

### **Bond Denomination Standards**

The following represents the Phoenix IDA's standards regarding bond transaction minimum starting denominations and investor letter requirements:

#### **Investment Grade**

**Moody's** 'Aaa' through 'Baa3'

**Standard & Poor's** 'AAA' through 'BBB-'

**Fitch** 'AAA' through 'BBB-'

These ranges encompass 'exceptionally strong credit quality and minimal default risk' on the high end, to 'subject to moderate risk and possess some speculative characteristics' on the low end.

**Standard:** Bonds will be issued in minimum denominations of \$5,000, or any integral multiple thereof; no investor letter required.

#### **Non-Investment Grade and Unrated Transactions – Preferred Underwriters**

**Standard:** Bonds will be issued in minimum denominations of \$25,000, or any integral multiple of \$5,000 in excess thereof; broad investor letter required (investor letter is not required to be a travelling letter); Preferred Underwriters may sign a single letter on behalf of ultimate investors.

#### **Other Non-Investment Grade and Unrated Transactions**

**Standard:** Bonds will be issued in minimum denominations of \$25,000 (\$50,000 for multifamily housing bonds), or any integral multiple of \$5,000 in excess thereof; broad investor letter required (investor letter is not required to be a travelling letter); sales limited to 'accredited investors' under Regulation D or 'qualified institutional buyers' under Rule 144A; letters must be signed at closing by all ultimate investors.

**Deviations from these standards will require approval of the executive director.**