Indiana Bond Bank
Special Purpose Vehicle Credit Enhancement Structuring
Q & A Related to the Request for Information

Q: Has the bond bank hired a bond counsel and municipal advisor firm in relation to the SPV?

A: No. Generally, the Bond Bank retains Barnes & Thornburg LLP ("B&T") as its general counsel and Crowe LLP ("Crowe") as its municipal advisor, and it is anticipated that B&T and Crowe will serve in IBB-related roles for an SPV transaction.

Q: If the answer to #1 is no, will there be any municipal advisory firm or bond counsel firm on the RFI selection team?

A: Yes, B&T and Crowe will assist in the review of the RFI; however, the Bond Bank will make any and all sections with respect to the financing team.

Q: Are multiple firms (i.e. a law firm and a municipal advisor firm) able to submit proposals jointly?

A: Yes.

Q: The assumption of $250,000 COI seems very high for a non-pooled financing. What does this COI include? The COI consists of IBB bond counsel, IBB municipal advisory services and IBB costs.

A: The $250,000 COI is intended as a plug number to allow everyone to model on an apples-to-apples basis. This is not intended to reflect true costs of issuance. Your response may come back and indicate that the SPV works, but only at certain lower Bond Bank COI. While a plug number, the $250,000 was set following (a) a comparative analysis of similarly structured transactions, such as the 2018 Chicago Sales Tax Securitization issuance, and (b) review of past incremental COI on new Indiana programs, such as Bond Bank school severance financings. For example, the COI must include costs associated with analysis specific to SPV mechanics and structure and the various legal opinions rendered in connection with the issuance that are not otherwise present in a non-SPV transaction.

Q: Is a draft of the Assignment Agreement available for review?

A: No, because no documents have been drafted for the SPV.

Q: Does the Bond Bank envision each potential QE participant in the SPV program obtaining their own bond counsel and municipal advisor or would those services be provided at the Bond Bank level?

A: The initial concept envisioned each potential QE participant working with bond counsel and municipal advisor of their choice, however, the Bond Bank can facilitate the acquisition of QE bond counsel or QE municipal advisor based upon the individual needs of the potential QE participant. The Bond Bank reserves the right to evaluate QE bond counsel and QE municipal advisor.

Q: Under Assumptions section, the last bullet notes that "Bonds will be sold through a negotiated public bond market deal." If a bank should bid as a direct purchaser meaning the bank will hold the debt on their balance sheet, will that be cause for disqualification?

A: No.

Q: Under the explanation of special purpose vehicle, it is noted that the QE's LIT will be transferred to the Bond Bank with any excess LIT transferred back to the QE. To clarify it is a requirement and expectation that all LIT of QE will be transferred 100% to the Bond Bank with the Bond Bank responsible for all payments under the agreement and then the Bond Bank will transfer the excesses to the QE; in essence, the bondholders will receive the LIT distributions first and the QE will receive what is left?

A: Yes.

Q: Per the diagram on page 4, the bondholders will lend directly to the Bond Bank SPV which then lends the proceeds to the QE. To clarify, the bondholder's borrower will be the Bond Bank with the underlying security being the LIT of each individual QE?

A: Yes, the bondholder's borrower would be the Bond Bank. The Bond Bank would use the bond proceeds to purchase the assigned revenues from the Qualified Entity. The Bond Bank would be the legal owner of the assigned revenues throughout the life of transaction.