



**NATIONAL FORECLOSURE
MITIGATION COUNSELING
PROGRAM
ROUND 10
REQUEST FOR APPLICATIONS**

Submission Deadline: Friday, January 29, 2016 at 5:00 pm (Pacific Time)

**SUBMIT TO: NEVADA HOUSING DIVISION, ATTN. ART THURNER
1535 OLD HOT SPRINGS ROAD, SUITE 50, CARSON CITY NV 89706**

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REQUEST FOR APPLICATIONS

ROUND 10

NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

The Nevada Housing Division (Division) is accepting applications from local HUD-approved Housing Counseling Agencies to administer Round 10 of the National Foreclosure Mitigation Counseling (NFMC) Program. Successful applicants may receive a one-time appropriation from the Division, via NeighborWorks America (NeighborWorks), to provide mortgage foreclosure mitigation counseling. Funds will only be awarded provided that the Division successfully receives Round 9 funding from NeighborWorks.

The performance period for Round 10 is October 1, 2015 to June 30, 2017. The expectation is that all NFMC Program Round 10 funds shall be expended by June 30, 2016. The amount awarded in Round 10 of the NFMC Program is contingent upon the program being funded in Fiscal Year 2016. Provisions are subject to change based on the terms of the legislation. **Terms, pages, exhibits not otherwise specified in this document may be referenced to the NFMC Round 10 Funding Announcement.**

I. Purpose

The NFMC Program is designed to support the provision of foreclosure intervention counseling services on a short-term basis by HUD-Approved Housing Counseling Intermediaries (Intermediaries), State Housing Finance Agencies (HFAs), NeighborWorks organizations (NWOs), and other housing counseling agencies with whom they contract. Funds will be awarded to Applicants with Demonstrated Experience in foreclosure intervention and loss mitigation counseling.

To date, the statutory authority for the NFMC Program mandates that the majority of the awarded funds be prioritized for use in "Areas of Greatest Need." These are defined as areas experiencing a high rate of defaults and/or foreclosures (see Exhibit 1 for a list of geographies defined as Areas of Greatest Need and Areas of Extraordinary Need). Collectively, Grantees will use the funds to provide mortgage foreclosure intervention and loss mitigation counseling assistance primarily in the defined Areas of Greatest Need and Areas of Extraordinary Need — the metropolitan statistical areas (MSAs) and rural areas of states with high rates of defaults and/or foreclosures. Some of the grant funds may be utilized outside Areas of Greatest Need and Areas of Extraordinary Need.

NFMC Program funds must by existing statute, be used for delivering foreclosure counseling only to owner-occupants of single-family (one- to four-unit) properties with **mortgages** in default or in danger of default. Tenants, heirs, owners who do not have a mortgage on the subject property, and owners (including investors) who do not live in the subject property are not eligible to receive counseling through the NFMC Program.

The program recognizes that a variety of strategies may be used to intervene in a default and prevent foreclosure. Eligible Applicants must have the ability to deliver foreclosure intervention counseling activities including but not limited to: analysis of the client's financial situation; evaluation of the current value of the home that is subject to the mortgage; review of options such as the assumption or purchase of the mortgage by a non-federal third party; other restructuring and refinancing strategies; and the approval of a workout strategy by all interested

parties. While the goal is to assist homeowners in retaining their homes with a mortgage they can afford, in some instances curing a default may require sale of the home.

The intent of NFMC Program funding is to expand and supplement counseling services available to families facing default and foreclosure. It is expected that eligible Applicants will make every effort to receive reimbursement for counseling services from other sources, such as investors and/or servicers, to increase the sustainability of these services. NFMC Program funds are not meant to replace current or future fee-for-service arrangements between counseling agencies and servicers, lenders, or other interested parties.

Counseling agencies receiving NFMC Program funds are required to keep a separate foreclosure program budget and must keep a record of all reimbursements received and costs of implementing the agency's foreclosure counseling program.

NeighborWorks shall have the right to request copies of such records at any point during the grant period and the subsequent evaluation and record retention period.

Details about the NFMC Program, including the statutory language that governs the program, can be found at www.neighborworks.org/nfmc. NeighborWorks reserves the right to make exceptions to the guidelines set forth in this Funding Announcement. Please direct any questions about the program or this Funding Announcement to nfmc@nw.org.

II. Background

On December 18, 2015, the President signed into law the Consolidated Appropriations Act of 2016. The bill allocates \$40 million for the National Foreclosure Mitigation Counseling (NFMC) Program's tenth round of grant and program activities. Understanding the demand for funds to support foreclosure counseling across the nation, NeighborWorks will move forward quickly with a NFMC Program Round 10 application process now that the appropriations bill has passed and the NFMC Program funding has become law. Supplemental Grants may also be made under this Funding Announcement as a result of recaptured or underutilized NFMC Program funding made available from previous grant rounds, from future appropriations, or otherwise.

With this Funding Announcement, NeighborWorks notifies eligible Applicants about the ability to request available NFMC Round 10 and NFMC Supplemental Grant funds from a variety of sources – including the Consolidated Appropriations Act of 2016; funds available due to recapture, de-obligation, and roll-over of funds from previous grant rounds; future appropriations; or any other funding source or mechanism. Accordingly, all program requirements stated in this Funding Announcement are subject to change based on the discretion of NeighborWorks America.

The performance period for NFMC Round 10 is October 1, 2015 to June 30, 2017. The expectation is that all NFMC Round 10 funds shall be expended by June 30, 2017. The start date of the performance period for NFMC Supplemental Grants will be determined at the date of the award but shall have a performance period not greater than twelve calendar months. NeighborWorks reserves the right to vary performance periods for Supplemental Grants by Grantee based on factors such as award size and spend-down rates.

III. Awards

If the Division is successfully awarded Round 10 funding from NeighborWorks, allocations shall be distributed by the Division to sub-grantees that have submitted an application to the Division. Funding decisions shall be based upon the following criteria:

- 1) total amount of funds awarded by NeighborWorks;
- 2) amount of funds requested by the applicant;
- 3) evidence that the applicant meets the “demonstrated experience” criteria defined in Section V “Applicant Eligibility” of this RFA;
- 4) current sub-grantee past performance;
- 5) anticipated production levels; and
- 6) any other criteria as determined by the Division and ability to comply with the program requirements as requested by NeighborWorks/ NFMC (National Foreclosure Mitigation Counseling Program) specifically compliances with audit requests and record retention.

IV. Eligible Activities

No funds made available under the NFMC Program may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments. These funds may only be used to assist owner-occupants of one- to four-unit properties.

All NFMC Program funds must support the costs of the overall foreclosure program. If the cost of the counseling process is less than NFMC Program funding, Grantees do not need to return excess funds; rather, they must allocate those funds to their overall foreclosure program.

When uploading client-level data to the Data Collection System (DCS) from Sub-grantees, Branches, Affiliates and/or CCEs, each must be identified with a separate Branch ID number.

There will be three categories of eligible activities: (1) Counseling; (2) Program-Related Support; and (3) Operational Oversight (for Intermediaries and State HFAs only). These are defined in greater detail below. While Applicants are encouraged to apply for what they believe they can use, NeighborWorks reserves the right to award less than the amount requested. Reductions in counseling awards will result in proportional reductions in Program-Related Support and Operational Oversight awards.

1. Counseling – All Applicants are eligible

Counseling can include a range of activities depending on the client’s financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. Some clients will be eligible for reverse mortgages. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will also take longer to resolve. Recognizing this, NeighborWorks has developed a two-tiered structure for defining and estimating the cost of counseling activity, as described below. Counseling budgets are based on the value of Level One counseling set at \$150 and Level Two set at \$300.

Duplicate Client Reset

Recognizing that some homeowners who have received foreclosure counseling in past NFMC Program grant rounds may now experience new circumstances threatening the ability to remain current on their mortgages, such as a loss of or reduction in income, re-defaulting on their mortgage, and the reality that new assistance programs have become available for which a homeowner may now be able to qualify, NFMC is “re-setting” the duplicate check. Any client who received counseling services prior to January 1, 2016 will be eligible to be counseled again by a NFMC Program Grantee on or after January 1, 2016 at any level.

In order for a duplicate client to be uploaded into the Data Collection System (DCS) for payment, Grantees must document that the client received the appropriate level of service again, after January 1, 2016 and all current required documentation - as described in the "Eligible Activities" section of this Funding Announcement - must be maintained in the client file, with the new intake date. Grantees should not submit subordinate liens for a homeowner whose primary lien was already serviced by the counselor previously and where there is no change in circumstance for the borrower or change in workout options available to the borrower, nor should Grantees resubmit clients who have ongoing cases without any substantial change in circumstances and that have already been billed in a previous round of funding. **"Level One" Counseling:** To qualify for a Level One payment (\$150), a counseling agency will be required to complete all of the following steps:

1. **Intake.** Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. *The National Industry Standards for Homeownership Education and Counseling – Foreclosure Intervention Specialty (National Industry Standards)* provides guidance on what should be included in an Intake Form (See Exhibit 6 of this document and www.neighborworks.org/nfmc). It is recommended, but not required, that contact information for one additional person is collected at intake in the event the client moves or is otherwise unable to be reached following initial intake. Grantees conduct intake in a variety of ways. Those that use electronic client management systems can submit a screenshot from their system showing that the minimum required information has been collected. The Grantee must ensure that the information is readily available in the client file when requested by NFMC.

2. **Authorization.** Organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt-out of (c) above only, but proof of this must be retained in the client's file. Clients that opt-out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Fundors" in place of "NFMC" in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

3. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

4. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients who are given the choice to "opt-out" of the organization's privacy policy provision allowing for the sharing of their information with affiliated third-parties and choose to do so cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

5. **Budget.** Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income. One example of a worksheet Grantees may use to develop this budget can be found on the NFMC members' website at www.nfmcmembers.org.

6. **Action Plan.** Organization must develop a written Action Plan for follow-up activities to be **taken** by the client and review this Action Plan with the client. The Action Plan must be clearly labeled in the client file. When developing this Action Plan, it is expected that the counselor will do a comprehensive analysis of the homeowner's situation and recommend the best plan of action. The Action Plan must include the counselor's assessment of the client's situation with a client-specific recommendation for a counseling plan of action. A general handout with a variety of workout options or "Actions" is not acceptable. **If the assessment and recommendation are part of the counselor notes, NFMC requires that the information is transferred to a form titled Action Plan so that the assessment and course of action are clearly defined for the client and for compliance testing.** The National Industry Standards provide guidance on what should be included in an Action Plan (See Exhibit 6 and www.neighborworks.org/nfmc). NFMC has also created a template Action Plan which is available on the NFMC members' website at www.nfmcmembers.org. Use of this template is not required; however, Grantees must have a conforming Action Plan in each client file.

7. **Making Home Affordable (MHA) Program Eligibility.** Organizations must determine and document if the client is eligible for assistance through the *Making Home Affordable (MHA)* Program for all intakes conducted prior to the program expiration (currently MHA is expected to expire on December 31, 2016) even if the homeowner seeking counseling does not ask about the program. Documentation that a screening occurred for each type of available assistance should be included in the Action Plan and client file. NFMC has created a template screening checklist which can be found on the NFMC members' website at www.nfmcmembers.org. It is also included as Exhibit 4 in this Funding Announcement. Information on the MHA Program can be found at www.makinghomeaffordable.gov. Available products in the MHA Program are subject to changes mandated by the U.S. Department of Treasury, the administrators of MHA. NFMC will keep its Grantees updated on program changes or additions. Types of assistance offered through the MHA Program are:

Refinance. Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner occupant of a one- to fourunit property (required by the NFMC Program, not HARP); (b) the loan is a first lien, conventional mortgage that is owned or guaranteed by Fannie Mae or Freddie Mac – counselor will verify this by checking the GSE's web look-up tools; (c) the

client is current on mortgage (client hasn't missed more than one payment in the last 12 months and has not missed any payments in the past 30 days; (d) the client must have a source of income; and (e) the refinance improves the long-term affordability or stability of the loan.

Modification. Organization must determine and document eligibility by requesting information and analyzing if: (a) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (b) the mortgage has not been previously modified under the Home Affordable Modification Program (HAMP); (c) the borrower has experienced a hardship that has caused the mortgage loan to become delinquent or default is reasonably foreseeable; (d) the property securing the mortgage loan is not vacant or condemned; (e) the mortgage loan is secured by a one- to four-unit property, one unit of which is the borrower's principal residence; (f) the client's current front end DTI is greater than 31%; and (g) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property.

FHA Loans. Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner of a one- to four-unit home; (b) the client has income sufficient to support the new mortgage payments; and (c) the client has surplus income that is not more than 15% of his or her net income.

Short Sale and Deed-In-Lieu. Organization must determine and document eligibility for the Home Affordable Foreclosure Alternatives (HAFA) program by requesting information and analyzing if: (a) client is or has been the owner occupant of a one to four-unit property sometime during the last 12 months; (b) the homeowner has not purchased a new property within the last 12 months; (c) because of a financial hardship, the homeowner is delinquent or default is reasonably foreseeable (for Service Members, this may include a Permanent Change of Station (PCS) order); (d) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (e) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property; or (f) the borrower has either been evaluated for a modification but is not eligible or has been informed that modification may be an option and has elected to pursue a short sale or deed-in-lieu instead.

When reporting for Level One counseling activities, all seven of these completed documents must be in the client's file: intake, authorization, disclosure, privacy policy, budget, Action Plan, and MHA eligibility determination. All Grantees must certify that all NFMC clients are owner-occupants of their homes at the time they receive counseling. By existing statute, NFMC clients must be owner-occupants of single-family (one- to four-unit) properties with mortgages in default or in danger of default. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of its Sub-grantee, Branch or Affiliate offices. NWOs are responsible for ensuring proper documentation exists for each client served by its Branch Offices or CCEs.

“Level Two” Counseling: To qualify for a Level Two payment (\$300), a counseling agency will be required to complete the following steps:

1. **Authorization.** If not already on file, organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients

that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. Disclosure. Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

3. Privacy Policy. Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients that are given the choice to "opt-out" of the organization's privacy policy provision allowing for the sharing of their information with affiliated third-parties and choose to do so cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

4. Budget Verification. Counselor must engage in budget verification during which s/he reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills, bank statements, mortgage statement, credit card statement, utility bill) and spending patterns, and realistic opportunities for income (e.g., tax returns, pay stubs, profit and loss statement, third party verification). Grantee should collect verification of all income, expenses and debt as stated by the client (must be within previous 30 days). Note: a credit report alone does not satisfy the budget verification requirement.

5. Verification of Action Taken. Counselors should take appropriate action upon the steps outlined in the written Action Plan (created during Level One). Counselor must have documented evidence of "action" taken on behalf of the client. This requires more than the counselor's notes; it also requires documentation that the action took place. This could include but is not limited to the following:

a. Draft and submit to the servicer a hardship letter that describes the client's situation, reason for delinquency, factors that should be considered when developing a workout plan, and an

estimate of the housing cost the client can afford to pay. Counselors must keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.

b. Document an attempt to contact the servicer or lender via fax transmission receipt, email, or postal mail receipt. If a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program and maintain proof that these were submitted in the client file (fax transmission receipt, email, portal transmission screenshot, or postal mail). NeighborWorks has posted e-mail contact information for servicers who have made such information available on the NFMC members' website.

c. Complete and submit application for local resource options including refinance programs or rescue funds and document that the referral took place via fax transmission receipt, email, or postal mail receipt.

d. Assist in situations where client elects to pursue sale options and document the assistance that took place and communication with industry partners via fax transmission report, email, portal transmission screenshot, or postal mail. A referral list of realtors for a short sale, or other sale options, must include at least three realtors and the client's signature stating they received the list. This signed referral list should be retained in the file. Please note that "referring" a client back to the servicer/lender is not considered a referral.

e. Collecting and transmitting documentation required for *Making Home Affordable* Program refinance or modification decisions, if that is what Action Plan dictates. Counselors should keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.

Note: Neither Counselor Notes or telephone logs satisfy the requirement for documenting Verification of Action Taken, as neither provide verifiable proof that any action took place. Fax transmission sheets, emails, mail receipts, screenshots of portal communication, or other signed verification that any action took place is required to be retained in the client file.

When reporting for Level Two counseling activities, all five of these completed documents must be in the client's file: authorization, disclosure, privacy policy, budget verification, and verification of action taken based on the Action Plan. All Grantees must certify that all NFMC clients are owner-occupants of their homes at the time they receive counseling. By existing statute, NFMC clients must be owner-occupants of single-family (one- to four-unit) properties with mortgages in default or in danger of default.

Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee, Branch or Affiliate offices. NWOs are responsible for ensuring proper documentation exists for each client served by their CCEs.

Note: Starting with Round 3, NFMC no longer has a "Level Three" counseling designation.

Clients that would previously have been reported as Level Three should now be reported twice – once at Level One, and once at Level Two.

Level 4 Not applicable for sub grantees funded through the Division.

Program-Related Support – All Applicants are eligible

Applicants will receive Program-Related Support funds valued at 20% of their Counseling award.

If Applicant does not wish to use the full 20% on Program-Related Support, it can use these funds to provide additional NFMC Program counseling. A plan for use of these funds, **including the estimated costs of major line-item budget items**, must be included with the application. These funds shall be used to increase foreclosure program efficiencies. State HFAs and Intermediaries must pass through all Program-Related Support funds to their Sub-grantees, Branches or Affiliates **unless** they keep on file a justification for how retaining a portion of this support will have a timely and positive impact on the capacity of Sub-grantees, Branches or Affiliates to conduct foreclosure mitigation counseling. If this is the case, no more than 50% of

the Program-Related Support funds allocated under this section can be held at the Intermediary or State HFA level. These funds are not intended to cover administrative costs; rather, they are meant primarily to support direct costs associated, as much as possible, with increasing the ability of Sub-grantees, Branches, Affiliates or CCEs to effectively and efficiently provide quality foreclosure counseling. Eligible uses of Program-Related Support include but are not limited to:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time for clients seeking help with situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
- Outreach to delinquent clients, especially in Areas of Greatest Need and Areas of Extraordinary Need. The NFMC Program encourages outreach strategies that prompt delinquent homeowners to seek assistance well before the foreclosure notice is received.
- Group orientation and education sessions to help use counseling time more effectively. Registering attendees, preparing for, and delivering these group sessions are all eligible uses.
- Outreach and communication on preventing “rescue” or loan modification scams
- Infrastructure development and communication
- Technology improvements for outreach, counseling, education, registration and loan modification purposes
- Improving capacity and infrastructure for tracking and reporting data
- Costs related to hiring, orienting and training new counseling staff
- Purchasing or leasing equipment and software for counselors
- Collecting data and preparing quarterly reports and disbursements
- Quality control of the counseling function

Applicants may contract out part or all of the activities proposed under Program-Related Support, but must demonstrate that their subcontractors have the required experience and expertise in the application.

V. Applicant Eligibility

Applicants 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:

- i. 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
- ii. If 75% or more applicant's service area is rural , (as defined by the USDA Rural Development, as of September 11, 2014), 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
- iii. 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 qualified foreclosure counselor on staff.

If the supervisor or counselors who are experienced in managing this program are no longer staff, applicants must explain how goals will be achieved, including how they will recruit and train new staff. The Division reserves the right to ask sub-grantees and CCE's to provide documentation of the above as condition of the award or at any point during the grant period or subsequent evaluation period.

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 their 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.

VI. Sub-Grantee Responsibilities

The primary responsibility of the sub-grantee 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.

VII. Sub-Grantee Reporting Requirements

Sub-grantees will be required to report program expenditures and production information on a monthly basis. Applicants must:

- Indicate their ability to retain records for three (3) years;
- Indicate that its accounting system can segregate NFMC funding and expenditures from other sources.

Applicants will also be responsible for maintaining a database which includes, but is not limited to, household information on each client receiving assistance available at the following links: http://www.neighborworks.org/Documents/HomeandFinance_Docs/Foreclosure_Docs/NFMC_Docs/Round9_Docs/S-Client-Level-Data-Reporting-Requirements.aspx

and

http://www.neighborworks.org/Documents/HomeandFinance_Docs/Foreclosure_Docs/NFMC_Docs/Round9_Docs/T-Round-9-Quarterly-Final-Report-Questions.aspx

Sub-grantees are required to provide detailed narrative program and data information, as required by NeighborWorks and/or the Division, which will be collected on a monthly basis for incorporation into quarterly reports that are submitted to NeighborWorks. A financial audit is to be submitted on an annual basis. Sub-grantees are required to participate in at least two (2) NFMC program audits which may include file review and on-site compliance review. 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 sub-grantee financial statements and client files on a quarterly basis. The sub-grantees 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 sub-grantees for Level One or Two counseling session where the client data needed to receive reimbursement from NeighborWorks is incomplete and cannot be uploaded into the central NeighborWorks database. NeighborWorks will disburse funds based upon the number of counseling sessions reported in the database and sub grantees will not receive reimbursement until counseling session thresholds are met.

NeighborWorks provides reimbursement on a pre determined draw basis based on the aggregate number of counseling sessions accepted. Therefore, reimbursement to any particular sub-grantee may be delayed if other sub-grantees do not meet their quarterly performance goals.

Note: Any client who received counseling services prior to January 1, 2015 will be eligible to be counseled again on or after January 1, 2015 at any level. Sub-grantees must document that the client received the appropriate level of service again, after January 1, 2015 and all current required documentation as described in the "Eligible Activities" section of this announcement is maintained in the client file, with the new intake date. In order for the client to be uploaded into the Data Collection System for payment, the homeowners must have received a new counseling session after January 1, 2015 and all required documentation must be dated as of the new intake date and recorded in the client file.

VIII. Sub-Grantee Match Requirements

The Division must demonstrate to NeighborWorks that sub-grantees 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:

- a. Applicant match must be related to applicant's foreclosure mitigation program. This program **must** include foreclosure intervention counseling, but may also include triage, outreach, mortgage workout or rescue funding, plus any administrative or overhead expenses associated with the program.

- b. 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.
- c. Match can be cash or in-kind (i.e. staff time, office space, volunteer time, donated equipment, etc).
- d. 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 to its chartered members from Congressionally appropriated dollars, including NFMC funding from prior grant rounds.
- e. 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.
- f. The match "window," or period within which the match must be raised, extends from April 1, 2015, to June 30, 2017. Any expenditures related to the applicants' foreclosure mitigation program realized between April 1, 2014 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 previous NFMC Counseling funding rounds. Funds raised before this time period can be counted toward match as long as they will be expended during the time from April 1, 2015 to June 30, 2017.
- g. The match requirement may be waived by NeighborWorks for counseling delivered in defined geographic areas suffering from high poverty and unemployment (i.e. local poverty rate and/or local unemployment rate is greater than 150% of the national rate). 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 RFA.
- h. 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.

IX. Application Submission Requirements

Applicants must be a Nevada-based Housing Counseling Agency, preference will be given to HUD-approved housing counseling agencies, and have experience in administering federal grants and/or state funds. (Please include copies 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 Applicant Evaluation and Criteria section below.

Submission response should follow the format of items outlined below in the Applicant Evaluation and Criteria section.

X. Applicant Evaluation and Criteria

Applications will be evaluated and awarded based on certain criteria. Applicants must attach a separate document and include responses to all of the following:

- a. Please state any past or current experience in administering 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.
- b. 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. Please indicate future plans for continued staff training (i.e. conferences and/or training that will be completed);
- c. Please identify number of staff members who are fluent in foreign languages that will assist non-English speaking customers who need foreclosure intervention counseling. *Applicants must certify that they have staff members fluent in foreign languages and/or submit proof of an MOU for translation services with another agency;*
- d. 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;
- e. Past experience with, and the ability to provide, the following items: (Required by NeighborWorks:
 - i. A reasonable analysis of a borrower's financial situation;
 - ii. A reasonable evaluation of current value of the property that is subject to the mortgage;
 - iii. Counseling regarding assumption of mortgages and/or purchases of the mortgage by non-federal third party;
 - iv. Counseling and advice on restructuring and refinancing strategies, or with work-out strategies;
 - v. Working successfully with financial institutions and loan servicers resulting in positive outcomes for clients served
- f. Indicate which of the following applies to your organization:
 - i. 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
 - ii. If 75% or more of 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
 - iii. 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 (iii) 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.

- g. Provide a detailed breakdown of current and anticipated Level One and Two counseling sessions by quarter starting with July 1, 2014 to September 30, 2015 for Demonstrated Experience and October 1, 2015 to June 30, 2017 for projected Counseling Units.. The proposed should provide separate estimates of the number of Level One and Level Two counseling and the corresponding counseling budgets. If not a current NFMC sub-grantee, please use the Level One and Two counseling session guidelines included earlier in the RFA to estimate how many of the current clients served are within each of these Levels of counseling;
- h. Describe your capacity to track which level of counseling sessions that have been provided (Level One and Level Two). Applicants should provide a succinct, but detailed, explanation of how those proposed counseling levels will be tracked and how data will be compiled;
- i. Please identify the client management system to be used by your agency. Applicants must certify that they will be able to report required client data via one of the following:
 - i. CounselorMax,;
 - ii. Home Counselor Online; or
 - iii. 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)
- j. 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. *Applicant must certify their ability to provide counseling in an ADA accessible location;*
- k. 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;
- l. Describe your ability to coordinate with non-profit organizations operating national or statewide toll-free foreclosure prevention hotlines including those that:
 - serve as a consumer referral source and data repository for borrowers experiencing some form of delinquency or foreclosure;
 - connect callers with local housing counseling agencies; or
 - facilitate or offer free assistance to help homeowners to understand their options, negotiate solutions, and find the best resolution for their particular circumstance;
- m. 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
- n. Please provide copies of the most recent HUD-9902 Housing Counseling Agency Activity Report;
 - o. Please submit a copy of the agency's most recent financial audit (must have been completed within the last 12 months);
 - p. Please certify that your agency will adopt 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). Housing counselors must sign to certify;
 - q. Please complete and include a detailed budget that outlines the Level One and Level Two counseling budgets, program operations costs by line item (i.e. staff, overhead, etc.), HAMP reimbursement, if any, and match required;
 - r. Application must include how agency will meet Match Requirements on a quarterly basis;
 - s. Please provide a copy of current business license; and
 - t. For Round 9 NFMC sub-grantees, submit revised production schedule and provide information on how your agency will complete outstanding counseling sessions as well as the proposed counseling sessions within required timeframes.

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XI. Deadline

Application due date: January 29, 2016 at 5:00 pm Pacific Time

Selected applicants may be required to submit additional information to the Division prior to January 29, 2016, in revised formats to facilitate the Division's application to NeighborWorks. The Division reserves the right to amend, modify, or cancel this RFA at any time.

XII. Submission Information

Two copies (On Line PDF or Word) of the submission/ application, along with required attachments, are to be sent to the following:

NEVADA HOUSING DIVISION

Attn: Art Thurner at cctaxcr@housing.nv.gov

Attn: Mike Dang at mdang@housing.nv.gov

XIII. Required Attachments

Applicants must complete the "Counseling Agency Location Form for Full HFA/Intermediary Applications" located under the Application Supplemental Materials and Templates section located at the following link:

[http://www.neighborworks.org/Homes-Finances/Foreclosure/Foreclosure-Counseling-\(NFMC\)/Round-10](http://www.neighborworks.org/Homes-Finances/Foreclosure/Foreclosure-Counseling-(NFMC)/Round-10)

In addition applicants who will be applying for NFMC funding from more than one entity must submit a letter disclosing the agency's intention to apply for NFMC funds through the Nevada Housing Division and other Intermediary organizations. A sample letter is located at the same link above and is titled "Sample Letter Disclosing Intention to Apply For NFMC Funds through Multiple Applications".

XIV. RFA Contacts

Art Thurner, NFMCP Contract Staff
Nevada Housing Division
1535 Old Hot Springs Rd., Suite 50
Carson City, NV 89706
Phone: (775) 687-2040 ext 2034
Fax: (775) 687-4040
E-mail: cctaxcr@housing.nv.gov

Mike Dang, Chief of Programs
Nevada Housing Division
7220 Bemuda Rd. Suite B
Las Vegas, NV 89119
Phone: (702) 486-7220 ex 224
Fax: (702) 486-7227
E-mail: mdang@housing.nv.gov

XV. RFA Public Notice

Public Places:

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

Nevada Housing Division
7220 Bermuda Rd, Suite B
Las Vegas, Nevada 89119

Posted at:

Online: www.housing.nv.gov

XVI: Interested Parties: HUD-Approved Housing Counseling Agencies*

Nevada Legal Services
530 South Sixth Street
Las Vegas NV 89101

Chicanos Por La Causa
3685 Pecos McLeod
Las Vegas, NV 89121-3805

Consumer Credit Counseling Service
DBS Financial Guidance Center
Michelle Johnson
2650 S. Jones Blvd
Las Vegas NV 89146

Las Vegas Resource Center
8100 Westcliff Drive
Las Vegas, NV 89145

Home Today/ Housing for Nevada
265 E. Warm Springs, Suite 107
Las Vegas NV 89119

Nevada Legal Services
204 Marsh St.
Reno NV 89509

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

NAVICORE
2298 W. Horizon Ridge Pkwy
Henderson, NV 89014

Neighborhood Housing Services
1849 Civic Center Drive
N. Las Vegas, NV 89030

Community Services of Nevada
730 West Cheyenne Av # 10
North Las Vegas NV 8903

Neighborhood Assistance Corp of America
3030 Jones Blvd St 103.
Las Vegas NV 89101-6918

Nevada Legal Services
530 6th St.
Las Vegas, NV 89101

Springboard Las Vegas
215 E Warm Springs Rd
Las Vegas, NV 89119

Springboard Non Profit
1469 W. Warm Springs Rd #110
Henderson, NV 89014

Springboard Non Profit
2300 W. Sahara Av. St 800
Las Vegas, NV 89102

*Interested parties notified via electronic mail of RFA posting at www.housing.nv.gov

Exhibit A

REQUIRED DOCUMENTS TO BE SUBMITTED WITH THE THE NPMC ROUND 10 APPLICATION

- Written responses to Section X “Applicant Evaluation and Criteria”;
- Detailed budget, as reflected in Section X (q) and Section IV (1) and (2);
- Copy of most recent HUD-9902 Housing Counseling Agency Activity Report, as reflected in Section X (n);
- Most recent financial audit which has been completed within the last 12 months, as reflected in Section X (o);
- Certification that agency will adopt the National Industry Standards Code of Ethics and Conduct, etc. as reflected in Section X (p);
- Listing of anticipated Match sources and amounts
- “Counseling Agency Location Form for Full HFA/Intermediary Applications”;
- If applicant is applying for multiple allocations from the Division and other Intermediaries, a letter certifying the applicants intent to submit multiple applications;
- A letter executed by the Executive Director certifying that the organization has not been indicted for a violation under Federal law relating to an election for Federal office, and that the organization does not employ individuals reflected in Section V of this RFA.
- Copies of documentations showing the applicant is a Nevada-Based Housing Counseling Agency with experience in administering federal grants and/or state funds. Include documents requested in Section IX of this RFA.
- Copy of MOU for translation services if provided by a different agency
- Certification that counseling will be provided in ADA compliant location, as reflected in Section X (j).