



**TO:** ALL PLANHOLDERS OF RECORD RFP #25P-

**RE:** FI-223 Investment Services Rashaad Esters,

**FROM:** Procurement Manager

**PAGE(S):** 32, including this cover sheet

**DATE:** September 22, 2025

Transmitted herewith is an Addendum to the solicitation listed above. If the Addendum is **not** received in full, please contact the Procurement Office at (907) 793-3000. If all pages of the Addendum are received, please sign this sheet and email it back to CIHA's Procurement Department at [Procurement@cookinlethousing.org](mailto:Procurement@cookinlethousing.org).

\_\_\_\_\_  
Company's Name

\_\_\_\_\_  
Company's Representative

\_\_\_\_\_  
Date

## RFP 25P-FI-223 Investment Services Addendum #1

This document forms a part of and modifies the solicitation as noted below. Respondents must acknowledge receipt of this addendum. Failure to acknowledge receipt of this addendum may subject Respondent to disqualification.

PROJECT: Investment Services

FOR: Cook Inlet Housing Authority

The following corrections, clarifications, additions, and/or deletions to the RFP 25P-FI-223 are hereby made a part of said documents. All other terms and conditions remain the same.

### **This Addendum Shall:**

1. Answer questions received by the due date 9/16/2025, 2:00PM
2. Issue out an updated Attachment C
3. Provide CIHA's General and NAHASDA Investment Policy
4. Provide HUD's Depository Agreement A and B.

### **Attachments:**

1. Attachment C – Sample Contract
2. Attachment D – CIHA's General and NAHASDA Investment Polic
3. Attachment E – HUD Depository Agreement A
4. Attachment F – HUD Depository Agreement B

1	Who is the current custodian?	Wells Fargo is CIHA's current custodian
2	Would CIHA continue working with this custodian or would we be expected to propose a new custodian?	CIHA is amendable to continuing with the existing custodian or considering a new custodian.
3	Attachment C's item 2 (scope of services page 1) states: The contractor shall provide professional investment banking services to support CIHA in evaluating, structuring, and executing financial strategies and transactions" This does not align with the scope of services in the RFP document which seeks investment management and advisory services. Can you confirm if "investment banking services" and "financial transactions" is stated in error?	Attachment C item 2 was not updated from a previous version of the document; a corrected version has been provided

4	What "Other services offered" is CIHA interested in?	Responders are encouraged to identify services your firm may offer not listed previously in the scope of services. This may include but not limited to monthly/quarterly/annual market analysis and insight, market research tools (e.g. mutual fund screeners available to clients, if any), and other services that may better assist CIHA in the execution of its fiduciary duties.
5	Can you provide requestor with CIHA's current investment policy statement? (We need the IPS to respond to the identity fund families questions which is posted in the RFP.	CIHA's general and NAHASDA investment policy and Permanent Fund policy has been attached.
6	The RFP (requirement #5) asks for an addendum/acknowledgement form which you can forward to (requestor)?	The addendum/acknowledgement form will be issued when we have any changes to make to the RFP. This question-and-answer addendum will be the first sent out.
7	The RFP notes under 1) mandatory requirements c) Must indicate ability to execute HUD depository agreement as written. Can you please provide the HUD depository agreement for our review.	Current PIH Notice governing Administrative Requirements for Investing IHBG Funds (PIH 2025-05) requires execution of Hud Depository Agreement (HUD-52736-A for bank accounts and HUD-52736-B for Brokers/Dealers). Forms have expiration date of 7/31/2025 but are the most recent available; HUD will likely update the forms in the near future.

## ATTACHMENT C



### Investment Services 25P-FI-223

CIHA Contact Information	CONTRACTOR Contact Information
Cook Inlet Housing Authority (CIHA)	[Name]
3510 Spenard Road	[Address]
Anchorage, Alaska 99503	[City, St. Zip]
Phone: (907) 793-3000	Phone
Email: <a href="mailto:Procurement@cookinlethousing.org">Procurement@cookinlethousing.org</a>	Email:
A/P Email: <a href="mailto:CIHAap@cookinlethousing.org">CIHAap@cookinlethousing.org</a>	Fed ID/SSN No.
Contracting Officer:	Contractor Contact:
Rashaad Esters, Procurement Manager	
Name Title	Name Title

Both Cook Inlet Housing Authority (CIHA) and \_\_\_\_\_ (Contractor) shall be collectively referred to herein as the "Parties."

#### 1. **CONTRACT TERM**

The contract will be in effect for a period of two (2) years with an option to extend for three (3) additional one (1) year terms based on satisfactory performance, mutual consent and agreed upon pricing. The option extensions shall automatically renew for one (1) year unless either party gives written notice thirty (30) days prior to the expiration thereof.

#### 2. **SCOPE OF SERVICES**

The Contractor shall provide professional investment services to support CIHA in evaluating, structuring, and executing financial strategies. Services will be performed in accordance with industry standards, applicable laws and regulations, and in the best interests of CIHA. The Contractor shall furnish all expertise, labor, and resources necessary to perform the tasks described below.

##### a. **Custodial Services**

Safekeeping of assets, account statements, trade confirmations and reporting.

##### b. **Investment Management**

On a non-discretionary basis, manage or facilitate investment in an array of investments including but not limited to CD's, market mutual funds, and money market funds in compliance with CIHA's investment policy statements.

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### c. **Cash Management**

Provide for cash sweep program to manage otherwise uninvested cash, offering competitive yields on money market funds.

### d. **Advisory Services**

As requested, provide capital market projections and recommendations for investment policies to better align the portfolio with objectives, risk tolerance, and regulatory constraints.

### e. **Other Services Offered**

If the proposer has any other alternative or supplemental services that could enhance value or be of interest to CIHA, please describe as part of the response to this RFP. The costs of such services should also be stated.

## 3. **CONTRACTOR RELATIONSHIP**

Contractor will act as a Contractor under this contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of CIHA due to this contract and therefore, the Contractor is not entitled to any medical, dental, or other insurance benefits. The Contractor will provide the services and achieve the results specified by CIHA free from direction or control of CIHA as to means and methods of performance.

## 4. **TERM AND TERMINATION, RIGHTS AND REMEDIES**

4.1 **Termination without Cause** - This Contract may be terminated by mutual consent of both Parties, or by either party upon thirty (30) days' written notice. Because circumstances may arise requiring CIHA to discontinue a program or project to which Contractor's activities relate, it is necessary for CIHA to have the right to terminate this Contract with Contractor without cause. Therefore, Contractor agrees that CIHA may at any time upon thirty (30) days' written notice terminate this Contract without cause and reimburse Contractor as described in Paragraph 4.3.

4.2 **Termination for Cause** - CIHA by written notice of default to the Contractor may terminate the whole or any part of this Contract if the Contractor:

- i. Fails to provide services required by this Contract within the time specified or any extension agreed to by Contractor; or
- ii. Fails to perform any of the other provisions of this Contract, or so fails to pursue the Work as to endanger performance of this Contract in accordance with its terms.

4.3 **Rights Upon Termination** - In the event of termination under this Contract, Contractor shall not have any claim for damages but has the following rights and responsibilities:

- i. Contractor will be responsible for the demobilization of the crews, equipment, and materials of Contractor, if necessary.
- ii. CIHA will pay Contractor, on a pro rata basis for the portions of Work completed and materials delivered in accordance with the Contract prior to the notice, provided that, Contractor shall provide CIHA with a detailed, written report of the Work performed thereunder to the date of termination.
- iii. Any other reasonable costs incidental to the termination of the Contractor Contract, provided that CIHA has authorized these costs before the Contractor incurs them.

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### **5. COMPENSATION AND MANNER OF PAYMENT**

#### **5.1 Fees for Work**

- a. Contractor shall invoice CIHA for Work performed and will be paid for Work rendered as described in Contractor's Quote dated [insert date].
- b. Invoices for services performed will be submitted monthly to CIHA. Payment of invoices is due and owing thirty (30) days from the receipt of the invoice. Contractor shall keep an accurate record of all hours worked and shall include an accurate accounting of it on each monthly invoice. In addition, a written monthly report shall be attached, describing program activities for the month. Invoices shall reference CIHA's contract control number and the name of the CIHA employee requesting services.
- c. Invoices shall be sent to Cook Inlet Housing Authority by one of the following methods:  
1) email to [cihaap@cookinlethousing.org](mailto:cihaap@cookinlethousing.org); or 2) mail to Cook Inlet Housing Authority, c/o 3510 Spenard Road, Anchorage, AK, 99503

### **6. REPRESENTATIONS AND WARRANTY**

- 6.1 **Representations** - Contractor represents that it is customarily in business of the same nature as the Work to be performed hereunder and that the Work shall comply with all federal, state and local laws and regulations.
- 6.2 **Warranty** - Contractor warrants to CIHA that all Work will be of good and workmanship quality, free from faults and defects. Contractor shall correct promptly any Work of its own or its subcontractors found to be defective or not in compliance with the terms of this Contract.

### **7. OWNERSHIP; PUBLICATION; REPRODUCTION; USE OF MATERIAL**

Except as otherwise provided herein, all data, documents and other copyrightable materials produced by Contractor under this Contract shall be the property of CIHA, which shall retain the exclusive right to publish, disclose, distribute and otherwise use, in whole or in part, any such data, documents or other materials. Exclusive rights shall not be attributed to portions of such materials presently in the public domain or which are not subject to copyright.

### **8. INDEMNITY AND INSURANCE REQUIREMENTS**

To the fullest extent permitted by law, Contractor shall release, defend, indemnify and hold CIHA, its subsidiaries, directors, officers, agents, officials, employees and consultants (collectively, "Indemnified Parties") harmless from and against all claims or loss, including without limitation any and all demands, suits, expenses, damages, fines, charges, liens, actions or liability of any nature, kind or character whatsoever, and including without limitation, claims or loss resulting from injury, death, economic loss, violation of statutes, ordinances, constitutions or other laws, rules or regulations, contractual claims, attorneys' fees, costs or expenses or any other kind of loss (collectively, "claims or loss"), related to, resulting from or arising directly or indirectly out of the activities of Contractor, the performance, failure of performance or breach of any term of this contract by Contractor, or by any person or entity employed by Contractor in the performance of this contract, regardless of whether such claim or loss is caused in part by Indemnified Parties.

Contractor's responsibility for defense and indemnification extends to and includes any claim or loss alleging acts or omissions by Indemnified Parties that are said to have contributed to

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the claim or loss. However, Contractor shall not be required to indemnify an Indemnified Party for any claim or loss that results from the sole negligence or willful misconduct of the Indemnified Party.

In any and all claims against the Indemnified Parties by any employee of Contractor, anyone directly employed by Contractor or anyone for whose acts the Contractor may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

Contractor agrees that as part of any subcontract, its subcontractor shall provide assurance of defense and indemnity in CIHA's favor that are identical in scope as those assumed by Contractor under the terms of this contract.

The requirement of any insurance required of Contractor under this contract shall not limit Contractor's indemnification responsibilities under this section in any way.

### 9. **INSURANCE AND LIABILITY**

#### 9.1 **Insurance**

Without limiting the Contractor's indemnification responsibilities, it is agreed that Contractor shall purchase, at its own expense, and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Such policies shall be primary and noncontributory to any policies held by CIHA.

Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, CIHA shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Manager of Procurement prior to fully executing the contract, and as a condition of payment, Contractor shall purchase and maintain insurance that will protect it from the claims arising out of its operations under the contract, whether the operations are by Contractor, or any of its consultants or subcontractors or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. This includes Worker's Compensation Insurance, Employer's Liability Insurance, Comprehensive General Liability Insurance and Automobile Liability Insurance.

Contractor's insurance shall name CIHA as additional insured, except for Worker's Compensation. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under Alaska Statutes Title 21. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance companies obligated under the following described policies must have a best rating of "A - VII" or better as identified in the A.M. Best Insurance Rating Guide, most recent edition.

#### 9.2 **Minimum Limits of Liability**

Contractor shall maintain with a company satisfactory to CIHA at least the limits of liability set forth below. The requirements of this section shall not limit Contractor's indemnification responsibilities as provided in the contract.

- i. **Worker's Compensation and Employers' Liability**: The Contractor shall provide and maintain, for all employees engaged in work under this Contract, coverage as required by AS 23.30.045; and, where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. This

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policy must waive subrogation against CIHA.

- i. Workers Compensation - Statutory limits
- ii. Employers Liability - \$1,000,000 Each Accident, \$1,000,000 Disease - Each Employee; \$1,000,000 Disease - Policy Limits
- ii. Commercial General Liability Insurance: Covering all business premises used by and operations conducted by the Contractor in the performance of services under this contract with minimum coverage limits of \$1,000,000 combined single limit per occurrence. This policy must waive subrogation against CIHA.
  - i. \$1,000,000 Each Occurrence
  - ii. \$2,000,000 General Aggregate
  - iii. \$2,000,000 Products/Completed Operations Aggregate
  - iv. \$1,000,000 Personal and Advertising Injury
  - v. \$50,000 Fire Damage Legal Liability (any one fire)
  - vi. \$5,000 Medical Expense (any one person)
- iii. Commercial Automobile Liability Insurance: Covering all vehicles, owned, hired or non- owned, used by the Contractor in the performance of services under this contract with minimum coverage limits of \$1,000,000 combined single limit of bodily and property damage. This policy must waive subrogation against CIHA.
- iv. Professional Liability Insurance: Covering all errors, omissions or negligent acts in the performance of services under this contract. Limits required per the following schedule:

<u>Contract Amount</u>	<u>Minimum Required Limits</u>
Under \$100,000	\$250,000 per Occurrence/Annual Aggregate
\$100,000 - \$499,999	\$500,000 per Occurrence/Annual Aggregate
\$500,000 - \$999,999	\$1,000,000 per Occurrence/Annual Aggregate
\$1,000,000 – or over	Refer to Manager of Procurement

## 10. CONFLICT OF INTEREST AND CONFIDENTIALITY

10.1 **Confidentiality** - All information obtained by Contractor from CIHA related in any way to the contract or Work to be performed there under is confidential and proprietary to CIHA. Contractor shall not use or re-disclose such confidential information for any purpose other than the performance of the contract. CIHA shall retain ownership of all confidential information disclosed to the Contractor and upon written request by CIHA; Contractor shall return to CIHA all such confidential information. The return of the information shall not terminate any of Contractor's obligations hereunder. Contractor shall be responsible for any breach by its employees or subcontractors of this section and the resulting damages.

### 10.2 **Conflict of Interest**

- a. Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this contract, and in the event of change in either his/her private interests or services under this contract, he/she will inform **CIHA's Procurement Manager** regarding possible conflict of interest, which may arise as a result of such change. Except as to the regular operation of Contractor business, during the term of this contract, the Contractor, its employees and its agents who are privileged **to gain access to** confidential information, will not enter into any activity, employment, or business arrangement which conflicts or competes with



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the business interests of CIHA, its subsidiaries, parents or affiliates, or with Contractor obligations under this Contract. In addition to the foregoing, Contractor shall not, for any reason:

- i. Use his/her status as a Contractor of CIHA to obtain for his/her personal use, any loans, goods, services, cash, employment, or other benefits from any person or entity on terms which would not otherwise be available to him/her;
- ii. Make any statement or perform any act intended to advance the interests of any competitor of CIHA in any way that could materially and adversely affect CIHA; or
- iii. Solicit any employee of CIHA to join him/her in the formation or operation of any business intended to compete with CIHA or solicit the possible future employment of such employee by any such business.

In the event of doubt concerning the applicability of any of the foregoing to any proposed activity by Contractor, Contractor before engaging in such activity shall consult with **CIHA's Procurement Manager** before engaging in the proposed activity. The duty of CIHA and Contractor to maintain confidentiality of information under this section continues beyond the term of this contract, or any extensions or renewals of same.

### 11. **EQUAL EMPLOYMENT OPPORTUNITY**

The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall post in conspicuous places, accessible to employees and applicants for employment, at the location of the grant project, notices setting out the provisions of AS 18.80.220. The Contractor shall state, in all solicitations or advertisements for employees to work on this project, that the Contractor is an equal opportunity employer (EEO) and that all qualified applicants will be considered for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall include the provisions of this EEO article in every subcontract relating to this contract and shall require the inclusion of these provisions in every agreement entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor.

### 12. **ENTIRE CONTRACT**

This contract represents the entire agreement between the Parties superseding any prior or concurrent contracts as to the services being provided, and no oral or written terms or conditions, which are not contained in this contract, shall be binding. This contract may only be amended by written consent of the Parties and made a part of this Contract.

### 13. **NOTICES**

Any notice required pertaining to the subject matter of this contract shall be made in writing for delivery in person or by mail, properly addressed to each party to whom given, with postage and charges prepaid, to the individual named and at the address listed on page one (1) of this contract. A notice shall be deemed given only when received by the party to whom such notice is directed, except that any notice given by registered or certified mail, or by facsimile, shall be deemed given to and received by the party to whom directed within twenty-four (24) hours after such notice is sent, or when actually received, whichever occurs first.

## **ATTACHMENT C**

### **14. ASSIGNMENT**

Neither this contract nor any rights, duties or interest hereunder shall be assigned by any party without the prior written consent of the other(s). The preceding notwithstanding, this contract shall be binding upon and inure to the benefit of the parties hereto and their respective partners, successor and assigns.

### **15. FORCE MAJEURE**

CIHA and Contractor shall not be liable for their respective failure to perform any of their obligations under the contract if prevented from performing such obligations by a cause beyond their reasonable control which, by the use of due diligence, CIHA or Contractor, as the case may be, shall not have been able to overcome, including but not limited to, acts of God, natural disaster, civil commotion, quarantine, fire, labor disputes or any action or non-action of the United States government, and including changes in existing legislation affecting the subject matter of this contract.

### **16. ATTACHMENTS**

The following attachments are included and made a part of this contract:

- A. Request for Proposal 25P-FI-223
- B. Addend(a/um) if any [include addendum number and date]
- C. Contractor Proposal, dated \_\_\_\_\_

The following attachments are included and made a part of this contract by reference:

- D. Current Certificate of Insurance
- E. Current State of Alaska Business License
- F. IRS form W9
- G. Federal Debarred Report

### **17. CONTROLLING LAW**

This contract shall be governed by and interpreted in accordance with the laws of the state of Alaska. Any legal action arising out of or relating to this contract shall be brought and heard only in a state or federal court located in Anchorage, Alaska. Both Contractor and CIHA submit to the personal jurisdiction of these courts and waive any right to change or challenge the venue specified above.

**CONTRACTOR:**

**OWNER:**

**[CONTRACTOR NAME IN CAPS]**

**COOK INLET HOUSING AUTHORITY**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



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# General and NAHASDA Investment Policy

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**Revised: March 2023**

# General and NAHASDA Investment Policy

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## I. GENERAL INVESTMENT ADMINISTRATIVE REQUIREMENTS

### **Introduction**

The purpose of this policy is to establish a clear understanding of the objectives and requirements governing cash management of funds of Cook Inlet Housing Authority (the “Authority” or “CIHA”). This outline provides an overall philosophy that is specific enough for CIHA’s Management and Investment Committee to know what is expected, yet be sufficiently flexible to allow for changing economic conditions and financial markets.

### **Portfolio Description**

CIHA shall have two primary and distinct investment accounts with separate investment strategies and requirements. The majority of the funds that CIHA holds are in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) investment account, which are subject to certain restrictions and limitations. The remainder of the funds is CIHA General Investment funds that are not subject to those same restrictions.

### **Goal of Policy**

The goal of this policy is to create an investment framework within which the assets of the Authority can be actively yet prudently managed to preserve capital and generate earnings within established parameters and oversight.

### **Purpose and Scope of Policy**

1. Purpose of Policy. The purpose of this policy is to establish the guidelines under which the Authority will make investment decisions and conduct investment activities.
2. Scope of Policy. This policy applies to the investment of identified investable assets of the Authority. Investment parameters or activities not detailed in this policy are not authorized. This policy is not, however, intended to represent an absolute limit on the type of investments that may be made by the Authority. All prudent investment opportunities will be considered and the Investment Committee explicitly reserves the right to authorize such other investments as are deemed consistent with its responsibilities as a fiduciary. This policy supersedes all other investment policies previously adopted by the Authority.

### **Delegation of Authority**

The Authority's Board of Commissioners, through its Investment Committee, has designated the Chief Financial Officer and the President/CEO as Investment Officers of the Authority. The primary duty of the Investment Officers shall be to implement this policy and ensure ongoing compliance with its requirements. Additional Investment Officers may be formally approved by the Board of Commissioners as deemed appropriate. Investment Officers may designate qualified financial staff to execute investment transactions on behalf of the Authority. Only Investment Officers are authorized to approve investment transactions. All approvals must be in writing.

### **Prudence**

Investments shall be made with professional judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs. Investment Officers shall not be personally liable for investment decisions made on behalf of CIHA as long as such decisions are made with the care that an ordinarily prudent person would make under similar circumstances.

In determining whether an Investment Officer acted in a prudent manner, compliance with this Investment Policy will be considered. In making investment decisions, Investment Officers are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, which reasonably appear to be reliable information.

### **Ethics and Conflicts of Interest**

Investment Officers, employees, and Board and Committee Members involved in the investment process shall refrain from personal business activity that could: 1) conflict with proper execution and management of the investment program; 2) impair their ability to make impartial investment decisions; or 3) create the impression of a conflict of interest.

Investment Officers, employees, and Board and Committee Members involved in the investment process shall periodically sign disclosure statements agreeing to abide by this section of the Investment Policy and affirming no known conflicts of interest. A conflict of interest shall exist when the Investment Officer, employee, Board or Committee Member has a personal business relationship with a business organization offering to engage in an investment transaction with the Authority; or if the Investment Officer, Board or Committee Member or employee is related within the second degree by affinity or consanguinity to an individual seeking to transact investment business with the Authority.

Any conflict of interest fully disclosed shall be addressed by the Finance, Audit and Investment Committee and the Board of Commissioners in writing, either allowing or barring continued participation in the investment process.

### **Changes and Exceptions to Policy**

All changes to this policy must be approved in writing by the Authority's Finance, Audit and Investment Committee. All exceptions to this policy, other than those necessary to respond to extraordinary circumstances, must also be approved in writing by the Authority's Investment Committee. Extraordinary circumstances may include the immediate need for cash to fund a contractual obligation or the rapid and substantive decline in creditworthiness of a securities issuer as described later in this policy under "Portfolio Guidelines, 1. Downgrade Provision."

### **Periodic Review and Approval of Policy**

This policy will be reviewed and approved in writing by the Finance, Audit and Investment Committee and Board of Commissioners periodically, but at least every five years.

### **Investment Manager**

CIHA may select investment manager(s) to manage the investment portfolio(s). Each Investment Manager shall have investment discretion within the parameters of this policy, and will provide monthly reports to the Finance, Audit and Investment Committee that shows at a minimum the detailed investment portfolio, investment activity, performance against identified benchmarks and trend analysis.

The Finance, Audit and Investment Committee expects that the Investment Manager(s) will recommend changes to this policy at any time this policy is at variance with overall market and economic conditions.

### **Investment Custodians & Records**

NAHASDA investments shall only be made in the name of CIHA; other general investments shall only be made in the name of CIHA or affiliated company (e.g., CIHDC, CILC). Investments shall be held in custodian or trust accounts with proper separation established between NAHASDA and other funds, with NAHASDA accounts continually subject to a Depository Agreement in a form prescribed by HUD.

Accounting records concerning investments shall be supported by detailed ledgers including a schedule of maturity dates and ensure all interest earned is recorded, collected and periodically reconciled.

### **Investment Strategy**

Based upon the goals and objectives of this policy, liquidity needs, and general capital market conditions, an investment strategy will be presented to the Finance, Audit and Investment Committee for review periodically, but at least on an annual basis.

## **II. CIHA NAHASDA INVESTMENT ACCOUNT**

### **Objectives**

The investment of the portfolio will emphasize:

1. Preservation and safety of principal
2. Maturity and yield
3. Liquidity needs
4. Diversification
5. Compliance with NAHASDA Investment Regulations

### **Preservation and Safety of Principal**

Investments shall be selected in accordance with this policy for safety and preservation of principal. Safety shall be enhanced by investing in permitted investments. Preservation of principal will be managed through investment type selection and through the laddering of investments to provide liquidity and low market risk.

### **NAHASDA Account Permitted Investments**

Investments are strictly limited to those permitted by 24 CFR § 1000.58(c) and relevant Public and Indian Housing (PIH) Notices. Specifically, eligible NAHASDA investments are as follows:

1. Obligations of, or guaranteed by the US Government. Direct obligations of the United States of America and other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the U.S. Treasury. U.S. Government investments shall include but are not limited to the following security issues:
  - a. Treasury Bills
  - b. Treasury Notes
  - c. Treasury Bonds
  - d. Certificates of Deposit (CDs) issued by financial institutions insured by the FDIC are permitted in amounts up to the FDIC insurance limit.
2. Obligations issued by Government-sponsored agencies.
  - a. U.S. Agency investments shall include but are not limited to the following security types:
    - i. Discount Notes
    - ii. Debentures
    - iii. Callable Notes
    - iv. Step-up Notes
    - v. Floating Rate Notes

- vi. Mortgage Backed Securities
  - b. U.S. Agency investments shall include but are not limited to the following issuers:
    - i. Federal Farm Credit System (FCS)
    - ii. Federal Home Loan Banks (FHLB)
    - iii. Federal Home Loan Mortgage Corp or “Freddie Mac”
    - iv. Federal National Mortgage Association or “Fannie Mae”
    - v. Federal Agricultural Mortgage Corporation or “Farmer Mac”
3. Money Market Mutual (or other) Funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities . Limited to AAA-rated money market mutual funds and non-rated funds with portfolios restricted to investments specifically authorized by this policy, with a dollar weighted-average portfolio maturity of 90 days or less that fully invest dollar-for-dollar all funds without sales commissions or loads, and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund or allocate more than 50% of total Authority funds in combined money market mutual funds.
  4. Repurchase Agreements. Limited to repurchase agreements collateralized at 102% or better with a defined termination date; placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled financial institution doing business in the State; and secured by U.S. Government and Agency obligations as described in this Investment Policy and pledged with a third-party selected or approved by the Authority and having a market value of not less than the principal amount of the funds disbursed. *Each counterparty to a repurchase agreement is required to sign a copy of the Financial Industry Regulatory Authority (FINRA) Master Repurchase Agreement as approved by the Authority. An executed copy of this Agreement must be on file before the Authority may enter into any transaction with a Repo counterparty.*

#### **NAHASDA Account Investments not permitted**

1. The following derivative investments are not permitted:
  - a. Obligations whose payments represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (Interest Only or “IO” Strip);
  - b. Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (Principal Only or “PO” Strip);
  - c. Any obligation with a coupon determined by an index that adjusts opposite to change in a market index (“Inverse Floater”).
  - d. Auction Rate Securities



**Maturity Guidelines**

NAHASDA Funds shall be invested in permitted instruments that have maturities of no more than five (5) years. Careful consideration shall be given to maturity structure and security selection that would optimize the portfolio yield and current income.

**Liquidity Needs**

CIHA's availability of funds for investment will vary, according to cash needs for projects and programs identified in the Authority's Indian Housing Plan. Funds will be invested with consideration to projected cash needs of the Authority.

**Diversification**

Diversification of the portfolio shall be a tool for minimizing risk through staggered maturities and varied permitted securities while maintaining liquidity. Concentration of the investments will be such that total return is optimized and coincide with cash flow needs.

**Benchmark**

The benchmark for the NAHASDA account portfolio will be determined by the Investment Committee and reviewed from time to time.

### **III. CIHA GENERAL INVESTMENT ACCOUNT**

#### **Objectives**

Investments of the General Investment account will emphasize:

1. **Preservation and Safety of Principal.** Investments shall be selected for safety and preservation of principal. Safety shall be achieved by investing in permitted investments, and preservation of principal will be accomplished through diversity of investments selected and diligent oversight of investments.
2. **Income.** The account shall be managed to maximize yield, restricting investments to those outlined in this policy. CIHA's objective is to increase the return from our unrestricted funds, thereby allowing us to invest further in our community.
3. **Liquidity Needs.** The General Investment portfolio may have an overall maturity of up to ten (10) years. Careful consideration shall be given to maturity structure and security selection to optimize the portfolio yield and preserve principal. CIHA's availability of funds for investments will vary, and will tie in with cash needs of the Authority for capital development and operations.
4. **Diversification.** Diversification of the portfolio shall be a tool for minimizing risk through staggered maturities and varied permitted investments while maintaining liquidity. Diversification in the equity portion of the portfolio shall be across sectors. Concentration of the investments will be such that total return is optimized, and coincides with cash flow needs.

#### **General Permitted Investments**

1. All investments permitted with NAHASDA funds are permitted with General Investment Funds.
2. **Municipal Bonds and Notes.** Purchases limited to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated not less than the "AA" category or its equivalent as to investment quality by two or more nationally recognized investment rating firms to include Standard & Poor's Ratings Group (S&P), Moody's Investors Service, Inc. (Moody's) and Fitch Ratings Inc. (Fitch). Manager will be allowed to hold issues downgraded to A.
3. **Corporate Bonds and Notes.** Purchase limited to obligations of U.S. domestic corporations having been rated not less than the "AA" category or its equivalent as to investment quality by two or more nationally recognized investment rating firms to include Standard & Poor's Ratings Group (S&P), Moody's Investors

Service, Inc. (Moody's) and Fitch Ratings, Inc. (Fitch). Manager will be allowed to hold issues downgraded to A.

4. Indexed Funds. Index Funds such as the Russell 2000 Index or the S&P 500 Composite Stock Price Index may be used to diversify the portfolio and increase investment returns as long as the investment is consistent with the asset allocation guidelines under "Portfolio Guidelines" in this section.
5. Commercial Paper. Commercial paper is limited to "prime" quality obligations with a stated maturity of 270 days or less from the date of its issuance, having at time of purchase the highest short-term program credit rating as provided for by at least one nationally recognized rating service. Ratings may be achieved by the creditworthiness of the issuer or through credit enhancement such as bond insurance or an irrevocable letter of credit from either a domestic or foreign bank.
6. Certificates of Deposit (CDs) issued by financial institutions insured by the FDIC are permitted in amounts up to the FDIC insurance limit.

## **Restricted or Unallowed Investments**

Derivatives or complex securities are those which generally derive value from other financial instruments. In addition, it is recognized that there are legitimate uses of such securities in portfolio management, such as the use of interest rate swaps to hedge interest rate risk. Nevertheless, the complexities of such instruments are such that the following restrictions apply:

Derivative securities shall not be used except with the provision that:

1. There is a clear-cut strategic investment rationale for the use of such investments, and the risks involved and investment instrument used must be fully determined by and disclosed to the Investment Committee and the Board of Commissioners.
2. The use of derivatives shall be consistent with the overall objectives outlined in this policy and shall not increase the risk profile of the account portfolio.

## **Portfolio Guidelines**

1. Downgrade Provision. Any single investment held in the portfolio that is downgraded below the rating required by this policy will be immediately communicated to the Chief Financial Officer who will then consider whether it is appropriate to liquidate the non-compliant investment or hold it until maturity. Investments not liquidated must be reported as a policy exception to the Investment Committee and accompanied by a written statement in support of such action.
2. Asset Allocation. In order to best achieve the Authority's stated objectives of safety, liquidity, diversification and yield, it is prudent to limit certain asset classes by percentage. These constraints will insure adequate diversity among non-Government securities without unduly burdening management of the portfolio. The following asset allocation parameters will be applied:
  - a. No less than 50% of the total portfolio value will be invested in Government securities including both Treasury and Agency securities and Money Market Mutual Funds.
  - b. For Funds not invested in Government securities:
    - i. No more than 5 percent may be invested in any one issuer or secured by any one guarantor.
    - ii. No more than 15 percent of the total portfolio market value may be invested in any one municipal or corporate industry sector.

Non-compliance with the asset allocation parameters due to a decline in the overall fund balance or changes in market value of up to 5% will not require the sale of corporate or municipal securities. As corporate or municipal securities mature, the funds will be reinvested as required to restore compliance.

### 3. Maturity Selection.

- a. Investment maturity will coincide with expected obligations of the Authority.
- b. Market conditions, relative security yields, interest rate spreads within and across asset classes, and other factors will influence maturity selection for all funds in excess of those required to meet the anticipated obligations. Based upon current consideration for each of these factors, investments in the portfolio may have maturities ranging up to 10 years.

## Other Policy Provisions

1. Trading Criteria. In general, all investments will be held until maturity. The trading of securities is permitted if such action produces a measurable benefit to the Authority, is necessary to protect the portfolio's value or is necessary to meet liquidity needs.

## Performance Measurement

Performance measurement will include measurement of each of the primary objectives for this portfolio of funds: capital preservation, liquidity, and yield. Performance relative to defined measures and benchmarks will be reviewed and recorded at least annually. The adequacy of these measures and benchmarks will also be considered periodically.

1. Capital Preservation. Capital preservation will be measured by documenting all realized gains and losses in the portfolio and by confirming compliance with this policy. By adhering to the investment parameters of this policy, capital losses due to credit and capital markets risks should be limited.
2. Liquidity. Maintenance of adequate liquidity will be measured by confirming compliance with the fund categories and match funding requirements of this policy on a recurring basis. Adherence to these policy points will ensure that an appropriate liquidity level is maintained.
3. Yield. Since the primary intent is to hold investments to maturity, performance measurement will be based on yield (interest income plus realized gains/losses) and not total return (yield plus unrealized gains/losses). To demonstrate the portfolio is achieving adequate performance, its annualized yield will be compared to one or more of the following instruments; applicable Money Market Fund rates and/or Treasury, Agency and Corporate bond yields with final maturities equivalent to the weighted-average maturity of the portfolio or a three-month moving average of the Treasury issue corresponding with the weighted-average maturity of the portfolio.

## Valuation and Reporting Requirements

The minimum valuation and reporting requirements outlined below will be followed.

1. The following monthly reports are used internally for accounting purposes and are available to the Investment Committee upon request.
  - a. Portfolio Detail by fund listing security type, maturity and settlement date, coupon and bond equivalent yield.
  - b. Ending amortized portfolio book value, market value and unrealized gain or loss.
  - c. Monthly purchases, sales, maturities and principal receipts along with any realized gains or losses incurred on the sale of securities.
  - d. Projected maturities for the following six month period.
2. A quarterly report package will be provided to the Investment Committee.
  - a. Portfolio composition vs. investment parameters as stated in this Investment Policy.
  - b. Portfolio performance vs. selected measure or benchmark.
  - c. Comparison of portfolio market value vs. amortized value.
  - d. Review of investment strategy.
3. NAHASDA investment funds shall be reported to HUD quarterly on Federal Financial Report (SF-425) in compliance with applicable PIH Notices and identify the balance of each investment instrument, its maturation date, and account number identification.

**DEPOSITORY AGREEMENT**  
**U.S. Department of Housing and Urban Development**  
**Office of Public and Indian Housing**

**Banking Accounts**

This **Agreement**, entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (herein called the “Recipient”), [a [federally recognized or state recognized] Indian tribe; an Indian Housing Authority created under [tribal or state] law; or an entity created under [tribal or state] law providing for housing authorities or housing entities for Indians] and \_\_\_\_\_ (herein called the “Depository”) located at \_\_\_\_\_.

**Witnesseth:**

**Whereas**, the United States Department of Housing and Urban Development (herein called “HUD”) has entered into one or more grant agreements (herein called NAHASDA Grant Agreement”) with the Recipient for the purpose of funding affordable housing activities under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (herein called “NAHASDA”);

**Whereas**, the Recipient may borrow funds for affordable housing activities which HUD guarantees under the Title VI of NAHASDA pursuant to a guarantee contract (herein called “Guarantee Contract”);

**Whereas**, the Recipient may establish an investment account to invest Indian Housing Block Grant funds for the purpose of carrying out affordable housing activities under NAHASDA;

**Whereas**, the Recipient is required to hold funds for investment in an account subject to an agreement in a form prescribed by HUD;

**Whereas**, the Recipient may establish and maintain a separate reserve account only for the purpose of accumulating amounts for administration and planning relating to affordable housing activities under NAHASDA;

**Whereas**, the Recipient may invest funds in a reserve account only in Investments prescribed by HUD subject to an agreement in a form prescribed by HUD;

**Whereas**, the Recipient must ensure that any interest or dividends earned on funds in a reserve account that is deemed non-program income in accordance with 24 C.F.R. § 1000.239 are tracked and accounted for separately from the Indian Housing Block Grant funds deposited in the reserve account;

**Whereas**, the Recipient may only invest in the following (herein collectively called “Investments prescribed by HUD”): obligations of the United States; obligations issued by United States Government sponsored agencies; securities that are guaranteed or insured by the United States; mutual (or other) funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities that are guaranteed or insured by the United States; and

**Whereas**, the Depository desires to perform certain banking services for the Recipient in accordance with the terms of this Agreement.

**Now Therefore**, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The Depository shall ensure that its banking accounts are continuously insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or an insurance organization specifically approved by the Secretary of the U.S. Treasury Department under Title 31, CFR, Part 226 (each, a “Federal Insurance Organization”).
2. All monies deposited by the Recipient with the Depository shall be credited to the Recipient in a separate interest bearing deposit or interest bearing accounts, designated: **[enter account name(s) and/or account number(s)]** (herein called the “Accounts”). Any portion of Recipient funds not insured by a Federal Insurance Organization shall be fully (100%) and continuously collateralized with specific and identifiable Investments prescribed by HUD. -The Depository agrees, for the purpose of insuring and guaranteeing any portion of the Recipient’s funds not insured by a Federal Insurance Organization/SIPC, to pledge and, at all times while in custody of such funds, maintain the pledge of collateral security of the classes described, and under the terms and conditions set forth, in paragraph 5 of PIH Notice 96-33, Required HA Cash Management and Investment Policies and Procedures issued June 30, 1997, and extended on August 2, 2002, indefinitely.

The Depository agrees that, in the event of its failure to pay, when due, the whole or any part of the funds deposited in the Account(s), or in the event of the failure for any reason of the Recipient or HUD to receive promptly funds to be transmitted or otherwise handled by the Depository in the performance of its duties under this Agreement, or in the event that the Depository shall otherwise violate or fail to perform any of the terms of this agreement, or in the event of the insolvency of the Depository, or the Depository shall be closed for business by law or by proper corporate action, or in the event that a receiver, or conservator, or liquidator, or any other officer shall be appointed for the purpose of terminating the business of the Depository, HUD, without prior notice or demand, through such agents as it may designate for the purpose, may forthwith redeem or sell the pledged collateral, and any addition thereto or substitution therefore, or any part thereof, at either public or private sale or sales, and apply the proceeds of such redemption or sale or sales, after deducting all necessary or proper expense of such redemption or sale or sales, to the payment of funds deposited in the Account(s) or the repayment of funds received by the Depository for transmission or handling, or both, or any other indebtedness of the Depository to HUD by



reason of this Agreement, any surplus remaining from the proceeds of the redemption or sale or sales of such investments after payment or repayment in full has been made, to be paid to the Depository.

3. Except as stated in paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase Investments prescribed by HUD with monies from the Accounts or to sell the investments, if such order or directive is in writing and signed on behalf of the Recipient by an authorized representative who is designated by resolution of the governing body of Recipient to have such authority. To assist the Depository in its obligation, the Recipient shall furnish the Depository with a certified copy of the resolution.

4. Any investments received for the Recipient or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safekeeping for the Recipient until sold. Interest or dividends on such investments and the proceeds from the sale thereof shall be deposited in the Accounts upon receipt. Where interest or dividends are earned on amounts in reserve accounts, the Recipient must ensure that such amounts may be tracked and accounted for separately from the Indian Housing Block Grant funds deposited in the reserve account. Where such funds cannot be tracked and accounted for separately, such interest and dividends earned on the investment of funds in reserve accounts must be deposited by the Depository in a separate account established for that purpose and shall be held by the Depository as custodian or trustee for the Recipient to ensure that funds with different Federal requirements are not commingled.

5. If the Depository receives written notice from HUD that no withdrawals by the Recipient from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell investments, or permit any withdrawals by the Recipient from the Accounts until the Depository is authorized to do so by written notice from HUD. In addition, upon written demand from HUD, the Depository shall pay to HUD funds from the Accounts, which may be the entire amount in the Accounts. HUD may only demand funds from the account in accordance with the requirements of 24 CFR §1000.532 or, in the event of default, pursuant to the Guarantee Agreement.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the NAHASDA Grant Agreement and Guarantee Agreement, and shall be under no duty to investigate or determine whether any actions taken by either the Recipient or HUD in respect of the Accounts are consistent with or are authorized by the NAHASDA Grant Agreement or Guarantee Agreement or whether either the Recipient is in default or noncompliance with the NAHASDA Grant Agreement or Guarantee Agreement. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate, notice, or demand 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. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the Recipient and HUD. This Agreement may be terminated by either party hereto upon thirty days written notice to the other party, and HUD. The rights and duties of the Depository hereunder 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 withdrawals from the Accounts as provided in paragraph 5.
8. HUD is intended to be a third-party beneficiary of this Agreement and certain provisions to this Agreement are for the benefit of HUD and HUD may sue to enforce its provisions and to recover damages for any failure to carry out its terms.
9. The Recipient shall submit a fully executed copy of this Agreement to HUD within 30 business days of the Agreement's execution.
10. The Depository shall promptly notify the Recipient of the deposit or credit of any monies to the Accounts.
11. The provisions of this Agreement may not be modified by either party without the prior written approval of HUD.
12. (For use only in those states that have laws prohibiting the Recipient from implementing paragraph 2.) **NOTE:** Strike paragraph 12 if not applicable.

At no time shall the Recipient's funds in the Accounts be permitted to exceed the amount insured by a Federal Insurance Organization (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the Recipient, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the Recipient, or (b) on behalf of the Recipient, purchase Investments prescribed by HUD. Such investments shall not be considered to be a part of the Accounts pursuant to paragraph 5 hereof but shall be held by the Depository as custodian or trustee for the Recipient in a separate account established for that purpose by the Depository (herein the "Investments Account").

The Investments Account shall be designated: **[enter account name and/or account number]**.

Income or other proceeds from investments held in a separate Investments Account shall, as directed by the Recipient, upon receipt, be paid to or on behalf of the Recipient; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this section, be deposited in the Account. If the Depository receives written notice from HUD pursuant to paragraph 4 hereof that no withdrawals by the Recipient from the Account are to be permitted, the Depository shall not honor any directive from the Recipient to sell investments, or permit any withdrawals by the Recipient, from the Investments Account until

the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Account and the Investments Account, the Depository, except as directed in writing from HUD, shall not remit any payment to the Recipient for the purpose of limiting the amount of funds in the Account to the insured amount but shall instead purchase Investments prescribed by HUD and hold such investments in the Investments Account.

13. For purposes of notification or submission of this Agreement or other documentation to HUD, HUD shall be the Area Office of Native American Programs to which the recipient submitted its Indian Housing Plan pursuant to 24 CFR § 1000.214.

**In Witness Whereof**, the Recipient and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

\_\_\_\_\_  
Recipient  
By: \_\_\_\_\_

Title: \_\_\_\_\_  
Authorized representative

[SEAL]  
ATTEST:  
\_\_\_\_\_

Depository  
By: \_\_\_\_\_

Title: \_\_\_\_\_  
[SEAL]  
ATTEST:

Public reporting burden for the collection of information is estimated to average 15 minutes. This includes the time for collecting, reviewing, and reporting the data. Response to this request for information is required in order to receive the benefits to be derived. The information is used to allow Indian Housing Block Grant (IHBG) recipients to invest IHBG funds in eligible instruments with bankers. The information requested is not confidential, as explained at 5 CFR 1320.8(b)(3). This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**DEPOSITORY AGREEMENT**  
**U.S. Department of Housing and Urban Development**  
**Office of Public and Indian Housing**

**Brokers/Dealers**

This Agreement, entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
between \_\_\_\_\_ (herein called the  
“Recipient”), [a [federally recognized or state recognized] Indian tribe; an Indian Housing  
Authority created under [tribal or state] law; or an entity created under [tribal or state] law  
providing for housing authorities or housing entities for Indians] and  
\_\_\_\_\_ (herein called the “Broker/Dealer”)  
located at \_\_\_\_\_.

**Witnesseth:**

**Whereas**, the United States Department of Housing and Urban Development (herein  
called “HUD”) has entered into one or more grant agreements (herein called NAHASDA  
Grant Agreement”) with the Recipient for the purpose of funding affordable housing  
activities under the Native American Housing Assistance and Self-Determination Act of  
1996 (25 U.S.C. 4101 et seq.) (herein called “NAHASDA”);

**Whereas**, the Recipient may borrow funds for affordable housing activities which HUD  
guarantees under the Title VI of NAHASDA pursuant to a guarantee contract (herein  
called “Guarantee Contract”);

**Whereas**, the Recipient may invest Indian Housing Block Grant funds in Investments prescribed by  
HUD through an insured Broker/Dealer for the purpose of carrying out affordable housing activities  
under NAHASDA;

**Whereas**, the Recipient is required to hold funds for investment in an account subject to an  
agreement in a form prescribed by HUD;

**Whereas**, the Recipient may establish and maintain a separate reserve account only for the purpose  
of accumulating amounts for administration and planning relating to affordable housing activities  
under NAHASDA;

**Whereas**, the Recipient may invest funds in a reserve account only in Investments prescribed by  
HUD subject to an agreement in a form prescribed by HUD;

**Whereas**, the Recipient must ensure that any interest or dividends earned on funds in a reserve  
account that is deemed non-program income in accordance with 24 C.F.R. § 1000.239 are tracked

and accounted for separately from the Indian Housing Block Grant funds deposited in the reserve account;

**Whereas**, the Recipient may only invest in the following (herein collectively called “Investments prescribed by HUD”): obligations of the United States; obligations issued by United States Government sponsored agencies; securities that are guaranteed or insured by the United States; mutual (or other) funds registered with the Securities and Exchange Commission and which invest only in obligations of the United States or securities that are guaranteed or insured by the United States.

**Whereas**, the Broker/Dealer warrants and represents that it is registered as a broker-dealer under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) with the Securities and Exchange Commission and shall be a member of the Securities Investor Protection Corporation (SIPC); and

**Whereas**, the Broker-Dealer desires to perform certain brokerage services for the Recipient in accordance with the terms of this Agreement.

**Now Therefore**, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Investments prescribed by HUD must be purchased through an insured Broker/Dealer who is registered with the Securities and Exchange Commission and is covered by Securities Investor Protection Corporation (SIPC) insurance. The Broker/Dealer shall ensure that its brokerage accounts are continuously insured by the SIPC or an insurance organization specifically approved by the Secretary of the U.S. Treasury Department under Title 31, CFR, Part 226 (each, a Federal Insurance Organization).
2. All monies deposited by the Recipient with the Broker/Dealer shall be credited to the Recipient in a separate interest bearing deposit or interest-bearing accounts, designated: [enter account name(s) and/or accounts number(s)] (herein called the “Accounts”). Any portion of the Recipient’s funds not insured by a Federal Insurance Organization shall be fully (100%) and continuously collateralized with specific and identifiable investments prescribed by HUD. The Broker/Dealer agrees, for the purpose of insuring and guaranteeing any portion of the Recipient’s funds not insured by a Federal Insurance Organization, to pledge and, at all times while in custody of such funds, maintain the pledge of collateral security of the classes described, and under the terms and conditions set forth, in paragraph 5 of PIH Notice 96-33, Required HA Cash Management and Investment Policies and Procedures, issued June 30, 1997, and extended on August 2, 2002, indefinitely.

2a. The Broker/Dealer agrees that, in the event of its failure to pay, when due, the whole or any part of the funds deposited in the Account(s), or in the event of the failure for any reason of the Recipient or HUD to receive promptly funds to be transmitted or otherwise handled by the Broker/Dealer in the performance of its duties under this Agreement, or in the event that the Broker/Dealer shall otherwise violate or fail to perform any of the terms of this agreement, or in the event of the insolvency of the Broker/Dealer, or the Broker/Dealer shall be closed for business by law or by proper corporate action, or in the event that a receiver, or conservator, or liquidator or any other officer shall be appointed for the purpose of terminating the business of the Broker/Dealer, HUD, without prior notice or demand, through such agents as it may designate for the purpose, may forthwith redeem or sell the pledged collateral, and any addition thereto or substitution therefore, or any part thereof, at either public or private sale or sales, and apply the proceeds of such redemption or sale or sales, after deducting all necessary or proper expense of such redemption or sale or sales, to the payment of funds deposited in the Account(s) or the repayment of funds received by the Broker/Dealer for transmission or handling, or both, or any other indebtedness of the Broker/Dealer to HUD by reason of this Agreement, any surplus remaining from the proceeds of the redemption or sale or sales of such investments after payment or repayment in full has been made, to be paid to the Broker/Dealer.

3. Except as stated in paragraph 5, the Broker/Dealer shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase Investments prescribed by HUD with monies from the Accounts or to sell the investments, if such order or directive is in writing and signed on behalf of the Recipient by an authorized representative who is designated by resolution of the governing body of Recipient to have such authority. To assist the Broker/Dealer in its obligation, the Recipient shall furnish the Broker/Dealer with a certified copy of the resolution.

4. Any investments received for the Recipient or investments purchased with the Recipient's funds by the Broker/Dealer with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Broker/Dealer in safekeeping for the Recipient until sold. Dividends, interest, and distributions on such investments and proceeds from the sale thereof shall be used to purchase additional shares or remitted directly to the Recipient. Where Dividends, interest, and distributions are earned from the Recipient's funds in reserve accounts, the Recipient must ensure that such amounts may be tracked and accounted for separately from the Indian Housing Block Grant funds deposited in the reserve account. Where such funds cannot be tracked and accounted for separately, such Dividends, interest, and distributions earned on the investment of funds in reserve accounts must be either remitted directly to the Recipient, or shall be held by the Broker/Dealer in safekeeping for the Recipient until sold to ensure that funds with different Federal requirements are not commingled.

5. Notwithstanding any other provision of this Agreement to the contrary, if the Broker/Dealer receives written notice from HUD that no withdrawals by the Recipient from the Accounts are to be permitted, the Broker/Dealer shall not honor any check or other order to pay from the Accounts or directive to purchase or sell investments, or permit any withdrawals by the Recipient until the Broker/Dealer is authorized to do so by written notice from HUD. In addition, upon written demand from HUD, the Broker/Dealer shall pay to HUD funds from the Accounts, which may be the entire amount in the Accounts. HUD may only demand funds in accordance with the requirements of 24 CFR §1000.532 or if timely payment is not made on the note or other obligation in accordance with the Guarantee Contract.

6. The Broker/Dealer is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the NAHASDA Grant Agreement and Guarantee Contract, and shall be under no duty to investigate or determine whether any actions taken by either the Recipient or HUD are consistent with or are authorized by the NAHASDA Grant Agreement or Guarantee Contract or whether either the Recipient is in default or noncompliance with the NAHASDA Grant Agreement or Guarantee Contract. The Broker/Dealer shall be fully justified in accepting and acting on, without investigation, any certificate, notice, or demand furnished to it pursuant to the provisions of this Agreement and which the Broker/Dealer 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. The rights and duties of the Broker/Dealer under this Agreement shall not be transferred or assigned by the Broker/Dealer without the prior written approval of the Recipient and HUD. This Agreement may be terminated by either party hereto upon thirty days written notice to the other party, and HUD. The rights and duties of the Broker/Dealer hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Broker/Dealer is required to refuse to permit withdrawals from the Accounts as provided in paragraph 5.

8. HUD is intended to be a third-party beneficiary of this Agreement and certain provisions of this Agreement are for the benefit of HUD and HUD may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Recipient shall submit a fully executed copy of this Agreement to HUD within 30 business days of the Agreement's execution.

10. The Broker/Dealer shall promptly notify the Recipient of the deposit or credit of any monies to the Accounts.

11. The provisions of this Agreement may not be modified by either party without the prior written approval of HUD.

12. For purposes of notification or submission of this Agreement or other documentation to HUD, HUD shall be the Area Office of Native American Programs to which the recipient submitted its Indian Housing Plan pursuant to 24 CFR § 1000.214.

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**In Witness Whereof**, the Recipient and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

Recipient

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized representative

[SEAL]  
ATTEST:

\_\_\_\_\_

Broker/Dealer

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized representative

[SEAL]  
ATTEST:

\_\_\_\_\_

Public reporting burden for the collection of information is estimated to average 15 minutes. This includes the time for collecting, reviewing, and reporting the data. Response to this request for information is required in order to receive the benefits to be derived. The information is used to allow Indian Housing Block Grant (IHBG) recipients to invest IHBG funds in eligible instruments with brokers. The information requested is not confidential, as explained at 5 CFR 1320.8(b)(3). This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.