



# DENVER

## HOUSING STABILITY

### Pre-Proposal Conference - Request for Proposals HOST-34-2022 SERVICER FOR SINGLE FAMILY HOUSING PROGRAM for the Department of Housing Stability (HOST)

For attendance purposes, please put your name, title, company representing and email address in the chat feature. This information will be posted on the bid site.

We ask that everyone please mute themselves.

If you have any questions, please submit them in the chat function.

## Good morning, Welcome and thank you for joining us.

- All requests for information, clarifications and/or questions must be emailed to [HOSTProcurements@denvergov.org](mailto:HOSTProcurements@denvergov.org) throughout this process. They are to be received in accordance with the Schedule of Events.
- Deadline to submit additional questions is December 14, 2022, by 5:00 P.M., MST
- Responses to written questions will be posted on December 16, 2022, by 5:00 PM, MST
- Questions and responses received throughout this event will be published as an addendum on Zengine.

HOST Participants: Andrew Johnston, Jon Colarelli, Nicole Givens

# Schedule of Events:

<b>RFP Issued</b>	November 28, 2022	
<b>Virtual Pre-Proposal Conference/General Information Meeting</b>	December 02, 2022	10:30 AM
<b>Deadline to Submit Additional Questions</b>	December 14, 2022	5:00 PM
<b>Response to Written Questions</b>	December 16, 2022	5:00 PM
<b>Proposal Due Date</b>	January 6, 2023	5:00 PM
<b>Evaluation Period (Tentative)</b>	January 9 - January 20, 2023	
<b>Award Date (Tentative)</b>	January 30, 2023	

## metroDPA

The City's main lending program is known as metroDPA and it serves households earning up to 150% of the area median income (AMI) who seek the dream of homeownership.

The program offers a home loan that may be combined with program assistance to qualifying borrowers. Assistance is currently in the form of a 3-year forgivable second mortgage with a 0% interest rate. This second mortgage forgives 1/36th of the loan amount each month until maturity. There are no scheduled payments associated with this second mortgage.

# metroDPA

If a borrower refinances or sells the home before maturity, they are responsible for repaying the unforgiven portion of the second mortgage. The form of the assistance is subject to change in the future. The metroDPA program operates throughout the Front Range in various participating jurisdictions in partnership with the City.

# metroDPA

HOST has also implemented the metroDPA Social Equity program that serves individuals impacted by historical redlining within the City. It offers up to \$25,000 in assistance to borrowers that can provide documentation of residing within a redlined area of the City. HOST anticipates creating additional programs designed to aid designated borrower populations.

# metroDPA RFP

HOST is seeking Servicers that will purchase, pool, sell, or hold and service mortgage loans. The City expects Servicing Agreement(s) as a result of this RFP will be for five years. Participating lenders will originate mortgage loans and sell the loans to the Servicer. The Servicer will provide the City access to its retail and/or correspondent lenders or brokers and service the loans. It is anticipated that Applicants will respond primarily in either one or both of the following ways:

1. As a loan servicer primarily for its correspondent lenders and possibly for retail lenders or brokers.
2. As a loan servicer for its own retail operations

Regardless of the origination channel(s) used, servicers may deliver whole loans to the cash window, portfolio loans, or sell mortgage backed securities (MBS) in the capital markets.

# Scope of Services

## 1. Lender Management

- i. Approve and execute contracts with eligible lenders to recognize them as participating lenders.
- ii. Render assistance to HOST and mortgage lenders regarding technical questions and problems that might arise.
- iii. Meet with and advise HOST on the feasibility of proposed new homeownership or rehabilitation products.

## 2. Loan Purchases and Process

- i. Accept and purchase loans underwritten with various automated underwriting systems and/or manually underwritten to Fannie Mae, Freddie Mac, FHA, USDA, and VA guidelines.
- ii. Compensate lenders and reimburse funds for the metroDPA grants and second liens.
- iii. Assume risk of loss on Mortgage Loans backing any mortgage-backed securities.



# Scope of Services

## **3. Loan Review, Purchase, Pooling, and Securitization/Sale/Hold**

i. Review loans to verify compliance with all requirements before purchase.

ii. Work with the TBA Administrator/Program Administrator to smoothly deliver MBS, use the cash window or purchase loans directly as a portfolio lender.

iii. Issue Ginnie Mae (GNMA) certificates (in the form of GNMA I or GNMA II securities) and pool and deliver loans to Fannie Mae and Freddie Mac in exchange for securities.

iv. Repurchase non-conforming loans for resale to the originating lender.

v. Sell newly originated whole loans via the Fannie Mae/Freddie Mac cash window or to the Servicer's portfolio.

## Loan Servicing

# Scope of Services

- i. Purchase loans on a daily basis and warehouse loans as needed until such loans are pooled and settled.
- ii. Service loans that have been purchased, pooled, and sold along with any subordinate liens created through the program.
- iii. Comply with Fannie Mae, Freddie Mac, FHA, USDA, and VA guidelines when servicing first mortgages.
- iv. Consult with the City on requirements specific to origination, servicing, securitization pooling and any regulatory compliance updates or changes that would impact the origination, and subsequently the delivery, of loans in the metroDPA program.
- v. Provide data and/or reports necessary for pooling and securitization, including demographic data on program loans supporting compliance reports for Internal Revenue Service, U.S. Treasury and lender performance reviews.
- vi. Work with delinquent borrowers to consider and evaluate all necessary options to bring them current, reduce delinquencies and avoid foreclosure.

# RFP Evaluation Criteria

- Areas of review:
  - a. Agency capacity & experience
  - b. Response to the City's proposed questions & services provided
  - c. Security and Tracking
  - d. Equity and Diversity
  - e. Program Budget Plan & Financials
  - f. Technical review of proposal requirements
  - g. Response to the City's proposed Sample Contract provisions in Contract Certification

**No weighting relative importance of criteria is intended or implied by the list**

# Contract Requirements

## Required provisions and documentation

- **Secretary of State:** All contractors must be registered with the Colorado Secretary of State and have an active Certificate of Good Standing prior to award.
- **Insurance:** Certificates of Insurance are required of all City Contractors evidencing the following policies:
  - Workers' Compensation and Employer's Liability
    - Waivers for Sole Proprietors
  - Commercial General Liability
  - Business Automobile Liability
    - Exception for Sole Proprietors
  - Cyber Liability Insurance
    - Any contractor responsible for retaining Personally Identifiable Information (PII)

# Questions

- Questions will be accepted until the deadline of December 14, 2022 by 5:00 PM MST. All questions and answers will be posted in an addendum on Zengine by December 16<sup>th</sup> at 5:00 PM.
- Submission of proposals for this solicitation may only be done electronically through Zengine. Proposals must be submitted at:  
[https://webportalapp.com/sp/metrodpaloan\\_rfp\\_application](https://webportalapp.com/sp/metrodpaloan_rfp_application). no later than the date and time indicated in the proposal Schedule of Events.

# Questions and Answers?



For the time remaining in this event, you may type your questions in the **chat function**. The City will attempt to respond them. This feature can be found at the top right of your screen.

These questions and answers will be made available on the bid site.

[HOSTProcurements@denvergov.org](mailto:HOSTProcurements@denvergov.org) – to submit additional questions

Any change(s) to the RFP and/or its scope will be posted in an addendum. Do not rely on any oral interpretation.