

### New Issue Bond Program – 2011 Ceiling Lock Window

- Per the changes to the New Issue Bond Program that were announced on September 1, 2010, there will be a one (1) week period in December, during which time HFAs will establish their highest possible 10 yr CMT rate for 2011 issuance (this rate will apply to all escrowed funds, SF and MF).
  - HFAs will have the opportunity to request a rate ceiling lock, for 2011, on any day between December 2, 2010 and December 10, 2010. The rate will be the 10-year CMT recorded on the close of business of the preceding business day.
  - If an HFA does not request a rate ceiling lock from December 2-10, 2010, the 10-year CMT recorded on the close of business December 9, 2010 will be locked in for that HFA.
  - All requests should be made via email to: [HFAInitiative@SSgA.com](mailto:HFAInitiative@SSgA.com), with a cc' to: [JPM.HFA@jpmorgan.com](mailto:JPM.HFA@jpmorgan.com). SSgA will confirm the ceiling rate that was locked within **two (2) business days**. All requests that are time-stamped by 11:59 PM on a specific date will be honored.
  - As was detailed in the September 1, 2010 announcement, rate determination for 2011 escrow draws will proceed as follows:
    - *HFAs will establish a ceiling rate, set between December 2-10, 2010*
    - *Upon receipt of a Notification of Interest Rate Conversion, SSgA will strike a rate on the 10-Year CMT, as of close of business the previous business day.*
    - *On the first business day, at least seven (7) days prior to Release Date, SSgA will notify the HFA as to their Permanent Rate. The Permanent Rate will be the lower of:*
      - *The lowest rate for the 10-Year CMT recorded on the referenced US Treasury website beginning on the close of business the Business Day before receipt of the Notification of Interest Rate Conversion and ending on close of business on the first Business Day at least eight (8) days prior to Release Date, plus a risk-premium spread based upon the expected rating on the conversion bonds.*
- OR**
- *The rate lock granted to the HFA between December 2-10, 2010, plus a risk-premium spread based upon the expected rating on the conversion bonds.*