

REVISED

REQUEST FOR PROPOSALS

TO PROVIDE

LOAN COMPLIANCE REVIEW SERVICES

Missouri Housing Development Commission



Response Deadline:

Five copies and one electronic copy on a CD-ROM to MHDC
no later than 5:00 p.m. on ~~August 7~~ **September 11**, 2009

Submit Proposals to:

Greg Spurgeon, Single Family Homeownership Administrator
Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-7228

Section I: Introductory Information

Missouri Housing
Development
Commission:

The Missouri Housing Development Commission (“MHDC” or the “Commission”) 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. The Commission is a governmental instrumentality of the state of Missouri and a body corporate and politic. The Commission’s authority is derived from Section 215.030, *et seq.*, of the Revised Statutes of Missouri, as amended and supplemented.

Through its single family homeownership programs, the Commission makes funds available for the purchase of homes at advantageous terms for first-time and repeat buyers and refinancing homeowners. The funds for mortgage financing are generally provided through the sale of tax-exempt and taxable notes and bonds that the Commission is authorized to issue.

Purpose of RFP:

The purpose of this Request for Qualifications and Proposals (“RFP”) is to obtain statements of qualifications and proposals (“Proposals”) from qualified companies to perform compliance reviews of homeowner loan files on behalf of the Commission for its single family homeownership programs.

Term of
Engagement:

It is anticipated that the selected firm or firms will be retained by the Commission for a period of three years with one additional ~~one~~**two** year option of the Commission, for a total up to ~~four~~**five** years.

Proposal Due Date:

Friday, ~~August 7~~September 11, 2009, by 5:00 P.M. Central time

Submission of
Proposal:

Five copies of the proposal, along with one electronic copy on a CD-ROM, must be submitted by the Proposal Due Date noted above to:

Missouri Housing Development Commission
3435 Broadway,
Kansas City, Missouri 64111
Attn: Greg Spurgeon
Single Family Homeownership Administrator

Anticipated
Timetable for RFP
and Proposals:

Release RFP
Proposals Due
Selection by Committee

~~July 20, 2009~~ **August 31, 2009**
~~August 7, 2009~~ **September 11, 2009**
~~August 21, 2009~~ **October 2, 2009**

Section II: Procedures and Instructions

- Questions: Questions regarding this RFP should be directed to the Commission in writing by mail, facsimile or electronic mail, as follows:
Greg Spurgeon
Single Family Homeownership Administrator
Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
(816)759-7228 (phone)
(816)759-6828 (fax)
gspurgeon@mhdc.com
- Standards of Conduct: Please refer to the Commission's "Standards of Conduct" for information regarding contact with the MHDC Commissioners or staff in connection with this RFP. The Commission'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 RFQ 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 the Commission's General Counsel, Bramwell Higgins, by phone at 816-759-6870 or email at bhiggins@mhdc.com.
- Modifications to Proposals: A respondent may not modify or correct its Proposal any time after the Proposal Due Date, except in direct response to a request from the Commission for clarification.
- Revisions to this RFP: If it becomes necessary to revise or clarify any part of this RFP, the Commission 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 Proposals: The Commission is not responsible for any expense incurred in preparing and submitting a Proposal or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Proposal.

Reservation of
Rights:

The Commission 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 Proposal, request additional information from any firm, reject any or all Proposals, and waive any irregularities in any Proposal.

Review and
Selection Process:

All Proposals will be reviewed by MHDC staff and judged according to the evaluation criteria listed in this RFP. All respondents will be notified of the result of the review process.

Public Records:

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

Section III: Scope of Services

The Commission is seeking proposals from qualified firms to provide compliance review services for the Commission's single family homeownership program. It is anticipated that the Commission's loan volume will be 1,000 – 3,000 loans per year over the next three years. The selected firm will be expected to:

- (1) Be familiar with all MHDC single family homeownership loan programs and the requirements associated with all funding sources. **Types of loans to be reviewed include: primary mortgages for first time homebuyers and repeat buyers, second mortgages to fund down payment and closing costs, and refinance mortgages.**
- (2) Receive loan files from lenders after closings and review in a timely manner to ensure:
 - Required documents are included;
 - Total household income is calculated correctly and verified as required; and
 - Program eligibility requirements are met and documented.
- (3) Report deficiencies to lenders promptly and work with lender until file is complete or declared ineligible.
- (4) Answer lender questions about program requirements and documentation.
- (5) Maintain detailed records, including the date files are received, loan status, dates of notifications to lenders, the date compliance review is completed and approved/denied. Maintain detailed records of lender correspondence, including details regarding deficiencies.
- (6) Send files to MHDC for storage after loan is purchased or denied.
- (7) Achieve proficiency with MHDC's automated loan tracking system (AOD) and use the system to enter loan data, run tracking reports, and troubleshoot problems.
- (8) Report to MHDC periodically and as requested regarding loan volume, demographic characteristics, and other information.

- (9) Identify for MHDC common mistakes in file documentation that may need to be addressed in lender training. It is the desire of MHDC to create a “watch list” of those lenders who are consistently not performing to our standards. This watch list would take the form of a monthly report identifying those lenders that have consistently provided incomplete files or files with errors. Problem lenders will require special attention, and therefore constant reporting must be assured.
- (10) Maintain collaborative relationship with MHDC homeownership staff, program consultants, lenders, and MHDC’s Master Servicer.
- (11) Provide services at a reasonable price below \$200 per file.

Section IV: Structure of Proposal

- A. Proposals should be in a consistent and easily comparable format as established in this RFP. Proposals not organized as set forth in this RFP may, at the Commission's discretion, be considered non-responsive. Do not refer to other parts of your Proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the firm's website, in lieu of providing specific information in the Proposal.
- B. Each Proposal shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the firm shall certify (i) that no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFP, (ii) that the information included in the Proposal is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Proposal on behalf of the firm.
- C. Proposals should be organized in the same manner as the individual information request contained in **Section VI: Proposal Details**. Responses to each lettered question shall begin on a separate page (e.g., answers to Question B should begin on a separate page from the response to Question A).
- D. 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.

Section V: Evaluation Criteria

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

- (1) The location, extent and capabilities of the firm's offices and employees in Missouri.
- (2) Relevant experience providing similar services to state and local housing finance authorities or other clients.
- (3) The firm's ability and willingness to provide the services desired by the Commission and demonstrated understanding of the requirements of the Commission.
- (4) The firm's capacity to perform the services described under the Scope of Services above in a prompt, responsive manner with excellent quality of work product.
- (5) The Commission's prior experiences, if any, with the firm and any other factors the Commission believes would be in its best interest to consider.
- (6) The rationale for selection provided by the firm and any innovative ideas or suggestions for ways to provide the Scope of Services in a convenient, efficient and cost-effective manner that may be reflected in the Proposal.
- (7) Proposed payment schedule for the processing of files. **The Commission will select the Proposal providing the best value and best services. However, no Proposal will be selected that is not below \$200 per file.**
- (8) The firm's inclusion of minority and women participation, including the firm's employees and/or any participation with a minority or woman-owned firm.

Section VI: Proposal Details

Firms responding to this RFP should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated.

- A. Location and Personnel. List the location of your firm's main office and the locations of offices in the state of Missouri. Provide the address of the office location that will service the Commission. Provide the name, telephone number, fax number and email address of the primary contact person regarding your firm's proposal. Please attach relevant resumes or give brief descriptions of the relevant experience of the personnel who would be responsible for providing these services.
- B. Firm Overview. Provide an overview of the firm, including the full legal name of the institution and the state of organization. Provide a summary of the structure and management of the firm. Describe any changes in the management or structure that have occurred in the past three years. Do you anticipate any organizational changes in the next 3 years that would affect the firm's ability to provide the duties described in the Scope of Services? Is your firm a minority- or woman-owned business? Describe your firm's inclusion of minority and women participation, including the firm's employees and/or any participation with a minority or woman-owned firm?
- C. Other Clients and References. List all state and local Housing Finance Agencies or other entities for which your firm has provided loan compliance review or other relevant services. Please provide the references of three clients who are familiar with your organization.
- D. Scope of Service. Respond to each of the Scope of Services in Section III and describe how your firm would carry out each task.
- E. Timeliness. Indicate your firm's timeframe for reviewing files. Describe how your firm will monitor turn-around times and communicate this information to MHDC.
- F. Confidentiality. Describe your firm's standards and safeguards to ensure the security and confidentiality of private personal financial information.

- G. Proposed Fees. State a fee schedule upon which your firm would base its charges to MHDC. **MHDC will accept Proposals with fees below \$200 per file.** Describe the length of time your proposed fees would remain in effect at the levels set forth in the Proposal. In the event those fees would not extend for the full duration of the initial ~~two~~ **three** year engagement and ~~two-one~~ **two** year renewal period, describe your process and expected frequency of rate changes, including maximum percentage increases. **Confirm that there will be no additional costs or fees for problem files.**
- H. Training Assistance. **Indicate if your employees would be available to help in special training efforts for problem lenders and what would be the price for such services.**
- H. Capacity. Describe the impact, if any, of a change in loan volume by as much as 50 percent in a given year on your firm's ability to carry out the services described in your Proposal.
- I. Performance Guarantees. Describe how your firm will guarantee accuracy and timeliness and what recourse it will take to make restitution for mistakes.
- J. Rationale for Selection. Present the case for the selection of your Proposal. Include any relevant information not already provided.
- K. Undocumented Workers. All respondents to this RFP shall provide MHDC with an affidavit stating that the respondent does not employ any person who is an unauthorized alien in conjunction with the contracted services and that the respondent is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. This affidavit shall be updated and executed again at the time the engagement of the selected respondent is memorialized in a contract. Questions regarding this requirement may be directed to the Commission's General Counsel, Bramwell Higgins, by phone at 816-759-6870 or email at bhiggins@mhdc.com.