - debits received	-	-	-
ACH - credits received	16	22	10
ACH files originated	10	32	3
Originated ACH debits	1	1	1
Originated ACH credits	9	31	2
Internal transfers	-	-	-
ZBA transfers out	-	-	-
Average daily ledger balance	\$ 2,013,692	\$ 3,044,907	\$ 1,542,994
Average daily float	\$ (4,089)	\$ (581)	\$ (9,929)
Average daily collected balance	\$ 2,009,603	\$ 3,044,326	\$ 1,533,065

Operating Fund			
Description	Average	High	Low
Number of deposits	-	-	-
Items deposited	-	-	-
Checks paid	104	137	78
Returned items	1	1	1
Stop payments	3	6	1
Wires - incoming	-	-	-
Wires - outgoing	-	-	-
ACH - debits received	-	-	-
ACH - credits received	-	-	-
ACH files originated	44	61	30
Originated ACH debits	-	-	-
Originated ACH credits	44	61	30
Internal transfers	-	-	-
ZBA transfers out	1	1	1
Average daily ledger balance	\$ 112	\$ 253	\$ 11
Average daily float	\$ -	\$ -	\$ -
Average daily collected balance	\$ 112	\$ 253	\$ 11

Single Family Servicing			
Description	Average	High	Low
Number of deposits	-	-	-
Items deposited	28	41	15
Checks paid	-	-	-
Returned items	-	-	-
Stop payments	-	-	-
Wires - incoming	1	1	1
Wires - outgoing	-	-	-
ACH - debits received	-	-	-
ACH - credits received	-	-	-
ACH files originated	-	-	-
Originated ACH debits	-	-	-
Originated ACH credits	-	-	-
Internal transfers	-	-	-
ZBA transfers out	-	-	-
Average daily ledger balance	\$ 40,758	\$ 46,279	\$ 37,442
Average daily float	\$ (390)	\$ (120)	\$ (1,007)
Average daily collected balance	\$ 40,368	\$ 46,159	\$ 36,435

OPERATIONS ACCOUNT GROUP

FNMA Servicing						
Description	Average		High	Low		
Number of deposits	-		-	-		
Items deposited	1		1	-		
Checks paid	-		-	-		
Returned items	-		-	-		
Stop payments	-		-	-		
Wires - incoming	-		-	-		
Wires - outgoing	-		-	-		
ACH - debits received	1		1	1		
ACH - credits received	-		-	-		
ACH files originated	-		-	-		
Originated ACH debits	1		1	1		
Originated ACH credits	-		-	-		
Internal transfers	-		-	-		
ZBA transfers out	-		-	-		
Average daily ledger balance	\$	9,833	\$	13,321	\$	5,079
Average daily float	\$	(97)	\$	(82)	\$	(246)
Average daily collected balance	\$	9,735	\$	13,239	\$	4,833

Tax Credit Assistance Program (TCAP)						
Description	Average		High	Low		
Number of deposits	-		-	-		
Items deposited	-		-	-		
Checks paid	-		-	-		
Returned items	-		-	-		
Stop payments	-		-	-		
Wires - incoming	1		2	1		
Wires - outgoing	0		1	-		
ACH - debits received	-		-	-		
ACH - credits received	-		-	-		
ACH files originated	-		-	-		
Originated ACH debits	-		-	-		
Originated ACH credits	-		-	-		
Internal transfers	-		-	-		
ZBA transfers out	-		-	-		
Average daily ledger balance	\$	663,596	\$	919,781	\$	218,457
Average daily float	\$	-	\$	-	\$	-
Average daily collected balance	\$	663,596	\$	919,781	\$	218,457

HOME Investment Partnerships Program							
Description		Average		High		Low	
Number of deposits		-		-		-	
Items deposited		2		3		1	
Checks paid		3		4		1	
Returned items		-		-		-	
Stop payments		-		-		-	
Wires - incoming		2		2		2	
Wires - outgoing		7		13		4	
ACH - debits received		-		2		1	
ACH - credits received		13		19		7	
ACH files originated		-		-		-	
Originated ACH debits		-		-		-	
Originated ACH credits		4		8		2	
Internal transfers		-		-		-	
ZBA transfers out		-		-		-	
Average daily ledger balance		\$	4,779,180	\$	7,652,003	\$	3,249,183
Average daily float		\$	-	\$	-	\$	-
Average daily collected balance		\$	4,779,180	\$	7,652,003	\$	3,249,183

OPERATIONS ACCOUNT GROUP

Rural Initiative Funding				
Description	Average		High	Low
Number of deposits	-		-	-
Items deposited	-		-	-
Checks paid	-		-	-
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	1		1	1
Wires - outgoing	1		1	1
ACH - debits received	-		-	-
ACH - credits received	-		-	-
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	164,838	\$	176,527
Average daily float	\$	-	\$	-
Average daily collected balance	\$	164,838	\$	176,527

National Housing Trust Fund				
Description	Average		High	Low
Number of deposits	-		-	-
Items deposited	-		-	-
Checks paid	-		-	-
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	1		1	1
Wires - outgoing	2		5	1
ACH - debits received	-		-	-
ACH - credits received	4		6	2
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	1		1	1
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	78,364	\$	82,287
Average daily float	\$	-	\$	-
Average daily collected balance	\$	78,364	\$	82,287

Operations Group Summary				
Description	Average		High	Low
Number of deposits	-		-	-
Items deposited	-		76	30
Checks paid	-		138	79
Returned items	-		1	-
Stop payments	-		6	-
Wires - incoming	43		53	35
Wires - outgoing	15		20	8
ACH - debits received	-		3	1
ACH - credits received	32		44	25
ACH files originated	-		84	35
Originated ACH debits	-		2	2
Originated ACH credits	58		89	40
Internal transfers	-		-	-
ZBA transfers out	-		1	1
Average daily ledger balance	\$	7,750,289	\$	10,225,057
Average daily float	\$	(4,576)	\$	(884)
Average daily collected balance	\$	7,745,712	\$	10,224,173

OPERATIONS ACCOUNT GROUP

ACCOUNT FEATURES

	Online Banking	Positive Pay	Remote Deposit	ACH Block/Filter	ZBA Account	Internal Transfers	Originate ACH	Send Wires
Projects	X	X	X	Block		X	X	X
Operating Fund	X	X		Filter	X		X	X
Single Family Servicing	X		X	Block		X		
FNMA Servicing	X		X	Filter		X	X	X
Tax Credit Assistance Program (TCAP)	X			Block		X	X	X
HOME Investment Partnerships Program	X	X	X	Filter		X	X	X
Rural Initiative Funding	X			Block		X	X	X
National Housing Trust Fund	X		X	Filter		X	X	X

PRODUCTION ACCOUNT GROUP

Production General				
Description		Average	High	Low
Number of deposits	1,113	26	1,113	21
Items deposited	2121 & 2126	23	32	15
Checks paid	6,011	5	6,011	1
Returned items	2301 & 5009	-	-	-
Stop payments	4,008	-	4,008	-
Wires - incoming	5,205	6	5,205	2
Wires - outgoing	5,213	5	5,213	3
ACH - debits received	5,042	-	5,042	-
ACH - credits received	5,044	1	5,044	-
ACH files originated	5,023	3	5,023	1
Originated ACH debit	5,051	1	5,051	-
Originated ACH credit	5,036	6	5,036	2
Internal transfers		-	-	-
ZBA transfers out	1,201	1	1,201	1
Average daily ledger Summary (page 1)	\$	5,080,608	\$	9,947,498
Average daily float Summary (page 1)	\$	(1,038)	\$	(301)
Average daily collected balance	\$	5,079,570	\$	9,947,196
			\$	3,142,583
				(2,541)
				3,140,041

HUD Note Sale HAP				
Description	Average		High	Low
Number of deposits	2		3	1
Items deposited	-		-	-
Checks paid	4		10	-
Returned items	-		-	-
Stop payments	1		1	-
Wires - incoming	-		-	-
Wires - outgoing	-		-	-
ACH - debits received	-		-	-
ACH - credits received	1		2	1
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	368,806	\$	659,251
Average daily float	\$	(76)	\$	(9)
Average daily collected balance	\$	368,730	\$	659,242
			\$	96,352
				(207)
				96,145

HUD Note Sale IRP				
Description	Average		High	Low
Number of deposits	2		3	-
Items deposited	-		-	-
Checks paid	-		-	-
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	-		-	-
Wires - outgoing	-		-	-
ACH - debits received	-		-	-
ACH - credits received	-		-	-
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	224,763	\$ 303,037	\$ 143,383
Average daily float	\$	(44)	\$ (14)	\$ (143)
Average daily collected balance	\$	224,719	\$ 303,024	\$ 143,240

PRODUCTION ACCOUNT GROUP

Multifamily Loan Servicing/Escrow				
Description	Average		High	Low
Number of deposits	24		34	1
Items deposited	124		147	111
Checks paid	152		347	91
Returned items	5		9	1
Stop payments	1		1	-
Wires - incoming	5		8	3
Wires - outgoing	7		8	6
ACH - debits received	4		8	1
ACH - credits received	50		54	42
ACH files originated	10		12	7
Originated ACH debits	-		-	-
Originated ACH credits	419		688	377
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	9,820,322	\$ 21,650,334	\$ 6,133,344
Average daily float	\$	(1,811)	\$ (588)	\$ (3,621)
Average daily collected balance	\$	9,818,511	\$ 21,649,746	\$ 6,129,723

Housing Assistance Program				
Description	Average		High	Low
Number of deposits	1		2	1
Items deposited	-		-	-
Checks paid	1		2	-
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	-		-	-
Wires - outgoing	-		-	-
ACH - debits received	-		3	1
ACH - credits received	-		-	-
ACH files originated	1		3	1
Originated ACH debits	-		-	-
Originated ACH credits	12		24	1
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	-	\$ -	\$ -
Average daily float	\$	-	\$ -	\$ -
Average daily collected balance	\$	-	\$ -	\$ -

Production Group Summary				
Description	Average		High	Low
Number of deposits	56		67	37
Items deposited	146		170	134
Checks paid	146		348	2
Returned items	4		9	-
Stop payments	0		1	-
Wires - incoming	11		17	3
Wires - outgoing	11		13	9
ACH - debits received	5		10	1
ACH - credits received	51		55	43
ACH files originated	14		16	10
Originated ACH debits	0		2	-
Originated ACH credits	436		692	400
Internal transfers	-		-	-
ZBA transfers out	1		1	1
Average daily ledger balance	\$	15,494,499	\$ 25,692,833	\$ 10,803,801
Average daily float	\$	(2,969)	\$ (1,036)	\$ (5,752)
Average daily collected balance	\$	15,491,530	\$ 25,691,797	\$ 10,798,049

PRODUCTION ACCOUNT GROUP

ACCOUNT FEATURES

Production General
 HUD Note Sale HAP
 HUD Note Sale IRP
 Multifamily Loan Servicing/Escrow
 Housing Assistance Program

Online Banking	Positive Pay	Remote Deposit	ACH Block/Filter	ZBA Account	Internal Transfers	Originate ACH	Send Wires
X	X	X	X		X	X	X
X					X		
X					X		
X	X	X	X		X	X	X
X				X		X	

CONTRACT ADMINISTRATION ACCOUNT GROUP

Contract Administration				
Description		Average	High	Low
Number of deposits	1,113	1,113	1,113	1,113
Items deposited	2121 & 2126	-	-	-
Checks paid	6,011	6,011	6,011	6,011
Returned items	2301 & 5009	2	3	1
Stop payments	4,008	4,008	4,008	4,008
Wires - incoming	5,205	5,205	5,205	5,205
Wires - outgoing	5,213	5,213	5,213	5,213
ACH - debits received	5,042	-	5,042	2
ACH - credits received	5,044	403	5,044	11
ACH files originated	5,023	414	5,023	16
Originated ACH debit	5,051	675	5,051	299
Originated ACH credit	5,036	745	5,036	369
Internal transfers		-	-	-
ZBA transfers out	1,201	1,201	1,201	1,201
Average daily ledger balance	\$	320,624	\$	351,646
Average daily float	\$	(62)	\$	(26)
Average daily collected balance	\$	320,562	\$	351,620
			\$	293,585

ACCOUNT FEATURES

Contract Administration

Online Banking	Positive Pay	Remote Deposit	ACH Block/Filter	ZBA Account	Internal Transfers	Originate ACH	Send Wires
X			X		X	X	

COMMUNITY PROGRAMS ACCOUNT GROUP

Missouri Housing Trust Fund				
Description	Average		High	Low
Number of deposits	3		12	1
Items deposited	-		-	-
Checks paid	1		1	1
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	2		3	1
Wires - outgoing	-		-	-
ACH - debits received	-		36	1
ACH - credits received	-		-	-
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	1,204,359	\$ 1,554,667	\$ 915,631
Average daily float	\$	(275)	\$ (96)	\$ (549)
Average daily collected balance	\$	1,204,085	\$ 1,554,571	\$ 915,082

Housing Emergency Solutions Program				
Description	Average		High	Low
Number of deposits	3		4	2
Items deposited	-		-	-
Checks paid	1		1	1
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	1		1	1
Wires - outgoing	-		-	-
ACH - debits received	-		58	1
ACH - credits received	1		2	1
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	6,062	\$ 28,168	\$ 192
Average daily float	\$	(10)	\$ (6)	\$ (13)
Average daily collected balance	\$	6,053	\$ 28,162	\$ 179

COMMUNITY PROGRAMS ACCOUNT GROUP

Community Programs Group Summary				
Description	Average		High	Low
Number of deposits	4		12	1
Items deposited	-		-	-
Checks paid	0		1	-
Returned items	-		-	-
Stop payments	-		-	-
Wires - incoming	2		3	1
Wires - outgoing	-		-	-
ACH - debits received	-		94	1
ACH - credits received	1		2	-
ACH files originated	-		-	-
Originated ACH debits	-		-	-
Originated ACH credits	-		-	-
Internal transfers	-		-	-
ZBA transfers out	-		-	-
Average daily ledger balance	\$	1,210,422	\$ 1,554,927	\$ 931,093
Average daily float	\$	(93)	\$ -	\$ (549)
Average daily collected balance	\$	1,210,328	\$ 1,554,927	\$ 930,545

ACCOUNT FEATURES

Missouri Housing Trust Fund
Housing Emergency Solutions Program

Online Banking	Positive Pay	Remote Deposit	ACH Block/Filter	ZBA Account	Internal Transfers	Originate ACH	Send Wires
X	X	X	Block		X	X	X
X	X	X	Block		X	X	X

APPENDIX B – PROPOSAL OF CHARGES

1. Detailed below is a list of services that may include per item and/or regular monthly charges. Please identify the institution's fees to the Commission, if any, for each of these services. Please list fees and charges by description and reference applicable AFP Services Code, if available. The fee quotations must be complete and comprehensive and include all of the services detailed in the RFP and any and all other fees and charges payable by MHDC in connection with the Proposal.
2. If your pricing categories differ from those listed, or if other line items need to be included to perform the services requested, please include them under "Other" and clearly explain your volume and cost assumptions.
3. For any service listed for which there is no charge or that does not apply, insert zero (0) for Charge per Item and for Monthly Charge.
4. Itemize and describe any other fees that would be associated with any of the following accounts on an attachment.

BANKING SERVICE	AFP SERVICE CODE	CHARGE PER ITEM	MONTHLY CHARGE
Monthly Statements/Account Maintenance			
Ledger Debits			
Ledger Credits			
Checks			
Stop Payments			
Deposited Items			
Account Monitoring/Balance Reporting			
Incoming Wire			
Outgoing Wire			
On-Line Banking Services			
Sweeping of Accounts to Repos			
Electronic Reporting			
Reporting - Other			
Canceled Checks (Electronic)			
Check Sorting			
Safe Deposit Boxes			
Overdraft Protection			
Positive Pay Services			
Other Security Services			
Returned Items Re-submitted			
ACH Transactions			
Audit Confirmations			
Account Reconciliation			
Other (Please describe in detail)			

SAFEKEEPING SERVICES	AFP SERVICE CODE	CHARGE PER ITEM	MONTHLY CHARGE
Monthly Maintenance			
Purchases / Calls / Sales / Maturities			
Interest Disbursements			
Other (Please describe in detail)			

APPENDIX C – INVESTMENT POLICY AND GUIDELINES

Investment Policy and Guidelines

Policy Date: July 18, 2025

I. SCOPE

This policy applies to the investment of certain funds of the Missouri Housing Development Commission (the "Commission").

Funds held by a trustee or similar party in connection with bonds, notes, or other financing instruments issued by or on behalf of the Commission (collectively, "Bonds") shall be invested in accordance with the resolutions, indentures or other applicable legal documents (the "Financing Documents") authorizing the issuance of such Bonds. The investment of Bond proceeds shall not be governed by this policy unless the Financing Documents fail to provide direction for the investment of such proceeds.

Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

II. GENERAL OBJECTIVES

The primary objectives of investment activities, listed in priority order, shall be safety, liquidity, and yield:

A. Safety

Preservation of principal is the foremost objective of the Commission's investment program. Investments shall be managed in a manner that safeguards the capital of the overall portfolio by mitigating exposure to undue credit risk and interest rate risk.

1. Credit Risk. For the purposes of this policy, *credit risk* refers to the risk of loss resulting from the failure of an issuer, borrower, or counterparty to meet its financial obligations in full and on time. This includes the risk that the principal or interest on an investment may not be repaid as agreed due to default or other adverse credit events.

The Commission will minimize credit risk by:

- i. Conducting due diligence and prequalifying custodial banks, depository institutions, brokers/dealers, intermediaries, and advisors with which the Commission does business;
 - ii. Diversifying the investment portfolio to limit exposure to losses on individual securities; and
 - iii. Establishing and maintaining minimum credit quality standards for all authorized investments.
2. Interest Rate Risk. For the purposes of this policy, *interest rate risk* refers to the potential for a decline in the market value of fixed-income securities resulting from changes in prevailing interest rates. As rates rise, the value of existing securities falls, resulting in unrealized losses when marked to market, or realized losses if sold before maturity. While *unrealized* losses are to be expected from time to time as markets fluctuate, *realized* losses reflect a permanent reduction in capital and should be avoided unless necessary to meet liquidity needs or mitigate greater financial risk.

The Commission will manage interest rate risk by aligning the maturity structure of its investment portfolio with projected cash flow requirements for scheduled disbursements and ongoing operations. This strategy takes into account both current and anticipated cash balances to ensure funds are available when needed, thereby reducing the likelihood of selling securities prior to maturity.

While longer-term investments may increase exposure to market value fluctuations due to interest rate movements, such exposure may be considered acceptable when maturities are appropriately matched to known or reasonably expected cash flow needs. When consistent with the Commission's liquidity requirements and risk tolerance, the portfolio may be strategically positioned along the yield curve to prudently capture higher returns without compromising operational liquidity.

B. Liquidity

The Commission's investment portfolios shall remain sufficiently liquid to meet all operating requirements and disbursement schedules that may be reasonably anticipated. This is accomplished by structuring its portfolios so that securities mature concurrent with cash needs to meet anticipated demand (i.e., static liquidity). Furthermore, since all possible cash demand cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (i.e., dynamic liquidity). A portion of the portfolio also may be placed in bank deposits or repurchase agreements that offer same-day liquidity for short-term funds.

1. General Funds. "General Funds" are funds held or invested by the Commission that generally are not required for immediate disbursements, provided that General Funds shall not include any amounts expended or loaned by the Commission to carry out or effectuate its purpose as permitted in RSMo §215.030, nor shall it include Bond Funds as defined herein. General Funds include funds available for transfer from the Commission's custodial or financial institution to the operating fund for Commission expenses and costs, and certain other escrow, program or trust accounts held or invested by the Commission from time to time, as available for designated purposes. Investments for the Generals Fund shall be structured in a manner to enable the Commission to meet anticipated expenditures as well as reasonably unanticipated expenses.
2. Bond Funds. For the purpose of this Investment Policy, "Bond Funds" are proceeds of Bonds that are not otherwise directed for investment by the trustee pursuant to Financing Documents. The investment and administration of Bond Funds shall be conducted in accordance with the following provisions:
 - i. Bond Funds may generally be invested consistent with the provisions of this policy without yield restriction. The Investment Manager shall monitor Bond Fund accounts with respect to the transaction generating such funds and shall maintain adequate records to satisfy any arbitrage requirements under the federal tax laws and take appropriate steps in the event any Bond Funds become subject to arbitrage restrictions.

- ii. Bond Funds shall be held in separate depository accounts and investment portfolios and will not be commingled with other investment funds or funds of the Commission.
 - iii. A portion of Bond Fund investments may be continuously invested in readily available funds such as in bank deposits, money market funds (provided that such money market funds invest solely in securities or other investment types permitted under state statute and this policy), or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.
- C. Yield. The investment portfolio shall be structured to achieve a market rate of return over budgetary and economic cycles, while adhering to the portfolio's risk constraints and liquidity requirements. Return on investment is a secondary objective, subordinate to the primary goals of safety and liquidity. Investments will be limited to relatively low-risk securities, with the expectation of earning a reasonable return commensurate with the level of risk assumed.

Securities shall generally be held to maturity, except under the following circumstances:

1. The credit quality of a security has deteriorated, and early sale is warranted to minimize the potential loss of principal;
2. A sale, in conjunction with a purchase of a comparable security, would enhance the portfolio's quality, yield, diversification, or duration alignment;
3. Opportunities to generate economic returns to the Commission by applying investment sale proceeds to redeem outstanding bonds; or
4. A sale is necessary to meet the portfolio's liquidity requirements.

III. STANDARDS OF CARE

A. Prudence

Investment officials shall adhere to the "prudent person" standard of care, applied in the context of managing the overall portfolio. This standard requires that investments be made with sound judgment and care—under circumstances then prevailing—that a prudent person of discretion and intelligence would exercise in the management of their own affairs. Investments shall be made not for speculation, but with consideration for the probable safety of capital and the expected return with regard to relevant liquidity needs.

B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall comply with all provisions of Commission's Standards of Conduct.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program,

or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the Commission's investment portfolios. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the Commission.

C. Delegation of Authority

Authority to manage the investment program is granted to the Director of Finance (Chief Financial Officer), hereinafter referred to as the Investment Manager. Responsibility for the operation of the investment program is hereby delegated to the Investment Manager, who shall act in accordance with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Manager. The Investment Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

IV. EXECUTING TRANSACTIONS

A. Authorized Financial Institutions and Broker/Dealers

The Commission shall establish and maintain a list of custodial and depository institutions authorized to provide depository and custodial services for the Commission. In addition, the Commission shall also prepare and maintain a list of approved security broker/dealers to facilitate investment transactions.

1. Financial Institutions. The Commission shall periodically select and approve financial institutions for the deposit and safekeeping of Commission funds through a competitive selection process. The Commission prefers to invest its funds in-state with or through Missouri institutions when the terms from such institutions are equal to or higher than terms available from out-of-state institutions. The Commission shall select those financial institutions that, in its opinion, will be most commensurate with the safety of Commission funds. The Commission shall employ a formal, competitive procurement process for selecting financial institutions for the deposit and safekeeping of Commission funds and for other banking-related services.
2. Brokers/Dealers. Investments will be made through banks or securities dealers who have been approved by the Commission. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Such securities dealers and banks shall have been subjected to an appropriate investigation by the Investment Manager, which shall include, among other things, a review of the firm's financial statements and the background of the sales representative. All authorized broker/dealers must be fully licensed and registered FINRA Broker/Dealers or exempt banks. Criteria used to select securities dealers will include:
 - i. Proof of Financial Industry Regulatory Authority (FINRA) certification.
 - ii. Proof of state registration.
 - iii. Financial strength and capital adequacy of firm.

- iv. Scope and quality of services provided by firm.
- v. Resume, reputation and qualifications of sales representative.
- vi. Due diligence and references, as applicable.
- vii. State government experience or expertise.

In the event that the Commission engages an external investment manager, such manager shall be prohibited from executing trades on behalf of the Commission with itself or any of its affiliates in a principal capacity. An exception to this prohibition may be permitted only when such principal transaction is determined to achieve the best execution for the Commission or provide a clearly demonstrable advantage relative to reasonably available alternatives (e.g., the principal transaction represents the most favorable bid among independent, unaffiliated counterparties).

B. Internal Controls

The Investment Manager shall establish and maintain an internal control framework designed to safeguard the Commission's assets from loss, theft, or misuse. This framework shall provide reasonable assurance that its objectives are being achieved and is subject to review by the Commission's independent auditor. The concept of reasonable assurance acknowledges that: (1) the cost of controls should not exceed the expected benefits, and (2) determining costs and benefits involves the use of management's judgment and estimates.

The internal controls shall address the following points:

1. Control of collusion.
2. Separation of transaction authority from accounting and recordkeeping by requiring that the individuals maintaining the accounts and records shall not have authority to execute investment transactions.
3. Custodial safekeeping.
4. Avoidance of physical delivery securities.
5. Clear designation of authority to subordinate staff members.
6. Written or electronic confirmation of transactions for investments and wire transfers.
7. Applicable wire transfer agreement with the custodial or depositor institution.

C. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in eligible financial institutions prior to the release of funds. All securities shall be perfected in the name of, or on behalf of, the Commission, and shall be held by a third-party custodian as evidenced by safekeeping receipts.

D. Best Execution

Purchases and sales of investments shall be executed in a manner designed to achieve the best overall economic value for the Commission.

V. AUTHORIZED INVESTMENTS

A. Investment Types

In accordance with and subject to restrictions imposed by the Missouri Constitution, the laws of the state of Missouri and specifically, the provisions of RSMo §215.030 (as may be amended from time to time), the following list represents the entire range of authorized investments for the Commission's General Funds.

- i. Obligations of the State of Missouri. The Commission may invest in state of Missouri obligations for which the principal and interest are guaranteed by the state of Missouri.
- ii. United States Treasury Securities. The Commission may invest in obligations for which the repayment of principal and interest is secured by the full faith and credit of the United States government.
- iii. United States Government Instrumentality Obligations. The Commission may invest in obligations issued or guaranteed by any agency of the United States Government and obligations of corporations with public purposes created by Congress that are rated at least as high as the U.S. sovereign credit rating by at least one nationally recognized credit rating agency.
- iv. Repurchase Agreements. The Commission may invest in contractual agreements between the Commission and banks or primary government securities dealers to purchase U.S. Treasury and government agency securities (subject to the limitations described above) while simultaneously agreeing to resell the securities at predetermined dates and prices ("Repurchase Agreements"). Repurchase Agreements may be entered into for periods of 90 days or less, which may include overnight and open repurchase agreements. Repurchase Agreements shall be collateralized as set forth in this policy. The market value of all repurchase agreement collateral will be reviewed each business day to determine collateral adequacy.
- v. Collateralized Public Deposits. The Commission may invest in instruments issued by financial institutions which state that specified sums have been deposited for specified periods of time at specified rates of interest ("Certificates of Deposit").

All Certificates of Deposit purchased shall be insured by the FDIC, or to the extent that such Certificate of Deposit purchased is in excess of the limit of the FDIC insurance, such Certificate of Deposit shall be collateralized by approved securities as set forth in this policy.

The maximum maturity of a deposit will be five years. The Commission will determine the minimum maturity guidelines.

A financial institution will be eligible to receive total collateralized deposits of Commission funds, including Certificates of Deposit and demand deposit accounts, in an amount not to exceed 10% of such institution's equity capital.

B. Security Selection

The following list represents the entire range of United States Treasury Securities, United States Government Instrumentality Obligations, and state of Missouri Obligations that shall be authorized for the investment of General Funds by the Commission.

Additionally, the following definitions and guidelines should be used in purchasing the instruments:

- i. Coupon and Zero Coupon Obligations. These include obligations with no embedded options (with the exception of embedded put and call options) and with final maturities of ten (10) years or less.
- ii. Discount Notes and Stripped Obligations. Purchased at a discount with maximum maturities of ten (10) years or less.
- iii. Step-Up Obligations. The coupon rate is fixed for an initial term. Thereafter, on a pre-determined date(s), the coupon rate rises to a new, fixed rate for the remaining term of the obligation. Restricted to obligations with final maturities of ten (10) years or less.
- iv. Floating Rate Securities. The coupon rate floats off one index. This is restricted to coupons with no interim caps that reset at least quarterly and with final maturities of ten (10) years or less.
- v. Mortgage-Backed Obligations. Restricted to securities, other than those generated through the Commission's homeownership programs, with final maturities of ten (10) years or less. The Commission's mortgage asset investments, including mortgage-backed obligations backed by pools of the Commission's homeownership program mortgages, are not limited to ten years for final maturity.

C. Bond Funds

Bond Funds may be invested in such investments as the Commission may determine, provided that, on the date of issuance of the related Bonds, such Bonds meet the rating standards described in RSMo § 215.030 (as may be amended from time to time). If such Bonds do not meet the applicable rating standards, the investment of Bond Funds shall be limited in the same manner as the investment of General Funds under this policy, as described in subparagraphs A and B of this Section V. In addition, all investments acquired with Bond Funds shall be at fair market value (as set forth in Treasury Regulations § 1.148-5(d)(6)).

D. Investment Restrictions and Prohibited Transactions

To provide for the safety and liquidity of the Commission's funds, its investment portfolios will be subject to the following restrictions:

- i. Borrowing for investment purposes ("Leverage") is prohibited.
- ii. Investment in instruments known as structured notes (e.g., inverse floaters, leveraged floaters, and equity-linked securities) and any instrument which is commonly considered a "derivative" instrument (e.g., options, futures, swaps, caps, floors and collars), are prohibited unless approved in writing by the Executive Director.
- iii. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.

- iv. Reverse repurchase agreements are prohibited.

E. Collateralization

Collateralization will be required to secure investments in Certificates of Deposit and Repurchase Agreements.

The market value (including accrued interest) of the collateral for repurchase agreements must be at least 100% for U.S. Treasury securities and should be at least 101% for all other approved securities, which shall be marked to market daily.

For certificates of deposit, the market value of collateral must be at least 102% (105% for pledged mortgage backed obligations) or greater of the amount of certificates of deposits plus demand deposits plus any accrued interest on the certificates of deposit and demand deposits with the depository, less the amount, if any, which is insured by the FDIC.

All securities which serve as collateral must be Suitable and Authorized Investments (as set forth in this policy) excluding the final maturity requirements and must be safekept at a non-affiliated custodial facility. Institutions pledging collateral pursuant to this policy must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date. The right of collateral substitution is granted.

The Commission shall have a depository contract and pledge agreement with each safekeeping bank that will comply with applicable laws, such as the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This will ensure that the Commission's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed institution.

In lieu of or in addition to collateral as set forth above, a depository institution may provide a surety bond issued by an insurance company licensed in Missouri whose claims-paying ability is rated at least as high as the U.S. sovereign credit rating by at least one nationally recognized statistical rating agency; or an irrevocable standby letter of credit issued by a Federal Home Loan Bank possessing a rating at least as high as the U.S. sovereign credit rating issued by at least one nationally recognized statistical rating agency. The face amount of a surety bond shall be at least equal to the portion of the deposit, including accrued interest, to be secured by the surety bond.

F. Repurchase Agreements

Subject to the provisions included in this investment policy, the Commission may enter into repurchase agreements through approved broker/dealers, subject to the following:

- i. Securities for which repurchase agreements will be transacted will be limited to U.S. Treasury securities and securities of any government instrumentality that are eligible to be delivered via the Federal Reserve's Fedwire book entry system.
- ii. Securities will be delivered to the Commission's designated custodian. Funds and securities will be transferred on a delivery vs. payment basis.
- iii. Securities purchased in a repurchase agreement shall have a market value not less than 100% for U.S. Treasury securities or 101% for all other approved securities of the principal amount plus interest accrued to the date of the repurchase. Such market value shall be recalculated daily.

VI . INVESTMENT PARAMETERS

A. Diversification

The Commission's investments shall be diversified to mitigate the risk of loss resulting from over concentration of assets in specific maturity, specific obligor, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, the Commission shall adhere to the following:

Investment Type	Maximum Allocation	Maximum Maturity
U.S. Treasury Securities	100%	10 years
U.S. Government Instrumentality	100%	10 years
Obligations of the State of Missouri	60%	10 years
Collateralized Certificates of Deposit	60%	5 years
Collateralized repurchase agreements	50%	90 days

B. Maximum Maturities

To the extent reasonable and practical, the Commission shall attempt to match its investments with anticipated cash flow requirements, provided that all investments shall mature and become payable not more than ten (10) years from the date of purchase. The Commission will target a weighted average maturity of no more than five years for its investment of General Funds.

VI. REPORTING

A. Methods

The Investment Manager shall maintain records of daily investment activity and shall include copies of all confirmations of transactions.

The Investment Manager shall prepare monthly reports which include a list of individual securities held at the end of the month, accrued interest and portfolio activity for the month with statistics on total return for the portfolios.

In addition, the Investment Manager shall prepare and provide the Executive Director an investment report semi-annually in a manner that will allow the Executive Director to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following:

- i. Listing of individual securities (with the market value) held at the end of the reporting period.
- ii. Average weighted yield to maturity of portfolio on investment as compared to applicable benchmarks.
- iii. Listing of investments by maturity date.
- iv. Percentage of the total portfolio that each type of investment represents.
- v. At least semi-annually, the unrealized gains or losses resulting from appreciation or

depreciation by listing the cost and market value of securities in accordance with generally accepted accounting principles.

B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. A series of appropriate benchmarks may be established against which portfolio performance shall be compared on a regular basis.

C. Marking to Market

The market value of the portfolio shall be calculated monthly and a statement of the market value of the portfolio shall be issued to the Executive Director at least semi-annually. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

**APPENDIX D – Project-based Section 8 Contract Administration
DEPOSITORY AGREEMENT**

Project-based Section 8 Contract Administration

DEPOSITORY AGREEMENT

1 Purpose of depository agreement

This is a “Depository Agreement” (Agreement) between the Public Housing Agency (PHA) and the Depository (see Agreement signature page for names of the PHA and the Depository). The PHA is a “public housing agency” as defined in Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)). The Depository is a federally insured financial institution.

The Department of Housing and Urban Development (HUD) has entered into one or more annual contributions contracts (ACC) with the PHA for the purpose of providing rental assistance for residents of housing projects assisted under Section 8 of the United States Housing Act of 1937 (42 USC 1437f).

Under the terms of the ACC, the PHA is required to select as depository of Section 8 program funds a federally insured depository institution selected by the PHA in accordance with HUD requirements. The depository must be a financial institution whose deposits or accounts are insured, so long as this Agreement is in force, by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF).

2 Deposits and accounts

- a The deposits and accounts of the Depository shall be insured by either the FDIC or the NCUSIF.
- b All monies deposited by the PHA with the Depository shall be credited to the PHA in interest bearing accounts (Accounts).
- c The Depository shall promptly notify the PHA of any monies credited or deposited in the Accounts.

3 Collateralization of non-insured program funds

- a Any portion of PHA funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations.
- b For the full term of deposit, the PHA shall have possession of the securities (or the PHA shall take possession of the securities), or an independent custodian (or an independent third party) shall hold the securities on behalf of the PHA as a bailee (evidenced by a safe-keeping receipt and a written bailment for hire contract). The Depository may substitute other securities as collateral to equal or increase the value.

4 PHA order or directive to depository

- a Except as stated in Paragraph 5, the Depository shall honor any:
 - (1) PHA check or other order to pay from the Accounts, or
 - (2) PHA directive to purchase investment securities with monies from the Accounts or to sell securities
- b Such PHA order or directive shall be signed on behalf of the PHA by the person or persons designated by the PHA to have such authority. The PHA shall furnish the Depository with a copy of the Board resolution or other appropriate evidence of authorization to issue such order or directive.

5 HUD freeze notice

If the Depository receives written notice from HUD that withdrawals by the PHA from the Accounts are not to be permitted ("freeze notice"):

- The Depository shall not permit any withdrawals by the PHA of any monies or securities in the Accounts, and shall not honor any PHA check or other order to pay from the Accounts or PHA directive to purchase or sell securities, unless withdrawals by the

PHA are expressly authorized by written notice from HUD to the Depository, and only to the extent authorized by such HUD notice.

- The Depository shall permit withdrawals by HUD from the Accounts, including withdrawals of any monies or securities in the Accounts.

6 Depository obligations

- a The Depository is not obligated to be familiar with, and is not charged with knowledge of, the provisions of the ACC. The Depository has no duty to investigate or determine whether any actions taken by either the PHA or HUD in respect of the Accounts are consistent with or authorized by the ACC, or whether either the PHA or HUD is in default under the provisions of the ACC.
- b The Depository may accept and act on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement, and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7 TRANSFER OR TERMINATION OF AGREEMENT BY DEPOSITORY

- a The rights and duties of the Depository under the Agreement shall not be transferred or assigned by the Depository without the prior written approval of the PHA and HUD.
- b The Agreement may be terminated by the Depository or the PHA upon thirty days' written notice to the other party and HUD.
- c The rights and duties of the Depository under the Agreement shall not be transferred or assigned, nor shall this Agreement be terminated, during any period in which the Depository is required to refuse to permit PHA withdrawals from the Accounts as provided in Paragraph 5.

8 Rights of HUD; Modification of Agreement

- a HUD is a third party beneficiary of the Agreement. HUD may enforce any provision of the Agreement, and may sue to enforce its provisions or to recover damages for breach of the Agreement.
- b The provisions of the Agreement may not be modified by either Party without the prior written approval of HUD.

PUBLIC HOUSING AGENCY

Name of PHA (print)

Signature of authorized representative

Name and official title (print)

Date

DEPOSITORY

Name of depository financial institution

Signature of authorized representative

Name and official title (print)

Date