

Questions & Answers

ALCo RFP for Underwriter FY 2013

1. What is the proposed collateral for the \$100,000,000 Commercial Bank Loan or Line of Credit will be?

ANSWER: We can only pledge the General Fund debt service that has been appropriated in the upcoming biennium by the General Assembly to pay on the line credit. We will legally be bound to a financing agreement as well as have subleases with each of the state agencies being funded with the line of credit beginning in July 1, 2012 through the initial term ending June 30, 2014 with possible future renewals. The intent is to take this interim financing or line of credit out with the issuance of bonds (through SPBC) in the future.

2. Is our RFP response limited in page number?

ANSWER: No

3. If available, please provide confirms for ALCo's outstanding swap agreements.

ANSWER: You can find the Confirms for ALCo at this link:

<http://finance.ky.gov/services/ofm/Pages/OFMRFPsandRFQs.aspx>

4. What is the current rate that ALCo assumes for internal borrowing?

ANSWER: The internal borrowing rate is the overnight repurchase agreement rate prevailing at the time