

QUESTIONS/ANSWERS FOR PIP RFP DUE AUGUST 15, 2014.

1. What is the name of the current Sub-servicer?
Dovenmuehle Mortgage, Inc.
2. What is the current price being charged by the Sub-servicer and paid by the Michigan State Housing Development Authority?
The rate charged by the current sub-servicer is agreed upon and set under a private contract between MSHDA and the current sub-servicer. Please use the guidelines in the RFP regarding the proposed fee schedule to submit your RFP.
3. How long has the current contract been in place?
The current sub-servicer contract between Dovenmuehle Mortgage, Inc. and MSHDA was initiated on January 1, 2012.
4. Why is the Michigan State Housing Development Authority seeking a different Sub-servicer?
The three-year term with the current sub-servicer contract is ending on December 31, 2014. The State of Michigan promotes rebidding of all contracts upon termination in order to allow all qualified bidders an opportunity to bid on and possibly secure a state contract.
5. As a sub-servicer, would we be handling the claims or would they be submitted by Michigan State Housing Development Authority?
The sub-servicer is responsible for performing all aspects of collections, foreclosures, bankruptcies through claim submittal, when needed.
6. What are the current delinquency rates?
30 days – 3.48%, 60 days – .93%, 90 days – .35%, 120 days – 2.55%.
7. What has been the volume of subordination activity in the last 12 months?
There has been no subordination activity in the last 12 months.
8. What has been the volume of new loans and payoffs in the last 12 months?
There have been 50 new loans and 105 payoffs in the last 12 months.
9. Number of FHA partial claims filed in the last 12 months?
There have been no partial claims filed in the last 12 months.
10. Number of FHA claims filed in the last 12 months?
Claims filed are not tracked by date filed. There have been 33 paid claims in the last 12 months.
11. Separate reporting/remittances by Bond Series are required, how many different Bond Series are in place?
Two investor series are in place.
Expected in the next 12 months?
Six investor series are expected in the next 12 months.

12. What has been the volume of loss mitigation (mods, deed in lieu, short sales) in the last 12 months?
There have been less than 5 loss mitigation cases in the last 12 months.
13. What was the number of foreclosures in the last 12 months?
There have been two foreclosures in the last 12 months.
14. Can new flow loans be sent electronically to us?
Yes, the software used for PIP loans can send loans electronically for boarding.
15. Will MSHDA consider servicing NOT done under private labeling?
Servicing can be done in the name of the sub-servicer and not private labeled.
16. Please elaborate on what exactly will be expected to ensure unpaid water or other charges do not become liens.
The standard procedures are required as in any second mortgage to ensure unpaid charges do not become liens.
17. How many unsecured loans are in the portfolio?
Over half of the loans in the portfolio are unsecured.
18. Please provide a listing of number of loans by County.
The current software does not track the loans by County. All PIP loans are within Michigan, the majority of the loans are properties located in urban areas.
19. Please elaborate on exactly what data will be expected to be available in the daily electronic data dump.
All contact information on the applicant, the amount of the loan, the interest rate, due date of the loan, loan terms, investor series, loan type and any other information on the specifics of the loan.
20. Is there any flexibility regarding the requirement for the bidder to have a warehouse line of credit for \$500,000? Dovenmuehle does not originate new loans and therefore has no requirement for a funding line.
MSHDA checked with HUD on the RFP posted three years ago and this is the requirement. The requirement is taken from the Title I guidelines.
21. Is there any flexibility regarding the required customer service hours starting at 7:00 a.m. Eastern Time? Also please confirm if this requirement is limited to Monday – Friday.
We would like to see 7:00AM to 8:00PM EST with a minimum of Monday through Friday. Weekends would be a bonus.
22. Please clarify the requirement that the subservicer is to monitor real estate taxes and municipal charges. As the portfolio includes 100% second mortgage loans, escrow monitoring is usually not a required service and is not currently performed by Dovenmuehle on behalf of MSHDA.
PIP loans do not require an escrow account so there are no real estate taxes and municipal charges to monitor.

23. Please clarify the requirement that “loans per servicing employee ratio must not exceed 1:100 per FTE”. We are having difficulty following the math on this example. Our current productivity ratio, for example, is approximately 750 loans per FTE.
The “loans per servicing employee ratio” should be 1:1000.
24. The RFP states on Page 13 that these loans are 100% conventional, however all other requirements refer to FHA loans, claims, etc.
All loans are FHA loans – approximately 820 are loans that are Title I insured with the remaining loans uninsured.
25. Please confirm if the subservicer will be expected to send annual coupon books or monthly billing statements to these borrowers.
Either annual coupon books or detailed monthly statements are acceptable.
26. In the RFP on page 20, please confirm if the items listed as sections I – IV (under References) should be separate requirements not related to References.
Correct, the references would not be required to give the information requested under Sections I – IV. The requested information should be supplied by the bidder for current contracts and include any references from those contracts and their contact information.
27. In the fee example, please confirm if the total loan count was intended to be 909 loans vs. 999 loans?
The goal of the program is 999 loans so the fees should be calculated at that amount.
28. In Exhibit F – Organization Background Checklist – please confirm if the bidder’s complete Articles of Incorporation and Bylaws are required to be submitted. We have never seen this requirement previously from MSHDA or any other state housing finance authority.
Articles of Incorporation and Bylaws are standard documentation provided as support to certify that the organization is who they say they are. The Exhibits listed in this RFP template are required for all RFP’s posted by the Michigan State Housing Development Authority.
29. Certificate of Fact – Not Cancelled is not a standard certificate and the required information as to our “good standing” status is fully covered in the Certificate of Good Standing. I do not recall ever providing the Certificate of Fact for any prior MSHDA proposal and we wanted to ask if the Certificate of Good Standing would be sufficient.
The Exhibits required for this RFP were researched and written by MSHDA’s Legal Counsel. The Exhibits listed in this RFP template are required for all RFP’s posted by the Michigan State Housing Development Authority.