

# **REQUEST FOR QUALIFICATIONS AND PROPOSALS**

## **DEPOSITORY AND SAFEKEEPING SERVICES**

### **REQUIRED BY**

## **MISSOURI HOUSING DEVELOPMENT COMMISSION**



### **RESPONSE DEADLINE:**

Written proposals:  
5 copies to MHDC  
not later than 4:30 PM (Central time) on July 19, 2013

**Submit Proposals to:**  
**Missouri Housing Development Commission**  
**3435 Broadway**  
**Kansas City, Missouri 64111**  
**Marilyn Lappin, Director of Finance**

## **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.

The purpose of this Request for Statement of Qualifications and Proposals (“RFQ”) 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 three years with one additional two-year option, for a total of five years. Interested institutions should respond in accordance with this RFQ.

Currently MHDC maintains 26 separate accounts with four different banks. Six of those accounts with three banks (the payroll account and loan servicing operating and escrow 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 three categories or groups based upon the function and activity of the accounts. The account groups consist of Operations, Production and Contract Administration. The Commission anticipates awarding its banking services, by group, to one, two or three banking institutions for ease of administration and to achieve economies of scale. For example, depending upon the responses and the Commission’s determination, each account group may be allocated to a different institution, or one institution may be allocated two groups with the remaining group allocated to a second institution or all three 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. Fee proposals and interest rate quotations will be made for each group.

MHDC maintains an investment portfolio of approximately \$250 million that requires safekeeping of directly owned securities. MHDC currently uses 6 different safekeeping accounts comprised of 11 portfolios. The Commission anticipates entering into a safekeeping agreement with one financial institution for purposes of safekeeping MHDC’s investment portfolio. MHDC will continue to follow the practice of competitively bidding investments.

The Commission does not deposit cash or require supplies in order to do so.

## **Section II: Procedures and Instructions**

- A. To be considered responsive, five (5) copies of the proposal must be submitted by July 19, 2013 by 4:30 PM (Central time) in the offices of the Commission, and addressed as follows:

Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111  
Attn.: Marilyn Lappin, Director of Finance

Proposals must be submitted in printed bound form, along with one electronic copy on a CD-ROM, in a sealed envelope marked “Statement of Qualifications to Serve as Depository” and shall include all information required pursuant to this RFQ. The envelope shall be marked with the name of the institution submitting the Proposal.

*(Neither faxed copies nor electronic email submissions will be accepted.)*

- B. Questions regarding this RFQ should be directed to the Commission in writing by mail, facsimile or electronic mail, as follows:

Marilyn Lappin  
Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111  
(816) 759-6872 (fax)  
[mlappin@mhdc.com](mailto:mlappin@mhdc.com)

This RFQ is considered a “Competitive Matter” as that term is defined in the Commission’s “Standards of Conduct” Policy (the “Standards of Conduct”). Further, every Respondent, including, but not limited to, their respective principals, key employees and agents acting on their behalf are considered “Interested Parties” (as defined in the Standards of Conduct). As a result, every Respondent (including, but not limited to, its principals, key employees and agents) under this RFQ is obligated to abide by the rules and restrictions imposed by the Standards of Conduct, including the rules governing contact with Commissioners and MHDC employees. The failure of any Respondent to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of that Respondent’s Response. Therefore, you are strongly encouraged to review and familiarize yourself with the Standards of Conduct. The Standards of Conduct is available on MHDC’s website at [www.mhdc.com/about/commission/policies/standards\\_of\\_conduct.htm](http://www.mhdc.com/about/commission/policies/standards_of_conduct.htm).

Furthermore, pursuant to the Standards of Conduct, any Response under this RFQ 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 RFQ 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. 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, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com).

- C. Respondents 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 that it becomes necessary to revise any part of the RFQ, the Commission will provide an addendum to each institution receiving this RFQ. Any additional information required to clarify portions of this RFQ 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 reserves the right to conduct an investigation of the qualifications of any institution that it deems appropriate; negotiate modifications to any of the items proposed in the Proposal; request additional information from any institution; reject any or all Proposals; and waive any irregularities in any Proposal.
- G. All institutions responding to this RFQ must be prepared to schedule a visit to its facility upon request by the Commission. Such a visit, if scheduled, will encompass a review of the institution'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 which respondents, if any, for which a visit to facilities will be required.
- H. Institutions responding to this RFQ 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 RFQ                         | May 30, 2013       |
| Statements of Qualification Due     | July 19, 2013      |
| Evaluation Committee Recommendation | September 13, 2013 |
| Selection by Board                  | September 20, 2013 |

- K. The Commission will engage the services of the bank(s) that it determines are the best qualified based upon the Evaluation Criteria set forth in Section IV. The Commission retains the right to negotiate the earnings and fee rates for its banking services.

**Section III: Structure of Proposal**

- A. The Commission desires to consider Proposals in a consistent and easily comparable format as established in this RFQ. Proposals not organized as set forth in this RFQ may, at the Commission's discretion, be considered unresponsive. Do not refer to other parts of your 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 institution. In the transmittal letter the institution 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 RFQ, (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 institution.
- C. Proposals should be organized in the same 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**

- A. The criteria to be used in evaluating the Proposals will include, but are not limited to, the following:
- (1) Financial strength of the proposing institution.

- (2) Experience and expertise of the personnel to be assigned to the Commission's account.
- (3) The location, 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 institution's ability and willingness to provide the services desired by the Commission and demonstrated understanding of the operational requirements of the Commission.
- (6) The Commission's prior experiences, if any, with the institution and any other factors the Commission believes would be in its best interest to consider.
- (7) Innovative ideas or suggestions reflected in the Proposal.
- (8) Community involvement specifically through the institution's Community Reinvestment Act policies.
- (9) Proposed fees and charges for services and proposed interest rates on balances.
- (10) Regulatory issues and legal actions taken against the financial institution.

## **Section V: Eligibility Requirements**

- A. Each institution must meet the following threshold requirements to be considered eligible to serve as a depository for the Commission:
  - (1) The institution must be a federal or State of Missouri chartered financial institution.
  - (2) The institution must be FDIC insured.
  - (3) The institution must have a Community Reinvestment Act (CRA) rating of "satisfactory" or better for the most recent examination conducted.
- B. If the institution intends to utilize the services of a related financial institution (e.g., a bank within the same holding company as the institution) or third party provider in the institution's proposed method of performance, the related financial institution or third party provider must be identified in the Proposal, must also

satisfy the criteria described in (1) through (3) immediately above, and must be acceptable to the Commission.

- C. If the institution proposes to provide services for the Contract Administration account group, the institution 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 institution 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**

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

## **Section VII: Proposal Details**

Institutions responding to this RFQ should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated.

- A. 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 your institution'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.
- B. Ownership. Provide a summary of ownership and management of your institution and describe any significant changes in management and/or ownership of your institution that have occurred during the past three years. Does your firm foresee or anticipate any organizational changes in the next 24 months?

Pursuant to the Commission's Standards of Conduct, any Response under this RFQ 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 RFQ 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. 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, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com).

- C. Customer Contacts. Provide a list of previous and current customers who had or have accounts with the institution that are similar in nature to those proposed herein, with particular attention given to public agency accounts. Describe any issues or problems that have impacted those accounts. Provide contact information for a representative of each agency that we may contact as a reference.
- D. Federal Reserve. Is the institution 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? Do the same deadlines apply for wires initiated electronically? Can the Commission's wires receive any priority treatment if needed?
- E. Ratios. Provide the institution's current (1) Tier 1 Leverage Capital Ratio, (2) the Tier 1 Risk-Based Capital Ratio and (3) the Total Risk-Based Capital Ratio. Also provide these ratios for the three most recent annual fiscal periods.
- F. Legal Actions. Provide a summary of any litigation, arbitration and regulatory proceedings, pending, adjudicated or settled, that your institution has been subject to within the last three years involving services your institution 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.
- G. Eligibility. Respond to each of the Eligibility Requirements in **Section V** and indicate whether or not your institution meets the Eligibility Requirements to provide depository services for the Commission.
- H. 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 your willingness and ability to satisfy these collateral requirements.
- I. Depository Services – On-Line Banking Capabilities. The Commission requires that institutions 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) monthly statements, (iii) initiation and confirmation of

wire transfers, (iv) initiation of other transactions including account transfers and ACH files and (v) general access to other reports. This on-line electronic access must be available through internet connection or another means acceptable to the Commission. Describe the services available to MHDC from your institution electronically. In your response 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.

- J. Bond Proceeds - Insured Money Market Accounts. In recent years, MHDC has utilized bond proceed accounts consisting of bond proceed funds held during the rehabilitation or construction period of certain multifamily projects in accordance with the applicable bond documents. These accounts have minimal monthly activity consisting of one to two deposits and one or two wires plus an occasional check. The activity of these accounts is therefore not detailed in Appendix A. Such accounts are opened with a zero balance at a date just prior to the bond closing to facilitate the flow of bond proceeds directly to such account. Each of these accounts is a separate account that cannot be commingled with any other Commission funds and remains open until all the funds have been disbursed (typically a period of 12 to 24 months, but can be for a much shorter time period). As the funds are depleted, a minimum balance must not be required. However, during the period that the funds are held, any investment securities purchased from such funds may be subject to maintaining a minimum account balance in the insured money market account. MHDC currently has one bond proceeds account; however, MHDC will open bond proceeds accounts from time to time as needed for new bond issues and will close each of these accounts upon final disbursement of any funds held in such accounts. Describe the insured money market account services available, including minimum account balances required, and whether your institution will be able to accommodate the specific need of the bond proceeds accounts as described.
- K. 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 that the institution 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.
- L. 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 account and portfolio. 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 bank 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 your institution has available and ability to meet MHDC's requirements. Include a description of your institution's safekeeping pricing procedures.

- M. 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 bank 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. Also describe whether or not the reports are available via on-line access and available for download. 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 be available on a historical basis for research if necessary. Proposing banks 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.
- N. Safe Deposit Box. The Commission currently retains certain original mortgage documents and disaster recovery materials in two safe deposit boxes: one box is 7x10x22 and the other is 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 typically accesses the boxes one or two times each month, but 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 your institution's ability to provide this service and identify the location at which the safe deposit boxes will be located. Detail fees, if any, that are charged.
- O. Overdraft Protection. Overdrafts of Commission accounts occur very rarely, but, nonetheless, the Commission requires that its banking institutions provide protection from disruption of its payments due an inadvertent error or circumstances beyond its control. Describe the extent of your institution's overdraft protections for the Commission and any related charges.
- P. Positive Pay. The Commission requires that each institution offer Positive Pay options on at least certain accounts to assist MHDC in preventing check fraud. Describe the availability of and charges for these services.
- Q. Security Policies. In addition to the response to Positive Pay above, what security policies and procedures does the bank have in place to protect the Commission's assets? Provide details regarding the bank's services or products that will protect the Commission from fraud (e.g. forged checks, unauthorized phone transfers or electronic transactions, etc.).

- R. Disaster Recovery. The Commission requires that each banking institution providing services to it maintain comprehensive disaster recovery procedures. Describe the institution'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 that required the institution to rely on these procedures describe the impacts the Commission would experience as a result.
- S. Requirements for Deposit Acceptance and Validation. Institutions must agree to validate and post the Commission's deposits for the face amount identified on each deposit slip. The 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.
- T. Handling of Returned Items. Institutions 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, the institution 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 institution to handle returned items in this manner. Detail charges for this service.
- U. 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 internet-based programs. Please describe the ACH services available through your institution including whether your institution would accept ACH files created by MHDC or whether bank software is required. In addition, can ACH transactions be initiated electronically on-line? Please describe your online ACH reporting system and its capabilities, including information retention periods. How frequently is the information updated? Detail fees 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.
- V. Remote Deposit. MHDC currently utilizes remote deposit for certain accounts in the Operations and Production groups. Please describe your remote deposit capabilities, including third party software used, hardware required and reports available. Please consult with your software provider and discuss how the software and hardware required could be used to process remote deposits for another bank if they were awarded accounts for the other group and used the same software. Detail fees, both bank and third party, that are charged.
- W. Audit Confirmations. Describe your process for audit confirmations, including name and address to direct requests and fees, if any, that are charged.

- X. 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 you would recommend. Describe your zero balance account capabilities and any fees that are charged.
- Y. Fees. The Commission seeks to obtain separate fee and interest quotations for each of the three account groups detailed in Section I above. Provide a summary of your proposal of charges for the various depository/clearing services as set forth in Appendix B for each of the three groups: Operations, Production and Contract Administration. Certain accounts within some groups will have fees settled from a different account within the group. In addition, please indicate any minimum balance requirements. Institutions 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 you believe 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, detail the calculation of earnings credit based on the index selected in paragraph AA.
- Z. Time Commitment for Fees. Describe the length of time your Proposal charges and basis for earnings credits 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 three-year engagement and one two-year renewal period, describe your process and expected frequency for rate changes, including maximum percentage increases.
- AA. Interest Rates on Balances. Describe the outside index your institution 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 margin proposed will be subject to change during the initial three-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 your institution's funds availability policy.

Calculate the earnings that would have been paid on each account group using your index and margin and the average collected balance as shown in Appendix A for the month of April 2013.

Detail the calculation of interest that would have been paid indicating the rate of interest used for each day of April 2013. We are 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 RFQ awards have been made. Calculate earnings for all three groups separately. Calculate combined earnings only if the rate paid would be different from the rate for individual groups.

- AB. Project-based Section 8 Contract Administration Depository Agreement. If your proposal includes providing services for the Contract Administration account group, indicate your institution'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).
- AC. Recommendations and Other. Describe any optional services or make any recommendations your institution believes would enhance the depository functions of the Commission. Responding institutions are encouraged to make suggestions or add additional information not requested in this RFQ, including any innovative ideas or technological enhancements that would improve the Commission's security, ease of use, or would reduce fees or increase earnings. Institutions may also describe services and other factors that distinguish their institution from potential competitors.
- AD. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, institutions(s) selected pursuant to this RFQ shall provide MHDC with an affidavit stating that the institution does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the institution 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, the institution shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at [wwatson@mhdc.com](mailto:wwatson@mhdc.com). **In your proposal, please indicate whether your firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.**
- AE. Exhibits. Please attach the following documents to one copy of your Proposal. They must be attached to one hard copy and the electronic copy, but do not need to be attached to every other hard copy of your Proposal.

- Exhibit A: Your institution's most recent audited financial statement  
Exhibit B: Your institution's most recent Call Report  
Exhibit C: Your institution's CRA Statement  
Exhibit D: Your institution'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**

| Operating Fund (Projects)       |             |             |              |
|---------------------------------|-------------|-------------|--------------|
| Description                     | Average     | Maximum     | Minimum      |
| Number of deposits              | 18          | 26          | 10           |
| Items deposited                 | 103         | 199         | 61           |
| Checks paid                     | 4           | 17          | 1            |
| Returned items                  | -           | -           | -            |
| Stop payments                   | -           | -           | -            |
| Wires - incoming                | 25          | 32          | 21           |
| Wires - outgoing                | 14          | 54          | 6            |
| ACH - debits received           | -           | 1           | -            |
| ACH - credits received          | 2           | 4           | 1            |
| ACH files originated            | -           | -           | -            |
| Originated ACH debits           | -           | -           | -            |
| Originated ACH credits          | -           | -           | -            |
| Internal transfers              | 3           | 7           | 1            |
| ZBA transfers out               | 21          | 23          | 19           |
| Average daily ledger balance    | \$ 389,545  | \$ 557,095  | \$ 300,020   |
| Average daily float             | \$ (46,682) | \$ (10,928) | \$ (120,411) |
| Average daily collected balance | \$ 342,864  | \$ 546,167  | \$ 179,609   |

| Operating Fund (Expenses)       |         |         |         |
|---------------------------------|---------|---------|---------|
| Description                     | Average | Maximum | Minimum |
| Number of deposits              | -       | -       | -       |
| Items deposited                 | -       | -       | -       |
| Checks paid                     | 129     | 163     | 77      |
| Returned items                  | -       | -       | -       |
| Stop payments                   | -       | 1       | -       |
| Wires - incoming                | -       | -       | -       |
| Wires - outgoing                | -       | -       | -       |
| ACH - debits received           | -       | -       | -       |
| ACH - credits received          | -       | -       | -       |
| ACH files originated            | 12      | 15      | 10      |
| Pre-note files                  | 3       | 7       | 1       |
| Originated ACH debits           | -       | -       | -       |
| Originated ACH credits          | 43      | 59      | 28      |
| ZBA transfers in                | 21      | 23      | 19      |
| Average daily ledger balance    | \$ -    | \$ -    | \$ -    |
| Average daily float             | \$ -    | \$ -    | \$ -    |
| Average daily collected balance | \$ -    | \$ -    | \$ -    |

| Single Family Servicing         |           |           |            |
|---------------------------------|-----------|-----------|------------|
| Description                     | Average   | Maximum   | Minimum    |
| Number of deposits              | 16        | 20        | 12         |
| Items deposited                 | 63        | 81        | 49         |
| Checks paid                     | 21        | 37        | 6          |
| Returned items                  | -         | -         | -          |
| Stop payments                   | -         | -         | -          |
| Wires - incoming                | 1         | 2         | 1          |
| Wires - outgoing                | -         | -         | -          |
| ACH - debits received           | -         | -         | -          |
| ACH - credits received          | -         | -         | -          |
| ACH files originated            | -         | -         | -          |
| Originated ACH debits           | -         | -         | -          |
| Originated ACH credits          | -         | -         | -          |
| Average daily ledger balance    | \$ 58,029 | \$ 87,742 | \$ 45,530  |
| Average daily float             | \$ (945)  | \$ (246)  | \$ (2,538) |
| Average daily collected balance | \$ 57,084 | \$ 87,496 | \$ 42,992  |

OPERATIONS ACCOUNT GROUP

| FNMA Tax & Escrow               |            |            |           |
|---------------------------------|------------|------------|-----------|
| Description                     | Average    | Maximum    | Minimum   |
| Number of deposits              | 1          | 2          | -         |
| Items deposited                 | 1          | 2          | -         |
| Checks paid                     | -          | 1          | -         |
| Returned items                  | -          | -          | -         |
| Stop payments                   | -          | -          | -         |
| Wires - incoming                | -          | 1          | -         |
| Wires - outgoing                | -          | -          | -         |
| ACH - debits received           | -          | -          | -         |
| ACH - credits received          | -          | -          | -         |
| ACH files originated            | -          | -          | -         |
| Originated ACH debits           | -          | -          | -         |
| Originated ACH credits          | -          | -          | -         |
| Average daily ledger balance    | \$ 128,304 | \$ 188,082 | \$ 92,540 |
| Average daily float             | \$ -       | \$ -       | \$ -      |
| Average daily collected balance | \$ 128,304 | \$ 188,082 | \$ 92,540 |

| FNMA P&I                        |            |            |            |
|---------------------------------|------------|------------|------------|
| Description                     | Average    | Maximum    | Minimum    |
| Number of deposits              | 7          | 9          | 5          |
| Items deposited                 | 14         | 15         | 13         |
| Checks paid                     | 1          | 1          | -          |
| Returned items                  | -          | -          | -          |
| Stop payments                   | -          | -          | -          |
| Wires - incoming                | -          | 1          | -          |
| Wires - outgoing                | -          | -          | -          |
| ACH - debits received           | 1          | 1          | 1          |
| ACH - credits received          | 4          | 4          | 3          |
| ACH files originated            | -          | -          | -          |
| Originated ACH debits           | -          | -          | -          |
| Originated ACH credits          | -          | -          | -          |
| Average daily ledger balance    | \$ 48,691  | \$ 54,709  | \$ 37,801  |
| Average daily float             | \$ (4,787) | \$ (3,337) | \$ (7,458) |
| Average daily collected balance | \$ 43,905  | \$ 51,372  | \$ 30,344  |

| FNMA Special Escrows            |              |              |            |
|---------------------------------|--------------|--------------|------------|
| Description                     | Average      | Maximum      | Minimum    |
| Number of deposits              | 1            | 2            | 1          |
| Items deposited                 | 1            | 2            | 1          |
| Checks paid                     | 5            | 48           | -          |
| Returned items                  | -            | -            | -          |
| Stop payments                   | -            | -            | -          |
| Wires - incoming                | -            | -            | -          |
| Wires - outgoing                | -            | 1            | -          |
| ACH - debits received           | -            | -            | -          |
| ACH - credits received          | -            | -            | -          |
| ACH files originated            | -            | -            | -          |
| Originated ACH debits           | -            | -            | -          |
| Originated ACH credits          | -            | -            | -          |
| Average daily ledger balance    | \$ 1,458,071 | \$ 1,872,333 | \$ 992,052 |
| Average daily float             | \$ (1)       | \$ -         | \$ (16)    |
| Average daily collected balance | \$ 1,458,070 | \$ 1,872,333 | \$ 992,036 |

OPERATIONS ACCOUNT GROUP

| FNMA Custodial Account          |           |           |          |
|---------------------------------|-----------|-----------|----------|
| Description                     | Average   | Maximum   | Minimum  |
| Number of deposits              | -         | 1         | -        |
| Items deposited                 | -         | 1         | -        |
| Checks paid                     | 3         | 4         | 3        |
| Returned items                  | -         | -         | -        |
| Stop payments                   | -         | -         | -        |
| Wires - incoming                | -         | 1         | -        |
| Wires - outgoing                | -         | -         | -        |
| ACH - debits received           | 2         | 2         | 2        |
| ACH - credits received          | 2         | 11        | 1        |
| ACH files originated            | -         | -         | -        |
| Originated ACH debits           | -         | -         | -        |
| Originated ACH credits          | -         | -         | -        |
| Average daily ledger balance    | \$ 19,403 | \$ 28,862 | \$ 7,453 |
| Average daily float             | \$ (149)  | \$ -      | \$ (972) |
| Average daily collected balance | \$ 19,254 | \$ 28,862 | \$ 6,481 |

| HOME Investment Partnership Program |              |              |             |
|-------------------------------------|--------------|--------------|-------------|
| Description                         | Average      | Maximum      | Minimum     |
| Number of deposits                  | 5            | 8            | 3           |
| Items deposited                     | 9            | 14           | 5           |
| Checks paid                         | 5            | 10           | 2           |
| Returned items                      | -            | -            | -           |
| Stop payments                       | -            | -            | -           |
| Wires - incoming                    | -            | -            | -           |
| Wires - outgoing                    | 6            | 12           | 2           |
| ACH - debits received               | -            | -            | -           |
| ACH - credits received              | 59           | 84           | 20          |
| ACH files originated                | 7            | 10           | 4           |
| Originated ACH debits               | -            | -            | -           |
| Originated ACH credits              | 24           | 37           | 8           |
| Average daily ledger balance        | \$ 1,927,555 | \$ 2,783,577 | \$ 644,810  |
| Average daily float                 | \$ (24,572)  | \$ (450)     | \$ (70,867) |
| Average daily collected balance     | \$ 1,902,983 | \$ 2,783,127 | \$ 573,943  |

| Tax Credit Assistance Program   |            |           |            |
|---------------------------------|------------|-----------|------------|
| Description                     | Average    | Maximum   | Minimum    |
| Number of deposits              | 2          | 2         | 1          |
| Items deposited                 | 2          | 2         | 1          |
| 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          | -          | -         | -          |
| Average daily ledger balance    | \$ 49,550  | \$ 61,840 | \$ 37,259  |
| Average daily float             | \$ (2,268) | \$ (583)  | \$ (3,952) |
| Average daily collected balance | \$ 47,282  | \$ 61,257 | \$ 33,307  |

OPERATIONS ACCOUNT GROUP

| Emergency Solutions Grant       |          |          |         |
|---------------------------------|----------|----------|---------|
| Description                     | Average  | Maximum  | Minimum |
| Number of deposits              | -        | -        | -       |
| Items deposited                 | -        | -        | -       |
| Checks paid                     | -        | -        | -       |
| Returned items                  | -        | -        | -       |
| Stop payments                   | -        | -        | -       |
| Wires - incoming                | -        | -        | -       |
| Wires - outgoing                | -        | -        | -       |
| ACH - debits received           | -        | -        | -       |
| ACH - credits received          | 2        | 2        | 2       |
| ACH files originated            | 1        | 1        | 1       |
| Originated ACH debits           | -        | -        | -       |
| Originated ACH credits          | 4        | 6        | 2       |
| Average daily ledger balance    | \$ 1,238 | \$ 2,429 | \$ 46   |
| Average daily float             | \$ -     | \$ -     | \$ -    |
| Average daily collected balance | \$ 1,238 | \$ 2,429 | \$ 46   |

| Rural Initiative Funding        |            |            |            |
|---------------------------------|------------|------------|------------|
| Description                     | Average    | Maximum    | Minimum    |
| Number of deposits              | 1          | 1          | 1          |
| Items deposited                 | 1          | 1          | 1          |
| Checks paid                     | -          | 1          | -          |
| Returned items                  | -          | -          | -          |
| Stop payments                   | -          | -          | -          |
| Wires - incoming                | -          | -          | -          |
| Wires - outgoing                | -          | -          | -          |
| ACH - debits received           | -          | -          | -          |
| ACH - credits received          | -          | -          | -          |
| ACH files originated            | -          | -          | -          |
| Originated ACH debits           | -          | -          | -          |
| Originated ACH credits          | -          | -          | -          |
| Average daily ledger balance    | \$ 552,801 | \$ 557,686 | \$ 548,495 |
| Average daily float             | \$ (170)   | \$ (106)   | \$ (424)   |
| Average daily collected balance | \$ 552,631 | \$ 557,580 | \$ 548,072 |

| Neighborhood Stabilization Program |          |           |         |
|------------------------------------|----------|-----------|---------|
| Description                        | Average  | Maximum   | Minimum |
| Number of deposits                 | -        | 1         | -       |
| Items deposited                    | -        | 1         | -       |
| Checks paid                        | -        | 2         | -       |
| Returned items                     | -        | -         | -       |
| Stop payments                      | -        | -         | -       |
| Wires - incoming                   | -        | -         | -       |
| Wires - outgoing                   | -        | 1         | -       |
| ACH - debits received              | -        | -         | -       |
| ACH - credits received             | -        | -         | -       |
| ACH files originated               | -        | -         | -       |
| Originated ACH debits              | -        | -         | -       |
| Originated ACH credits             | -        | -         | -       |
| Average daily ledger balance       | \$ 5,227 | \$ 14,999 | \$ -    |
| Average daily float                | \$ -     | \$ -      | \$ -    |
| Average daily collected balance    | \$ 5,227 | \$ 14,999 | \$ -    |

## OPERATIONS ACCOUNT GROUP

| Operations Group Summary        |              |              |              |
|---------------------------------|--------------|--------------|--------------|
| Description                     | Average      | Maximum      | Minimum      |
| Number of deposits              | 50           | 62           | 33           |
| Items deposited                 | 193          | 283          | 137          |
| Checks paid                     | 168          | 224          | 104          |
| Returned items                  | -            | -            | -            |
| Stop payments                   | -            | 1            | -            |
| Wires - incoming                | 26           | 33           | 23           |
| Wires - outgoing                | 20           | 59           | 11           |
| ACH - debits received           | 3            | 4            | 3            |
| ACH - credits received          | 67           | 92           | 40           |
| ACH files originated            | 19           | 25           | 16           |
| Originated ACH debits           | 3            | 7            | 1            |
| Originated ACH credits          | 25           | 37           | 14           |
| Average daily ledger balance    | \$ 4,638,414 | \$ 6,209,355 | \$ 2,706,007 |
| Average daily float             | \$ (79,573)  | \$ (15,650)  | \$ (206,638) |
| Average daily collected balance | \$ 4,558,841 | \$ 6,193,705 | \$ 2,499,369 |

### ACCOUNT FEATURES

| Account                             | Online Banking | Positive Pay | Remote Deposit | ACH Block/Filter | ZBA Account | Internal Transfers | Originate ACH | Send Wires |
|-------------------------------------|----------------|--------------|----------------|------------------|-------------|--------------------|---------------|------------|
| Operating Fund (Projects)           | X              | X            | X              | Block            | from        | X                  | X             | X          |
| Operating Fund (Expenses)           | X              | X            |                | Block            | to          |                    | X             | X          |
| Single Family Servicing             | X              |              | X              |                  |             |                    |               | X          |
| FNMA Tax & Escrow                   | X              |              |                |                  |             | X                  |               | X          |
| FNMA P&I                            | X              |              | X              |                  |             |                    |               | X          |
| FNMA Special Escrows                | X              |              |                | Block            |             | X                  |               | X          |
| FNMA Custodial Account              | X              |              |                |                  |             |                    |               |            |
| HOME Investment Partnership Program | X              | X            | X              | Block            |             | X                  | X             | X          |
| Tax Credit Assistance Program       | X              |              |                | Block            |             | X                  |               | X          |
| Emergency Solutions Grant           | X              |              |                |                  |             | X                  | X             |            |
| Rural Initiative Funding            | X              |              |                |                  |             | X                  |               | X          |
| Neighborhood Stabilization Program  | X              |              |                |                  |             |                    |               | X          |

PRODUCTION ACCOUNT GROUP

| Production General              |              |               |              |
|---------------------------------|--------------|---------------|--------------|
| Description                     | Average      | Maximum       | Minimum      |
| Number of deposits              | 6            | 10            | 3            |
| Items deposited                 | 13           | 39            | 5            |
| Checks paid                     | 25           | 33            | 13           |
| Returned items                  | -            | 1             | -            |
| Stop payments                   | -            | -             | -            |
| Wires - incoming                | 9            | 20            | 3            |
| Wires - outgoing                | 8            | 13            | 5            |
| ACH - debits received           | 1            | 2             | 1            |
| ACH - credits received          | -            | -             | -            |
| ACH files originated            | -            | -             | -            |
| Originated ACH debits           | -            | -             | -            |
| Originated ACH credits          | -            | -             | -            |
| ZBA transfers out               | 5            | 7             | 3            |
| Internal bank transfer          | 1            | 2             | -            |
| Investment interest payment     | 9            | 17            | 4            |
| Investment maturity             | 4            | 7             | 1            |
| Investment purchase             | 3            | 8             | -            |
| Average daily ledger balance    | \$ 9,705,774 | \$ 15,678,925 | \$ 3,658,362 |
| Average daily float             | \$ (11,793)  | \$ (1,642)    | \$ (34,133)  |
| Average daily collected balance | \$ 9,693,981 | \$ 15,677,284 | \$ 3,624,229 |

| Rental Assistance Program       |         |         |         |
|---------------------------------|---------|---------|---------|
| Description                     | Average | Maximum | Minimum |
| Number of deposits              | -       | -       | -       |
| Items deposited                 | -       | -       | -       |
| Checks paid                     | 4       | 6       | 2       |
| Returned items                  | -       | -       | -       |
| Stop payments                   | -       | -       | -       |
| Wires - incoming                | -       | -       | -       |
| Wires - outgoing                | -       | -       | -       |
| ACH - debits received           | -       | -       | -       |
| ACH - credits received          | -       | -       | -       |
| ACH files originated            | 1       | 3       | -       |
| Originated ACH debits           | -       | -       | -       |
| Originated ACH credits          | 2       | 4       | -       |
| ZBA transfers in                | 5       | 6       | 3       |
| Average daily ledger balance    | \$ -    | \$ -    | \$ -    |
| Average daily float             | \$ -    | \$ -    | \$ -    |
| Average daily collected balance | \$ -    | \$ -    | \$ -    |

PRODUCTION ACCOUNT GROUP

| MO Housing Trust Fund           |            |            |            |  |
|---------------------------------|------------|------------|------------|--|
| Description                     | Average    | Maximum    | Minimum    |  |
| Number of deposits              | -          | 1          | -          |  |
| Items deposited                 | -          | 1          | -          |  |
| Checks paid                     | -          | 1          | -          |  |
| Returned items                  | -          | -          | -          |  |
| Stop payments                   | -          | -          | -          |  |
| Wires - incoming                | 1          | 1          | -          |  |
| Wires - outgoing                | -          | -          | -          |  |
| ACH - debits received           | -          | -          | -          |  |
| ACH - credits received          | -          | -          | -          |  |
| ACH files originated            | 7          | 10         | 3          |  |
| Originated ACH debits           | -          | -          | -          |  |
| Originated ACH credits          | 19         | 31         | 10         |  |
| ZBA transfers out               | -          | -          | -          |  |
| Internal bank transfer          | -          | -          | -          |  |
| Investment interest payment     | -          | 1          | -          |  |
| Investment maturity             | -          | 1          | -          |  |
| Investment purchase             | -          | 2          | -          |  |
| Average daily ledger balance    | \$ 538,358 | \$ 722,523 | \$ 427,465 |  |
| Average daily float             | \$ (156)   | \$ -       | \$ (1,711) |  |
| Average daily collected balance | \$ 538,203 | \$ 722,523 | \$ 425,754 |  |

| Note Sale HAP                   |            |            |            |  |
|---------------------------------|------------|------------|------------|--|
| Description                     | Average    | Maximum    | Minimum    |  |
| Number of deposits              | -          | 1          | -          |  |
| Items deposited                 | -          | -          | -          |  |
| Checks paid                     | 1          | 3          | -          |  |
| Returned items                  | -          | -          | -          |  |
| Stop payments                   | -          | -          | -          |  |
| Wires - incoming                | -          | -          | -          |  |
| Wires - outgoing                | -          | 1          | -          |  |
| ACH - debits received           | -          | -          | -          |  |
| ACH - credits received          | -          | -          | -          |  |
| ACH files originated            | -          | -          | -          |  |
| Originated ACH debits           | -          | -          | -          |  |
| Originated ACH credits          | -          | -          | -          |  |
| ZBA transfers out               | -          | -          | -          |  |
| Internal bank transfer          | 1          | 2          | 1          |  |
| Investment interest payment     | 1          | 4          | -          |  |
| Investment maturity             | 1          | 1          | -          |  |
| Investment purchase             | -          | 2          | -          |  |
| Average daily ledger balance    | \$ 801,383 | \$ 995,852 | \$ 558,018 |  |
| Average daily float             | \$ -       | \$ -       | \$ -       |  |
| Average daily collected balance | \$ 801,383 | \$ 995,852 | \$ 558,018 |  |

PRODUCTION ACCOUNT GROUP

| Note Sale IRP                   |            |            |           |
|---------------------------------|------------|------------|-----------|
| Description                     | Average    | Maximum    | Minimum   |
| Number of deposits              | -          | -          | -         |
| 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          | -          | -          | -         |
| ZBA transfers out               | -          | -          | -         |
| Internal bank transfer          | 1          | 2          | -         |
| Investment interest payment     | 2          | 5          | -         |
| Investment maturity             | 1          | 4          | -         |
| Investment purchase             | 1          | 3          | -         |
| Average daily ledger balance    | \$ 133,075 | \$ 447,328 | \$ 19,053 |
| Average daily float             | \$ -       | \$ -       | \$ -      |
| Average daily collected balance | \$ 133,075 | \$ 447,328 | \$ 19,053 |

| MF Collections/Escrow           |               |               |              |
|---------------------------------|---------------|---------------|--------------|
| Description                     | Average       | Maximum       | Minimum      |
| Number of deposits              | 26            | 31            | 22           |
| Items deposited                 | 283           | 304           | 269          |
| Checks paid                     | 139           | 417           | 71           |
| Returned items                  | -             | -             | -            |
| Stop payments                   | -             | -             | -            |
| Wires - incoming                | 1             | 3             | -            |
| Wires - outgoing                | 9             | 11            | 6            |
| ACH - debits received           | 1             | 3             | 1            |
| ACH - credits received          | 80            | 84            | 78           |
| ACH return                      | -             | 2             | -            |
| ACH files originated            | 14            | 19            | 9            |
| Originated ACH debits           | 201           | 227           | 191          |
| Originated ACH credits          | 36            | 50            | 28           |
| Internal bank transfer          | 2             | 4             | 1            |
| Investment interest payment     | 2             | 12            | -            |
| Investment maturity             | 1             | 10            | -            |
| Investment purchase             | 2             | 5             | -            |
| Average daily ledger balance    | \$ 14,185,844 | \$ 26,585,133 | \$ 6,076,375 |
| Average daily float             | \$ (122,314)  | \$ (85,411)   | \$ (206,781) |
| Average daily collected balance | \$ 14,063,530 | \$ 26,499,722 | \$ 5,869,595 |

**PRODUCTION ACCOUNT GROUP**

| Production Group Summary        |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Description                     | Average       | Maximum       | Minimum       |
| Number of deposits              | 32            | 38            | 27            |
| Items deposited                 | 272           | 343           | 9             |
| Checks paid                     | 169           | 453           | 87            |
| Returned items                  | -             | 1             | -             |
| Stop payments                   | -             | -             | -             |
| Wires - incoming                | 11            | 22            | 5             |
| Wires - outgoing                | 17            | 23            | 11            |
| ACH - debits received           | 3             | 4             | 2             |
| ACH - credits received          | 80            | 84            | 78            |
| ACH files originated            | 22            | 27            | 16            |
| Originated ACH debits           | 201           | 227           | 191           |
| Originated ACH credits          | 57            | 81            | 42            |
| ZBA transfers in                | 5             | 6             | 3             |
| ZBA transfers out               | 5             | 7             | 3             |
| Internal bank transfer          | 5             | 9             | 2             |
| Investment interest payment     | 15            | 27            | 4             |
| Investment maturity             | 7             | 16            | 3             |
| Investment purchase             | 6             | 13            | -             |
| Average daily ledger balance    | \$ 25,364,434 | \$ 44,429,761 | \$ 10,739,273 |
| Average daily float             | \$ (134,263)  | \$ (87,053)   | \$ (242,625)  |
| Average daily collected balance | \$ 25,230,171 | \$ 44,342,709 | \$ 10,496,648 |

**ACCOUNT FEATURES**

| Account                   | Online Banking | Positive Pay | Remote Deposit | ACH Block/Filter | ZBA Account | Internal Transfers | Originate ACH | Send Wires |
|---------------------------|----------------|--------------|----------------|------------------|-------------|--------------------|---------------|------------|
| Production General        | X              | X            | X              | Filter           | from        | X                  |               | X          |
| Rental Assistance Program | X              |              |                | Filter           | to          |                    | X             | X          |
| MO Housing Trust Fund     | X              |              |                | Block            |             | X                  | X             | X          |
| Note Sale HAP             | X              |              |                |                  |             | X                  |               | X          |
| Note Sale IRP             | X              |              |                |                  |             | X                  |               | X          |
| MF Collections/Escrow     | X              | X            | X              | Filter           |             | X                  | X             | X          |

CONTRACT ADMINISTRATION ACCOUNT GROUP

| CA Housing Assistance PRE       |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|
| Description                     | Average |         | Maximum | Minimum |
| Number of deposits              | -       |         | -       | -       |
| Items deposited                 | -       |         | -       | -       |
| Checks paid                     | -       |         | -       | -       |
| Returned items                  | -       |         | -       | -       |
| Stop payments                   | -       |         | -       | -       |
| Wires - incoming                | -       |         | -       | -       |
| Wires - outgoing                | -       |         | -       | -       |
| ACH - debits received           | -       |         | -       | -       |
| ACH - credits received          | 3       |         | 5       | 2       |
| ACH files originated            | 3       |         | 5       | 1       |
| Originated ACH debits           | -       |         | -       | -       |
| Originated ACH credits          | 47      |         | 50      | 42      |
| Average daily ledger balance    | \$      | 244,033 | \$      | 269,749 |
| Average daily float             | \$      | -       | \$      | -       |
| Average daily collected balance | \$      | 244,033 | \$      | 269,749 |

| CA Housing Assistance POST      |         |         |         |           |
|---------------------------------|---------|---------|---------|-----------|
| Description                     | Average |         | Maximum | Minimum   |
| Number of deposits              | -       |         | -       | -         |
| Items deposited                 | -       |         | -       | -         |
| Checks paid                     | -       |         | 1       | -         |
| Returned items                  | -       |         | -       | -         |
| Stop payments                   | -       |         | -       | -         |
| Wires - incoming                | -       |         | -       | -         |
| Wires - outgoing                | -       |         | -       | -         |
| ACH - debits received           | -       |         | -       | -         |
| ACH - credits received          | 8       |         | 10      | 4         |
| ACH files originated            | 10      |         | 22      | 7         |
| Originated ACH debits           | -       |         | -       | -         |
| Originated ACH credits          | 386     |         | 397     | 372       |
| Average daily ledger balance    | \$      | 622,023 | \$      | 1,196,289 |
| Average daily float             | \$      | -       | \$      | -         |
| Average daily collected balance | \$      | 622,023 | \$      | 1,196,289 |

**CONTRACT ADMINISTRATION ACCOUNT GROUP**

| Contract Administration Group Summary |            |              |            |
|---------------------------------------|------------|--------------|------------|
| Description                           | Average    | Maximum      | Minimum    |
| Number of deposits                    | -          | -            | -          |
| Items deposited                       | -          | -            | -          |
| Checks paid                           | -          | 1            | -          |
| Returned items                        | -          | -            | -          |
| Stop payments                         | -          | -            | -          |
| Wires - incoming                      | -          | -            | -          |
| Wires - outgoing                      | -          | -            | -          |
| ACH - debits received                 | -          | -            | -          |
| ACH - credits received                | 11         | 14           | 6          |
| ACH files originated                  | 13         | 25           | 8          |
| Originated ACH debits                 | -          | -            | -          |
| Originated ACH credits                | 433        | 445          | 414        |
| Average daily ledger balance          | \$ 866,057 | \$ 1,466,039 | \$ 664,771 |
| Average daily float                   | \$ -       | \$ -         | \$ -       |
| Average daily collected balance       | \$ 866,057 | \$ 1,466,039 | \$ 664,771 |

**ACCOUNT FEATURES**

| Account                    | Online Banking | Positive Pay | Remote Deposit | ACH Block/Filter | ZBA Account | Internal Transfers | Originate ACH | Send Wires |
|----------------------------|----------------|--------------|----------------|------------------|-------------|--------------------|---------------|------------|
| CA Housing Assistance PRE  | X              |              |                | Block            |             |                    | X             | X          |
| CA Housing Assistance POST | X              |              |                | Block            |             |                    | 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 RFQ 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.

| <b>BANKING SERVICE</b>                 | <b>AFP SERVICE CODE</b> | <b>CHARGE PER ITEM</b> | <b>MONTHLY CHARGE</b> |
|--|-------------------------|------------------------|-----------------------|
| 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)      |                         |                        |                       |
|  |                         |                        |                       |

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

## **APPENDIX C – INVESTMENT POLICY AND GUIDELINES**

## RESOLUTION NO. 925

### MISSOURI HOUSING DEVELOPMENT COMMISSION INVESTMENT POLICY AND GUIDELINES

REVISED AUGUST 4, 2011

#### I. Scope

This policy applies to the investment of any General Funds and Bond Funds (as defined herein) of the Missouri Housing Development Commission (the "Commission"). Funds held by a trustee in connection with bond or note issues shall not be subject to this policy and the investment of such amounts shall be governed by the resolutions, indentures or other documents authorizing the issuance of such bonds or notes.

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

#### II. General Objectives

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

##### A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

##### (1) Credit Risk

The Commission will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- (i) Pre-qualifying the custodial or depository institutions, broker/dealers, intermediaries, and advisors with which the Commission will do business;
- (ii) Diversifying its portfolios so that potential losses on individual securities will be minimized; and
- (iii) Establishing and maintaining a standard of quality of authorized eligible investments.

**(2) Interest Rate Risk**

The Commission will minimize the risk that it will realize losses due to declines in the market value of securities in its portfolios, by structuring its investment portfolios so that securities mature to meet cash requirements for scheduled disbursements or ongoing operations, taking into account cash balances available or expected to be available for such requirements, thereby investing excess funds and avoiding the need to sell securities on the open market prior to maturity.

**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 demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (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 of the Commission not required for immediate disbursements and shall not include any amounts expended or loaned by the Commission to carry out or effectuate its purpose as permitted in RSMo 215.030. These funds are available for transfer from the Commission's custodial or financial institution to the operating fund for Commission expenses and costs.

Investments for the General Fund shall be structured in a manner to enable the Commission to meet anticipated expenditures as well as reasonable unanticipated expenditures.

**(2) Bond Funds**

Bond Funds are proceeds of bonds or temporary notes for which the Commission is issuer and are not otherwise directed for investment by the trustee for the bond or note transaction pursuant to the resolution, indenture, tax compliance agreement or any other document for which bond or note proceeds are subject ("Bond Documents").

Bond Funds may be invested in securities provided in this Investment Policy or in securities permitted under the applicable Bond Documents.

Bond Funds shall be held in separate depository accounts and investment portfolios and will not be commingled with other investments or funds of the Commission.

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 rebate requirements under the federal tax laws and take appropriate steps in the event any Bond Funds become subject to yield restriction.

A portion of Bond Fund investments may be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

### **C. Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- (i) A security with declining credit may be sold early to minimize loss of principal.
- (ii) A security may be sold if such sale, coupled with a purchase of another security in a similar amount, would improve the quality, yield, diversity, or target duration in the portfolio.
- (iii) A security may be sold if liquidity needs of a portfolio require that the security be sold.

### **III. Standards of Care**

#### **A. Prudence**

The standard of care to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The prudent person standard shall mean investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### **B. Ethics and Conflicts of Interest**

Officer and employees involved in the investment process shall comply with all provision of Commission’s Standard 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 at an institution 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, 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. Investment 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 provide investment transactions.

###### **(1) Financial Institutions**

The Commissioners 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. Any financial institution seeking to qualify as an authorized institution shall supply the Commission the requested information as shall be determined by the Investment Manager.

###### **(2) Broker/Dealers**

Investments will be made through banks or securities dealers who have been approved by the Commissioners. 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 NASD Broker/Dealers or exempt banks. Criteria used to select securities dealers will include:

- (i) Proof of National Association of Securities Dealers (NASD) certification.
- (ii) Proof of state registration.

- (iii) Financial strength and capital adequacy of firm.
- (iv) Services provided by firm.
- (v) Research services available.
- (vi) Resume, reputation and qualifications of sales representative.
- (vii) Due diligence and firm references.
- (viii) State government expertise.

Trades executed by an external investment manager shall not be executed with that investment manager's own firm or with any division of such firm or any subsidiary, either partially or wholly affiliated.

#### **B. Internal Controls**

The Investment Manager is responsible for establishing and maintaining an internal control structure that will be reviewed annually with the Commission's independent auditor. The internal control structure shall be designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The internal controls shall address the following points:

- (i) Control of collusion.
- (ii) Separation of transaction authority from accounting and record keeping by requiring that the individuals maintaining the accounts and records shall not have authority to execute investment transactions.
- (iii) Custodial safekeeping.
- (iv) Avoidance of physical delivery securities.
- (v) Clear delegation of authority to subordinate staff members.

- (vi) Written or electronic confirmation of transactions for investments and wire transfers.
- (vii) Development of a wire transfer agreement with the custodial or depository 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 or for the account of the Commission and shall be held by a third-party custodian as evidenced by safekeeping receipts.

**D. Best Execution**

All purchases and sales of investments for the Commission will be executed in a manner that provides the best economic advantage to the Commission.

**V. Suitable and 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 investments that the Commission will consider and which shall be authorized for the investments of 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 of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (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 the U.S. 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 commercial banks or primary government securities dealers to purchase U.S. Treasury and government agency securities 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 by approved securities as set forth in Section V.D. below. The market value of all repurchase agreement collateral will be reviewed daily to determine collateral adequacy.

No more than 40% of the total market value of the portfolio may be invested in repurchase agreements with any one issuer.

- (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 and at specified rates of interest ("Certificates of Deposit").

All Certificates of Deposits 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 Section V.D. below.

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 the Commission will consider and which shall be authorized for the investment of 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 five (5) 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 with final maturities of ten (10) years or less.

### **C. 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.

**D. 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 should be at least 101% and 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 Federal Deposit Insurance Corporation.

All securities which serve as collateral must be Suitable and Authorized Investments (as set forth in Section V. above) 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 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 financial 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.

### **E. Repurchase Agreements**

Subject to the provisions included in this investment policy, the Commission may enter into repurchase agreements with any federally chartered bank included on the Commission's list of approved financial institutions, and 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 101% 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 minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

| <b>Investment Type</b>                      | <b>Maximum Percentage of Portfolio</b> | <b>Maximum Maturity</b> |
|---|--|-------------------------|
| U.S. Treasury Securities                    | 100%                                   | 10 years                |
| U.S. Government Instrumentality Obligations | 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 possible, the Commission shall attempt to match its investments with anticipated cash flow requirements. All investments shall mature and become payable not more than ten (10) years from the date of purchase.

**VII. 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 a monthly report which includes a list of individual securities held at the end of the month reflecting 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 investments 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 annually, the unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities (in accordance with Government Accounting Standards Board (GASB) Statement No. 31 requirements).

**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.

**VIII. Policy Considerations**

**A. Exemption**

Any investment held as of the date this policy is adopted that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

**B. Adoption**

This policy shall be adopted by resolution of the Commissioners. The policy shall be reviewed annually by the Investment Manager and recommended changes, if any, will be presented to the Commissioners for consideration.

**CERTIFICATION**

I HEREBY CERTIFY, that the foregoing is a true and correct copy of a Resolution regularly presented to, and duly adopted by the Commissioners of the Missouri Housing Development Commission at a meeting duly called, and held in Kansas City, Missouri on the 4th day of August 2011, at which a quorum was present and voted; and that such Resolution is duly recorded in the Minutes of the Commission.

  
\_\_\_\_\_  
John Stanfield, Secretary-Treasurer

**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**

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\_\_\_\_\_  
Name of PHA (print)

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Name and official title (print)

\_\_\_\_\_  
Date

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**DEPOSITORY**

\_\_\_\_\_  
Name of depository financial institution

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Name and official title (print)

\_\_\_\_\_  
Date