

**Questions and Answers for Request for Proposals (RFQ) 2010-07**  
Housing Counseling Agencies – Hardest Hit Fund  
Mortgage Intervention Strategy

**Question 1:**

Would my law license together with my experience exempt my office from Certification in Foreclosure Intervention and Default courses?  
If not, what would be the quickest way to get certified?

**Answer:**

A Certificate of Good Standing from the Florida Bar would exempt the attorney from certification on Foreclosure Intervention and Default courses.

**Question 2:**

Does the above certification apply to my staff, as well?

**Answer:**

The exemption referenced in Question 1 applies only to the attorney; the office or staff does not receive an exemption. As long as the staff is performing administrative work, not actual counseling, then the staff would not need to be certified. If the staff is performing counseling, then they would need the certificate.

**Question 3:**

Due to the economy, I have sublet a separate part of my office to a mortgage broker. I have no interest or control in the mortgage broker's office or business, nor does she 's have any in my law firm. That is, she does not benefit from my law firm nor from the law firm's activities. However, that mortgage broker is my 77-year-old mom. Will this automatically disqualify my law firm from the RFQ under the following clause on page 18 of the RFQ?

*"Conflict of Interest: The Offeror will certify that the staff and volunteers who will provide foreclosure counseling under the Contract have no conflict(s) of interest due to relationships with servicers, real estate agencies, mortgage lenders, family members and/or other entities that may stand to benefit from particular outcomes."*

**Answer:**

Not automatically. If you certify there is no contact between your office and the mortgage brokerage, and the businesses are kept completely separate, a conflict of interest may be avoided. See response to Question 28.

**Question 4:**

Are Offeror's tied to one county/tier or can they propose to operate in two different counties/tiers?

**Answer:**

The Offeror may propose to work in multiple counties.

**Question 5:**

The table of tiers showing percentages of allocations and mentioned that 90% (Miami Dade County Tier 1) of the proposed number of home owners put through the program in terms of dollars would be advanced. Is this correct?

**Answer:**

Currently, 90% of the funding has been allocated to the sixteen Tier 1 counties.

**Question 6:**

What if a client already received a HAMP modification, but subsequently has had an additional loss/reduction of income that makes the modified payments unaffordable? Will Florida Housing negotiate with services/lenders to do additional modifications for these type of clients to be able to participate in the Hardest Hit Program?

**Answer:**

Counselors will have the discretion to consider this situation, but will need to take into account that another HAMP modification is not possible, when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 7:**

If a client is qualified and participates in the Hardest Hit program, regains employment to allow for modification and/or possible principle reduction, will Florida Housing require that this be a permanent modification or will the allowed modification be on a trial basis as is the procedure with the HAMP program?

**Answer:**

It is the intent of Florida Housing to commit the funds for a principal reduction to the servicer during the trial period and disburse when the modification becomes permanent.

**Question 8:**

Are agencies limited to only servicing clients in their county or could they also serve clients outside their immediate service as long as they are Florida Residents? If clients outside of your county are served, will the amount of assistance received be deducted from the allocation of the county they reside in or your county?

**Answer:**

Offerors can serve clients outside of the physical county the Offeror is located. The funds from the Mortgage Intervention Strategy are deducted from where the homeowner resides, not where the Offeror is located.

**Question 9:**

Is the 140% of median adjusted income according to family size or flat? If so, will there be any limitations on assets, i.e., equity in other property, cash, savings, etc.

**Answer:**

The 140% AMI will be adjusted to family size. Other assets must be considered by the counselor when determining eligibility of the homeowner for the Mortgage Intervention Strategy.

**Question 10:**

Will any sort of income certification form (such as in SHIP) be required to document that they are income eligible or can paystubs, tax returns, etc. be used? If so, will there be any limitations on assets, i.e., equity in other property, cash, savings, etc.

**Answer:**

The Mortgage Intervention Strategy will not require a full income certification. Current paystubs, tax returns, etc. can be used. Please see Question 9 for consideration of other assets.

**Question 11:**

Would a substantial increase in payments due to higher taxes and insurance be considered a qualified hardship?

**Answer:**

While tax rates have been generally going down across the state, counselors will have the discretion to consider this among many other factors when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 12:**

Has Florida Housing considered approaching Habitat for Humanity Affiliates to see if they are willing to participate in the program?

**Answer:**

The RFQ has been properly noticed per governing law and is open to all eligible entities.

**Question 13:**

An example of circumstances that could disqualify the client, "mortgaging the property for commercial or business purposes" - an example I could think of, what about long-term owners (self-employed) that refinanced or obtained an equity line to start a business that was sustainable, until the economy went sour or refinanced to try to sustain the business hoping for the economy to improve after the economy went sour?

**Answer:**

Counselors will have the discretion to consider this situation, among many other factors, when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 14:**

What is sufficient documentation, other than being turned down for unemployment, to determine that employment was terminated for "willfull" misconduct. What if they were not employed long enough to be eligible for unemployment? It is doubtful that most homeowners will disclose willful termination and most employers are not going to disclose that they terminated someone for misconduct.

**Answer:**

Counselors will have the discretion to consider this situation, among many other factors, and ask for the appropriate back-up documentation when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 15:**

Define "may be cause for rejection of the application by the Offeror". Does the Offeror have the final say? If so is there an appeal process? Does the agency present documentation to Florida Housing for a final determination, etc.? Will someone at Florida Housing be assigned to review "grey area" cases?

**Answer:**

We anticipate that there will be a review of rejected applications by the Offeror. Rejections that cannot be resolved by the Offeror will be reviewed by Florida Housing.

**Question 16:**

Whether the homeowner was ever able to afford the home purchased? Does this apply to the original purchase and/or refinance/equity line? If the original loan/refinance/equity line was an adjustable or pick a pay, would the affordability be based on the original terms or fully amortized/indexed terms?

**Answer:**

Counselors will have the discretion to consider this situation, among many other factors, when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 17:**

Will the mortgage amount also include the match amount from the servicer and/or lender?

**Answer:**

No.

**Question 18:**

If there are multiple mortgages, i.e., 1st, 2nd/equity line, will be payment assistance be to all lenders as long as the maximum payment is not exceeded?

**Answer:**

Florida Housing will only make payments on behalf of eligible homeowners for their first mortgage.

**Question 19:**

What is considered acceptable documentation other than a check of unemployment records to determine that the client still needs the mortgage intervention funds? If a client fails to attend follow-up session, is this grounds to terminate payments under the mortgage intervention strategy?

**Answer:**

This will be based on the methods and documents used to determine initial eligibility by the counselor. If the counselor is unable to verify that the homeowner remains eligible for continued Mortgage Intervention Assistance, then this may be ground for termination of payments.

**Question 20:**

What is considered acceptable ways to verify the steps that the client has to taken to find a job or earn more income?

**Answer:**

Counselors will have the discretion to consider the facts presented to them when determining continuing homeowner eligibility for the Mortgage Intervention Strategy.

**Question 21:**

If a client fails to attend a follow-up session, would this be grounds to terminate payments under the mortgage intervention strategy?

**Answer:**

See Question 19.

**Question 22:**

Once a client regains substantive employment, sufficient in order to qualify for a mortgage modification in accordance with HAMP guidelines, would the principal write-down or second mortgage lien reduction only come into place as a last resort if the mortgage was still unaffordable after offering the appropriate maximum reductions to make the mortgage affordable under existing HAMP guidelines?

**Answer:**

Yes.

**Question 23:**

Can clients be charged an application fee or fee for the cost of the credit report?

**Answer:**

No.

**Question 24:**

Will an appraisal be required to determine the current value of the home or LTV or CLTV? If so, how will this expense be covered?

**Answer:**

No.

**Question 25:**

Will "Offerer" be able to obtain verification from servicer that Monthly PITI has been made once assistance is provided since this is one of the reporting requirements?

**Answer:**

There are multiple sources where payment of Monthly PITI can be verified.

**Question 26:**

Will Lender/Servicer be required to provide "Offerer" with documentation of the match provided since this is one of the reporting requirements?

**Answer:**

There are multiple sources where documentation of any match provided can be verified.

**Question 27:**

If a joint response to the RFQ is filed by qualified entities, and the joint filing is made clear on the face of the response, is it appropriate for the qualified entities that submitted the joint response to join together to form a separate legal entity, i.e. LLC, etc., in order to implement the program? Also, if a single entity responds, is it allowable for them to set up a separate affiliate such as an LLC, etc. to run the program.

**Answer:**

If joint venturers intend to form an entity to perform under the contract, that plan must be disclosed in the response to the RFQ, and that proposed entity must itself meet all requirements of the RFQ.

**Question 28:**

If the responder has to bring on additional staff to perform the program, it would be likely that the most qualified staff might be members of the real estate community. This being the case, if licensed realtors provided counseling to clients, would this be considered an actual, apparent, or potential conflict of interest? If so, could the conflict or potential conflict be negated if all clients are provided with a disclosure form stating that staff that are providing services are also licensed "realtors" and are prohibited from utilizing their position as a counselor to solicit business as a result of the counseling relationship?

**Answer:**

Use of real estate licensees presents a potential conflict of interest. To avoid actual conflicts, the real estate licensees must be prohibited from involvement in any transaction other than the service directly offered per the RFQ, and prohibited from soliciting or referring clients to their real estate businesses.

**Question 29:**

How long will it take Florida Housing to provide reimbursement compensation, once an appropriately documented invoice has been submitted? If a client goes to multiple entities and each entity performs intake how will the reimbursement be handled?

**Answer:**

Florida Housing will provide payment for services rendered in a timely manner. It is not the intent of Florida Housing to pay for duplicate clients.

**Question 30:**

Is the professional liability errors and omissions insurance required in conjunction with the licensing of individuals in conjunction with the "SAFE" act?

**Answer:**

No.

**Question 31:**

Will the contracts be awarded based on the unit projections as listed in the RFQ as with NSP?

**Answer:**

No.

**Question 32:**

Has a test county been determined for this project?

**Answer:**

Lee County.

**Question 33:**

Did the Florida Housing Finance Corporations Board make any additional changes in the corporations RFQ that was provided at the meeting in Orlando. As I recall from my attendance at the meeting the Board was going to consider any changes in its original RFQ, and my question is, were any changes made?

**Answer:**

It is the responsibility of each Offeror to review the final RFQ that was published on the Florida Housing website on June 18, 2010. Specific changes may have been made because of questions and comments from the Workshop held on June 11, 2010.

**Question 34:**

Does the unit reimbursement for the successful outcome/mortgage modification apply only to a Homeowner that completes the Mortgage Intervention Strategy and then gets a modification or to all Homeowners even those that don't need the Mortgage Intervention Strategy to receive the modification?

**Answer:**

The payment to the Offeror for a successful outcome / mortgage modification only applies when a homeowner successfully completes the Mortgage Intervention Strategy.

**Question 35:**

Can local governments apply for the Hardest Hit Funds?

**Answer:**

Yes, if eligible and can perform the services outlined in the RFQ.

**Question 36:**

In negotiations with the servicers, are you all going to require them to train certain people so that they will be familiar with the Hardest Program?

**Answer:**

It is a goal of Florida Housing to have the servicers provide and train certain people who are familiar with the Mortgage Intervention Strategy.

**Question 37:**

Will the servicers, lenders, be required to work with clients that have previously received forbearance agreements, but are currently in foreclosure because they did not have sufficient income to qualify for modification assuming the property meets the NPV test?

**Answer:**

We cannot force requirements on servicers / lenders.

**Question 38:**

Will title insurance be required on mortgages? If so, what if there are clouds on the title?

**Answer:**

There will be no title insurance required on mortgages in the Mortgage Intervention Strategy.

**Question 39:**

Is there a minimum lien position that Florida Housing is willing to take, i.e., no lower than 3rd, etc.?

**Answer:**

No.

**Question 40:**

Will the initial amount of the initial mortgage for the payment assistance be based on the maximum amount of assistance the client would be eligible for, i.e., the full 18 months, and then modified if lesser time is needed in order to finalize the formal modification?

**Answer:**

Yes, based on the maximum amount that the homeowner is eligible for per program guidelines.

**Question 41:**

What source of acceptable documentation could be utilized to make the determination if the client does not have a copy of their original 1003?

**Answer:**

Counselors will have the discretion to consider the facts and documents presented to them when determining homeowner eligibility for the Mortgage Intervention Strategy.

**Question 42:**

Being a HUD counselor it is not a requirement you be certified but have been doing foreclosure for the period of time required and more. If not certified, can one be certified before signing of the contract?

**Answer:**

There has to be at least one certified counselor or attorney at the agency prior to contract signing. All other new or existing staff to be used as counselors must be certified within 18 months of hire or reassignment.

**Question 43:**

If classes have been taken with Cora Fulmore can that count towards the certification for foreclosure?

**Answer:**

Florida Housing is currently working with Cora Fulmore on this issue.

**Question 44:**

For the Industry Standards for Homeownership Education and Counseling Center for Independent Living has been approved pending on certification for foreclosure. Will this be accepted?

**Answer:**

Florida Housing will evaluate any courses for certification upon submission.

**Question 45:**

Will Florida Housing provide the formula for determining NPV?

**Answer:**

The Offeror in conjunction with the borrower's current servicer will determine NPV.

**Question 46:**

For the pilot program here in Lee County, are the HUD approved housing counseling agencies expected to participate in the RFQ process? I read an article that seemed to state that there are two agencies (Lee County HDC and HORC) that have already been tapped for this program here which seems contrary to the RFQ listed on the website.

**Answer:**

Florida Housing has not chosen any agency for the implementation of the Mortgage Intervention Strategy. Florida Housing is encouraging all eligible entities in Lee County and throughout the state to apply to this RFQ.

**Question 47:**

There will be many HUD Certified Housing Counseling agencies applying for this grant. Many of these similar services are being provided by these same agencies. Since the Safe Act I have questioned HUD and the Office of Regulation and their answers were HUD Certified Agencies would be exempt. I still have not seen this in writing. But I believe that HUD Certified Counseling agencies should be exempt of this compliance piece in the grant. Could you please review this and provide an addendum exempting HUD Certified Agencies?

**Answer:**

Florida Housing does not have the authority to exempt anyone from the SAFE Act.

**Question 48:**

Where should the statement of purpose be listed on the cover page?

**Answer:**

The formatting of the cover page to contain the required information is at the discretion of the Offeror.

**Question 49:**

Does the item number and sub- item number have to be listed on the documents that are being inserted in the RFQ (liability insurance, non-profit status (501c3), National Industry Standards for Homeownership Education Counseling Certificate?

**Answer:**

In order for the responses to be reviewed in a timely manner, the documents should be placed behind the appropriate item number and sub-item number.

**Question 50:**

What are the limits of liability required for this RFQ?

**Answer:**

The RFQ does not specify limits of liability in the RFQ. The Offeror must submit a copy of the certificate of liability insurance for their company.

**Question 51:**

When submitting the RFQ, should the word Original be typed or stamped?  
Should the word Original be placed on the cover page?

**Answer:**

The word Original may be typed, stamped or handwritten and should be placed in a prominent place on the response (either the cover page or the front of the notebook if it is bound.)

**Question 52:**

In section E. Delivery – Please define a “session” and based upon this RFQ can you count each interaction you have had with a client as a session?

**Answer:**

For Section Seven – Information to be Provided in Response, Item E – Delivery of Counseling in the RFQ, a session with a client would be where foreclosure mitigation counseling occurred.

**Question 53:**

On page 18, Compensation – is the \$1200 fee for case management per individual case per month or is it \$1200 per month no matter how many cases you have?

**Answer:**

Per the RFQ, the \$1,200 program related support is per entity per month.

**Question 54:**

Will the offices of Florida Housing Finance Corporation be open on Friday July, 2 and/or Monday July, 5 and will someone be there on either of those days to accept RFQ responses sent by express delivery?

**Answer:**

Florida Housing will be closed on Monday, July 5, 2010, in observance of the Fourth of July Holiday.

**Question 55:**

Section Four C mentions applying the Net Present Value (NPV) test to determine loan value. Will Florida Housing provide training on how this should be calculated?

**Answer:**

See Answer to Question 45.

**Question 56:**

Section Four D mentions that the Offeror will facilitate the closing of the mortgage and have staff to witness and notarize closing documents. Will the Offeror also prepare the HUD-1 settlement statement or will there be a title agent or real estate attorney doing this?

**Answer:**

There are no fees charged to the borrower for the closing of the Mortgage Intervention Strategy mortgage, thus there is no need for a Good Faith Estimate or a HUD-1.

**Question 57:**

Section Five F mentions the Offeror being prohibited from engaging in activities in connection with Florida Housing. What effect if any does this have on current grantees of the NFMFC Program administered by Florida Housing?

**Answer:**

There is no effect on current grantees of the NFMC program administered by Florida Housing.

**Question 58:**

Section Seven B1 requests evidence of certification from the Dept of State that the Offeror is qualified to do business in Florida. Will a copy of the most current Non-profit corporation annual report meet this requirement?

**Answer:**

No.

**Question 59:**

Will Florida Housing delay the date responses are due for the RFQ because of the July 4<sup>th</sup>, 2010 Holiday?

**Answer:**

Florida Housing does not anticipate extending the deadline that the responses are due at this time. If Florida Housing does extend the deadline a modification to the RFQ will be posted to our website and a Notice of Delay sent to all parties that have either submitted questions to the RFQ or have expressed an interest in receiving a copy of the solicitation.

**Question 60:**

Florida Cooperative Extension Service in Osceola County are jointly funded and partnered with the Board of County Commissioners in Osceola County. We are a department that is HUD certified to provide housing counseling in various forms. We work closely with our county Human Services department who has overseen all the funds and qualifications for all of our SHIP and NSP funds for potential homebuyers/homeowners. Can we apply for the RFQ for the Hardest Hit Fund as the Osceola County government (as one unit) rather than separate? The reason for this question is we would like them to handle the qualifications and distribution of funds for the homeowner clients while we provide the HUD pre-foreclosure counseling/education. Is this possible?

**Answer:**

Local governments may apply—see response to Question 35. Note that the distribution of funds for the homeowner clients will be made by Florida Housing directly to the mortgage holder.

**Question 61:**

Please lend some clarification to the instructions re Appendix in Section 7. Is this instruction saying that we are not to include an Appendix section for the Attachments?

**Answer:**

Florida Housing anticipates that the attachments will be placed behind each individual section, not in a separate Appendix.

**Question 62:**

What is the formula for assessing the Net Present value of the property?

**Answer:**

See Question 45.

**Question 63:**

What will be the turn around time for compensation for our work?

**Answer:**

See Question 29.

**Question 64:**

Will Florida Housing increase its current staff size to administer the payment process under the new program?

**Answer:**

Florida Housing will have enough staff to properly administer the Mortgage Intervention Strategy.

**Question 65:**

If a client gets a modification from HAMP or whatever program through their servicer, and cannot fulfill that obligation because of employment issues or loss of income issues of some kind, will they still be able to apply and qualify for the Hardest Hit?

**Answer:**

See Question 6.

**Question 66:**

Will the increase in taxes and insurance that increases the payments be considered also?

**Answer:**

Please see the answer to Question 11.

**Question 67:**

If a client goes from the Foreclosure program in to the Hardest Hit, How will the counselors be paid? From both programs?

**Answer:**

It is not the intent of Florida Housing to use Mortgage Intervention Strategy funds to pay for services for clients that have already been billed under another foreclosure mitigation program.

**Question 68:**

Should the client's files that are coming in on the Foreclosure side be closed out totally as a referral, then another file opened for the Hardest Hit?

**Answer:**

The agency will be expected to maintain their files per the recordkeeping requirements of the program being used to service each client.

**Question 69:**

Is professional Liability Insurance needed as well as license for all individuals for the SAFE Act?

**Answer:**

The Offeror is required to provide a copy of the declaration page for proof of professional liability errors and omissions insurance which includes the following: Name of carrier and policy number; effective date of insurance; policy exclusions, if any; current coverage amounts; parties covered; and type of coverage.

Additionally, the Offeror and their staff must be in compliance with The Secure and Fair Enforcement for Mortgage Licensing (“SAFE”) Act of 2008 and all applicable laws of Florida by the time of Contract signing.

**Question 70:**

Can clients be charged for credit reports?

**Answer:**

See answer to Question 23.