

**Request for Qualifications and Proposals for
Single Family Market Rate Program Administrator**

MISSOURI HOUSING DEVELOPMENT COMMISSION



RESPONSE DEADLINE:

Thursday, January 10, 2019 Noon Central Time
Submit electronic copy by email to: mlappin@mhdc.com

MISSOURI HOUSING DEVELOPMENT COMMISSION

Request for Qualifications and Proposals for Single Family Market Rate Program Administrator

I. INTRODUCTION

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low and moderate income persons, established the Commission 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’s authority is derived from Chapter 215 of the Revised Statutes of Missouri, as amended and supplemented. Further information about the Commission and its programs is available on the Commission’s website at www.mhdc.com. A core mission of the Commission is to provide affordable homeownership opportunities for low- to moderate-income homebuyers. The Commission originates and finances approximately \$200 to \$250 million of single family loans annually.

Purpose of Request for Qualifications and Proposals (RFP)

MHDC is seeking the services of a Single Family Market Rate Program Administrator (“Administrator”) to provide a range of services, which include, agreeing to purchase mortgage-backed securities backed by eligible single family mortgage loans (“Mortgage Loans”) at pre-determined prices, managing and hedging the Commission’s Mortgage Loan pipeline, monitoring the Mortgage Loan pipeline and fallout, providing training and information to Commission staff on the means to manage, hedge and monitor the Commission’s Mortgage Loan pipeline, and sell and arrange delivery of mortgage backed securities (MBS) to investors. The Administrator will agree to provide the range of services for a fixed percentage of the Mortgage Loans. Inherent in the operation of the program, the Administrator will bear the financial risks and costs associated with timely Mortgage Loan deliveries and pipeline fallout. The Administrator should have a background in administering similar or other innovative programs for housing finance agencies.

Term of Service

It is anticipated that the selected firm will be retained by the Commission for three years with one additional two-year renewal option, for a total of five years. MHDC reserves the right, at its sole discretion, to end the term of service or change the status and role for any firm selected pursuant to this RFP, at any time prior to the expiration of the stated term of service with or without cause.

Anticipated Timetable for RFP and Proposals

Release RFP	December 12, 2018
Proposals Due	January 10, 2019 Noon Central
Evaluation Committee Recommendation	TBD – estimated February 2019
Selection by Board of Commissioners	TBD – estimated February 2019

II. GUIDELINES AND INSTRUCTIONS

Form of Response

The Commission desires to consider responses to this RFP in a consistent and easily comparable format. Proposals not organized in the manner set forth in this RFP may be considered, at the Commission's sole discretion, as unresponsive. Please do not refer to other parts of your proposal, to information that may be publicly available elsewhere, or to the submitting entity's website or another website in lieu of answering a specific question. The proposal must be accompanied by a cover letter stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the firm.

Interested qualified firms are invited to submit proposals that contain information submitted in the order of Section IV.

Proposal Submission

Completed proposals must be submitted to the Commission electronically by the proposal due date. Prospective bidders shall transmit completed proposals to the Commission by email to mlappin@mhdc.com in PDF file format along with the spreadsheet listing in Excel file format of the bidding firm's owners pursuant to Section IV.B.2. The "Subject" line of the email should state "[insert firm name] Proposal for Single Family Market Rate Program Administrator."

Proposal Due Date Thursday, January 10, 2019 by Noon Central Time

Standards of Conduct

Please refer to the Commission's "Standards of Conduct" Policy for information regarding contact with 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. The Commission's Standards of Conduct Policy is 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 as set forth in Section IV.B.2.

Inquiries

The Commission will provide responses to inquiries submitted by firms to the Commission's contact person, Marilyn Lappin. All questions must be submitted in writing via email to Ms. Lappin at mlappin@mhdc.com and received no later than Thursday, December 20, 2018, 1:00 p.m. CT. The "Subject" line of the email should be, "2019 Single Family Market Rate Program Administrator Questions." Questions submitted after the deadline will not receive a response. Responses will be provided by Thursday, January 3, 2019, 2:00 p.m. CT to all interested bidders that have provided an email address to Ms. Lappin prior to the above deadline for the submission of questions.

All inquiries must be submitted by email, citing the particular proposal section and paragraph number. Proposers should note that all clarifications and exceptions are to be resolved prior to submission of the proposal.

Other than the contact person identified herein and except as provided in Sections IV.B.2 and IV.B.13, prospective proposers shall not approach the Commission's employees, managers or board members after the publication of this RFP until the board of Commissioners complete their selection.

Public Records

Firms responding to this RFP should be aware that the Proposals are public records in accordance with state law, after the evaluation and selection process is completed.

Modifications to Proposals

Respondents 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

In the event that it becomes necessary to revise any part of the RFP, MHDC will provide an updated RFP or an addendum to each firm receiving this RFP. Any additional information required to clarify portions of this RFP will be issued in the form of an addendum.

Visits and Interviews

All firms responding to this RFP must be prepared to schedule a visit to its offices or to another location upon request by the Commission. In addition, firms responding to this RFP may be interviewed by the Commission as a part of the selection process.

Expense Relating to 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. **The Commission retains the right to negotiate the fees and compensation arrangements for its Single Family Market Rate Program Administrator services.** The engagement described in this RFP is not exclusive and MHDC expressly retains the right at any time to retain any other firm or firms to provide other Single Family Market Rate Program Administrator services without violating the engagement contemplated by this RFP. At the Commission's sole discretion, the selection of a proposal by the Commission may be cancelled at any time prior to the complete execution of a contract or agreement. If the Commission cancels its selection of a proposal, the Commission may repost this or a similar RFP and re-seek proposals.

III. BACKGROUND INFORMATION

A. PROGRAM DESCRIPTION

The Commission seeks to engage an Administrator for Mortgage Loans eligible for GNMA, Fannie Mae, and Freddie Mac securitization (the “Program”). The Program currently serves eligible homebuyers with mortgage loans financed by MHDC’s first-time homebuyer bond programs (First Place loans) and serves eligible homebuyers, including non-first time homebuyers, with mortgage loans financed through TBA sales of MBS (Next Step loans) using an Administrator. MHDC has Mortgage Credit Certificates available for eligible borrowers as well. Initially MHDC plans to engage an Administrator primarily for its Next Step homebuyer loan program.

MHDC reserves the right to use alternate approaches to fund the Program, including issuing debt, if it is in the best interest of MHDC.

GNMA Program

MHDC is permitted by the Federal Housing Administration (“FHA”) to provide down payment and closing cost assistance to recipients of Mortgage Loans as described below under Cash Assistance. MHDC believes that competitively priced FHA loans coupled with Cash Assistance add a significant benefit to homebuyers in Missouri.

The Mortgage Loans will be underwritten and serviced in conformance with all applicable MHDC and FHA, VA, and RD guides and will be pooled and certificated as GNMA securities. The size of the GNMA Program will depend on the extent of lender participation and is not otherwise limited, except for any funding limitations that may apply to the Commission, FHA, HUD or the GNMA program generally.

Conventional Program

Because MHDC is a state housing finance agency, Fannie Mae and Freddie Mac offer products that enable the Commission to take advantage of certain pricing and underwriting advantages not offered to conventional lenders. Borrowers under this Program may also receive Cash Assistance offered by MHDC. The Commission may provide Fannie Mae/Freddie Mac-eligible conventional loans to be packaged into Fannie Mae/Freddie Mac securities (the “Conventional Program”). Eligible Mortgage Loans include the following:

1. Standard Fannie Mae fixed-rate fully-amortizing conventional Mortgage Loans with terms up to 30-years; or
2. Fannie Mae’s Home Ready[®] products that are up to 30-years, fixed-rate fully-amortizing Mortgage Loans; or
3. Fannie Mae’s HFA Preferred[®] product that are up to 30-years, fixed-rate fully-amortizing Mortgage Loans; or
4. Freddie Mac Home Possible[®] Mortgages that are up to 30-years, fixed-rate fully-amortizing Mortgage Loans; or
5. Freddie Mac HFA Advantage[®] Mortgages that are up to 30-years, fixed-rate fully-amortizing Mortgage Loans
6. Other 30 year fixed-rate loans approved by Fannie Mae or Freddie Mac.

Eligible Mortgage Loans must meet the criteria of a special variance agreement that Fannie Mae/Freddie Mac will incorporate into a mortgage selling and servicing contract with the Master Servicer. The Conventional Program will offer the following benefits:

1. Special pricing and advantageous underwriting guidelines from Fannie Mae/Freddie Mac under terms available to MHDC;
2. Lenders do NOT need to be approved Fannie Mae or Freddie Mac Seller/Serviceicers; and
3. Lower mortgage insurance coverage requirements.

Cash Assistance

MHDC will provide cash assistance for down payment and closing costs to eligible homebuyers obtaining a Mortgage Loan under the Programs. The assistance is expected to be 4% of the first mortgages. Assistance amounts can be no greater than amounts determined by MHDC, at its sole discretion.

Origination and Servicing

Mortgage Loans will be originated by MHDC participating lenders (“Lenders”) and sold to MHDC’s Master Servicer, currently ServiSolutions, a department of the Alabama Housing Finance Authority, or any other master service selected by MHDC (the “Master Servicer”) in accordance with the Master Servicer’s Mortgage Loan delivery requirements at rates established by the Commission based upon the rates and prices provided by the Administrator. The Master Servicer will pool and securitize the Mortgage Loans into GNMA, Fannie Mae, or Freddie Mac MBS that are sold at the direction of MHDC in conjunction with the Administrator. The Master Servicer will service the Mortgage Loans. See Attachment 1 for a list of current participating Lenders.

Program Administration

Under the Programs, Mortgage Loan purchase and servicing functions will be in accordance with a mortgage purchase and servicing agreement between MHDC and the Master Servicer (the “Program Administration and Servicing Agreement”). The GNMA Program Origination Guidelines and the Conventional Program Origination Guidelines are incorporated by reference to the Program Administration and Servicing Agreement, along with all applicable laws, regulations and rules.

B. SCOPE OF SERVICES

The Administrator will be required to assist MHDC in establishing the necessary procedures and guidelines to facilitate efficient operation of the Programs. MHDC seeks an Administrator that will:

- Provide a daily mortgage rate sheet (“Rate Sheet”) for Lenders participating in the Programs, subject to adjustment in consultation with MHDC.
- Commit to take at forward prices set in the Rate Sheets all respective Mortgage Loans reserved pursuant to the Administrator’s Rate Sheet and delivered by Lenders and pooled into MBS securities for timely delivery by the Master Servicer, subject only to offset in the amounts of Lender extension fees, when appropriate.
- Bear the cost, expense and risk that Mortgage Loans reserved pursuant to the Administrator’s Rate Sheet are not delivered for any reason without cost, expense or risk to the Commission, provided that the Commission will agree that any Mortgage Loan reserved pursuant to the Administrator’s Rate Sheet timely delivered to it as a part of mortgage-backed security will be delivered to the Administrator.
- Monitor reservations and MBS deliveries in close coordination with the Master Servicer and MHDC.
- Commit and adjust hedges and manage extensions, as necessary.

- Provide training and information to Commission staff on the means to manage, hedge and monitor the Commission's Mortgage Loan pipeline.
- Arrange the sale and delivery of MBS in coordination with the Master Servicer and MHDC.

Mortgage Loans will be made available on a first-come, first-served basis to MHDC's participating Lenders. No lender participation fee will be required, although delivery extension fees may be instituted, as may be approved by MHDC. Commission staff, working with the Master Servicer, will monitor the ongoing compliance with any set-asides or credit overlays.

The Administrator must manage the program with sound practices and as required by the terms and conditions of a Single Family Market Rate Program Administrator Agreement (the "Agreement"). It shall be the sole discretion of MHDC to renew and extend the Agreement at the end of the initial three-year term. The Agreement will be terminable by either party upon 30-day notice. MHDC reserves the right to issue a Request for Proposal for Single Family Market Rate Program Administrator at any time. Termination of the Agreement shall not alter the Administrator's obligation to fulfill the Scope of Services described above for any Mortgage Loans reserved pursuant to the Administrator's Rate Sheet prior to the termination of the Agreement.

General Requirements

In addition to the specific duties outlined above, the Administrator will also be required to:

1. Assist in informational meetings for participating Lenders. In conjunction with MHDC and the Master Servicer, provide training workshops for participating Lenders and provide program informational materials to each Lender, as applicable.
2. Coordinate with MHDC and the Master Servicer to maintain compliance with loan delivery guidelines and expected level of service.
3. Identify pipeline management issues and notify MHDC as to recommended programmatic changes.
4. Publish mortgage rate sheets as often as necessary based on a pricing structure previously agreed to by MHDC, so that the Administrator will take all interest rate and financial risk inherent in the making of reservations and the future delivery of MBS. MHDC prefers limiting publishing of rate sheets to once per day.
5. Monitor reservations, manage hedges, and recommend the process and timing for the pooling, sale and deliveries of MBS.
6. Purchase at prices set in mortgage Rate Sheets all respective Mortgage Loans reserved pursuant to the Administrator's Rate Sheet and delivered by Lenders and pooled into MBS securities for timely delivery by the Master Servicer, subject only to offset in the amounts of Lender extension fees, when appropriate.
7. Bear the cost, expense and risk that Mortgage Loans reserved pursuant to the Administrator's Rate Sheet are not delivered for any reason without cost, expense or risk to the Commission, provided that the Commission will agree that any Mortgage Loan reserved pursuant to the Administrator's Rate Sheet timely delivered to it as a part of mortgage-backed security will be delivered to the Administrator.

8. Submit weekly reports to MHDC detailing pool purchase commitment and deliveries and any additional information that may be required in a format and timeframe prescribed by MHDC. These reports should include information regarding the current status of the pipeline, the amount of Mortgage Loans expected for delivery as mortgage-backed securities on or before each settlement or delivery date for forward commitment MBS, any pair-off receipts and expenditures in connection with forward commitment MBS subject to pair-off, current and historic pull-through rate for reserved Mortgage Loans, an accounting of current and historic receipts from sale of mortgage-backed securities, prices paid for the mortgage-backed securities, fees received by the Administrator and all other profits, losses and receipts retained by the Administrator. Administrator compliance with the terms of the agreement and performance will be assessed from submitted reports.
9. Maintain transaction records, and prepare and present detailed monthly status reports to MHDC regarding Program performance including:
 - i. The number and dollar amount of MBS pooled and purchased to date.
 - ii. Additional information or analysis deemed necessary by MHDC. All information shall be submitted in a form and timeframe designated by MHDC.
10. Perform all other duties as set forth in the Single Family Market Rate Program Administrator Agreement.

IV. STRUCTURE AND CONTENT OF PROPOSAL

A. Cover Letter

Include a cover letter (limit to 1 page) stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the Respondent.

B. Background and Experience

The following information must be submitted with the proposal in the following order to be considered by the Commission:

1. Firm Information. State full name and address of your firm and identify the parent company if you are a subsidiary. Specify the office that will perform, or assist in performing, the work. Indicate whether you operate as a partnership, corporation, or sole proprietorship. Indicate where your company is headquartered and where incorporated as applicable. You must submit evidence of authorization to do business or operate in the State of Missouri. If your firm is not currently authorized to do business in Missouri, please discuss your firm's plan to obtain such authorization. Provide the location(s), extent and capabilities of the firm's offices and employees in Missouri. Discuss any substantive changes in firm organization or ownership within the last three (3) years. Describe any changes anticipated in the next two years in firm organization or ownership.
2. Firm Ownership. Pursuant to the Standards of Conduct (see Section II of this RFP), 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. Notwithstanding the previous sentence, to the extent any Respondent under this RFP is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. **For purposes of providing firm ownership information, please complete Attachment 2 in spreadsheet format to include a listing of your firm's owners/shareholders.** Questions regarding these requirements or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Katherine (Katie) Jeter-Boldt, by phone at 816-759-6835 or email at kjeterboldt@mhdc.com.

3. **Qualifications and Experience.** Provide evidence of qualifications and experience in mortgage-backed securities programs, FHA, VA, RD, and conventional mortgages, and single-family programs operated by housing finance agencies, including tax-exempt bond programs.
4. **HFA Experience.** Provide evidence of qualifications and experience operating market rate programs for housing finance agencies or other governmental entities providing similar functions. Include the volume of mortgage loans purchased through your program with HFAs during each of the past three years. Please provide a list of all housing finance agencies for which you have provided these services.
5. **References.** Provide names, addresses, telephone numbers and email addresses of three clients we can contact concerning your firm's performance as Administrator for similar mortgage loan programs. List references for which you have acted as Administrator, currently or in the past, including name, address, telephone number and contact person including email address.
6. **Contact Person and Staffing.** Provide names and brief resumes of all key personnel who will be assigned to this project and the primary responsibilities assigned to each person. Provide the name, address and telephone number for the contact person in your firm authorized to negotiate agreement terms and render binding decisions on contract matters. Indicate the number of and identify the positions of personnel that will be available to answer questions during the term of the contract.
7. **Program Participation.** If your firm will be, or intends to become, a participating Lender in the Programs, indicate how many branch offices will be participating and an estimate of the volume of Mortgage Loans you will be originating.
8. **Experience with Master Servicer.** Describe your firm's past experience providing a market rate and hedging program with the Commission's Master Servicer. Are there any unique characteristics or considerations of the Master Servicer as it relates to the market rate and hedging program that MHDC should consider?
9. **Audit Reports.** Submit the audited financial statements for the most recent fiscal year of the firm proposing to act as Administrator, and if the proposing company is a subsidiary and/or has any guarantor arrangements, the most recent audited financial statements of its parent company and any applicable guarantors as well. Include the most recent Service Organization Control Report prepared in accordance with AICPA Statement on Standards for Attestation Engagements (SSAE) No. 16.

10. Capital Sufficiency. Describe the assets, liabilities and net asset position of the firm and the nature of any capital arrangements available to the firm. Because MHDC is relying on the Administrator to acquire all respective Mortgage Loans reserved pursuant to the Administrator's Rate Sheet and delivered by Lenders and pooled into MBS securities for timely delivery by the Master Servicer, describe the source of financial assurance to the Commission that the proposer can honor its obligations to MHDC.

Specify the amount of the firm's capital position, the amount of hedges obligated for its loan pipeline for similar programs, the amount of capital pledged to counterparties for those hedges and the total amount of loans reserved or otherwise obligated within its loan pipeline, all as of November 30, 2018. Describe the amount of capital available at any one time to hedge the firm's entire loan pipeline for all its clients. Assuming market prices move down seven points on the hedges for the firm's entire loan pipeline at one time, what is the maximum size of the pipeline your firm can hedge with the available capital as described above? What is the largest pipeline your firm has managed to date?

11. Litigation, Investigations and Regulatory Proceedings. Provide a summary of all inquiries, investigations or civil litigation initiated, in progress or closed by any federal or Missouri agency during the past five years regarding the conduct of your firm, your firm's management or personnel, and that of any guarantor or affiliate, and management and personnel of any guarantor or affiliate. Describe with specificity those actions taken against your firm, any guarantor, or any affiliate or any employees of the firm, any guarantor, or any affiliate resulting in fines, suspensions, censure, or similar resolution. Provide a summary of your firm's self-reporting in accordance with the SEC's Municipalities Continuing Disclosure Cooperation (MCDC) initiative, including any related settlements. Provide a summary of any criminal inquiries, investigations, indictments or convictions against your firm or any employee of your firm (in connection with the employee's work responsibilities for the firm) initiated, in progress or closed during the past five years. Provide a summary of any civil litigation initiated, in progress or closed during the past five years involving the firm or any employee's work responsibilities for the firm. Failure to respond fully to this question or to refer to public filings rather than provide the information directly may result in disqualification. If necessary, responses to this question may be included in as a separate appendix to the proposal.
12. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, the firm selected pursuant to this RFP shall provide MHDC with an affidavit stating that the firm does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the firm 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 agreement contemplated herein, the firm shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Katherine (Katie) Jeter-Boldt, by phone at 816-759-6835 or email at kjeterboldt@mhdc.com. In your proposal, please indicate whether your firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.
13. Sample Agreement. Provide a sample of the firm's form of Single Family Market Rate Program Administrator Agreement.
14. Sample Reports. Provide copies or samples of the weekly and monthly reports the firm would provide to MHDC as described in Sections III.B.8 and III.B.9. Provide copies of a

reconciliation report the firm would provide MHDC each month showing the amounts received by and paid by the Administrator and payments to MHDC.

15. Special Strengths and/or Minority Representation. Include any additional information that will be helpful to the Commission in making a decision, including any special strengths or capabilities of your firm (which may include administering programs for other state housing finance agencies, special expertise with single family finance, the firm's status as a minority or woman-owned firm, the presence of offices or headquarters in Missouri, the number of employees of the firm within Missouri or any other special services or assistance your firm may provide to MHDC) that you believe may be relevant to or helpful to MHDC in financing or administering its Homeownership Loan Program and homeownership lending initiatives.

C. Work Plan and Approach

1. Pooling Process and Hedging. Outline and explain the process from loan reservation to the purchase of the loans and issuance of the MBS. Describe how you would propose to hedge the Commission's Mortgage Loan rates under the Programs. Describe any provisions for extensions. Please provide a detailed example of a mortgage rate chart your firm would provide as of **9:00 a.m. CT on Friday, December 14, 2018** for 30-year Mortgage Loans to be included in the Programs with the following assumptions:
 - a. 4% assistance to home buyers,
 - b. a 1% origination fee paid by the borrower and retained by the originating lender (resulting in 3% net assistance to the home buyer),
 - c. a 1.0% SRP fee paid by the Master Servicer (assume this same fee for all servicing fee levels),
 - d. An additional 1.5% lender fee (2.5% total including origination fee described above) to be paid from the SRP/MBS sale premium
 - e. and the proposed fee for your firm detailed in Part D below, showing:
 - i. the proposed price to be received by MHDC for such Mortgage Loans securitized and delivered pursuant to the mortgage rate chart, including a break down of the disbursement related to that price with respect to the assumptions above,
 - ii. the mortgage rate the home buyer will receive,
 - iii. the timeframe within which any Mortgage Loans securitized and delivered pursuant to the mortgage rate chart must be delivered in order to obtain the pricing,
 - iv. all applicable delivery dates, purchase dates, underwriter certification dates and any other timing restrictions applicable to the Mortgage Loan reservation and delivery process applicable to the borrower, the lender, MHDC or any other party,
 - v. any proposed extension fees and the related extension periods, and
 - vi. all other information needed to determine such price and restrictions applicable to the reservation and Mortgage Loan delivery process.

Provide a copy of the computer screen or other pricing source confirming the prices upon which the mortgage rate chart for December 14, 2018, is based. Indicate how you will determine and MHDC will evaluate pricing on future dates to assure the premium is as attractive to MHDC as possible, given market changes from the illustrative date.

What date each month does the pricing for the daily mortgage rate chart shift one month further into the future?

2. Risks and Responsibilities. Based on your proposal, please describe in detail all risks and responsibilities from the proposed transactions that will remain with MHDC under the Program. What risks does your firm propose to take? Describe any guarantees your firm will be providing.
3. Technology. Provide a description of your organizational and technological approach to performing your firm's responsibilities as Administrator. Identify the software used by your firm to manage and monitor its total pipeline and the pipeline applicable to MHDC. How does your firm interface with the Emphasys software utilized by MHDC to monitor loan reservations, loan closings, cancellations and other activities related to the Mortgage Loans? Because MHDC may continue to fund First-Time Homebuyer loans through the issuance of tax-exempt bonds do you foresee any difficulties operating both programs simultaneously?

Provide information regarding your organization's approach to data security, safeguards for protecting personally identifiable information (PII) and overall cyber security, including any cyber liability insurance coverage your organization has in place.

4. Subcontracting. If your organization plans to subcontract any of the services required to be provided as Administrator, please indicate which, if any, will be subcontracted. Also note which services will be subcontracted to minority or women-owned businesses and indicate what percentage of total revenues these comprise. Please identify those firms with which you propose to subcontract and describe the subcontractor's experience with the services being provided.
5. Contingencies. Describe any contingencies in your ability to fully perform all the services set forth for Administrator in this RFP.

D. Proposed Fees

Provide a proposed itemized cost schedule for the services described in this RFP.

1. Administrator Service Fees. Please provide a fee proposal for your Single Family Market Rate Program Administrator services. Under the fee proposal will the Administrator receive, potentially receive or have the opportunity to receive or otherwise obtain any other revenues, profits or assets through its services to the Commission. Describe in detail. To the extent the Administrator may realize additional revenues from early delivery of Mortgage Loans or securitization into Custom Pools or other structures with above-market value, what portion, if any, of those additional revenues will the firm share with MHDC?
2. Legal Expenses. If your institution is selected and will need counsel for the Agreement and any other documents related to the Program or the Agreement, what is the name and location of the firm and how will they be compensated? MHDC will not bear the cost of any legal fees or expenses of the Administrator without prior written agreement.
3. Other Fees. State, describe, and estimate any other fees, reimbursable expenses and any upfront charges your firm will require to act as Administrator.

4. Other Compensation and Potential Conflicts of Interest. Indicate any other forms or amount of compensation or profit the Administrator will or may receive from any other party in conjunction with the services hereunder and the sale of the MBS, including from the Investor, Master Servicer, MHDC or any other party. Indicate any potential actual or perceived conflicts of interest that may occur as a result of your serving as Administrator.

V. EVALUATION CRITERIA

In evaluating proposals submitted by firms pursuant to this RFP, the Commission places high value on the following factors, among others, not necessarily in order of importance:

- Qualifications and experience of the firm and personnel assigned to develop and manage the Single Family Market Rate Program Administrator services;
- Financial soundness of the firm, necessary capital resources and ability to meet all eligibility requirements;
- Experience managing mortgage rate and hedging programs for other housing agencies;
- The proposed fees for services;
- Ability to work with the Master Servicer;
- Presence in Missouri;
- 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; and
- 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.

In addition, related investigations and regulatory proceedings and litigation involving the firm will be taken into account, depending upon the nature and significance of the proceedings.

**There is no additional information requested. Thank you for reviewing this RFP.
We look forward to your response.**

ATTACHMENT 1

APPROVED LENDERS

Academy Mortgage Corp.
AMCAP Mortgage
American Pacific Mortgage Corp.
Arvest Bank
Bancorpsouth Bank
Bank of Edwardsville
Bank of Little Rock Mortgage Corp.
Bank of Sullivan
BMO Harris Bank, N.A.
BNC National Bank
BOKF NA, dba MoBank
Busey Bank
Caliber Home Loans
Cardinal Financial, LP
Carrollton Bank
Central Bank of Boone County
Central Bank of Sedalia
Central Bank of St. Louis
Central Bank of the Midwest
Central Bank of the Ozarks
Central Trust Bank
Christensen Financial, Inc.
CIBC Bank USA
Citizens National Bank of Greater StL
CMG Mortgage Inc.
Commerce Bank
Community Mortgage
Cornerstone Home Lending, Inc.
DAS Acquisition Co., dba USA
Mortgage
Delmar Financial Co.
Eagle Home Mortgage
Enterprise Bank and Trust
Envoy Mortgage
Everett Financial Inc., dba Supreme
Lend
F&B Acquisition Group, LLC
Fairway Independent Mortgage Corp.
First Bank Mortgage
First Federal Bank
First Integrity Mortgage Services, Inc.
First Midwest Bank of Dexter
First Midwest Bank of Poplar Bluff
First State Bank Mortgage
Flat Branch Mortgage, Inc.
FortuneBank
Frontier Financial Inc DBA Frontier Mort

Gateway Mortgage Group, LLC
Gershman Investment Corp.
Great Southern Bank
GSF Mortgage Corp.
Guaranteed Rate Affinity, LLC
Guaranteed Rate, Inc
Guild Mortgage
Hawthorn Bank
Highlands Residential Mortgage, Ltd
Home Services Lending, LLC
HomeBridge Financial Services, Inc.
IberiaBank
Inlanta Mortgage, Inc.
Jefferson Bank
KS StateBank
Landmark National Bank
Leader One Financial Corp.
MegaStar Financial Corp.
Michigan Mutual, Inc.
Midland States Bank
Midwest Bankcentre
Midwest Equity Mortgage, LLC.
Montgomery Bank, N.A.
Mortgage Investment Services Corp.
Movement Mortgage, LLC
Nations Reliable Lending, LLC
NBH Bank
New American Funding
North American Savings Bank, FSB
Oak Star Bank
Paramount Mortgage Co., Inc.
Peoples Home Equity, Inc.
Peoples National Bank, N.A.
Perl Mortgage, Inc.
PrimeLending, a PlainsCapital
Company
Sierra Pacific Mortgage
Simmons Bank
Southwest Missouri Bank
Stifel Bank & Trust
U.S. Bank
UMB Bank
Union Home Mortgage Corp.
United Bank of Union
Wells Fargo Bank, N.A.