

REQUEST FOR PROPOSALS
TO
ADMINISTER A
FORECLOSURE MITIGATION COUNSELING PROGRAM
Round 7

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 a majority 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

Within the State of Nevada, the Las Vegas MSA, the Reno MSA, and Carson City have been designated as “areas of greatest need”. 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 single-family (1 to 4-units) 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:

In response to the ongoing nationwide foreclosure crisis, NeighborWorks America received funding under Public Law 112-55, The Consolidated and Further Continuing Appropriations Act of 2012, 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 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.

It is important to note that selected subgrantees may NOT utilize HUD housing counseling grant funds to reimburse counseling activity costs for any counseling recipient for which the specific grantee or subgrantee received NFMC reimbursement. This is a new requirement for NMFC Round 7. Specifically the HUD NOFA states:

“Funding Restrictions. Funding is limited to the eligible activities described in Section III.C.1 of this NOFA. Moreover, this NOFA seeks to minimize duplication with the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America, and to prioritize funding for counseling activities not supported by NFMC. Specifically, grantees and sub-grantees are prohibited from using HUD housing counseling grant funds under this NOFA to reimburse counseling activity costs for any counseling recipient for which the specific grantee or sub-grantee received NFMC reimbursement. For example, a grantee receiving reimbursement from NFMC for counseling John Doe, cannot also bill the HUD housing counseling grant for costs related to counseling John Doe that may have exceeded NFMC reimbursement.”

The performance period for these funds is October 1, 2012 to December 31, 2013.

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 (\$300)

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

*Applicants are encouraged to view the entire NFMC program notice which outlines all of the requirements of Level One and Level Two counseling. The NFMC program notice for Round 7 is available at www.nw.org/nfmcp and is also attached to this RFP.

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 and prevention of loan modification scams
- 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 and quality control

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 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.

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 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.

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 4 of the NFMC Notice for Round 7 (attached). 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. Subgrantees 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 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 or Two 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.

NeighborWorks provides reimbursement on a quarterly basis based on the aggregate number of counseling sessions accepted. Therefore, reimbursement to any particular subgrantee may be delayed if other subgrantees do not meet their quarterly performance goals.

Subgrantees can provide NFMC to households which previously received NFMC counseling as long as the household received counseling prior to January 1, 2012, and the household completes a new intake process and receives additional services.

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 6 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 April 1, 2012, to December 31, 2013. Any expenditures related to the applicants' foreclosure mitigation program realized between April 1, 2012 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 NFMC Round 6 Funds. Funds raised before this time period can be counted toward match as long as they will be expended during the time from April 1, 2012 to December 31, 2013.
- 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 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 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 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.

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

Proposal Evaluation and Criteria:

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

- 1 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.
- 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. Please indicate future plans for continued staff training (i.e. conferences and/or training that will be completed);
- 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. *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;*
- 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 and Two counseling sessions by quarter starting with October 1, 2012. 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 subgrantee, please use the Level One and Two 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;
- 8 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 data will be compiled;
- 9 Please identify the client management system to be used by your agency (see copy of Exhibit 4 in the NeighborWorks Round 6 Information 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) 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.
- 10 Describe strategy for identifying, marketing to, and attracting homeowners who are delinquent or in default on their mortgages, 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;*
- 11 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;

- 12 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;
- 13 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
- 14 Please provide copies of the most recent HUD-9902 Housing Counseling Agency Activity Report;
- 15 Please submit a copy of the agency's most recent financial audit (must have been completed within the last 12 months);
- 16 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;
- 17 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;
- 18 Proposal must include how agency will meet Match Requirements on a quarterly basis;
- 19 Please provide a copy of current business license; and
- 20 For Round 6 NFMCP subgrantees, 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.

NOTE: Selected Subgrantees may be required to submit additional information to NHD prior to December 10, 2012, in revised formats to facilitate NHD's application to NeighborWorks.

NHD reserves the right to amend, modify, or cancel this RFP at any time.

Proposals are to be submitted to: Attn: Art Thurner, NFMCP Contract Staff, Nevada Housing Division, 1535 Old Hot Springs Rd. Suite 50, Carson City, NV 89706 no later than **5:00 p.m. December 10, 2012**. Only one copy of the proposal is needed.

Please go to the nw.org website below and complete the following forms and return with your application.

<http://www.nw.org/network/foreclosure/nfmcp/round7.asp>

Application and Application Guide

Full Application Questions for HFA and Intermediaries

Application Supplemental Materials and Templates

Streamlined Application Data Collection Form

Sample Letter Disclosing Intention to Apply for NPMC Funds through multiple applications

RFP Due Date: December 10, 2012 at 5:00 pm

RFP Contact:

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) 687-2040
E-mail: hlopez@nvhousing.nv.gov or
E-mail edaniels@nvhousing.nv.gov

Elizabeth Daniels, Deputy Administrator
Nevada Housing Division
7220 Bermuda Rd, Suite B
Las Vegas, Nevada 89119

RFP Mailing List:

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

Online:

www.nvhousing.state.nv.us

Interested Parties: HUD-Approved Housing Counseling Agencies*

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

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

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

Chicanos Por La Causa
601 S. 10th Street, Suite 105
Las Vegas, NV 89101

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

Nevada Legal Services
650 Tahoe St.
Reno NV 89509

NOVADEBT
2298 W. Horizon Ridge Pkwy
Henderson, NV 89014

Neighborhood Assistance Corp of America
5765 S. Rainbow Blvd.
Suite 102
Las Vegas NV 89118

NID-HCA of Las Vegas
1333 N. Buffalo Drive, Suite 190
Las Vegas NV 89128

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

Springboard Henderson
1489 W. Warm Springs Rd, Suite 213
Henderson, NV 89102

SNRHA
340 N. 11th Street
Las Vegas, NV 89101

Springboard Las Vegas
2300 W. Sahara Avenue, Suite 800
Las Vegas, NV 89102

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 89030

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

*Interested parties notified via electronic mail of RFP posting at www.nvhousing.state.nv.us

