

Request for Qualifications

Homeownership Counseling and Foreclosure Prevention Services for the Massachusetts Homeowner Assistance Fund

INTRODUCTION

The Massachusetts Housing Partnership (MHP) is issuing this Request for Qualifications (RFQ) seeking qualified organizations with an interest in providing regional homeownership counseling and foreclosure prevention services as part of a statewide coverage network in support of the Massachusetts Homeowner Assistance Fund (HAF) Program.

The Massachusetts HAF Program aims to assist income-eligible Massachusetts homeowners who, due to the impact of COVID-19, have suffered financial hardship (Eligible Homeowners) that is impacting their ability to pay their mortgages and other homeownership-related expenses (Eligible Expenses).

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) became law. Section 3206 created the federal HAF to help Eligible Homeowners with Eligible Expenses. Subsequently, the U.S. Department of the Treasury provided a website announcement, including a Notice of Funds Request, and on April 14, 2021, as amended on August 2, 2021, published Housing Assistance Fund Guidance (Treasury Guidance).

Under the federal HAF program, the Commonwealth of Massachusetts, through its Executive Office for Administration and Finance (A&F), will receive \$178 million to fund the Massachusetts HAF Program. MHP expects to be contracted by A&F to administer the housing counseling and foreclosure prevention portion of the Massachusetts HAF Program, which is anticipated to be supported with up to \$8.9 million and is seeking qualified organizations related to the offering of such services.

Responses (in PDF format) must be submitted no later than 5 p.m., Friday, November 5, 2021, via email to:

Elliot Schmiedl
Director of Homeownership
eschmiedl@mhp.net

David Worsham
Associate Director of Homeownership
dworsham@mhp.net

PROGRAM OVERVIEW

The Massachusetts HAF Program plan was designed by the Executive Office for Administration and Finance (A&F) in direct collaboration with MHP, the Massachusetts Housing Finance Agency (MassHousing), the Massachusetts Executive Office of Housing and Economic Development (EOHED), the Massachusetts Department of Housing and Community Development (DHCD), and the Massachusetts Division of Banks (DOB).

Commonwealth of Massachusetts (Commonwealth) residents have experienced COVID-related financial hardships across the state, but we recognize that low-income and socially disadvantaged households have been disproportionately affected. With expanded unemployment assistance, forbearance options and foreclosure restrictions set to expire before the end of the year, many homeowners may find themselves unable to resume mortgage and property tax payments or other housing-related expenses. The Commonwealth is dedicated to equitable homeownership retention and sustainability.

In order to secure the full allocation of HAF funds from the US Treasury (Treasury), the Commonwealth must submit a plan that details program administration and processes. That plan was submitted to Treasury on September 10, 2021 and consists of four major elements:

MassHousing initiative – MassHousing is receiving a direct allocation of HAF funds to cure COVID-related delinquencies in its home mortgage portfolio.

Statewide HAF platform – MHP is receiving HAF funds to establish an end-to-end application and service platform, backed by a call center and robust customer support, to provide financial assistance to all eligible homeowners statewide. The initial focus of the program is to reinstate mortgages by curing COVID-related mortgage, property tax, insurance and condominium fee delinquencies. To the extent that funding allows, the program may be expanded to include other eligible uses of federal HAF funds including principal pay-downs. MHP's own borrowers (serviced by approximately 55 lenders through its SoftSecond Loan Program and ONE Mortgage Program) are included within this approach.

Homeowner counseling services – MHP is receiving HAF funds to support a network of nonprofit homeowner counseling agencies (HCAs) to:

- a) Assist homebuyers who require supplemental assistance in preparing and submitting applications to the statewide HAF platform
- b) Provide in-depth counseling including the items outlined in Scope of Services Clause 2
- c) Provide in-house or subcontracted legal services

Outreach and marketing – MassHousing is receiving HAF funds to establish and manage a statewide marketing, outreach and public information campaign to encourage affected homeowners to take advantage of HAF-funded financial assistance and counseling services for the duration of the HAF program.

This RFQ relates solely to the homeowner counseling services component. Multiple services should be designed and offered to support homeowners at various stages of the HAF application process, and should complement the call center services provided by our contracted third-party program vendor.

WHO MAY APPLY TO DO THIS WORK?

To be eligible to apply to this RFQ, organizations must already be a Homebuyer Counseling Agency approved by the U.S. Department of Housing and Urban Development (HUD). Preference will be given to organizations certified by the Citizens' Housing and Planning Association's (CHAPA's) Massachusetts Homeownership Collaborative.

SCOPE OF SERVICES

MHP is seeking applicants to provide homeownership counseling and foreclosure prevention services in three specific areas under the statewide HAF Program. MHP will award contracts for three years (subject to annual review) to provide these services for a specific geographic area within Massachusetts. Applications will only be accepted from organizations who can provide all three services (including, if necessary, sub-contracted legal services). These services are outlined as follows:

1. **Application assistance and support:** A small percentage of potential HAF applicants will need assistance navigating the application process beyond what our program's call center will support (e.g., helping applicants navigate the online portal, liaising between the applicant and the call center, collecting and helping to upload documentation, explaining the program's various attestation forms, etc.), and the call center may subsequently refer candidates to HCA providers. In addition to the fully staffed, multi-lingual call center that MHP is procuring from our technology vendor, we are looking for additional in-person and/or virtual support from our HCA partners (sought through this RFQ), for any individuals whose needs may not be met by said call center.
2. **In-depth counseling:** In certain cases, when HAF applicants are determined to be at risk of foreclosure or in need of counseling services due to an anticipated inability to sustain their current mortgage despite the financial assistance provided under the HAF Program, an automatic referral will be made to the appropriate HCA. In these instances, we'll rely on our housing counseling partners to provide in-depth counseling that might include, but is not limited to:
 - a. budgeting help
 - b. debt management
 - c. interacting with lenders or loan servicers to explore:
 - i. loan modification requests and other loss mitigation options
 - ii. Refinancing options
 - d. other special programs offering relief
 - e. counseling regarding the foreclosure, short sale, or deed-in-lieu process
 - f. counseling regarding subsidized sustainability options, subject to funding availability, including but not limited to:
 - i. relief of forbore or deferred payments

- ii. principal reduction
 - iii. re-amortization/recasting of loans
 - g. follow-up counseling after remediation efforts, as desired by applicants
3. **Legal services:** There will likely be HAF applicants who require further assistance in the form of legal services. It is important that these services be offered in alignment with, and in complement of in-depth counseling services. Therefore, we will be seeking responses from organizations who can either provide in-house legal services or can sub-contract with a highly coordinated legal services provider. Legal Services refers to situations when either in-house or subcontracted attorneys are needed to negotiate or mediate with a mortgage loan servicer, when judicial proceedings have been initiated or are imminent, or when predatory lending has been identified or is suspected.

Services provided to households after they are determined to be ineligible for HAF awards, or those provided to households exceeding the service limits established above, will be considered out of scope. Such households should be referred to other programs, HUD-approved foreclosure prevention services, legal aid, etc. as deemed appropriate by the provider.

REMUNERATION FOR SERVICES

Providers will be paid monthly the greater of:

- 1) the total eligible outcome-based, fee-for-service amount as stipulated below, subject to MHP's reporting requirements, or
- 2) A floor payment that is calculated by the total estimated number of full-time employees (FTEs) needed to conduct the presumed level of service, based on an analysis of the expected service needs within your geographic service area, as mutually agreed by MHP and the provider (for example, based on the market share of your service area (e.g., the percentage of anticipated eligible delinquent and forborne borrowers within your geographic service area) as informed by programmatic data and determined by MHP. Payments for services rendered within a given month will be issued by the 25th of the following month provided the reporting requirements below have been met. Floor payments will be re-evaluated quarterly, and will be increased or decreased based on the actual service needs compared to estimates.

Providers will receive their first floor payment in advance of the first month of services to cover costs associated with standing up program services. The fee-for-service compensation for the first month (issued by the 25th of the following month) will only be issued to providers whose billable services exceed the floor payment.

Eligible fee-for-service expenses:

1. **Application assistance and support**

Approved providers will receive \$200 for each unique household applying to HAF who receives assistance with successful submission of their online HAF application. Assistance could mean a variety of different things. It could include, but not be limited to: helping applicants navigate the online portal, liaising between the applicant and the call center, collecting and helping to upload

documentation, explaining the program's various attestation forms, etc. Providers may receive additional payments per household if the household is permitted to submit subsequent applications according to the HAF program policies. Payments will be contingent on provider's timely reports to MHP (see reporting requirements section).

2. In-depth counseling

Approved providers will receive a \$250 payment for each in-depth counseling session performed by a HUD-approved counselor to a household applying to HAF that is referred to an HCA, up to a maximum of three sessions or \$750 per household. In-depth counseling refers to any phone, virtual or face-to-face individual counseling involving the definitions provided above in Scope of Services Clause 2. Payments will be based on provider's timely and detailed reports to MHP justifying the counseling session as "in-depth" (see reporting requirements section).

3. Legal services

Approved providers will receive a maximum total payment of \$1,500 for each household applying to HAF that is referred to legal services. The hourly fee for legal services will be subject to a maximum hourly fee to be determined by MHP. Billable services in excess of either the maximum total payment or maximum hourly fee may only be paid with MHP's prior approval. Payments will be based on timely reports and detailed notes of billable hours (if services provided in-house) or invoices from the legal services provider received by MHP (see reporting requirements section). Legal services refers to situations when either in-house or subcontracted attorneys are needed to negotiate or mediate with a mortgage loan servicer or lender, when judicial proceedings have been initiated or are imminent, and when predatory lending has been identified or is suspected. No households should be referred to legal services until counselor interactions with the servicer (covered under In-depth counseling) fail to result in remediation. It is the expectation that legal services will be allocated to a maximum of 25% of clients referred for in-depth counseling services, but this benchmark may be changed at MHP's discretion. No more than half of allocated funds, or \$4.45M statewide, will be spent on legal services during the duration of the HAF program.

Reporting requirements

Providers must submit to MHP within five business days of the month-end reporting for all services rendered within the preceding month (e.g., reports for services rendered in the month of November 2021 must be submitted to MHP by December 7, 2021). Reports will include a combination of (1) services tracked within the technology solution's online portal (to the extent allowable by this system), supplemented as necessary by (2) an Excel spreadsheet template to be provided by MHP and (3) invoices from legal service providers. Providers will be required to submit counseling notes for each in-depth counseling session provided to eligible applicants, providing a brief description of the session as well as describing the specific services provided (refer to Scope of Services Clause 2).

SUBMISSION INFORMATION & DEADLINES

1. Questions: Questions regarding this Request for Qualifications may be emailed to Mr. Worsham at the above-listed email address on or before the end of business on Thursday, October 28, 2021. Written responses to these questions will be posted on the MHP website on Monday, November 1.
2. Deadline: Qualification and Proposals must be received **by 5 p.m., Friday, November 5, 2021**. Proposals should be directed to:

David Worsham
Associate Director of Homeownership
dworsham@mhp.net

Electronic submissions in PDF format are required.

SUBMISSION REQUIREMENTS

1. Letter of Transmittal: Please provide a transmittal letter signed by the individual authorized to negotiate for and contractually bind the agency. This transmittal should disclose any potential conflict of interest in providing services under the Massachusetts HAF Program.
2. Geographic Service Area: Describe the geographic area the agency proposes to serve under the HAF Program. Please indicate why you have chosen this area; what experience you have had providing services to this area; and where within the geographic area you propose to provide each of the three services. Please note any proposed geographies that fall outside of your typical service area.
3. Qualifications: Describe the agency's ability to successfully undertake the project technically, financially, and managerially. Include descriptions of similar work conducted elsewhere. Please include any qualifications for working virtually.
4. Methodology: Clearly describe the work plan and methodology you would use to fulfill the scope of services.
5. Staffing: Describe the roles, responsibilities and capabilities of each team member involved in providing application assistance, in-depth counseling, and legal services. Provide resumes for staff members who will be directly involved in the project. Please include the titles, locations and dates of any relevant post-purchase housing counseling and/or foreclosure intervention training for each staff person. Describe any additional hiring required to meet the scope of services and matching the projected budget below, including the methodology and timelines to fulfill the full scope of services at scale.

6. Budget: Provide an annual operating budget detailing allocation of HAF funds to each area of service. This budget should include at a minimum staff time and expense, materials, space rental, travel cost, and organizational overhead for each service area provided, and your assumption for the number of clients projected to be served for each service provided.
7. Financial Statement: Provide a pdf of the organization's most recent audited financial statement and current year-to-date financial statements.
8. Organizational Chart: Provide a copy of the organizational chart that indicates how the HAF-related staff will interact with other organizational objectives. Provide resumes of key staff members.
9. References: Provide three references from individuals who have experience working with the agency in similar work in the past three years. Supply name, organization, contact information, and describe relationship to agency.

SELECTION CRITERIA

MHP will evaluate proposals and select HAF counseling agencies on the basis of the following selection criteria:

1. Current staff experience and capacity to perform the scope of services and feasibility of the staffing plan to perform the full scope at scale.
2. Ability to provide services in languages other than English, either directly or through third-party translation services. The other language needs expected include, but are not limited to: Spanish, Portuguese, Chinese (both Mandarin and Cantonese), Haitian Creole, Khmer, Vietnamese, and Russian.
3. Demonstrated capacity to serve designated geographic area as evidenced by prior experience.
4. Quality and specificity of work plan.
5. Quality of references.
6. For existing MHP partners, compliance with MHP's HomeSafe Program reporting requirements.
7. MHP may elect to hold interviews with agencies proposing to provide this work. The outcomes of these interviews may be additional selection criteria.
8. The overall quality, completeness and timeliness of the response.

DIVERSE BUSINESS ENTERPRISES

MHP strongly encourages the use of Minority Owned Business Enterprises ("MBEs"), Women Owned Business Enterprises ("WBEs"), Veteran-Owned Business Enterprises ("VBEs"), and Service Disabled Veteran Business Enterprises ("SDVBEs", collectively referred to as "Diverse Business Enterprise(s)."

RIGHT TO REJECT PROPOSALS

MHP reserves the right to reject any or all proposals if it is in MHP's interest to do so.

MHP may consider any proposal not prepared and submitted in accordance with the provisions hereof and may waive any informality or reject any and all bids, should MHP deem it to be in their interest.

MHP may also reject proposals which in its sole judgment are incomplete.