



JIM GIBBONS
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
HOUSING DIVISION
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Carson City, Nevada 89706
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DIANNE CORNWALL
Director

CHARLES L. HORSEY, III
Administrator

REQUEST FOR PROPOSALS TO ADMINISTER A FORECLOSURE MITIGATION COUNSELING PROGRAM

Purpose:

The Nevada Housing Division (Division) is accepting applications from local HUD-approved Housing Counseling Agencies to administer a Foreclosure Mitigation Counseling Program. Successful applicants may receive a one-time appropriation from the Division, via NeighborWorks America (formerly Neighborhood Reinvestment Corporation), to provide mortgage foreclosure mitigation counseling. Funds will only be awarded provided that the Division successfully receives funding from NeighborWorks America.

Funds will be made available to the Subgrantees in the form of grants. NeighborWorks America will appropriate at least 51% of funds to "areas of greatest need." Areas of "greatest need" are determined based upon the following four (4) criteria.

- Number of delinquent loans (30-90 days)
- Percent of loans delinquent (30-90 days)
- Percent of loans in foreclosure process or REO
- Percent of loans that are sub prime

Additionally, NeighborWorks America will allocate at least 15% of the funds to grantees that target low-income or minority homeowners or neighborhoods. Within the State of Nevada, the Las Vegas MSA, rural areas, and zip code 89521 in Reno have been designated as "areas of greatest need" and/or "target neighborhoods." If received, funding will be distributed by the State Housing Division to subgrantees based upon total amount of funds received, amount requested by the subgrantee, production level, and related criteria as determined by the Division.

Finally, clients served must be homeowners of owner-occupied homes with mortgages in default or in danger of default. *No funds made available under this program may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.*

Background:

On July 30, 2008, in response to the nationwide foreclosure crisis, President Bush signed The Housing and Economic Recovery Act of 2008 which appropriated \$180 million to NeighborWorks America for the continuation of the National Foreclosure Mitigation Counseling (NFMC) Program originally authorized by the FY 2008 Consolidated Appropriations Act. Under the legislation, NeighborWorks America will make grants to State Housing Finance Agencies who can demonstrate the need for funding to provide mortgage foreclosure mitigation assistance in states with high rates of defaults and foreclosures primarily in the sub prime housing market. State Housing Finance Agencies are allowed to sub grant these funds to local HUD-certified Housing Counseling Agencies that can show that they have successfully worked with financial institutions and borrowers facing default, delinquency and foreclosure.

The intent of the NFMC funding is to expand and supplement counseling opportunities available to American families facing delinquency and foreclosure. It is expected that counseling agencies will use best efforts to attempt to recover reimbursements for counseling services from investors or servicers whenever possible, to maximize fees from services and investors first, and to use NFMC funds to supplement.

The performance period for these funds is January 1, 2009 to December 31, 2009.

Funding:

There are two categories of eligible activity funding available to subgrantees:

- 1) Counseling
 - a) “Level One” Counseling includes intake, budget development and analysis, third party authorization signed, and action plan (\$150)
 - b) “Level Two” Counseling occurs when a client who as already received level one counseling-either previously from the same organization or from a referring organization-receives the following additional services: budget verification, hardship letter, written work-out plan, collection of supporting documentation, reasonable effort to contact servicer, and follow-up (\$250)
 - c) “Level Three” Counseling occurs when the client receives all of the above listed services in succession from the same organization within the same reporting period (\$350)

To develop their counseling budget, applicants should multiply the projected number of Level One, Two, and Three counseling sessions by the appropriate reimbursement rate.

2) Program-Related Support

Applicants can apply for up to 20% of their counseling award for program-related support. A detailed line item budget for use of these funds must be included with the application, and may include the following support items:

- Establishing a triage system
- Outreach to delinquent borrowers
- Group orientation and education
- Infrastructure development and communication
- Improving capacity for tracking and reporting data
- Costs related to hiring, orienting, and training new counseling staff
- Purchasing or leasing equipment and software for new counselors
- Collecting data and preparing quarterly reports and draw requests
- Local operational oversight

There is no minimum or maximum application amount. The total amount of requests will be aggregated into one application, on behalf of all Subgrantees to NeighborWorks America.

Subgrantee Eligibility:

Subgrantees must have “demonstrated experience” as follows:

1. Worked successfully with financial institutions and servicers, and with borrowers facing default, delinquency and foreclosure, as well as documented counseling capacity, outreach capacity, past successful performance;
2. Has positive outcomes with documented counseling plans (including post mortgage foreclosure mitigation counseling), loan workout agreements and loan modification agreements; and
3. Have the capacity to obtain, track and report household level data including (without limitation) name, address, loan number, and related data.
4. One of the following is true:
 - a) Applicant provided foreclosure intervention counseling services which include documented action plans to at least 50 people during the past year or 20 people during the most recent quarter; or

- b) If 75% or more applicant's service area is rural , (as defined by the USDA Rural Development, OMB or the Census Bureau), applicant provided foreclosure intervention counseling services which include documented action plans to at least 25 people during the past year or 10 people during the most recent quarter; or
- c) If applicant has provided foreclosure counseling services which include documented action plans to at least 12 people during the past year AND has at least one trained and certified foreclosure counselor on staff.

If the supervisor or counselors who achieved the outcomes in (c) above are no longer on staff, applicants must explain how goals will be achieved, including how they will train new staff. The Division reserves the right to ask grantees to provide documentation of the above as condition of the award or at any point during the grant period or subsequent evaluation period.

Subgrantee applicants must submit a signed letter from the Executive Director certifying their organization has not been indicted for a violation under Federal law relating to an election for Federal office and that there organization does not employ applicable individuals. Applicable individuals means an individual who (a) is employed by the organization in a permanent or temporary capacity; contracted or retained by the organization, or acting on behalf of, or with the express or apparent authority of, the organization; and (b) has been indicted for a violation under Federal law relating to an election for federal office.

Subgrantee Responsibilities:

The primary responsibility of the Subgrantee will be to provide mortgage foreclosure mitigation assistance to homeowners of owner-occupied homes with mortgages in default. These mortgages shall likely be subject to a foreclosure action and homeowners will be provided such assistance that shall consist of activities that are likely to prevent foreclosures and result in the long-term affordability of the mortgage regained pursuant to such activity or another positive outcome for the homeowner. The use of these funds shall involve:

- a reasonable analysis of the borrower's financial situation;
- a reasonable evaluation of the current value of the property that is subject to the mortgage, counseling regarding the assumption of the mortgage;
- counseling regarding the possible purchase of the mortgage by a non-federal third party,
- counseling and advice of all likely restructuring and refinancing strategies or the approval of a work-out strategy by all interested parties.

Subgrantee Reporting Requirements:

Subgrantees will be required to report program expenditures and production information on a monthly basis. Subgrantees are responsible for maintaining a database which includes, but is not limited to, household information on each client receiving assistance as reflected in Exhibit B. Subgrantees are required to provide detailed narrative program and data information as required by NeighborWorks America and/or the Division and to be reported on a minimum quarterly basis for incorporation into quarterly reports. A financial audit is to be submitted on an annual

basis. Failure to provide accurate and timely reports may result in a delayed processing in reimbursement of program expenditures and/or termination of the Grant Award. The Division reserves the right to review and verify Subgrantee financial statements and client files on a quarterly basis. The Subgrantees are required to conduct and provide the Division with a copy of their agency wide audit at the close of the program year.

The Division will not reimburse subgrantees for Level One, Two, or Three counseling session where the client data needed to receive reimbursement from NeighborWorks America is incomplete and cannot be uploaded into the central NeighborWorks database. NeighborWorks America will disburse funds based upon the number of counseling sessions reported in the database and subgrantees will not received reimbursement until counseling session thresholds are met.

Subgrantee Match Requirements:

The Division must demonstrate to NeighborWorks America that Subgrantees can provide a 20% match for the first \$500,000 in funding received. (After \$500,000 the required match rate drops to 10%.) Applicants must describe how they will meet this requirement as follows:

- Applicant match must be related to applicants' foreclosure mitigation program. This program **must** include delinquency prevention and foreclosure intervention counseling, but may also include triage, outreach, mortgage workout or rescue funding, plus any administrative or overhead expenses associated with the program.
- Match need not be new resources generated for this grant program, but must be related to foreclosure counseling rather than the applicant's general housing counseling program.
- Match can be cash or in-kind (i.e. staff time, office space, volunteer time, donated equipment, etc).
- Other federal funds, with the exception of Community Development Block Grant funds, may **not** be counted toward match requirements. Examples of federal funds ineligible for use as match include (but are not limited to) other HUD Housing Counseling funds and grants awarded by NeighborWorks America to its chartered members from Congressionally appropriated dollars, including Round 1 NFMC grant funds.
- Examples of funds that are eligible for match include (but are not limited to): fees received from servicers or lenders for providing foreclosure counseling to clients not counted under this program; funds received to capitalize mortgage rescue funds; foundation and corporate grants received for operating a foreclosure counseling and mitigation program; municipal, county, or state grants for operating foreclosure counseling and mitigation programs (as long as the funds do not have a federal source); and unrestricted funds or net assets dedicated towards the foreclosure programs.

- The match “window,” or period within which the match must be raised, extends from July 1, 2008 to December 31, 2008. Any expenditures related to the applicants’ foreclosure mitigation program realized between July 1, 2008 and the date award funds are received is allowed to be counted toward the match as long as they are not counted for match for NFMF Round 1 Funds. Funds raised before this time period can be counted toward match as long as they will be expended during the time from July 1, 2008 to December 31, 2009.
- The match requirement may be waived by NeighborWorks for counseling delivered in defined geographic areas suffering from high poverty and unemployment. NeighborWorks is developing a formula that will be used to address this criteria; however applicants should demonstrate the need for any waiver requests by providing supporting documentation to the Division with this RFP.
- If the required match proves to be a significant limitation on demand for the program, NeighborWorks staff may be able to request a reduction to the match requirement as long as documentation received supports the request.

Proposal Submission Requirements:

Applicants must be a Nevada-based HUD-approved Housing Counseling Agency and have experience in administering federal grants and/or state funds. (Please include copy of contracts, agreements, grant awards, etc. for the last two years as evidence of this experience.) Applications will be ranked and awards based on the level of counseling experience of each applicant, so agencies should be very detailed when answering the criteria reflected under the Proposal Evaluation and Criteria section below.

Proposal Evaluation and Criteria:

Proposals will be evaluated and awarded based on the following criteria:

- 1 Please state any past or current experience in administrating an effective mortgage foreclosure mitigation programs, including the number of months/years this service has been provided, along with number of clients served, successful outcomes, etc.
- 2 Please list staff members’ experience in providing mortgage foreclosure mitigation. Please indicate the number of staff members and the years of experience for each. Please include a course description (or course title) of any certifications or training provided to staff members pertaining to the provision of mortgage foreclosure. Please include the date the training was provided and who provided the training;
- 3 Please identify number of staff members who are fluent in foreign languages that will assist non-English speaking customers who need foreclosure intervention counseling;
- 4 Describe your proposed strategy for recruiting, orienting, training and compensating any new staff hired under this program, especially in light of the fact that the funds are a one-time appropriation;

- 5 Past experience with, and the ability to provide, the following items: (Required by NeighborWorks America):
 - a) A reasonable analysis of a borrower's financial situation;
 - b) A reasonable evaluation of current value of the property that is subject to the mortgage;
 - c) Counseling regarding assumption of mortgages and/or purchases of the mortgage by non-federal third party;
 - d) Counseling and advice on restructuring and refinancing strategies, or with work-out strategies;
 - e) Working successfully with financial institutions and loan servicers resulting in positive outcomes for clients served
- 6 Indicate which of the following applies to your organization:
 - a. Applicant provided foreclosure intervention counseling services which include documented action plans to at least 50 people during the past year or 20 people during the most recent quarter; or
 - b. If 75% or more applicant's service area is rural , (as defined by the USDA Rural Development, OMB or the Census Bureau), applicant provided foreclosure intervention counseling services which include documented action plans to at least 25 people during the past year or 10 people during the most recent quarter; or
 - c. If applicant has provided foreclosure counseling services which include documented action plans to at least 12 people during the past year AND has at least one trained and certified foreclosure counselor on staff.

If the supervisor or counselors who achieved the outcomes in (c) above are no longer on staff, applicants must explain how goals will be achieved, including how they will train new staff. The Division reserves the right to ask grantees to provide documentation of the above as condition of the award or at any point during the grant period or subsequent evaluation period.

- 7 Provide a detailed breakdown of current and anticipated Level One, Two, and Three counseling sessions by quarter. If not a current NFMFC subgrantee, please use the Level One, Two, and Three counseling session guidelines included earlier in the RFP to estimate how many of the current clients served are within each of these Levels of counseling (Please complete Exhibit A);
- 8 Describe your capacity to track which level of counseling sessions that have been provided (Level One, Level Two, Level Three). Applicants should provide a succinct, but detailed, explanation of how those proposed counseling levels will be tracked and data will be compiled (See Exhibit B);

- 9 Please identify the client management system to be used by your agency (see copy of Exhibit 4 attached for the required data to be collected). Applicants must certify that they will be able to report the data via one of the following:
- 1) CounselorMax,
 - 2) Home Counselor Online
 - 3) Nstep
 - 4) Other system (please identify the system that is currently being used by your agency and certify that it can perform the required data tracking and electronic reporting as required by NeighborWorks America;
 - 5) Excel Database that will be provided by NeighborWorks
- 10 Describe strategy for identifying, marketing to, and attracting homeowners who are delinquent or in default on their mortgagees, or are at risk of becoming delinquent or in default on their mortgages. This should include any partnerships that have been established with other organizations that are being used to identify and reach customers, or who will supply other services what support a successful resolution of customer's mortgage delinquencies;
- 11 Please indicate if the service area is either: (See Exhibit C)
- A low-income area or targeted neighborhood; or
 - An area where there is a prevalence of sub prime loans.
- 12 Describe your ability to provide in-person counseling and for making contact, including personal contact, with defaulted mortgagors, for the purpose of providing counseling or providing information about counseling. Submit a copy of your organization's written plan for completing these items if available or existing;
- 13 Describe your ability to coordinate with non-profit organizations operating national or statewide toll-free foreclosure prevention hotlines including those that (1) serves as a consumer referral source and data repository for borrowers experiencing some form of delinquency or foreclosure; (2) connect callers with local housing counseling agencies; or (3) facilitate or offer free assistance to help homeowners to understand their options, negotiate solutions, and find the best resolution for their particular circumstance;
- 14 Identify any HUD Housing Counseling Funds that have been recaptured and include the following (detailed) information:
- Date recapture occurred
 - Why the recapture occurred
 - What steps the organization has taken to correct the issues that led to the funds recapture
- 15 Please provide copies of the most recent HUD-9902 Housing Counseling Agency Activity Report;

- 16 Please submit a copy of the agency's most recent financial audit (must have been completed within the last 12 months);
- 17 Please certify that your agency will adhere to the National Industry Standards code of Ethics and Conduct, and, as appropriate for the level(s) of counseling that you plan to provide, will offer the Minimum Standard Activities for Foreclosure Intervention and Default Counseling (see copy attached Exhibit D);
- 18 Please complete and include the enclosed Budget Form;
- 19 Proposal must include how agency will meet Match Requirements; and
- 20 For Round 1 NFMC subgrantees, complete and submit questions in Exhibit E.

Proposals are to be submitted to: Attn: Hilary Lopez, Nevada Housing Division, 1535 Old Hot Springs Rd. Suite 50, Carson City, NV 89706 no later than **5:00 p.m. September 19, 2008**. Only one copy of the proposal is needed.

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RFP Due Date: September 19, 2008 5:00 pm

RFP Contact:

Hilary Lopez
Nevada Housing Division
1535 Old Hot Springs Rd., Suite 50
Carson City, NV 89706
Phone: (775) 687-2040
Fax: (775) 687-2040
E-mail: hlopez@nvhousing.state.nv.us

RFP Mailing List:

Public Places:

Nevada Housing Division
1535 Hot Springs Road, #50
Carson City, Nevada 89706

Nevada State Library
100 Stewart Street
Carson City, Nevada 89701

Nevada Housing Division
1771 E. Flamingo Avenue, Suite 103B
Las Vegas, Nevada 89119

Capital Police
Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Office of the Attorney General
100 Carson Street
Carson City, Nevada 89701

Interested Parties: HUD-Approved Housing Counseling Agencies*

Acorn Housing
953 E. Sahara Ave. #226
Las Vegas NV 89104

Nevada Legal Services
530 South Sixth Street
Las Vegas NV 89101

Consumer Credit Counseling Service
Michelle Johnson
2650 S. Jones Blvd
Las Vegas NV 89146

Washoe County-Snr. Law Project
1155 E. Ninth Street
Reno NV 89512

Housing for Nevada
285 E. Warm Springs, Suite 106
Las Vegas NV 89119

Nevada Legal Services
204 Marsh Ave., 3rd Floor
Reno NV 89509

Women's Development Center
4020 Pecos McLeod
Las Vegas NV 89121

North Las Vegas Housing Authority
1632 Yale Street
North Las Vegas NV 89030

Nevada Legal Services
841-A East 2nd St.
Carson City NV 89701

Community Services of Nevada
3320 Sunrise Ave, Suite 108
Las Vegas NV 89101

Neighborhood Assistance Corp of America
7251 West Lake Mead Blvd.
Suite 300
Las Vegas NV 89128

NID-HCA of Las Vegas
3913 Glenora Falls Ct.
N. Las Vegas NV 89805

Nevada Fair Housing
3380 West Sahara, Suite 150
Las Vegas NV 89102

BUDGET AND MATCH REQUIREMENT

| PROJECTED EXPENDITURES Calendar Year 2009 | Amount | Budget Narrative |
|--|--------|---|
| A. Counseling | | |
| Counseling Salaries | | |
| Counseling Benefits | | |
| Contract Employees | | |
| Other 1 | | |
| Other 2 | | |
| Other 2 | | |
| Total Counseling | | |
| B. Administrative Expenses | | |
| Other Personnel | | |
| Benefits | | |
| Rent | | |
| Utilities | | |
| Equipment and Software | | |
| Other 1 | | |
| Other 2 | | |
| Other 3 | | |
| Total Administrative | | |
| C Program-Related Support | | |
| Marketing | | |
| Staff Training | | |
| Travel | | |
| Group Education/Orientation | | |
| Triage System | | |
| Infrastructure | | |
| Telephone | | |
| Postage | | |
| Printing | | |
| Office Supplies | | |
| Classified Ads | | |
| Other 1 | | |
| Total Program-Related Support | | |
| Total All Expenses | | |
| Ratio of Match to Total Expenses | | <p>If the Ratio Match to Total Expenses is less than 20% and your Total Expenses is equal or less than \$500,000, your organization did not meet the threshold requirements.</p> <p>And if your Total expenses is greater than \$500,000, any excess over \$500,000 must be matched to at least a 10% ratio</p> |

EXHIBIT A

DEMONSTRATED EXPERIENCE AND COUNSELING GOALS

(also available as Excel spreadsheet at <http://www.nw.org/network/nfmcp/default.asp#round2>)

| Number of Unduplicated Customers Receiving Foreclosure Counseling | | | | | | | | | | | | | | |
|---|-----------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|
| DEMONSTRATED EXPERIENCE | | | | | | | | | | | | | | |
| Click on the Save button to see the totals and Demonstrated Experience. | | | | | | | | | | | | | | |
| 1. Foreclosure counseling provided during the following period: 7/1-07 to 6/30/08. Customers are labeled by Calendar Year * You may include in this question customers counseled using NFMC Round 1 funds. Demonstrated Experience will display the larger of either the four quarters or sum OR second quarter 2008 annualized for each counseling level. | "Level One" Counseling | | | | Total | "Level Two" Counseling | | | | Total | "Level Three" Counseling | | | |
| | 07 Q3 (7/1/07 - 9/30/07) | 07 Q4 (10/1/07 - 12/31/07) | 08 Q1 (1/1/08 - 3/31/08) | 08 Q2 (4/1/08 - 6/30/08) | | 07 Q3 (7/1/07 - 9/30/07) | 07 Q4 (10/1/07 - 12/31/07) | 08 Q1 (1/1/08 - 3/31/08) | 08 Q2 (4/1/08 - 6/30/08) | | 07 Q3 (7/1/07 - 9/30/07) | 07 Q4 (10/1/07 - 12/31/07) | 08 Q1 (1/1/08 - 3/31/08) | 08 Q2 (4/1/08 - 6/30/08) |
| Demonstrated Experience: | | | | | Demonstrated Experience: | | | | | Demonstrated Experience: | | | | |

| Number of Unduplicated Customers Receiving Foreclosure Counseling | | | | | | | | | | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| INITIAL GOAL FUNDED THROUGH SOURCES OTHER THAN NFMC ROUND 2 | | | | | | | | | | | | | | |
| Click on the Save button to see the totals and Demonstrated Experience. | | | | | | | | | | | | | | |
| 2A. INITIAL GOAL - funded by sources other than NFMC Round 2 funds REMAINDER OF NFMC UNITS FROM ROUND 1. If you received NFMC funds from Round 1, please indicate any counseling units funded by NFMC Round 1 expected to be completed in Calendar Year 2009. Remember that all NFMC Round 1 counseling goals should be completed by December 31, 2008. 2B. GOAL for foreclosure counseling projected for Calendar Year 2009 funded through sources other than NFMC Round 1 or proposed NFMC Round 2 funds. TOTAL INITIAL GOAL | "Level One" Counseling | | | | Total CY 09 | "Level Two" Counseling | | | | Total CY 09 | "Level Three" Counseling | | | |
| | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) |
| TOTAL INITIAL GOAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| Number of Unduplicated Customers Receiving Foreclosure Counseling | | | | | | | | | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| NEW GOAL | | | | | | | | | | | | | | |
| Click on the Save button to see the totals. | | | | | | | | | | | | | | |
| 3. NEW GOAL: Additional foreclosure counseling projected within Calendar Year 2009 with a NFMC Round 2 award. * Note: Your New Goal Grand Total must equal your overall total of customers listed in Factor 3. TOTAL NEW GOAL: | "Level One" Counseling | | | | Total CY 2009 | "Level Two" Counseling | | | | Total CY 2009 | "Level Three" Counseling | | | |
| | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) |
| TOTAL NEW GOAL: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| Number of Unduplicated Customers Receiving Foreclosure Counseling | | | | | | | | | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| TOTAL GOAL | | | | | | | | | | | | | | |
| Click on the Save button to see the totals. | | | | | | | | | | | | | | |
| 4. TOTAL GOAL (Initial Goal + New Goal) This table combines the numbers in questions 2 & 3 above, to arrive at the total counseling goal for Calendar Year 2009. TOTAL GOAL: | "Level One" Counseling | | | | Total CY 2009 | "Level Two" Counseling | | | | Total CY 2009 | "Level Three" Counseling | | | |
| | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) |
| TOTAL GOAL: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| Maximum Eligible Counseling Award | | | |
|--|----------------------------|----------------------------|--------------------------|
| Click on the SAVE button to see the calculated Maximum Eligible Counseling Award | | | |
| Eligible Counseling Award | "Level One" Counseling | "Level Two" Counseling | "Level Three" Counseling |
| 5. Calculated Maximum Eligible NFMC Round 2 funds to be awarded from the New Goal numbers in question 3 above. | Level One New Goal X \$150 | Level Two New Goal X \$200 | New Goal X \$350 |
| MAXIMUM ELIGIBLE COUNSELING AWARD PER LEVEL | \$0 | \$0 | \$0 |

TOTAL MAXIMUM ELIGIBLE COUNSELING AWARD **\$0**

| Number of Additional FTEs for Foreclosure Intervention Counselors Needed to Reach New Counseling Goal | | | | | |
|---|-----------------------------------|-----------------------------|-----------------------------|-------------------------------|--------------------------|
| Click on the Save button to see the totals. | | | | | |
| 6. Number of foreclosure intervention counselor FTEs you and your sub-grantees or branches will need to hire (new) or reallocate and train (existing staff), or otherwise recruit (volunteers) to meet the New Goals in question 3, if you have no need for additional counselors for any quarter, enter "0". | Additional Counselor FTE's Needed | | | | |
| | 09 Q1 (1/1/09 - 3/31/09) | 09 Q2 (4/1/09 - 6/30/09) | 09 Q3 (7/1/09 - 9/30/09) | 09 Q4 (10/1/09 - 12/31/09) | Calendar Year 2009 Total |
| | | | | | 0 |

EXHIBIT B
DATA POINTS

NFMC Data Points for Round 2 Grantees (Subject to Change) – last updated 8/8/2008

| Data Point Number | Description | Required for NFMC Round 2?*** |
|--------------------------|--|---|
| 1 | Unique Organization Identification Number | No |
| 2 | Branch ID | Yes |
| 3 | Client Unique Identifier | Yes |
| 4 | Counseling Level | Yes |
| 5 | Counseling Intake Date | Yes |
| 6 | Counseling Mode | No |
| 7 | First Name | Yes |
| 8 | Last Name | Yes |
| 9 | Age | Partially |
| 10 | Race | Yes |
| 11 | Ethnicity | Yes |
| 12 | Gender | Yes |
| 13 | Head of Household | Partially |
| 14 | Household Family Income | Yes |
| 15 | Household Income Category (% of AMI) | Partially |
| 16 | House Number | Yes |
| 17 | Street | Yes |
| 18 | City | Yes |
| 19 | State | Yes |
| 20 | Zip | Yes |
| 21 | Total Individual Counseling Hours Received | Yes |
| 22 | Total Group Education Hours Received | Yes |
| 23 | Name of Originating Lender | No |
| 24 | FDIC/NCUA # or Originating Mortgage Co. name | No |
| 25 | Original loan Number | No |
| 26 | Current Servicer | Yes |
| 27 | FDIC/NCUA # or Current Servicer name | No |
| 28 | Loan Number Assigned by Current Servicer | Partially |
| 29 | Credit Score | Partially - If credit score is blank, additional information will be required as to why |
| 30 | Source of Credit Score | Partially - If credit score is blank, additional information will be required as to why |
| 31 | Total Monthly PITI at Intake | Yes |
| 32 | Type of First Loan at Intake | Yes |
| 33 | Interest Only Loan | Yes |

| | | |
|----|-------------------------------------|---|
| 34 | Hybrid ARM | Y, if data point 32, Loan Product Type is ARM |
| 35 | Option ARM | Y, if data point 32, Loan Product Type is ARM |
| 36 | FHA or VA Insured Loan | Yes |
| 37 | Privately Held Loan | No |
| 38 | Has Interest Rate Reset on ARM loan | Y, if data point 32, Loan Product Type is ARM |
| 39 | Primary Reason for Default | Yes |
| 40 | Loan Status at First Contact | Yes |
| 41 | Counseling Outcome | No - selection options will change in Round 2 |
| 42 | Counseling Outcome Date | No |

EXHIBIT C

**TARGETED OUTREACH TO AREAS OF SPECIAL NEED AND/OR MINORITY OR LOW-INCOME
HOMEOWNERS AND NEIGHBORHOODS**

Please provide responses to the following questions. If not applicable, please indicate NA.

- 1) Does your organization intentionally target foreclosure intervention counseling services to minority and/or low-income homeowners? Please respond yes or no.
- 2) If yes, indicate which groups of homeowners you target and how many, by group, received foreclosure counseling between 7/1/07 and 6/30/08:
 - American Indian/Alaskan Native
 - Asian
 - Black or African American
 - Native Hawaiian/Other Pacific Islander
 - Hispanic
 - Families earning less than 50% of Area Median Income (AMI)
 - Families earning between 50-79% of AMI
- 3) Describe how your outreach and marketing strategy is designed to specifically reach these homeowners. For example, were Spanish language brochures and/or materials available if targeting Hispanic homeowners?
- 4) Describe how NFMC Round 2 funding would be used to specifically market to low-income and minority homeowners.
- 5) What percentages of your total counseling units (for NFMC funds) would you commit to provide to low-income or minority homeowners?
- 6) Does your organization intentionally target foreclosure intervention counseling services to low-income and/or minority neighborhoods?
- 7) If yes, describe your outreach and marketing strategy, including how you identify and define which neighborhoods to target.
- 8) Describe how NFMC Round 2 funding would be used to specifically market to low-income and minority neighborhoods.
- 9) What percentages of your total counseling units (for NFMC funds) would you commit to provide to low-income or minority neighborhoods?

OUTREACH TO AREAS OF SPECIAL NEED (goto

<http://www.nw.org/network/nfmcp/documents/targetedoutreach.pdf> to view designated areas in Nevada)

- 1) Does your organization propose serving any of these areas if NFMC Round 2 funds are awarded? If yes, list the areas and the number of clients you will commit to counsel in each of these areas.
- 2) Describe your outreach and delivery strategy for these targeted areas.
- 3) Does your organization propose to serve other unique client groups using NFMC Round 2 funds? If yes, list the client groups and the number of clients you will commit to counsel from each of these client groups.

NOTE: The number of clients you list under the Outreach to Areas of Special Need questions should be a "subset" of your total goal figures by counseling Level indicated in Table A.

EXHIBIT D

FORECLOSURE COUNSELING STANDARDS (SOURCE: www.nw.org)

National Industry Foreclosure Counseling Standards

The National Industry Standards for Homeownership Education and Counseling allow organizations and homeownership professionals to demonstrate that all clients receive consistent, quality service in homeownership education and counseling. The standards create a level of consistency in the industry and add to the professionalism of homeownership educators and counselors.

As the link between sustainable homeownership and counseling/education becomes increasingly clear, now more than ever the housing industry recognizes the need to ensure high quality education and counseling for households throughout the country. Seizing on the ever-changing market conditions, in 2005 a National Advisory Council (see Exhibit C for a list of member organizations) collaborated with other industry partners such as homeownership professionals; non-profit executive directors; local, state and national housing counseling organizations; financial institutions, mortgage insurance institutions, GSEs¹ and government entities to develop National Homeownership Industry Standards (including benchmark recommendations) and National Industry Code of Ethics and Conduct for Homeownership Professionals.

Organizations, counselors and educators are encouraged to endorse and adopt the voluntary National Industry Standards and National Industry Code of Ethics and Conduct. These standards are a critical first step in evolving efforts to professionalize and elevate the visibility of the homeownership education and counseling industry.

How to Utilize National Industry Foreclosure Counseling Standards

Organizations Providing Foreclosure Intervention Counseling: Organizations providing services in the highly-specialized area of foreclosure intervention counseling are encouraged to endorse and adopt the National Industry Standards for Homeownership Counseling-Foreclosure Intervention Specialty and sign the National Industry Code of Ethics and Conduct. At a minimum, organizations should integrate the recommended benchmarks from the National Industry Foreclosure Counseling Standards into their everyday business operations. Organizations and individual counselors are encouraged to strive to exceed the benchmarks.

The National Industry Foreclosure Counseling Standards are integral to the National Industry Standards for Homeownership Education and Counseling and the National Industry Code of Ethics and Conduct. The Foreclosure Counseling Standards are integrated into the National Industry Standards for Homeownership Education and Counseling as an added specialty that counseling organizations can adopt, based on service delivery. For example, if an organization provides comprehensive services including pre-purchase education, counseling and foreclosure intervention, they will be encouraged to adopt the standards in all three categories (homeownership education, homeownership counseling, foreclosure counseling). For those organizations that only provide foreclosure intervention counseling, this affords the opportunity to

¹ GSE is an acronym for government-sponsored enterprise.

adopt the National Foreclosure Counseling Standards directly related to that specialty, along with signing the National Industry Code of Ethics and Conduct.

Many organizations that currently provide foreclosure intervention counseling may find their programs meet or exceed the recommended benchmarks for industry standards and can readily adopt these National Industry Standards and National Industry Code of Ethics and Conduct.

For more information on how to demonstrate adoption of the National Industry Standards for Homeownership Counseling-Foreclosure Intervention Specialty and the National Industry Code of Ethics and Conduct, visit www.homeownershipstandards.com.

Purpose of Standards: To ensure consistency in the quality of foreclosure intervention counseling efforts nationwide, and adopt industry best practices.

In order to best serve clients, organizations providing homeownership counseling and individual homeownership counselors providing foreclosure intervention services agree to adopt the following:
Core Operating Standards

1. **Competency:** Possess a strong knowledge in the area of mortgage default and/or foreclosure intervention counseling, specifically relating to the current industry practices of loss mitigation to include loan repayment, forbearance, modification, refinance, loan assumption, short sale, deed-in-lieu, community referrals, and other remedies available to the homeowner to avoid foreclosure. The counselor should understand the structure of the primary and secondary markets, the collection and loss mitigation functions of those entities collecting mortgage payments, financial management and budgeting, and be familiar with state and federal regulations regarding the foreclosure process. The counselor should possess the skills to obtain pertinent client information, analyze financial and property data and draft a comprehensive written Action Plan (see Exhibit B) based on the client's goals outlining the resultant recommendations for foreclosure avoidance or sale.

Recommended Benchmark: Individuals new to the field of foreclosure intervention counseling should obtain appropriate orientation, introductory level training and prerequisite curricula during the initial 6-months of employment.

Recommended Benchmark: Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on the job training/coaching/mentoring program for at least 90 days.

2. **Skills:** Exhibit professional communication (written and verbal), organizational, listening, customer service, cultural competency and time management skills. Foreclosure Intervention Counselors must demonstrate a "hands-on" knowledge of the remedies available to the homeowner to avoid foreclosure including negotiation and critical thinking skills, and demonstrate an ability to provide timely crisis counseling to families in need.

3. Training: As soon as possible but no later than within 12-months of being hired, Foreclosure Intervention Counselors will obtain minimum training equivalent to no less than 30 hours of facilitated instruction, utilizing a variety of methods including lecture, interactive, demonstration, on-line and case study.

Recommended Benchmark: Those counselors new to foreclosure intervention and default counseling should (prior to seeing clients) be involved in an on the job training/coaching/mentoring program for at least 90 days. To best meet the client's needs in this highly specialized field, facilitated training in foreclosure intervention and default counseling should be completed within six months and no later than one year to obtain the competency and skills listed under the Core Operating Standards.

4. Certification: Certification is considered critical in the industry. Subsequent to the requisite training, a comprehensive exam consisting of approximately 100 questions must be administered with a demonstrated proficiency of 80% passing. The exam will cover foreclosure intervention counseling competency content meeting the standards listed under the Core Operating Standards and demonstrated in the related activities identified in Exhibit A herein.

Recommended Benchmark: Certification should be completed as soon as reasonably possible, but no later than within 18-months of employment.

Continuing Education: Complete a minimum of 10 hours of continuing education annually in subjects primarily relative to the core content and delivery of foreclosure intervention and default counseling. Recommended Benchmark: Professional certification continuing education requirements may meet or exceed this standard.

5. Foreclosure Intervention Counseling Operations: Implement effective program operations for foreclosure counseling including techniques, outreach and marketing of services available to the community, partnership building with private sector partners including servicers and lenders, fundraising, customer service, customer tracking, reporting, program evaluation, and program design. Recommended Benchmark: These skills can be obtained through training and experience.

6. Code of Ethics and Conduct Statement: Sign and adopt the written National Industry Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity.

Performance Standards

1. Delivery: Perform individual, personalized foreclosure intervention and default counseling to clients.

Recommended Benchmark: Content, delivery and format of the counseling is tailored to meet the needs of the client. Content and delivery should be done so in a culturally competent manner and in the preferred language of the client. Use of a translator or referral to an agency that provides adequate service in the appropriate language is recommended.

Recommended Benchmark: Clients should be counseled immediately (if possible) particularly when a high degree of certainty that foreclosure is imminent. At a minimum, upon request, clients should receive acknowledgement of inquiry within 48 hours of initial contact. When initial contact is made, clients should be assessed to determine the status of the client's mortgage and client urgency. Those clients that have a high degree of foreclosure should be prioritized for appointments.

Recommended Benchmark: Foreclosure Intervention Counselors must complete appropriate intake of client information to make proper and timely recommendations to the client to assist in avoiding foreclosure. Counselors must provide a comprehensive written Action Plan (see Exhibit B) to the client summarizing a statement of the problem, steps to be taken by the client, steps to be taken by the counselor, and the timeline necessary to accomplish these tasks.

Recommended Benchmark: Foreclosure Intervention Counselors should always instruct the client of the importance of making and keeping contact with the lender. Where possible, the counselor should attempt to contact the lender on behalf of the client to assess status and to further inform the lender of the proposed recommendations as specified in the written Action Plan (see Exhibit B).

Recommended Benchmark: Active, open client files should be closely monitored, with timely follow-up in accordance with the stated Action Plan. When no contact from the client has taken place for 3 consecutive months, the file may be classified as inactive.

Recommended Benchmark: Where there is no mortgage delinquency, Foreclosure Intervention Counselors should provide basic financial management or credit counseling and encourage further homeownership education as a deterrent to future mortgage default.

Recommended Benchmark: Client satisfaction surveys are used to evaluate the effectiveness of the counseling.

2. Expected Counseling Outcome: Upon completion of foreclosure intervention counseling, clients will understand the various options available to assist them to avoid foreclosure, the need to keep constant communication with their lender, and will have received a written Action Plan (see Exhibit B) outlining the necessary steps to achieve their desired objectives. After counseling, if the client determines that either they cannot afford to keep their home or no longer desire to keep their home, they will receive information relative to each of these options and how this action might have resultant civil and/or tax liability.

Recommended Benchmark: Foreclosure Intervention Counselor should collect pertinent information as outlined in Exhibit A.

Recommended Benchmark: Comprehensive, effective delivery should be determined based upon the individual needs of the client to reach their desired outcome. The minimum standard for delivery of individual foreclosure intervention counseling should be at least one session of at least 30-60 minutes, utilizing either face-to-face or telephonic mediums.

3. Recordkeeping: Collect and maintain specific information from clients in accordance with all laws and governing organizations (i.e., HUD, Intermediary, etc.)

Recommended Benchmark: An intake form should be completed and collected with client profile information to include contact information, services sought/provided, household size, ethnicity (optional), and household income. Additional information to collect from the client is outlined in Exhibit A.

Recommended Benchmark: Aggregate information for clients should be maintained including total number of persons served and other demographic information.

Recommended Benchmark: A checklist should be utilized to ensure files are consistently maintained and meet reporting standards and quality assurance.

Recommended Benchmark: Files should be maintained in secured file cabinets and/or electronically in a secure data system in order to protect client privacy.

Recommended Benchmark: Files should be maintained for a minimum of three (3) years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded or electronic copies should be deleted.

4. Reporting: Utilize an electronic Client Management System for collecting and reporting data.

Recommended Benchmark: An electronic method in place for collecting reporting data may be as basic as an Excel spreadsheet or Access database application that captures needed data fields from each client, but preferably should be a software application compliant with HUD's CMS vendor list or equivalent. Visit www.hud.gov and refer to HUD's CMS vendor list.

5. Service Thresholds: Establish referral networks for individuals and families seeking services that the Foreclosure Intervention Counselor does not provide or possess sufficient competency to adequately and effectively deliver.

Recommended Benchmark: The Department of Housing and Urban Development (HUD) maintains a list of organizations and corresponding services (www.hud.gov). In addition, legal aid, tax professionals and other state or local agencies that may provide needed services aligned with foreclosure intervention including rescue funds should be sought.

To adopt the National Industry Foreclosure Counseling Standards and the National Industry Code of Ethics and Conduct visit

www.homeownershipstandards.com

For more information and to download a copy of the National Industry Standards for Homeownership Education and Counseling visit www.homeownershipstandards.com or call 1-866-472-9477

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Exhibit A

Minimum Standard Activities for Foreclosure Intervention and Default Counseling

1. Perform intake by gathering baseline information from client including:
 - a. Client's goals/intent
 - b. Reason for delinquency or default
 - c. Client's financial situation and possibility of workout
 - d. Client's loan type
 - e. Home's value/condition
 - f. Credit report
 - g. Original loan documents, if available
 - h. Demographic information (contact information, household size, household income, ethnicity (optional), etc.

2. Assess client's mortgage, payment status and urgency in the delinquency and foreclosure process
3. Develop loss mitigation options
4. Communicate with the servicer*
5. Submit loss mitigation package to servicer*
6. Negotiate with junior lien holders and Homeowners Association*
7. Create written action plan for foreclosure avoidance or client's preference
8. Provide follow up to client
9. Provide client with contact information for additional community services that might be available.

* When Applicable. Foreclosure Counseling can include a range of the activities depending on the client's financial situation and the severity of the mortgage delinquency. Specifically, activities 4, 5 and/or 6 from Exhibit A vary, and may not always be performed for a client.

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EXHIBIT B
Foreclosure Intervention Counseling—

Recommended Content for Written Action Plan

Recommended Features of the Action Plan

- State briefly why the homeowner is delinquent or in danger of becoming delinquent, including the involuntary inability to pay, unexpected increase in expenses, decrease in income, loan reset and/or other factor.
- Include an assessment of the property's condition and a discussion and calculation of equity, if any.
- Include a financial assessment that leads to the recommendations for resolving the delinquency (assuming that the client wants to and can afford to keep the house). Otherwise, discuss foreclosure in general, sale of the property, deed in lieu, short sale and possible tax consequences and/or deficiency judgment issues.
- State what steps the homeowner will take to resolve the delinquency and what steps the counselor will take to assist in this process.
- Include other contact information for community referrals which may be able to assist the client.
- Issued within 24 hours of counseling session (and immediately if face-to-face)

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Exhibit C

National Advisory Council convened by NCHEC²

The National Industry Standards were developed by a broad representation of industry stakeholders comprising the National Advisory Council (facilitated by NCHEC). Companies and organizations include:

Bank of America
Chase
Chrysalis Consulting Group, LLC
Citi
Community Development Corporation of Long Island, Inc.
Consumer Credit Counseling Services of San Francisco
Countrywide Financial Corporation
Fannie Mae
The Housing Partnership Network
Federal Reserve Board
Freddie Mac
Minnesota Housing
Mortgage and Credit Center
Mortgage Guaranty Insurance Corporation (MGIC)
NAREB-National Investment Division (NID)
National Association of Realtors®
National Council of State Housing Finance Agencies
National Council of La Raza (NCLR)
NeighborWorks® America
NHS of Great Falls
University of North Carolina Chapel Hill
U.S. Department of Housing and Urban Development
Wells Fargo

² NCHEC is an acronym for the NeighborWorks® Center for Homeownership Education and Counseling

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EXHIBIT E

ADDITIONAL QUESTIONS FOR ROUND 1 NFMC SUBGRANTEES

Please provide detailed answers to the following:

- 1) Describe the challenges you have faced in implementing Round 1 funds, your solutions to those challenges, and the impacts of those solutions on the program.
- 2) Provide a progress report on your Round 1 counseling goals and indicate why counseling production was less than expected (if applicable) and how you anticipate increasing production to meet your stated goals.
- 3) Explain why you are requesting NFMF Round 2 funding – provide specific facts and details that justify why you require additional funding beyond the initial NFMF grant funds already provided. Include information about both the overall need in your service area and your demonstrated experience to manage all aspects of the subgrantee responsibilities provided in the RFP.