

**ADDENDUM TO  
LOAN OFFICER – DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
INVITATION TO BID # 641IOFIR-LO  
QUESTIONS AND ANSWERS**

- 1) What is the anticipated contract award date?  
**RESPONSE:** Award/Contract date is expected to be 9/1/2008, with a beginning testing date on or before 10/1/2008.
- 2) How many current loan officers are exempt from pre-registration education?  
**RESPONSE:** This number is unknown.
- 3) We understand that there are 20,000 mortgage loan officers who will need to be licensed. What is the estimated annual volume of testing candidates once these 20,000 are tested?  
**RESPONSE:** It is estimated that 9,000-10,000 loan officers will need to sit for the exam initially. It is unknown how many will sit for the exam on a yearly basis.
- 4) What is the annual number of pre-registration course applications?  
**RESPONSE:** This is a new program and it is unknown how many pre-registration course applications will be received.
- 5) What is the annual number of continuing education course applications?  
**RESPONSE:** This is a new program and it is unknown how many continuing education course applications will be received.
- 6) What is the annual number of continuing education provider applications?  
**RESPONSE:** This is a new program and it is unknown how many continuing education provider applications will be received.
- 7) How long is a loan officer license valid?  
**RESPONSE:** A loan officer registration expires on December 31 of each year, unless it is properly renewed. However, the statute provides a provision to allow the loan officer registration to continue without renewal if a loan officer registrant continues to properly complete the continuation education requirement. Please reference the statute.
- 8) What are the license renewal requirements?  
**RESPONSE:** Renewals will go through the national database, National Mortgage Licensing System (NMLS), where they attest they meet all requirements including CE requirements.
- 9) Is the contractor permitted to charge for CE banking?  
**RESPONSE:** No. Any costs incurred for maintaining CE records should be included in the cost of the examination.
- 10) Page 10. Is the launch date of October 1 for testing services or for all services required in the ITB? For instance, can pre-registration for the examinations begin in September? Please provide a start date for related services.  
**RESPONSE:** The beginning testing date and related services are required on or before 10/1/2008. Continuing education and related services will not be required until after January 1, 2009. Pre-registration for the examination can begin in September, 2008.
- 11) Is it possible for test development activities to commence prior to September 1?  
**RESPONSE:** Test development may begin prior to September 1, 2008; however, the anticipated contract date is still expected to be 9/1/2008.
- 12) Pg. 11, #6. Is the contractor responsible for producing a document to be reviewed at the test center that states candidate eligibility?  
**RESPONSE:** The contractor will be responsible to provide a complete candidate information bulletin.

- 13) Pg. 12, Use of Existing Examinations. Is it acceptable to use a Federal-level examination during the interim period of 10/1/2008-7/1/2009 that has no Michigan-specific questions? Is the OFIR willing to help the vendor identify Michigan SMEs to review, modify, and validate an existing federal-level only exam content outline?  
**RESPONSE:** No, OFIR will not accept a Federal-level only exam that contains no Michigan-specific questions to be used during the interim period of 10/01/2008 to 7/1/2009. OFIR will assist in identifying SME's for exam content review.
- 14) Are members of the OFIR willing to participate in the process of reviewing, modifying, and validating an existing federal-level exam content outline?  
**RESPONSE:** Yes.
- 15) Is it permissible for the selected contractor to furnish a current state exam that the contractor owns and have Michigan State and industry SMEs review, modify, and validate the exam for use in Michigan during the interim period of 10/1/2008-7/1/2009?  
**RESPONSE:** Yes.
- 16) If the OFIR desires Michigan-specific items on the exam launched on October 1, 2008, will the OFIR help to adapt the vendor-owned non-Michigan-specific items?  
**RESPONSE:** Yes, assistance is available.
- 17) Is the OFIR willing to identify Michigan-based SMEs to participate in a process of item development and referencing? Will members of the OFIR participate in a process of item development and referencing?  
**RESPONSE:** Yes. Yes.
- 18) Will the OFIR and Mortgage Industry Advisory Board aid in the identification of potential respondents to the job analysis survey?  
**RESPONSE:** Yes.
- 19) Would alternative methods to conducting the job analysis survey rather than mailings be acceptable?  
**RESPONSE:** It is permissible to submit alternative "mailing" methods to OFIR for review and approval.
- 20) The specifications for analysis of the job analysis survey results indicate that the OFIR would expect to have an importance scale and a scale reflecting whether a task was essential at time of registration. Are there other scales such as frequency that the OFIR would like to use?  
**RESPONSE:** Yes, they include importance, frequency and criticality.
- 21) Pg. 13, Item Development. The 9<sup>th</sup> bullet appears to be cut off mid-sentence. Please elaborate.  
**RESPONSE:** The word "regulation" completes the sentence.
- 22) Pg. 15. Please confirm that the selected vendor is not responsible for verifying licensee CE compliance and sending out non-compliance mailings.  
**RESPONSE:** No, OFIR anticipates this to be the vendor's responsibility.
- 23) Pg 48, 2.260, Ownership. Please confirm that the selected vendor's pre-existing test questions and root questions used to develop Michigan-specific questions will remain the sole property of the selected vendor.  
**RESPONSE:** Yes.
- 24) Is it permissible to include documents in .pdf format in the electronic copy?  
**RESPONSE:** Yes.
- 25) What is the planned licensing system for the mortgage loan officers?  
**RESPONSE:** The Nationwide Mortgage Licensing System will be utilized for mortgage loan officer registration.
- 26) Will there be a pre-bid meeting?  
**RESPONSE:** No.

- 27) Is there an existing CE program for these licensees? If so, where can information be found?  
**RESPONSE:** The registration, testing, and pre-education and continuing education requirements are new; therefore there is no existing Michigan mortgage loan officer registration CE program.
- 28) Is there an existing procedure and standards for approval of pre-registration courses? If so where can information be found?  
**RESPONSE:** This is a new program with no existing procedures and standards. General course guidelines are being reviewed by the Mortgage Industry Advisory Board ("MIAB"), and will be available upon MIAB recommendation and Commissioner approval.
- 29) If CE and pre-registration education programs currently exist, please provide details on the number of providers, courses, completions processed, licensees subject to a requirement, and licensees in compliance. In addition, provide information on fees currently charged.  
**RESPONSE:** This is a new program with no existing CE and pre-registration education programs. This is a new program, there are no current fees established.
- 30) Does OFIR anticipate that candidates must have their pre-registration completion information in the contractor's computer system before they will be allowed to register and schedule an exam?  
**RESPONSE:** Yes.
- 31) Does OFIR expect that pre-registration course completion information will be submitted to the contractor solely through a Web interface?  
**RESPONSE:** Yes. However, if the electronic transmission from the education provider is not set up, OFIR will allow use of certificates temporarily.
- 32) Is OFIR open to proposals including fees from providers for recording pre-registration and CE course completions?  
**RESPONSE:** No. Any costs incurred should be included in the testing fee.
- 33) Is OFIR open to proposals including services and fees not specified in the RFP?  
**RESPONSE:** A vendor may propose and provide detail and support to the services it provides including fees and the methods for calculating the fees.
- 34) Has the mortgage industry advisory board been formed and what involvement will it have with regard to CE?  
**RESPONSE:** The Mortgage Industry Advisory Board has been created, and is required to make recommendations to the commissioner concerning course sponsors or providers, course instructors, and the content of and materials for courses provided to loan officers and loan officer applicants, and procedures to verify attendance at and participation in courses conducted electronically.
- 35) When does OFIR expect the contractor to be prepared to review applications from CE and pre-registration education providers?  
**RESPONSE:** October 1, 2008.
- 36) Will the authority to approve CE and pre-registration courses be fully delegated to the contractor?  
**RESPONSE:** No. It is expected that the MIAB will be involved with all pre-registration course work; the vendor will approve CE based on guidelines provided by the MIAB and it is expected that the MIAB may randomly audit CE course approvals.
- 37) Will the contractor be required to remit any fees to the OFIR?  
**RESPONSE:** No, not under the current statutory language.
- 38) What reports regarding CE and pre-registration activity will be required?  
**RESPONSE:** Unknown at this time.
- 39) How does OFIR envision providing the contractor with licensee data to validate CE course completions and to receive data concerning CE compliance by licensees?  
**RESPONSE:** OFIR expects the CE vendor to provide CE data to the vendor who will provide information and reports to OFIR as needed.

- 40) Does OFIR expect that all CE completions will be entered by provider's exclusively through the contractor's Web site?  
**RESPONSE:** Yes.
- 41) How long is the exam to be: 1. Number of questions and 2. Length of time?  
**RESPONSE:** We look to the selected vendor to provide an existing examination that has been updated for Michigan statutes.
- 42) You state that "All exam sites must be proctored, with a ratio of at least one (1) proctor for every ten (10) examination candidates." Is your expectation that the ratio is for the loan exam only?  
**RESPONSE:** No, our expectation is for the total number of candidates at the test site.
- 43) How many candidates will have to take the exam? How many would you estimate will take the exam on a yearly basis?  
**RESPONSE:** It is estimated that 9,000-10,000 loan officers will need to sit for the exam initially. It is unknown how many will sit for the exam on a yearly basis.
- 44) Please verify that this is a new program, and that no current exam content is available.  
**RESPONSE:** It is correct, this is a new program and no current exam content is available. General course guidelines are being reviewed by the MIAB and will be available upon MIAB recommendation and Commissioner approval.
- 45) Please clarify that contract work begins 9/1/2008, but that testing starts 10/1/2008.  
**RESPONSE:** Both stated dates are correct.
- 46) Will all of the State's estimated 20,000 mortgage loan officers need to sit for the exam?  
**RESPONSE:** It is estimated that 9,000-10,000 loan officers will need to sit for the exam initially.
- 47) **Page 12** – will a web-based survey be acceptable? PSI performs web-based surveys for current Michigan licensure clients and has received favorable responses from both State staff and candidates alike.  
**RESPONSE:** A web-based survey is acceptable.
- 48) **Page 14, 3<sup>rd</sup> bullet** - Who determines candidate eligibility, State or Contractor?  
**RESPONSE:** The State of Michigan, Commissioner of OFIR.
- 49) How many candidates are anticipated to take the exam in the first year? Is this volume expected to increase or decrease in subsequent years?  
**RESPONSE:** Based on mortgage broker, lender, and servicer licensee and registrant information, there is an estimated 9,000 to 10,000 loan officers that may initially apply for loan officer registration in Michigan. Future volumes are unknown.
- 50) Can the Vendor propose different rates, or a rate scale, in relation to candidate volume?  
**RESPONSE:** Yes, however the vendor must be complete in defining how the rates will be applied, when will a change be needed and how the change will be implemented. Understand that all rate changes will be subject to OFIR approval.
- 51) **Page 16 – Conduct Exams** – Regarding the "review option," will failing candidates have the option to return at a later time to review their incorrect items? Will employers have authorization to view candidate records online, or only via telephone? How is confidentiality maintained?  
**RESPONSE:** Please state the examination review process you would be comfortable administering and any cost associated with it. We would like the vendors to propose the method by which this information will be available.
- 52) **Page 16** - How many education provider and course approvals are anticipated annually?  
**RESPONSE:** This is currently unknown.
- 53) Please provide any currently charged fees or fee caps.  
**RESPONSE:** This is a new program, there are no current fees established.

54) What value will be assigned to examination cost in the proposal evaluations?

**RESPONSE:** The examination cost will be evaluated only if the vendor meets the minimum score identified in Sec. 3.023. Examination costs will then be considered in conjunction with the Sec.3.022 evaluation criteria.

55) Can you identify the number of questions and the amount of time candidates will be given to complete the exam?

**RESPONSE:** No, we look to the selected vendor to provide an existing examination that has been updated for Michigan statutes.