



RECYCLED BOND PROGRAM SUMMARY AND RECOMMENDATIONS

Action:	Approval
Purpose:	Establishing One or More Accounts for the CMFA Multifamily Housing Bond Volume Cap Allocation Recycling Program
Activity:	Preservation and Recycling of Private Activity Bond Volume Cap
Meeting:	January 6, 2023

Background:

The CMFA and RBC Capital Markets, LLC (“RBCCM” or the “Bank”) established a Tax-Exempt Multifamily Housing Bond Recycling Program in 2021. The current program requires a significant amount of administration to align the timing of the financing with the timing of the revolving credit facility draw and related investments of draw proceeds. RBC has proposed streamlining the process by utilizing bank account time deposits at the Royal Bank of Canada (“RBC”) which will require one or more new accounts to be established.

The RBC credit facility is being reduced from \$400,000,000 to \$200,000,000. The reduction is due to the tightening of the credit markets as well as the lack of use on the full amount of the credit facility.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a First Amendment to Amended and Restated Credit Agreement with Royal Bank of Canada, Amended and Restated Pledge Agreement with Royal Bank of Canada, and related matters for the Preservation and Recycling of Private Activity Bond Volume Cap.