



NOTICE TO BIDDERS

FIRST AMENDMENT TO REQUEST FOR PROPOSALS

DATE OF ISSUE: August 12, 2021  
 TO: Potential Providers of Services  
 RE: **Request for Proposals (“RFP”) for Master Servicer to the Authority’s Mortgage-Backed Security Programs**

This First Amendment to the above RFP changes the loan amounts presented.

Accordingly, the section of the RFP originally issued on July 26, 2021 is amended as follows (*amended text in red for convenience*):

**EXHIBIT C  
 PROPOSAL FORMAT**

**E. Price Proposal & Budget**

**2. Budget.** See the table below. The DPA loans are additional loans.

YEAR	LOAN AMOUNT	DPA
<b>Purchased</b>		
2018	\$14,952,924	\$577,033
2019	\$24,708,543	\$1,431,627
2020	\$18,511,024	\$1,037,352
<b>Pipeline</b>		
2021 Reservations	\$20,049,391	
<b>Projected</b>		
2021	\$20,362,126	\$1,141,087



August 12, 2021

**Questions & Answers for RFP:  
Master Servicer to the Authority's Mortgage-Backed Security Programs**

1. Of your total production, what percentage is Conventional and what percentage is Government?

2% Conventional and 98% Government

2. Of your Government production, what percentage is FHA, what percentage is VA and what percentage is USDA?

99% FHA, 0% VA and 1% RD

3. What is the average balance, FICO, DTI, LTV and CLTV of your Conventional production?

Fico 765.5, DTI = 28.9, LTV = 97, CLTV= 102.0

4. What is the average balance, FICO, DTI, LTV and CLTV of your FHA production?

FICO= 698.8, DTE = 22.9, LTV = 99.2, CLTV = 104.6

5. What is the average balance, FICO, DTI, LTV and CLTV of your VA production?

No loans

6. What is the average balance, FICO, DTI, LTV and CLTV of your USDA production?

FICO = 641, DTI = 24.53, LTV = 101.1, CLTV = 105.4

7. Are you requesting a servicing bid for TBA AND MRB? Or, TBA only?

TBA only

8. Who is your hedge provider?

Raymond James



9. Section IV. Objectives, Tasks, and Deadline / A. Objectives / Question #3: Provide services in accordance with the attached Authority's MBS timeline. Could we receive the referenced MBS timeline?

See page #12- closing package and processing time.

10. Section C. Standards of Performance / Question #4: 4. Demonstrate capacity, by net worth, to maintain a credit facility to warehouse mortgage loans for up to 6 months or until loans are pooled to form MBS purchased by Custodian/ Trustee or sold on a cash basis as directed by the Parties. Could you further define 'sold on a cash basis' and by what parties?

Whole loan sales

11. Section A. Company Background Information / Question #4: Any branch office, or name and address of registered agent, if applicable. Could you further define 'registered agent' in this question?

A person authorized to accept service of process for another person, esp. a corporation, in a particular jurisdiction (in this case, the State of Michigan). A resident agent or registered office in Michigan is required to apply as a foreign corporation. More information is available here:

([https://www.michigan.gov/lara/0,4601,7-154-89334\\_61343\\_35413\\_35426-120069--,00.html](https://www.michigan.gov/lara/0,4601,7-154-89334_61343_35413_35426-120069--,00.html))

12. Section B Management and Personnel / Question #2c: List their responsibilities and the specific tasks each assigned officer/manager will carry out and the anticipated time frames for each. We would like clarification on 'anticipated time frames for each' in this question?

Any manager/officer that is responsible for tasks identified in the Scope of Work, and those tasks have programmatic deadlines or other required timeframes, identify those deadlines and timeframes in this section.

13. Section E. Price Proposal and Budget / Question #2: There isn't a question 2 listed in the RFP, is there an additional question that can be provided?

There are only two questions. This is a formatting mistake.

14. Section E. Price Proposal and Budget / Question #3: Could you confirm if the numbers in this table are actual Production?



YEAR	LOAN AMOUNT	DPA
<b>Purchased</b>		
2018	\$14,952,924	\$577,033
2019	\$24,708,543	\$1,431,627
2020	\$18,511,024	\$1,037,352
<b>Pipeline</b>		
2021 Reservations	\$20,049,391	
<b>Projected</b>		
2021	\$20,362,126	\$1,141,087

15. Exhibit D. Project Personnel: Are we considered 'contractor' in this exhibit and do you need this response for all Project Personnel listed in Section B / question 3?

Bidder is the contractor. Each person identified in Q3 needs to be on this form. Additional copies of the form can be used as necessary. An updated copy of this form will be attached to any awarded contract resulting from this RFP.



## REQUEST FOR PROPOSALS

DATE OF ISSUE: July 26, 2021

TO: Potential Providers of Services

RE: **Request for Proposals (“RFP”) for Master Servicer to the Authority’s Mortgage-Backed Security Programs**

### Quick Reference

	Date	Time
Deadline to submit questions about this RFP:	August 9, 2021	4 PM Eastern (Detroit, MI)
Anticipated date Authority will post answers to questions:	August 11, 2021	
Proposal deadline:	August 23, 2021	4 PM Eastern (Detroit, MI)
Anticipated contract begin date:	January 1, 2022	

### I. **Services Sought by Authority**

The Michigan State Housing Development Authority Finance Division (“Authority” or “MSHDA”) is seeking an organization authorized to do business in Michigan to serve as Master Servicer to all of the Authority’s Mortgage-Backed Security (“MBS”) programs. The Authority seeks the services to fund, service and pool loans that will be sold to investors in the bond market. The service will enable the Authority to offer FHA and Conventional loans to eligible Michigan homebuyers. A detailed description of the work is described in the Scope of Work attached and incorporated into this Request for Proposals (“RFP”). A glossary of the terms used in this RFP is attached as Exhibit F.

It is anticipated that a three (3) year contract with the option for one two (2) year extension may be awarded.

Women and minority-owned businesses licensed to conduct business in the State of Michigan are encouraged to submit proposals.

### II. **Contents of this RFP**

- Overview of services sought, service requirements (“Scope of Work”)
- Exhibit A – Notices to Bidders

- Exhibit B – Submission & Selection
- Exhibit C – Proposal Format
- Exhibit D – Project Personnel Form
- Exhibit E – Certificates and Representations
- Exhibit F – Glossary

### **III. Overview**

The Authority's Finance Division is seeking a qualified organization to serve as Master Servicer to all of the Authority's Mortgage-Backed Security programs. The Authority seeks the services to fund, service and pool loans that will be sold to investors in the bond market. The service will enable the Authority to offer Government and Conventional loans to eligible Michigan homebuyers.

The Authority, as a state housing finance agency, is permitted by the Federal Housing Administration ("FHA") to provide its down payment assistance loans ("DPA" or "DPAs," as described below) to eligible FHA borrowers and the Authority is permitted to offer DPA loans to eligible applicants. MSHDA believes that competitively priced FHA loans coupled with DPAs add a significant benefit to homebuyers in Michigan. Additionally, Fannie Mae and Freddie Mac offer products that enable the Authority to take advantage of certain pricing and underwriting advantages not offered to conventional lenders. Borrowers under this program may receive DPAs offered exclusively by the Authority. The Authority may provide Fannie Mae/Freddie Mac-eligible conventional loans to be packaged into Fannie Mae/Freddie Mac securities under the rules and regulations of a conventional product.

The Master Servicer will provide daily monitoring of reservations in the reservation pipeline, purchasing, pooling, selling and servicing of mortgage loans. The master servicer will also consult with Authority staff, Pipeline Risk Manager and Custodian/Trustee on overall program design and suggest enhancements as needed to optimize the program's operation and success.

The Authority does not have the capacity to provide Master Servicing in house whereas, the Master Servicer has the efficiencies of scale to cover all areas necessary to provide effective servicing for the lenders, Pipeline Risk Manager, Custodian/Trustee and the Authority. The FHA and conventional loans are originated in the names of various participating lenders. Once the Authority has reviewed the loans, the approval is sent to the lender for closing. Upon closing, the package is sent by the lenders to the Master Servicer for funding and the servicing initiates. The selected contractor will also advise and educate Authority representatives related to contractor services sought as outlined below.

### **IV. Objectives, Tasks, and Deadlines**

#### **A. Objectives**

The selected contractor must meet the following general objectives:

1. Perform services according to applicable guidelines, mandates, or other requirements by FHA, Veteran's Administration ("VA"), Rural Development ("RD"), Fannie Mae, Freddie Mac, private mortgage insurers and Consumer Federal Protection Bureau ("CFPB") pursuant to applicable laws and regulations.
2. The servicing shall be provided in accordance with this Scope of Work, the applicable documents associated with any bonds issued by the Authority, and all applicable laws, regulations and rules.

3. Provide services in accordance with the attached Authority's MBS timeline.

## **B. Tasks**

The selected contractor shall perform tasks including, but not limited to, the following:

1. Work closely with the Authority, Pipeline Risk Manager and Custodian/Trustee (collectively, the "Parties") to:
  - a. Review and approve all participating lenders.
  - b. Record, approve and monitor reservations on a daily basis.
  - c. Review all mortgage loans for compliance with program requirements within (10) ten days from receipt.
  - d. Purchase eligible mortgage loans from originating lenders and pool mortgage loans for MBS. All representations and warranties made to GNMA, Fannie Mae, and Freddie Mac on the mortgage loans will remain with the Master Servicer.
  - e. Deliver such MBS to an investor through a Custodian/Trustee.
  - f. Service mortgage loans
2. The Master Servicer will coordinate the purchase, report, and delivery of MBS loans and securities as follows:
  - a. Establish with the Parties and implement an agreed schedule for loan reservations and loan delivery by the lenders.
  - b. Monitor a web-based system for lenders to reserve loans and lock interest rates. This system is to be accessible for viewing in real-time by the Authority and the Pipeline Risk Manager
  - c. Report to the Authority and the Pipeline Risk Manager, electronically on a daily basis all loan pooling and purchase activity
  - d. Review closed Mortgage Loan files within five business days of receipt from lender and promptly notify lenders of approval and deficiencies.
  - e. Work with lenders to ensure that closed mortgage loans are purchased within the time frames required by the applicable program guidelines and agreements.
  - f. Purchase and fund (within ten business days of receipt of complete packages) mortgage loans from lenders upon delivery of such mortgage loans and the required documentation by lenders
  - g. Pool and certify MBS as soon as reasonably possible (or at a minimum on a weekly basis) if the aggregate of respective certificate-eligible mortgage loans equals or exceeds the minimum pool size designated by the Parties.
  - h. Deliver MBS Certificates immediately upon issuance to the investor for purchase.
  - i. Report to the Parties on a weekly basis the aggregate dollar amount of mortgage loans of each type acquired by the Master Servicer from each lender and the status of such mortgage loans.
  - j. Forward Original Down Payment Assistance Notes and Recorded Mortgages to the Authority within 90 days of funding
  - k. Submit payment and written confirmation to the Authority of paid in full Down Payment Mortgages, within three business days of receipt.
  - l. Provide special reports as requested by the Authority.
3. Products or Milestones to be met include:
  - a. On or about November 1, 2021, the selected contractor will be required to schedule and attend orientation/training meeting(s) to discuss the content and procedures of the contract. The Authority and the selected contractor will also discuss and develop a timeline and procedures for the conversion, including the appropriate testing of data of the Lender On- Line reservation system.

- b. The meeting(s) will be held in Lansing, Michigan in person or virtually at a date and time mutually acceptable to the Authority and the selected contractor.
- c. The Authority shall bear no cost for the time and travel of the selected contractor's attendance at the meetings.
- d. The selected contractor will accept new MBS loans starting with new reservations once the contract has commenced.
- e. On a quarterly basis, the selected contractor must provide the Authority with an updated contact information sheet to include the following for primary individuals involved in submitting and receiving documents to and from lenders and the Authority:
  - 1. Job titles
  - 2. Telephone numbers; and
  - 3. Email addresses
- f. Submit delinquency reports as requested by the Authority on a bi-weekly basis.

**C. Standards of Performance**

If awarded a contract, the selected contractor shall perform the tasks/activities and complete the objectives in accordance with the following standards. The selected contractor must:

- 1. Be an approved and active issuer of GNMA, Fannie Mae MBS and Freddie Mac Participation Certificates ("PCs") in good standing.
- 2. Be engaged in the business of servicing residential high loan-to-value mortgage loans, and demonstrate it can perform the duties of the Master Servicer.
- 3. Be a/an:
  - a. FHA-approved, VA-approved and RD-approved mortgagee
  - b. GNMA-approved Seller and Servicer of GNMA Certificates for:
    - 1. FHA-insured
    - 2. VA-guaranteed
    - 3. RD-guaranteed mortgages
  - c. FANNIE MAE and FREDDIE MAC approved seller-servicer eligible to pool and service the following Mortgage-Backed Securities for conventional mortgage loans.
    - 1. FANNIE MAE
    - 2. FREDDIE MAC
  - d. Eligible master servicer to originate, purchase, hold and service FHA- insured, VA-guaranteed and RD-guaranteed mortgages and conventional mortgage loans in agreement to all requirements and applicable laws.
- 4. Demonstrate capacity, by net worth, to maintain a credit facility to warehouse mortgage loans for up to 6 months or until loans are pooled to form MBS purchased by Custodian/ Trustee or sold on a cash basis as directed by the Parties.
- 5. Demonstrate capacity, by applicable line of credit, to buy back the mortgage loans which are not in compliance with the MBS program or for which insurance coverage has been denied.
- 6. Retain files as per MSHDA guidelines (50 years from date of reservation).
- 7. Demonstrate capability to communicate through Application Oriented Designs, (AOD)/ Lender On- Line, (LOL), by Emphasys Software for on-line lender loan reservations, to:
  - a. process, track, and monitor loan activity;
  - b. upload and download data to and from the Authority using the Single Family and Loan Tracker modules of AOD; and
  - c. comply with the specific file-layout as required by the software vender for the file transfers.



8. Develop and submit timely investor reports via electronic data interchange in a format acceptable to the Authority (Excel).
9. Ability to service loans statewide including an office located within the United States for customer and lender inquiries pertaining to the Authority's program.
10. Maintain Errors and Omissions Insurance and Fidelity Bond Coverage that meet or exceed minimum requirements for the Authority and applicable rating agencies.

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSALS**

**EXHIBIT A**

**NOTICE TO BIDDERS**

**I. Notifications to Bidders**

- A. Revisions to RFP.** If, prior to the proposal deadline, the Authority deems it necessary to provide additional clarifying information, or to revise any part of the RFP, supplements or revisions will be provided to all Bidders who have indicated they will submit a proposal. Proposals will then be evaluated based on the terms and conditions of the RFP, any supplements or revisions to the RFP, and the answers to any written questions.
- B. Organization Authorized to Transact Business in Michigan.** The Bidder must be either a Michigan entity (limited partnership, Limited Liability Company, for-profit corporation or non-profit corporation, etc.) or, if foreign, authorized to do business in the State of Michigan.

**Proposals from Sole Proprietors Will Not be Accepted**

Questions regarding specific requirements to transact business in the State of Michigan should be referred to or otherwise contact the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau at:

[http://www.michigan.gov/lara/0,4601,7-154-61343\\_35413---,00.html](http://www.michigan.gov/lara/0,4601,7-154-61343_35413---,00.html).

- C. Minimum Internet/Technological Capabilities.** The Bidder must have phone, internet, and e-mail access. Internet and e-mail access must be adequate to allow the Bidder to receive, download and upload data, files and attachments from Authority staff. (Current state standards are limited to a functional size of 20 MB).
- D. Limits on Liability & Indemnification.** The Bidder must review and acknowledge that the Authority will require the Bidder to satisfy the following requirements prior to the execution of a contract with the Authority. If the Bidder has objections, please provide an explanation with your proposal outlining the objection.

If awarded a contract, the Bidder agrees to:

1. Indemnify, defend and hold harmless the Authority, its Board, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:
  - a. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from (1) the services provided ("Services") or (2) performance of the Services, duties, responsibilities, actions or omissions of the Bidder or any of its subcontractors under an awarded contract.

- b. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from a breach by the Bidder of any representation or warranty made by the Bidder in an awarded contract.
- c. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or related to occurrences that the Bidder is required to insure against as provided for in an awarded contract.
- d. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Bidder, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the Authority.
- e. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents which results from an act or omission of the Bidder or any of its subcontractors in its or their capacity as an employer of a person.
- f. any action or proceeding threatened or brought against the Authority to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Bidder or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.

**E. Michigan Freedom of Information Act.** All documents submitted to the Authority are subject to the Michigan Freedom of Information Act ("FOIA"). In the event a request for submitted documents is made to the Authority, the Authority's FOIA Coordinator will redact or withhold information and/or documents that are exempt from disclosure under FOIA. See *MCL 15.243 et seq.* Please note that any requests by non-MSHDA personnel to review proposals will be denied until the deadline for submission of the bids has expired. See *MCL 15.243(1)(i)*.

**Please submit FOIA requests to the Authority as follows:**

**MSHDA FOIA Coordinator  
c/o Legal Affairs**

**Email: [MSHDA-FOIA@michigan.gov](mailto:MSHDA-FOIA@michigan.gov)**

**F. Preferences.** Michigan law accommodates some bidder preferences:

1. Michigan Based Business

All other things being equal, the state of Michigan must give preference to products manufactured or services offered by Michigan-based firms. See MCL Section 18.1261 (<http://legislature.mi.gov/doc.aspx?mcl-18-1261>) and Section 18.1268 (<http://legislature.mi.gov/doc.aspx?mcl-18-1268>).

**2. Geographically-Disadvantaged Business**

All other things being equal, the state of Michigan must give preference to products manufactured or services offered by a Geographically-Disadvantaged Business Enterprise. It is the goal of the State that 3% or more of contract payments each state fiscal year will be made to certified Geographically-Disadvantaged Business Enterprises by the 2022-23 fiscal year. See Executive Directive 2019-08 ([https://www.michigan.gov/whitmer/0,9309,7387-90499\\_90704-486613--,00.html](https://www.michigan.gov/whitmer/0,9309,7387-90499_90704-486613--,00.html)).

**3. Qualified Service-Disabled Veteran-Owned Businesses**

It is the goal of the State to award 5% of total state expenditures for construction, goods, and services to qualified service-disabled veteran-owned businesses. The State provides a 10% pricing preference for businesses owned by qualified-disabled veterans. See MCL Section 18.1241 (<http://legislature.mi.gov/doc.aspx?mcl-18-1241>) and Section 18.1261 (<http://legislature.mi.gov/doc.aspx?mcl-18-1261>).

**G. Submissions Subsequent to Award.** As part of an awarded contract, the selected contractor will be required to review and provide and/or acknowledge additional documents including but not limited to:

- W-9 Request for Taxpayer Identification Number and Certification.
- Proof of proper insurance coverage.
- Retiree Rehire Certificate, if necessary.

**H. Insurance Coverage.** The Bidder must maintain and provide evidence, satisfactory to the Authority, of the following minimum insurance coverage:

1. General Liability Insurance for \$1,000,000 with the Authority shown as additional insured;
2. Errors and Omissions Insurance for \$1,000,000 for each occurrence and \$1,000,000 annual aggregate;
3. Worker's Compensation Insurance (if required under state law). Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable.
4. If required by the Authority, Cyber Security Insurance for \$1,000,000.

**I. Payments to Pensioned Retirees.** 2007 PA 95, MCL 38.68c requires retirees of the State Employees Retirement System ("Pensioned Retirees") who become employed by the State either directly or indirectly through a contractual arrangement with another party on or after October 1, 2007 to forfeit their respective state pensions for the

duration of their reemployment. **Accordingly, any pensioned retiree who provides or renders services pursuant to the contract for which bids will be made under this RFP shall be required to forfeit his or her pension during the term of the contract.**

Proposals must acknowledge and confirm whether pensioned retirees will render services under the contract being sought through this RFP. If the Bidder intends to use a pensioned retiree, the Bidder must submit written confirmation from the pensioned retiree that he or she agrees to forfeit his or her pension during the term of the contract, if awarded. If awarded a contract, the Bidder must submit a copy of the pensioned retiree's directions to the State of Michigan's Office of Retirement Services ("ORS") to withhold the retiree's pension payments until the end of the contract term by having the pensioned retiree complete a Retiree Rehire Certificate. A copy of the Retiree Rehire Certificate will be required to be submitted prior to executing an awarded contract.

- J. Contract Award Approvals.** Prior to executing an awarded contract, the Authority must seek and obtain Michigan Civil Service approval. The required forms will be submitted to Civil Service prior to the Authority's Board approval.

Contracts that equal or exceed \$45,000 must be approved by the Authority's Board. Thereafter, an awarded contract will be forwarded to the selected Bidder with instructions to review and sign it. Upon receiving the signed contract, the Authority's Procurement Office will submit the contract to a duly authorized signatory for final execution on behalf of the Authority. One fully executed contract will then be returned to the selected contractor.

- K. Commencement of Work.** Project work shall not commence until execution of a project contract. The selected contractor shall not proceed with performance of the project work or incurring of project costs until both parties have signed the project contract to show acceptance of its terms and conditions.
- L. Project Control.** The selected contractor will carry out this project under the direction and control of the Authority and its designated Contract Administrator.
- M. Applicable Laws.** The selected contractor will be required to comply with all Michigan and federal laws, as well as acquire any permits or permission-related documents to provide services being sought.

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSAL**

**EXHIBIT B**

**SUBMISSION & SELECTION**

**I. Submission of Questions**

- To ensure a fair and impartial process, the Authority's Procurement Office will *only* address on time and properly submitted questions.
- Phone calls involving the RFP or related questions will not be accepted. Firms submitting bids shall not contact any Board members or Authority staff.
- All questions and answers related to this RFP will be supplied to Bidders that submitted questions, and/or to organizations providing the Procurement Office with notification of intent to submit a proposal.

**A. Due Date.** Submit all questions regarding the RFP via email by **August 9, 2021 at 4 p.m.** Eastern Time (Detroit). Submissions received at 4:01 p.m. are considered late and will not be considered further.

Responses to properly submitted questions will be posted on or around **August 11, 2021**. The Authority will hold no other question sessions or bidder's conferences.

**B. Delivery of Questions.** Address questions using the subject line **MBS Master Servicer RFP** to:

**MSHDA-Procurement@michigan.gov**

*Confirmation of Delivery.* The Procurement Office will verify receipt of email and questions to the Bidder within 24 hours. If Bidder has not received verification, the Bidder should verify the email address provided above (i.e., no spaces; hyphen between "MSHDA" and "Procurement") and resubmit an email asking for verification.

**II. Submission of Proposal**

- Submitted proposals must respond to and address the tasks, activities, listed requirements and questions outlined in the Scope of Work of this RFP and its attached and incorporated exhibits.
- The Authority shall not be liable for any costs that a Bidder may incur while preparing a proposal.
- The Authority shall not be liable for any costs that a Bidder may incur prior to the complete execution of a contract.
- If the Authority enters into a contract, the Authority's consideration (payment) shall be limited to the term of the contract.

**A. Due Date.** Proposals responding to this RFP are due **August 23, 2021 at 4 p.m.** Eastern Time (Detroit). Submissions received at 4:01 p.m. are considered late and will not be considered further.

**B. Originals and Copies.** Submit **one (1) .pdf** version of a proposal via email.

**C. Delivery of Proposal.** Direct all deliveries to:

**MSHDA-Procurement@michigan.gov**

*Confirmation of Delivery.* The Procurement Office will verify receipt of email and questions to the Bidder within 24 hours. If Bidder has not received verification, the Bidder should verify the email address provided above (i.e., no spaces; hyphen between “MSHDA” and “Procurement”) and resubmit an email asking for verification.

### **III. Selection of Proposal**

The selection of a proposal shall be subject to a review by the Authority’s Legal Affairs Division concerning conflicts of interest and/or participation in Authority programs by the Bidder, its officers, employees, subcontractors, or independent contractors.

**A. Selection Criteria.** The Authority will score the proposal based on the following:  
*See following page for scoring breakdown of each listed criteria.*

1.	Experience with Mortgage-Backed Securities	(15 Points)
2.	Ability to network with AOD and LOL software	(15 Points)
3.	Closing package processing time	(15 Points)
4.	Communication with Lenders and MSHDA	(15 Points)
5.	Reasonableness and feasibility of fee	(15 Points)
6.	<u>Financial Strength</u>	<u>(15 Points)</u>

**Total Possible Points:**

**90 Points**

*Note:* The Authority will utilize all Bidder information to determine the best value for the services sought and is not obligated to accept the lowest price proposal.

**B. Proposal Selection.** The Authority’s review may take up to four weeks after the closing date for submitting proposals. The Authority anticipates notifying the selected contractor on or about September 23, 2021 via e-mail; however, the selection and final notice of award will be contingent on approval by the Michigan Civil Service Commission and the Authority’s Board.

**C. Cancellation of Selected Proposal.** The selection of a proposal by the Authority may be cancelled at any time prior to the complete execution of a contract. If the Authority cancels its selection, the Authority may repost this or a similar RFP and re-seek proposals.

## Selection Criteria: Expanded Scoring Matrix

	<u>Points</u>
<b>Experience with Mortgage-Backed Securities</b>	
10 or more years' experience.....	15
5-10 years' experience.....	10
5 or fewer years' experience .....	5
New to the market.....	0
 <b>Ability to network with AOD and LOL software</b>	
Already set up .....	15
AOD and LOL software in process.....	10
Will need to look into software compatibility .....	5
Will need to use alternative software for MBS pipeline .....	0
 <b>Closing package processing time</b>	
Lender notified within 48 hours of delinquencies .....	15
Lender notified within 2-5 days of delinquencies .....	10
Lender notified within 5 -10 days of delinquencies .....	5
Lender notified within 10 days or more of delinquencies .....	0
 <b>Communication with Lenders and MSHDA</b>	
Up to 3 contacts in various departments plus web and helpdesk assistance .....	15
3-5 contacts in various departments plus web or help desk assistance .....	10
5-10 contacts in various departments .....	5
Many roles and contacts involved .....	0
 <b>Reasonableness and feasibility of fee</b>	
Acceptable .....	15
Acceptable with minor negotiations .....	10
Negotiable .....	5
Not acceptable .....	0
 <b>Financial Strength</b>	
Well capitalized .....	15
Adequately capitalized .....	10
Less than adequately capitalized .....	5



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSAL**

**EXHIBIT C**

**PROPOSAL FORMAT**

**I. Overview**

- Proposals must be submitted in the format described in this Exhibit C as outlined below.
- There should be no attachments, enclosures or exhibits other than those considered by the Bidder to be essential to a complete understanding of the proposal.
- Each section must be clearly identified with appropriate headings and/or table of contents.
- The proposal should be clear, accurate, and complete, with sufficient detail to enable the Authority to evaluate the services and methods proposed.

**II. Headers and Contents**

Proposals not including requested information may be viewed by the Authority as non-responsive and not considered further. Bidders are strongly encouraged to review their proposals prior to submission to ensure that all requested information is included.

**A. Company Background Information.**

1. Legal business name and address.
  - [Name]
  - [Street Address]
  - [City, State, Zip]
  - [Phone Number]
  - [Website address]
2. The type of entity (e.g., Michigan corporation, Michigan nonprofit corporation, Michigan limited liability company, foreign).
  - Note:* Prior to contract execution, the selected contractor will be required to provide proof of authorization to conduct business in the State of Michigan.
3. Any applicable “Doing Business As” names.
4. Any branch office, or name and address of registered agent, if applicable.
5. Legal business name of any applicable parent company, and its address.
6. State your business is incorporated in.
7. Number of years in business and number of employees.

8. Has there been a recent change in the organizational structure (e.g., management team) or a change of control (merger or acquisition)?  
(Yes / No)  
If Yes, why and how has it affected your company?
9. Does your company have experience working with the State of Michigan?  
(Yes / No)  
If Yes, please provide a list (including the contract number) of the contracts you hold or have held with the State for the last five (5) years.
10. Has your company ever been debarred, suspended, or otherwise disqualified from bidding, proposing, or contracting with any governmental entity, including the State?  
(Yes / No)  
If Yes, provide the date, governmental entity, and details surrounding the action.
11. Has your company ever been sued by the State of Michigan?  
(Yes / No)  
If Yes, provide the date, case caption, case number, and identify the court that the case was filed in.
12. Has your company ever sued the State of Michigan?  
(Yes /No)  
If Yes, provide the date, case caption, case number, and identify court that case was filed in.
13. Within the past five (5) years, has your company defaulted on a government contract, or been terminated for cause by any governmental entity, including the State?  
(Yes / No)  
If Yes, provide the date of action, contracting entity, type of contract, and details surrounding the termination or default.
14. Within the past five (5) years, has your company defaulted on a contract or been terminated for cause by any private entity in which similar service or products were being provided by your company?  
(Yes / No)  
If Yes, provide the date of action, contracting entity, type of contract, and details surrounding the termination or default.

**B. Management and Personnel.** Answer/Address the following:

1. **Authorized Signatory.** The Bidder must clearly identify the name and title of an official authorized to commit the Bidder to the terms and conditions of the proposal.
  - a. Provide any resolution(s) authorizing the designated official as an approved signatory.
  - b. Proposal must include the statement of bid commitment, see Section H below, signed by the approved signatory.
2. **Officer and Management Summary.** Identify manager(s) and/or officer(s) who will manage the contract if it is awarded:

- a. Provide current contact information including the manager/officer name, title, mailing address, email address, and phone and fax numbers.
  - b. Provide their resumes or CVs.
  - c. List their responsibilities and the specific tasks each assigned officer/manager will carry out and the anticipated time frames for each task.
3. **Personnel Summary.** Identify proposed key project personnel, including job titles, responsible for performing the activities / services described in the Scope of Work.
4. **Submit a Certificate Verifying Project Personnel.** The form is found in Exhibit D, attached and incorporated into this RFP.
  - a. Confirm Whether Any Assigned Personnel Receive Pension Payments from the State of Michigan. Review Exhibit A, Section I.I above for important information regarding Pensioned Retirees.

### C. Experience.

1. **Prior Experience of Bidder.** Indicate prior experience of your organization that you consider relevant to the successful accomplishment of the project described in this RFP.
  - a. Include sufficient detail to demonstrate the relevance of such experience.
  - b. Include descriptions of qualifying experience, including project descriptions, costs, and start/end dates of projects successfully completed.
  - c. Include the name, address, and telephone number of the responsible official of the client organization who may be contacted.
2. **Experience of Proposed Personnel Assigned to Provide Services.** The proposal should describe the education and experience of the personnel who will be assigned to provide the proposed services, including managers who may oversee work of personnel.
3. **Additional Information and Comments.** Include any other information that is believed to be pertinent but not specifically asked for elsewhere.

### D. Proposed Services.

1. **How Services Will be Rendered.** Address and describe the process used to render the services and how the services will be rendered. This should be an overview of the methodology to be used, based on staff and time frames, to meet the project scope of work and complete the required services within the time frame of the project.
2. **Use of Subcontractors.** If any work will be subcontracted, describe the following:
  - a. Work that will be subcontracted.
  - b. The process used to select the subcontractors.
  - c. The subcontractor's experience and expertise.
  - d. The names of the firms/individual(s) who will perform the subcontracted work.
  - e. How quality of service will be monitored and ensured.

3. **Standards.** Describe or address the following:
  - a. The standards that the services will satisfy. (If standards of a professional association will be followed, identify the standards and the association.)
  - b. How quality of service will be monitored and ensured.
  - c. Whether "best practices" will be followed. (If applicable, identify the organization and/or document establishing such standards.)
  
4. **Security of Data.** If the services to be rendered require the collection and/or use of confidential and/or personal data, confirm the following:
  - a. Has your organization established and used a policy to address the security of paper and electronic data?  
(Yes / No)  
If No, explain how your organization addresses the security of paper and electronic data.  
*(Note: Please do not submit a copy of your security policy.)*
  - b. Does your policy address the removal of confidential and/or personal data from storage media? (For example, does your firm's policy include the removal or "wiping" of data from hard drives when a computer is no longer used?)  
(Yes / No)  
If No, explain how your organization handles confidential and/or personal data.
  
5. **Copyrighted Materials.** Acknowledge and/or confirm the following:
  - a. You agree that any and all products produced as a result of this contract shall be the property of the Authority.
  - b. You agree that the Authority shall (a) hold a copyright on all materials or products produced under the contract and (b) be allowed to file for a copyright with the United States Copyright Office.
  - c. You acknowledge that submitted documents will not contain in part or whole copyrighted materials.

## E. Price Proposal & Budget

1. **Price Proposal.** All rates quoted in proposals submitted in response to this RFP will be a firm fixed price for the duration of the contract. No price changes will be permitted.

Price proposals must include all costs, including but not limited to, any one-time set-up charges, fees, exit fees and potential costs that the contractor may charge the Authority.

If applicable, proposals should reflect per diem rates in effect at the time of proposal submission. State per diem rates are subject to change during the term of an awarded contract. Current travel information can be found here:  
[https://www.michigan.gov/dtmb/0,5552,7-358-82548\\_13132---,00.html](https://www.michigan.gov/dtmb/0,5552,7-358-82548_13132---,00.html)

3. **Budget.** See the table below. The DPA loans are additional loans.

YEAR	LOAN AMOUNT	DPA
<b>Purchased</b>		
2018	\$429,070,119	\$20,387,851
2019	\$519,982,064	\$19,798,762
2020	\$395,201,791	\$20,221,627
<b>Pipeline</b>		
2021 Reservations	\$59,190,970	\$40,509,820
<b>Projected</b>		
2021	\$434,721,970	\$22,243,789

**F. Schedule/Timeline.** Bids must include a schedule for delivery of services and cite the proposed deadlines for completing the tasks within the Scope of Work.

**G. Disclosures.**

**1. Interests in Authority Programs.** Authority programs include, but are not limited to, the Housing Voucher Program, any loans where the Authority is the lender, and any grants made by or administered by the Authority.

**a.** Does the Bidder, its officers, board members, and employees respectively, have any interests in Authority programs?

(Yes / No)

If Yes, please provide their name, title, and the Authority program for which the interests exist.

**b.** If the Bidder intends to use independent contractors or subcontractors to render services, do the independent contractors or subcontractors and their officers, board members, and employees respectively, have any interests in Authority programs?

(Yes / No)

If Yes, please provide their name, title, and the Authority program for which the interests exist.

**2. Potential Conflicts of Interests.** Potential conflicts of interest may arise from the Bidder's officers, employees, members, board members, independent contractors or subcontractors the Bidder will use to render services, if the organization enters into a contract with the Authority.

**a.** Is the Bidder currently under contract and/or been awarded a grant from the Authority?

(Yes / No)

If Yes, please confirm whether any potential conflict of interest will exist if the Authority enters into a contract with the Bidder.

**b.** Does the Bidder, its officers, board members, and employees, hold a position with another entity that may be under contract or receiving a grant from the Authority?

(Yes / No)

If Yes, include an organizational chart from each entity under contract or awarded a grant from the Authority in which the Bidder or project personnel holds a position. Include each employee's position and title within the entity.

In addition, indicate whether the Bidder or the project personnel is responsible for making financial decisions in his/her capacity and what measures have been implemented to ensure that funds are not comingled.

**THE AUTHORITY RESERVES THE RIGHT TO DEEM A BID NON-RESPONSIVE FOR FAILURE TO DISCLOSE A POTENTIAL CONFLICT OF INTEREST.**

**3. Family Members Who Work for Authority.**

- a. Does the Bidder, its officers, board members, and employees respectively, have family members who work for the Authority?

(Yes / No)

If Yes, please provide their name and the name of the family member currently employed at the Authority.

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**H. Signature Clause to be Signed by Bidder's Authorized Signatory.** Insert into the proposal and have the authorized signatory sign the following signature clause at the end of the proposal:

**I confirm that I have submitted this proposal on behalf of**

\_\_\_\_\_ in response to the  
**Michigan State Housing Development Authority's Request for Proposals for  
Master Servicer for Mortgage-Backed Securities Programs.**

**I also confirm that I have read and understand the Authority's indemnification, copyright, data security, and insurance requirements.**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSAL**

**EXHIBIT D**

**PROJECT PERSONNEL**



**CERTIFICATE VERIFYING PROJECT PERSONNEL OF THE  
CONTRACTOR/SUBCONTRACTOR**

The Contractor/Subcontractor acknowledges that the following personnel are Project Personnel of the Contractor/Subcontractor:

(1) Name \_\_\_\_\_  
(Print or type name above line)

Title with Contractor/Subcontractor \_\_\_\_\_

**Is this person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes \_\_\_\_\_/No \_\_\_\_\_**

(2) Name \_\_\_\_\_  
(Print or type name above line)

Title with Contractor/Subcontractor \_\_\_\_\_

**Is the person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes \_\_\_\_\_/No \_\_\_\_\_**

(3) Name \_\_\_\_\_  
(Print or type name above line)

Title with Contractor/Subcontractor \_\_\_\_\_

**Is the person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes \_\_\_\_\_/No \_\_\_\_\_**

Name of Signatory for Contractor/Subcontractor:

Printed Name: \_\_\_\_\_  
(Print or type name above line)

Its: \_\_\_\_\_

Signature: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSAL**

**EXHIBIT E**

**CERTIFICATIONS AND REPRESENTATIONS**

## Certifications and Representations

The Bidder must complete this section and submit with their bid or proposal. Failure or refusal to submit any of the information requested in this section may result in the Bidder being considered non-responsive and therefore ineligible for award consideration.

### Introduction

#### **Bidder Identification**

Bidder Name: \_\_\_\_\_

( ) Federal ID Number: \_\_\_\_\_ (TIN or social security number)

( ) DUNS Number: \_\_\_\_\_

Bidder is not required to have a DUNS number, but if Bidder does have one it must be listed.

#### **Changes to Information**

If any of the certifications, representations, or disclosures indicated in this document change during consideration of the Bidder's responses or after awarding of a contract, the Bidder is required to report those changes immediately to the Michigan State Housing Development Authority (the "Authority"), Procurement Office at MSHDA-Procurement@michigan.gov.

\_\_\_\_\_ (Initial)

#### **False Information**

If it is determined that a Bidder purposely or willfully submitted false information, the Bidder will not be considered for award, the Authority may pursue debarment of the Bidder, and any resulting Contract that may have been established will be terminated. If the Authority believes that grounds to debar exist, it shall, pursuant to the Michigan Administrative Code Rules 125.211-125.216, send notice to the Bidder of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing.

\_\_\_\_\_ (Initial)

### Representations

#### **A. Subcontractors**

1. The Bidder shall require each Subcontractor whose subcontract will exceed \$25,000 to disclose to the Bidder, in writing, whether, as of the time of the submission of Bidder's response to this RFP, the Subcontractor or its principals is debarred, suspended, or proposed for debarment by the State. The Bidder shall then inform the Authority of the Subcontractor's status in its response and provide reasons for the Bidder's decision to use Subcontractor, if the Bidder so decides.
  
2. Indicate below **ALL** work to be subcontracted under any resulting Contract (use additional attachment if necessary; estimates are acceptable):

Description of Work to be subcontracted	Percent (%) of total contract value to be sub-contracted	Subcontractor's name and principal place of business (City and State)

**Disclosures**

**Bidder Compliance with State and Federal Law and Debarment**

1. The Bidder certifies, to the best of its knowledge that within the past (3) years, the Bidder, an officer of the Bidder, or an owner of a 25% or greater interest in the Bidder:

Has \_\_\_\_\_ Has Not \_\_\_\_\_ been convicted of a criminal offense incident to the application for or performance of an Authority or State contract or subcontract;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ been convicted of any offense which negatively reflects on the Bidder's business integrity, including but not limited to embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, state or federal antitrust statutes;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ been convicted of any other offense, violated any other state or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which, in the opinion of the Authority, indicates that the Bidder is unable to perform responsibly, or which reflects a lack of integrity that could negatively impact or reflect upon the Authority or State.

- a. An offense or violation under this paragraph may include, but is not limited to, an offense under or violation of:

Has \_\_\_\_\_ Has Not \_\_\_\_\_ failed to substantially perform an Authority or State contract or subcontract according to its terms, conditions, and specifications within specified time limits;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ violated Authority or State bid solicitation procedures or violated the terms of a solicitation after bid submission;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ refused to provide information or documents required by a contract including, but not limited to information or document necessary for monitoring contract performance;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ failed to respond to requests for information regarding Bidder's performance, or accumulated repeated substantiated complaints regarding performance of a contract/purchase order; and

Has \_\_\_\_\_ Has Not \_\_\_\_\_ failed to perform an Authority or State contract or subcontract in a manner consistent with any applicable state or federal law, rule, regulation, order, or decree.

2. For purposes of this Section, "Principals" means officers, directors, owners, partners, and any other persons having primary management or supervisory responsibilities within a business entity. The Bidder certifies and represents, to the best of his knowledge that the supplier and/or any of its Principles:

Are \_\_\_\_\_ Are Not \_\_\_\_\_ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of a purchase by any state or federal agency;

Has \_\_\_\_\_ Has Not \_\_\_\_\_ not within a 3-year period preceding this RFP, been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) purchase.

Are \_\_\_\_\_ Are Not \_\_\_\_\_ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, the commission of the any of the offenses enumerated in section 3.1(c) of this Contract.

Has \_\_\_\_\_ Has Not \_\_\_\_\_ within a 3-year period preceding this solicitation had one or more purchases terminated for default by any state or federal agency.

3. The Bidder shall provide immediate written notice to the Authority if, at any time before the purchase award, the Bidder learns that its certification was erroneous when submitted or has since become erroneous because of changed circumstances.
4. A certification that the Bidder or its Subcontractors is presently debarred, suspended, proposed for debarment or declared ineligible for award of a purchase by any state or federal agency will not necessarily result in withholding an award under this solicitation. However, the certification will be considered in connection with a determination of the Bidder's responsibility. Failure to furnish the certification or provide such information as requested by the Authority may render the Bidder response non-responsive.
5. Nothing contained in this Section shall be construed to require establishment of a system of records in order to render, in good faith, the certification required this Section. The knowledge and information of a Bidder is not required to exceed that which is normally possessed by a prudent person in the ordinary course of commercially reasonable dealings.

6. If it is later determined that the Bidder knowingly rendered an erroneous certification under this Section, in addition to the other remedies available to the Authority, the Authority may terminate any resulting contract for default.

\_\_\_\_\_ (Initial)

**Employee and Subcontractor Citizenship**

The Bidder certifies that all employees, contractors, Subcontractors, and any other individual involved in the performance of this Contract, **except those listed below**, are citizens of the United States, legal resident aliens, or individuals with valid visa (use additional attachment if necessary; estimates are acceptable):

Employee Name	Title

\_\_\_\_\_ (Initial)

**RFP Preparation**

The Bidder shall notify the Authority in its bid proposal, if it or any of its Subcontractors, or their officers, directors, or key personnel has assisted with the drafting of this RFP, either in whole or in part. This includes the conducting or drafting of surveys designed to establish a system inventory, and/or arrive at an estimate for the value of the solicitation.

The Bidder hereby certifies that it HAS \_\_\_\_\_, HAS NOT \_\_\_\_\_ assisted in the development of this RFP.

Except for materials provided to all Bidders as part of this RFP, the Bidder shall provide a listing of all materials provided by the Authority to the Bidder containing information relevant to this RFP, including, but not limited to: questionnaires, requirements lists, budgetary figures, assessments, white papers, presentations, RFP draft documents. The Bidder shall provide a list of all State employees with whom any of its personnel, and/or Subcontractors' personnel has discussed the RFP after the issuance date of the RFP.

**AS THE AUTHORIZED CERTIFYING OFFICIAL, I HEREBY CERTIFY THAT THE ABOVE SPECIFIED CERTIFICATIONS ARE TRUE.**

**AUTHORIZED SIGNATURE** \_\_\_\_\_

**TYPED NAME AND TITLE** \_\_\_\_\_

**DATE** \_\_\_\_\_

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
REQUEST FOR PROPOSAL**

**EXHIBIT F**

**GLOSSARY**

## GLOSSARY

AOD	Application Oriented Designs
CFBP	Consumer Financial Protection Bureau DPA Down Payment Assistance
FHA	Federal Housing Administration
GNMA	Ginnie Mae
LOL	Lender On Line
MBS	Mortgage-Backed Securities
MSHDA	Michigan State Housing Development Authority (“Authority”)
PC	Participation Certificates
PMI	Private Mortgage Insurance
RD	Rural Development
RFP	Request for Proposal
VA	Veterans Administration