



MEMORANDUM

To: The Chairperson and Members

From: Eric Enderlin, President *E.E.*

Date: March 31, 2025

Re: Approval of the Corporation's Underwriters for Debt Issuances

The Corporation periodically reassesses the composition of our bond underwriter group and the services they provide, most recently in a formal evaluation process that took place across 2019 and 2020. At the meeting held on November 25, 2024, the Members were notified of the plan to issue a Request for Proposal for Bond Underwriters (the "RFP"). The Corporation issued the RFP on January 2, 2025 and created a review committee (the "Committee") which reviewed and analyzed the written responses and selected certain firms to be invited for an in-person interview. The Committee then evaluated the oral presentations of those firms selected to be interviewed, and after much discussion, came to a recommendation for underwriters. This report describes the RFP process and presents the findings and recommendations of the Committee.

The Process

The RFP was broadly distributed to the leading investment banking firms in affordable housing finance, including Minority and Women-owned Business Enterprises ("MWBE"), Service-Disabled Veteran Owned Businesses ("SDVOB"), and firms that had previously expressed an interest in being a bond underwriter. Additionally, the Corporation posted the RFP on the Corporation's website. The Corporation received 33 written responses by the deadline of January 31, 2025. Of these responses, 15 firms sought a role as Senior Manager, while the remaining firms proposed to serve as a Co-Manager for the Corporation's debt issuances.

Of the 33 firms that were sent the RFP, one (1) existing Co-Manager and three (3) existing Selling Group Members did not respond. Further, one (1) firm not in the Corporation's underwriter pool declined to respond. Six (6) firms new to the Corporation submitted responses. Since the Corporation's last formal evaluation process in 2019/2020, two (2) firms exited the municipal bond business and one (1) firm merged with another firm to form a new entity that did submit a response.

The Committee, comprised of 11 executive staff members of the Corporation (the President, First Executive Vice President, and all Executive Vice Presidents and Senior Vice Presidents), reviewed the written responses. The Committee met as a group to discuss the proposals, and to select firms to be interviewed in person for Senior Manager roles. Based on this review, 13 firms, including three (3) MWBEs, were invited to make oral presentations to the Corporation during the weeks of February 24th and March 3rd. The firms were each given 15 minutes to make a presentation describing their firm's credentials and their best recommendations for the Corporation. The presentations were followed by an additional 15 minutes for questions and discussion.

The Criteria

The Committee evaluated the written proposals and oral presentations and prepared recommendations to the Members for selection of underwriters based on the following criteria:

- Experience with marketing and underwriting Housing Finance Agency municipal securities, with emphasis on any transactions directly relevant to the Corporation;
- Quantitative analysis and innovative financing ideas, in particular for the Multi-Family Housing Revenue Bond Resolution (the "Open Resolution") the Housing Impact Bonds Resolution (the "Impact Resolution"), and the preservation program for the New York City Public Housing Preservation Trust for the financing of up to 25,000 units across 35 to 45 New York City Housing Authority ("NYCHA") developments (the "Trust Modernization and Preservation Program");
- Financial condition;
- Balance sheet commitment to the Corporation including underwritten unsold bonds, liquidity facilities, swap counterparty activity, construction letters of credit, direct purchases, and investment services, etc.;
- Expertise and experience in multifamily housing finance issues including New York City-specific issues;
- Strength, clarity and effectiveness of the firm's presentation;
- The degree to which the firm encourages equal employment opportunity; and
- Other relevant factors.

Existing Underwriter Pool Structure

The Corporation's existing bond underwriter pool structure includes certain roles based on the type of financing contemplated and the bond indenture being used, including (i) Open Resolution and Impact Resolution financings, (ii) the Multi-Family Secured Mortgage Revenue Bond Resolution (the "Mini-Open Resolution" which was adopted by the Members in connection with the inaugural issuance in 2005 and retired in full in 2024), and (iii) Standalone financings. As detailed further below, the Committee recommends removing these bond indenture-specific distinctions and instead using general categories that apply to all bond indentures and financing types.

Recommendations

It is the consensus of the Committee that several investment banking firms offered high quality written proposals and oral presentations. In making recommendations for selection to the Members, the Committee considered the Corporation's likely financing needs over the next several years and concluded that the following categories were appropriate:

- 1) Senior Manager,
- 2) Co-Senior Manager,
- 3) Co-Manager, and
- 4) Selling Group Member.

In making recommendations, the Committee also considered the firms' strengths and abilities as presented in their written proposals, interviews, and their past performance and interaction with the Corporation.

The Committee also focused on the appointment of MWBEs and SDVOBs in its evaluation. Seven (7) MWBEs and six (6) SDVOBs responded to the RFP. The Corporation recommends for the Members' approval that three (3) MWBEs serve as either Senior Manager or Co-Senior Manager, one (1) MWBE and two (2) SDVOBs serve as Co-Manager, and three (3) MWBEs and four (4) SDVOBs serve as a Selling Group Member.

A summary of the Committee's recommendations for each of the underwriter roles is provided in Appendix A.

Senior Manager

The Committee recommends the following six (6) firms for a Senior Manager role. The Senior Manager will be the book-running underwriter for a Corporation debt issuance, structuring financings and providing cashflow analysis. The Senior Manager has extensive knowledge of the Corporation's programs and financing structures, and will continue to provide the Corporation with innovative financing ideas. The selected Senior Manager will manage the transaction including related cashflow analysis (as determined by the Corporation's staff and approved by the Members) with one or more Co-Senior Managers. It is important to the Corporation that the knowledge of, and ability to structure, complex financings under different bond resolutions exist among multiple firms. Based on a combination of the outstanding written presentations, strong performance at the interviews, excellent service to the Corporation, and clearly demonstrated knowledge of the Corporation and the issues it faces, the Committee recommends the following firms for the position of Senior Manager:

- BofA Securities, Inc.
- Jefferies LLC
- J.P. Morgan Securities LLC
- Morgan Stanley & Co. LLC
- Ramirez & Co., Inc. (MWBE)
- Wells Fargo Bank, National Association

These firms all have an in-depth understanding of the Corporation and have exhibited substantial insight into our financing needs going forward. These firms spent considerable effort to research the Corporation's financing needs and its capabilities and made practical suggestions as to how the Corporation's bond issuances should be structured and marketed to investors. These firms are all among the leading affordable housing bond underwriters in the country and have the technical capacity and capitalization to act as "book-running" Senior Manager for all of the Corporation's bond issuances. In view of their comprehensive understanding of the issues affecting the Corporation, the Committee agreed unanimously that these firms are the best candidates for a Senior Manager role.

Co-Senior Manager

The Committee recommends the following seven (7) firms for a Co-Senior Manager role. The Co-Senior Manager role will maintain the current flexibility of being appointed as Senior Manager when it takes an active role in executing innovative financing structures for the Corporation.

- Barclays Capital Inc.
- Goldman, Sachs & Co.
- Loop Capital Markets LLC (MWBE)
- Raymond James & Associates, Inc.
- RBC Capital Markets, LLC
- Siebert Williams Shank & Co., LLC (MWBE)
- TD Securities (USA) LLC

These firms made high quality proposals which were well presented and relevant to the needs of the Corporation. Each firm has demonstrated significant knowledge of the Corporation's financing needs, provided the Corporation with timely recommendations, and has actively worked with the Corporation to implement them. All these firms have affordable housing expertise and the capacity to act as "book-running" Senior Manager. The Committee agreed unanimously that these firms be recommended for a Co-Senior Manager role.

Co-Manager

The Committee recommends the following nine (9) firms for a Co-Manager role. The Corporation typically executes large fixed-rate bond sales that require a broad distribution to investors. For most issuances, the Corporation needs an underwriting syndicate comprised of a variety of firms to serve as Co-Manager, including those with a client base consisting of retail, middle market, and/or institutional investors, as well as a local presence and/or a national scope. These firms may be elevated to Senior Manager or Co-Senior Manager for an individual transaction if they bring an innovative financing structure to the Corporation or moved to a Selling Group Member if quality of service diminishes.

- Academy Securities, Inc. (SDVOB)
- Bancroft Capital, LLC (SDVOB)
- Hilltop Securities Inc.
- Janney Montgomery Scott LLC
- Oppenheimer & Co. Inc.
- PNC Capital Markets LLC
- Roosevelt & Cross, Incorporated
- Stern Brothers & Co. (MWBE)
- Stifel, Nicolaus & Company, Incorporated

While it is unlikely that the Corporation would require the inclusion of all Co-Managers, Co-Senior Managers, and Senior Managers for a particular issuance, staff may recommend that a group of several underwriters serve in the underwriting syndicate for a particular debt issuance.

Selling Group Member

The Committee recommends the following 11 firms for a Selling Group Member role. Selling Group Members will be periodically appointed for any bond financing to broaden the scope of retail investors. Selling Group Members have the potential to be elevated to Co-Manager if the firm consistently produces significant investor orders for the Corporation's bonds. Selling Group Members do not have any underwriter liability for unsold maturities. The Committee believes this group to be important in broadening the investor base for the Corporation's bonds. The Committee agreed unanimously that these firms be recommended for a Selling Group Member role.

- American Veterans Group, PBC (SDVOB)
- AmeriVet Securities, Inc. (SDVOB)
- Blaylock Van, LLC (MWBE)
- BNY Mellon Capital Markets, LLC
- D.A. Davidson & Co.
- Drexel Hamilton, LLC (SDVOB)
- Essex Securities LLC (MWBE)
- Fidelity Capital Markets
- InspereX LLC
- Mischler Financial Group, Inc. (SDVOB)
- Rockfleet Financial Services, Inc. (MWBE)

Additional Recommendations

The Committee recommends that the Corporation continue its practice of encouraging Co-Senior Managers and Co-Managers to be active in assisting the Corporation to structure financings for projects in our pipeline. Should any Co-Senior Manager or Co-Manager propose a unique and innovative financing structure that results in significant savings for the Corporation or be solely responsible for the attainment of credit enhancement for a given project, the Committee recommends that firm have the opportunity to be promoted to Senior Manager or Co-Senior Manager for that particular offering.

The Committee also recommends the continued flexibility of Corporation staff to add any firm not currently appointed as one of the above roles to participate in a financing if that firm proposes a unique idea, financing structure or otherwise makes a contribution that benefits the Corporation. Such underwriter's participation shall be subject to the Members' approval at the time.

The Committee also recommends that the Members delegate authority to the following officers of the Corporation, the President, the First Executive Vice President, the Executive Vice President for Capital Markets and Investments and the Senior Vice President for Capital Markets, to appoint new firms as Co-Manager or Selling Group Member. At times, certain firms may enter the

municipal bond market, or certain investment bankers that know the Corporation well, may move to firms not approved during this selection process. Senior officer discretion to appoint new firms as Co-Manager or Selling Group Member would allow the Corporation to be flexible to adapt to changes in the investment banking community and work with the best group of underwriters available. Corporation staff would evaluate the qualifications of any new firms and would require a minimum excess net capital of \$10 million to be eligible for a Co-Manager role, with no minimum excess net capital required for Selling Group Members as Selling Group Members do not have any underwriter liability for unsold maturities. Any such appointment would be noted in the following bond issuance memo to Members. Any firm appointed as a Co-Manager pursuant to this delegated authority would not be eligible to serve as a Senior Manager or Co-Senior Manager pursuant to the recommendation in the second preceding paragraph without the Members' approval.

Action by the Members

The Members are requested to approve the selection of underwriters recommended by the Committee for Senior Manager, Co-Senior Manager, Co-Manager, and Selling Group Member roles for the Corporation's debt issuances and the additional recommendations noted.

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Appendix A
Summary of the Committee’s Recommendations for Bond Underwriters

Senior Manager	Co-Senior Manager
Senior Managers will be the book-running underwriter, structuring financings and providing cashflow analysis. Senior Managers have extensive knowledge of the Corporation’s programs and financing structures and will continue to provide the Corporation with innovative financing ideas. Selected Senior Managers will manage the transaction with one or more Co-Senior Managers.	Co-Senior Managers can be appointed Senior Manager or Co-Senior Manager and should strive to analyze consolidated cashflows, provide innovative financing ideas, and have extensive knowledge of the Corporation’s programs.
<ul style="list-style-type: none"> • BofA Securities, Inc. • Jefferies LLC • J.P. Morgan Securities LLC • Morgan Stanley & Co. LLC • Ramirez & Co., Inc. (1) • Wells Fargo Bank, National Association 	<ul style="list-style-type: none"> • Barclays Capital Inc. • Goldman, Sachs & Co. • Loop Capital Markets LLC (1) • Raymond James & Associates, Inc. • RBC Capital Markets, LLC • Siebert Williams Shank & Co., LLC (1) • TD Securities (USA) LLC
Co-Manager	Selling Group Member
Co-Managers can be appointed Senior Manager if the firm brings innovative financing ideas to the Corporation.	Selling Group Members will be periodically appointed for a bond financing to broaden the scope of retail investors. Selling Group Members have the potential to be elevated to Co-Manager if the firm consistently produces significant investor orders for the Corporation’s bonds. Selling Group Members do not have any underwriter liability for unsold maturities.
<ul style="list-style-type: none"> • Academy Securities, Inc. (2) • Bancroft Capital, LLC (2) • Hilltop Securities Inc. • Janney Montgomery Scott LLC • Oppenheimer & Co. Inc. • PNC Capital Markets LLC • Roosevelt & Cross, Incorporated • Stern Brothers & Co. (1) • Stifel, Nicolaus & Company, Incorporated 	<ul style="list-style-type: none"> • American Veterans Group, PBC (2) • AmeriVet Securities, Inc. (2) • Blaylock Van, LLC (1) • BNY Mellon Capital Markets, LLC • D.A. Davidson & Co. • Drexel Hamilton, LLC (2) • Essex Securities LLC (1) • Fidelity Capital Markets • InspereX LLC • Mischler Financial Group, Inc. (2) • Rockfleet Financial Services, Inc. (1)

Notes: (1) = MWBE (Minority and Women-owned Business Enterprise); (2) SDVOB (Service-Disabled Veteran Owned Business)