



**QUESTIONS AND ANSWERS TO  
REQUEST FOR PROPOSALS**

**TRUSTEE SERVICES  
FOR  
THE PUBLIC PROJECT REVOLVING FUND  
BOND PROGRAM  
AND  
THE NEW MEXICO FINANCE AUTHORITY/NEW  
MEXICO DEPARTMENT OF TRANSPORTATION  
BOND PROGRAM**

**DATE ISSUED: OCTOBER 4, 2021**

**Question:** Section I.C. Scope of Procurement, Item 1.1, Bond Payments: How many loans are pledged to each series of PPRF and NMDOT bonds?

**Answer:** PPRF has 986 loans outstanding as of September 30, 2021. The NMDOT does not have any loans pledged to the repayment of bonds.

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**Question:** Section I.C. Scope of Procurement, Item 1.1, Bond Payments: Does the NMFA do all the servicing of these loans? (billing, collection, etc.)

**Answer:** NMFA services all loans.

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**Question:** Section I.C. Scope of Procurement, Item 1.1, Bond Payments: Do all of the funds for debt service come in in a lump sum from NMFA on a semi-annual basis or do the funds come into the trustee in a different way?

**Answer:** While some PPRF loan revenues are received on a semi-annual basis, most PPRF revenues, and all NMDOT revenues, are received on a monthly basis.

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**Question:** Section I.C. Scope of Procurement, Item 1.1, Bond Payments: What is involved the reconciliation that is stated in this point in the RFP?

**Answer:** Be available to verify balances and wire transfers received daily from NMFA.

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**Question:** Section I.C. Scope of Procurement, Item 1.1, Bond Payments: If the trustee services the loans, what is the frequency of the payment dates on the loans and are they fixed rate amortized loans that pay the same amount each debt service date?

**Answer:** NMFA services all loans.

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**Question:** Section I.C. Scope of Procurement, Item 2.1, Administrator or agent for all PPRF Loan Closings: Please describe the disbursement of loan proceeds process and what the term “drawdown basis” means.

**Answer:** At closing, all funds for a PPRF loan are deposited into a Project Fund, a Debt Service Reserve Escrow Fund (as appropriate), as well as an Interest Capitalization Fund (as appropriate). Borrowers provide NMFA with requisitions for payments from the Project Fund and NMFA makes payments for requisitions in the proper form.

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**Question:** Section I.C. Scope of Procurement, Item 2.1, Administrator or agent for all PPRF Loan Closings: Do you mean that the outstanding balance of the bond issue par amount is increased each time a loan is made?

**Answer:** Loans are funded from cash held in the PPRF Revolving Fund. Periodically, NMFA issues bonds to reimburse the PPRF Revolving Fund for some of the loans made. Bond issue par amounts outstanding only change on bond issue principal payment dates, either June 1<sup>st</sup> or June 15<sup>th</sup>.

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**Question:** Section I.C. Scope of Procurement, Item 3.0, Accounts: Please provide listing of assets under the 11 pooled accounts.

**Answer:** See the Investment Report, attached.

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**Question:** Section IV.B. Evaluation Factors, Item 2.3: what is meant by technical capabilities?

**Answer:** State-of-the-art transaction communication.

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**Question:** Section I.C. Scope of Procurement, Item 3.0, Accounts: How many subaccounts are associated with each pooled account?

**Answer:** Only the Operating Account has subaccounts, which has 18.

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**Question:** Section I.C. Scope of Procurement, Item 3.0, Accounts: What is the approximate number of trades each year in a pooled account?

**Answer:** There are approximately 20-50 trades per year, depending on the fund.

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**Question:** Section I.C. Scope of Procurement, Item 3.0, Accounts: Do the subaccounts show a % interest in the main pooled account?

**Answer:** Not % interest but an allocation based on the weighted average of each subaccount.

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**Question:** What is the average number of trust accounts required to be opened per loan?

**Answer:** Currently we have 8 trust accounts that are pooled (Program Funds, Debt Service Reserve, Common Debt Service Reserve, Supplemental Credit Reserve, Senior Bond Debt Service, Subordinate Bond Debt Service, PPRF Loan Debt Service and GO Program Funds). As each loan closes, funds are deposited into the applicable pooled accounts, e.g., program funds, monthly payments to the debt service funds, possibly a Debt Service Reserve.

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**Question:** What are the current cumulative balances held in trust accounts?

**Answer:** As of September 30, 2021, Program funds \$193 million, DS Reserve \$58 million, Common Debt Service Reserve and Supplemental Credit Reserve are both \$33 million each, Senior Bond Debt Service currently at \$48 million, Subordinate Bond Debt Service currently at \$16 million, GO Program Funds \$124 million and PPRF Loan Debt Service \$36 million. NMDOT Fund balances as of September 30, 2021 are \$60 million in Debt Service Funds and \$309 million in Projects Funds.

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**Question:** What types of investments used for balances?

**Answer:** Mainly US Treasury and Agency Investments with small amount in US Government Money Market mainly for liquidity needs.

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**Question:** Are there Swaps and/or GICS (or other types of investment agreements) being utilized? If so, how many?

**Answer:** None in our portfolios

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**Question:** Section I.C. Scope of Procurement, Item 4.10, Other On-Going Services: What is the name of NMFA's investment software platform?

**Answer:** NMFA Uses Clearwater Analytics for its investment software.

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**Question:** Section I.C. Scope of Procurement, Item 4.10, Other On-Going Services: In what format must daily uploads be sent in?

**Answer:** Please see the Clearwater Data Transmission Guidelines, attached at the end of this Q&A.

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**Question:** Section II. C. Proposal Format and Contents, Item 2.3.3, Cost Proposal: Do you mean debt service billing or fees billing?

**Answer:** Bank fees billing.

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**Question:** Section II. C. Proposal Format and Contents, Item 2.3.3, Cost Proposal: Is the “budget” referred to in this section to be included in the proposal response?

**Answer:** Yes.

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**Question:** Please provide a sample indenture for the PPRF bonds and the NMDOT bonds.

**Answer:** Indentures for the PPRF and NMDOT Bond Programs can be found within the Official Statements that are located at: <https://www.nmbondfinance.com/new-mexico-finance-authority-investor-relations-nm/documents/downloads/i1204>

and

<https://www.nmdotbonds.com/new-mexico-department-of-transportation-investor-relations-nm/documents/downloads/i1214>

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# Clearwater Data Transmission Guidelines

clearwater.

## Recommended File Formats

Clearwater recommends plain text formats such as CSV and fixed-width, SWIFT (SCORE Network) or BAI formats (BTRS). Clearwater does not support PDF images or restricted proprietary formats.

## Data Transmission

For security purposes, Clearwater requires the use of industry-standard encryption on any files transmitted using unsecured transfer protocols. Email is not secure enough to serve as a long-term data transmission method.

Clearwater supports the following means of data transfer:

- **SSH FTP (SFTP):** files may be pushed to or pulled by Clearwater (pushed to Clearwater preferred)
- **Plain FTP with PGP-encrypted files:** files may be pushed to or pulled by Clearwater
- **FTP over SSL (FTPS):** files must be pulled by Clearwater
- **SWIFT**

## Data File Content and Reconciliation Overview

Tax lot holdings and/or positions, cash balances, and transactions should be provided in separate files. Clearwater recognizes holdings as of the trade date and cash movements as of the settle date.

**Transactions:** explain all changes in tax lot or position level holdings from day-to-day. Any transactions that do not affect holdings or cash (e.g. memo or accrual records) should be readily distinguishable or excluded from the file. Every transaction should affect a holding or cash, and every change in a holding or cash should result from a transaction.

**Tax Lot Holdings:** based on trade date as of the end of the previous business day. Tax lot-level holdings data consists of separate records for each purchase of a given asset. A record contains the original purchase data including settle date and price. If this data is not provided daily, it will be required each time a new account is loaded onto the system.

**Positions:** based on trade date as of the end of the previous business day. Positions data consists of separate records for each investment vehicle for each account. Clearwater would like to have a position file in addition to the tax lot file for use as a cross reference. However, position data can be derived from a tax lot file by totaling the holdings of a given investment vehicle for an account.

**Cash Balances:** if not included in the positions or tax lot holdings file, Clearwater will need a file that indicates the uninvested cash balance as of settlement.

## Derivative Reporting

Click the links below to read more about derivative requirements by security type.

→ [Bank Loans](#)

→ [Credit Default Swaps](#)

→ [Currency Forwards](#)

→ [Futures](#)

→ [Interest Rate Swaps](#)

→ [Mortgage Loans](#)

→ [Options](#)

→ [Private Placements](#)

→ [Tri-Party Reconciliation](#)

