

**REQUEST FOR PROPOSALS
TO PROVIDE
CONSTRUCTION LOAN DISBURSEMENT,
TITLE, ESCROW AND RELATED SERVICES**

Missouri Housing Development Commission



Response Deadline:

Two copies and one electronic copy on a CD-ROM to MHDC
no later than 4:30 p.m. on Monday, October 24, 2011

Submit Responses to:

Tina Beer
Director of Operations
Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
tbeer@mhdc.com

Introductory Information

Missouri Housing Development Commission

The Missouri Housing Development Commission (“MHDC”) was established in 1969 in order to increase the availability of decent, safe and sanitary housing at prices within the means of low- and moderate-income persons. MHDC is a governmental instrumentality of the state of Missouri and a body corporate and politic. MHDC’s authority is derived from Section 215.030, *et seq.*, of the Revised Statutes of Missouri, as amended and supplemented.

MHDC administers a variety of state and federal funding sources to finance the purchase of single family homes for owner occupancy and to finance the construction and rehabilitation of affordable rental housing for low-income Missourians. Funding is made available through a combination of issuing tax credits, sale of bonds to provide mortgages, providing grants, and making low-interest loans. Sources include the federal Low Income Housing Tax Credit, Missouri Low Income Housing Tax Credit, HOME Investment Partnership Program, federal Risk-Share insurance, Affordable Housing Assistance Program, proceeds of bond sales, as well as MHDC’s own general fund balances. MHDC’s activities are governed by the laws and regulations of each particular funding source as well as MHDC policy.

Definitions

Developer

A person or entity that has been awarded a loan from MHDC for the purpose of building one or more single family residences.

Development

A property that will be newly constructed, rehabilitated, or both, by a Developer.

Draw Request

The request a Developer submits for disbursement of funds.

MHDC

Missouri Housing Development Commission

RFP

Request For Proposals

Respondent

Firms submitting proposals in response to the RFP.

Response(s)

The written proposal submitted for consideration in answer to the RFP.

Servicer

The Respondent to this RFP that is selected by MHDC to perform the services requested.

Purpose of Request for Proposals

The purpose of this Request for Proposals (“RFP”) is to obtain proposals (“Responses”) from qualified firms (“Respondents”) to provide construction disbursement, title, escrow and related services.

MHDC recently initiated a \$10M revolving loan fund that will provide low interest construction loans to developers or builders that will build single family residences for owner occupancy in the Joplin area. MHDC has a need for qualified firms to perform construction loan disbursement, title, escrow and related services. MHDC is therefore soliciting responses from qualified Respondents to provide the services described in accordance with the terms and conditions set forth in this RFP and any other term or condition in the final contract.

Term of Engagement

Two years or until all funds are disbursed and all mortgagee’s title policies are fully dated down, whichever comes sooner.

Response Due Date

Monday, October 24, 2011, by 4:30 P.M. Central time

Submission of Responses

Two copies with original signatures of the Response, along with one electronic copy on a CD-ROM, must be submitted by the Response Due Date noted above to:

Missouri Housing Development Commission
3435 Broadway,
Kansas City, Missouri 64111
Attn: Tina Beer

Anticipated Timetable for RFQ and Responses

Release RFP: October 4, 2011
Responses Due: October 24, 2011
Selections: October 28, 2011

Procedures and Instructions

Questions

Questions regarding this RFP should be directed to MHDC in writing by mail, facsimile or electronic mail, as follows:

Tina Beer
Director of Operations
Missouri Housing Development Commission
3435 Broadway, Kansas City, Missouri 64111
(816)759-6838 (phone)
tbeer@mhdc.com

Standards of Conduct

Please refer to MHDC's "Standards of Conduct" for information regarding contact with the MHDC Commissioners or staff in connection with this RFP, necessary disclosures thereunder and other policies regulating the actions of interested parties, employees and commissioners during a competitive matter. MHDC's "Standards of Conduct" are available on MHDC's website at www.mhdc.com.

Furthermore, pursuant to the Standards of Conduct, any Response under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Questions regarding this requirement may be directed to MHDC's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at wwatson@mhdc.com.

Modifications to Responses

Respondents may not modify or correct its Response any time after the Response Due Date, except in direct response to a request from MHDC for clarification.

Revisions to this RFP

If it becomes necessary to revise or clarify any part of this RFP, MHDC will provide an addendum to be posted on MHDC's website at www.mhdc.com and also be sent to each firm provided a copy of this RFP.

Expense of Preparation of Responses

MHDC is not responsible for any expense incurred in preparing and submitting a Response or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Response.

Reservation of Rights:

MHDC reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate, negotiate modifications to any of the items proposed in the Response, request additional information from any Respondent, reject any or all Responses, and waive any irregularities in any Responses.

Review and Selection Process:

All Responses will be reviewed by MHDC staff. All Respondents will be notified of the result of the review process.

Public Records:

Respondents to this RFP should be aware that the Responses are public records under state law after the evaluation and selection process has been completed.

Scope of Services

The selected Respondent will be expected to provide construction loan disbursement, title, escrow and related services. The Servicer shall provide the following services in connection with all construction loans, as applicable, pursuant to the loan documents:

1. Establish construction loan disbursement files for each loan that shall contain copies of all documents and reports pertaining to the loan.

2. Review, process and pay draw requests submitted by developers in connection with construction loans.
3. Ensure that each draw request from the Developer meets the applicable standards set forth in the loan documents and as instructed by MHDC.
4. The Servicer shall determine that the following conditions, as applicable, have been met prior to each draw request being paid:
 - a. *Title.* The good and insurable title to the property is vested in the Developer, free and clear of all encumbrances, except as provided in the original title insurance commitment or policy insuring MHDC and delivered at the loan closing, based upon a title endorsement provided by the Servicer no later than seven days after the draw request is disbursed.
 - b. *Proper Execution of Request.* An authorized officer of the Developer shall execute each draw request.
 - c. *Percentage Completion.* The amount of the draw is justified relative to the amount of work completed by the Developer based on a physical inspection performed by the construction inspector of the work completed and the Servicer is satisfied that the undisbursed proceeds of the construction loan shall be sufficient to pay the cost of completing the construction of the development as required by the construction loan documents.
 - d. *Change Orders.* Any change orders are within the scope of the plans and specifications and in compliance with the loan documents and that the Developer has furnished the Servicer satisfactory evidence that the undisbursed proceeds of the construction loan shall be sufficient to pay the cost of completing the construction of the development as required by the construction loan documents.
 - e. *Inspections and Approvals.* Draw approval has been received from the appropriate party including but not limited to the engineer, architect and/or inspectors indicating that work has been accomplished in accordance with the plans and specifications and that construction of the development is not in violation of any land use restriction agreement, covenant, restriction, code, or zoning ordinance affecting the development.
 - f. *Liens and Waivers.* The Developer, or its designee, has furnished the Servicer with an affidavit stating whether the Developer has been served with any written notice that a lien may be claimed for any amounts by any person or entity furnishing materials or performing labor of any kind in the construction process of the development through the date of the previous disbursement. In the event notices of liens were received, the affidavit shall include copies of any such notices of liens or intents to file liens. In the event a lien has been filed against the property, the Servicer shall require that such lien be satisfied, escrowed, or bonded before approving a draw request. The Developer has procured proper construction lien waivers.
 - g. *Insurance.* The general contractor's commercial general liability policy and the engineer or architect's professional liability insurance or comparable insurance coverage, is in force.
5. The Servicer must complete processing of draw requests within five days after receipt of all appropriate documentation and must notify MHDC of the approval, disapproval, or modification of the draw request.

6. The Servicer must, upon approval of a draw request, coordinate request of funding from MHDC and upon receipt of funds from MHDC make timely disbursements to the borrower or applicable construction contractors.

Structure of Responses

Responses should be in a consistent and easily comparable format as established in this RFP. Responses not organized as set forth in this RFP or that exclude any component of services may, at MHDC's discretion, be considered non-responsive and rejected from consideration. Do not refer to other parts of your Response in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the Respondent's website, in lieu of providing specific information in the Response.

Each Response shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the Respondent shall certify that (i) that no elected or appointed official or employee of MHDC is financially interested, directly or indirectly, in the performance of the services specified in the RFP, (ii) that the information included in the Response is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Response on behalf of the Respondent.

Responses should be organized in the same manner as the individual information request contained in the section of this RFP entitled "Response Details." Separate responses should be given for each separate category and each answer should clearly identify the section being answered.

Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

Evaluation Criteria

The criteria used in evaluating the Responses will include, but are not limited to, the following (in no particular order of importance):

- a. The location, extent and capabilities of the firm(s) represented by the Respondent in terms of offices and employees in Missouri. Responding firms should be rated at least A by A.M. Best and provide MHDC with a copy of its closing protection letter
- b. Relevant experience providing similar services to state housing agencies or other clients, including the Respondent's reputation within the construction and national affordable housing industries.
- c. The Respondent's ability and willingness to provide the services desired by MHDC and demonstrated understanding of the requirements of MHDC in order to present work product of excellent quality in the desired timeframe.
- d. MHDC's prior experiences, if any, with the Respondent and any other factors MHDC believes would be in its best interest to consider.
- e. The rationale for selection provided by the Respondent.
- f. Proposed fees.

- g. The inclusion of minority and women participation by the Respondent's firm(s), including the employees and/or any participation with a minority or woman-owned firm.

Response Details

Firms responding to this RFP should prepare clear and complete responses to each of the following questions and information request. Firms responding to this RFP should also disclose any compliance violations or litigation matters in which it is involved.

Team Personnel and Location

Provide the name, telephone number, fax number and email address of the Respondent and identify a primary contact person regarding the Response. Please attach relevant resumes or give brief descriptions of the relevant experience of the individuals who would be responsible for providing these services. List the location of the main office(s) and locations of offices in the state of Missouri for the Respondent's firm(s).

Firm Overview

Provide an overview of the Respondent's firm(s), including the full legal name of the institution(s) and the state(s) of organization. Is the firm(s) a minority- or woman-owned business? Describe firm's inclusion of minority and women participation, including the firm's employees and/or any participation with a minority or woman-owned firm.

Other Clients and References

List all housing finance agencies or other entities for which the Respondent has provided similar services. Please provide the contact information of three clients to serve as references.

Experience

Describe in detail the Respondent's experience in construction loan disbursement processes, title, escrow and related services, including compliance with applicable laws and regulations.

Scope of Service

Respond to each item included in the section of this RFP entitled "Scope of Services" by describing how the Respondent would carry out each task.

Timeliness

Indicate the timeframe for providing construction disbursement services including the anticipated turnaround time for processing construction draws.

Proposed Fees

State a fee schedule upon which the Respondent would base its charges to MHDC. Final payment negotiations will take place between MHDC staff and the team selected.

Rationale for Selection

Present the case for the selection of your Response as the most qualified. Include any relevant information not already provided.

Disclosure

Disclose any entities or individuals which are clients of the Respondent and participate in MHDC transactions.

Undocumented Workers

Pursuant to *Mo.Rev.Stat. §285.530.2*, the Servicer selected pursuant to this RFP must provide MHDC with an affidavit stating that the Servicer does not employ any person who is an unauthorized alien in conjunction with the contracted services and that the Servicer is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any contract contemplated herein, the Servicer shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to MHDC's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at wwatson@mhdc.com . Please indicate whether the Respondent is currently enrolled in and participating in a federal work authorization program such as E-Verify.