



Request for Proposals for Master Servicer SF Programs

Responses to Written Inquiries from Proposers

Published: February 28, 2024

The following questions were submitted to the LHC concerning the above-referenced Request for Proposals for Environmental Services, originally published on February 15, 2024.

1. Please provide a list of contractors that LHC includes in the “do not contact” list during the blackout period?

Answer: The Corporation will not provide a list of contractors, as it is unduly burdensome. As stated in the RFP, the “Blackout Period” applies to all proposers, bidders, any agents or representatives of proposers or bidders, and any contractor of the LHC. The previously mentioned parties are prohibited from communicating with any employee of the LHC and/or any member of the LHC Board of Directors about the instant procurement, Master Servicer for Single Family Mortgage Lending Program. (See, pg. 3 of the RFP) If a prospective proposer has an existing contract with the LHC, the contractor can communicate with the LHC regarding its existing contract, but cannot communicate regarding the instant procurement. Any and all communications regarding the instant procurement must be made in writing to the Solicitation Coordinator and inquiries must be received by the deadline listed in the RFP.

2. In section G of the RFP you reference this web address: <http://www.lhc.la.gov>, which is your home page, for proposers to monitor for any changes to the RFP. Can you please be more specific under which tab changes will be published?
 - a. New?
 - b. Events?
 - c. Documents?

Answer: Any Addendums to this RFP is available in electronic form at www.lhc.la.gov (See “Requests for Proposals” under the “Documents” tab).

3. Can you provide names of the 3 – 5 members of the evaluation team and their background and experience?

Answer: No. In the interest of maintaining the confidentiality of this competitive process, the LHC will not be publishing a list of the Evaluation Team members prior to receipt of proposals and the scoring of said proposals. The requirements of Evaluation Team members are: The team

shall be at least three (3), but no more than five (5) members. The team shall be comprised of LHC employees who have been employed by LHC for at least six (6) months and may include subject matter experts from state agencies in Louisiana with relevant knowledge and experience. Subject matter experts may also serve in an advisory capacity to the Evaluation Team and not participate in the scoring process. Subject matter experts serving in an advisory capacity may or may not be employed by a state agency. Such input may include, but not be limited to, analysis of Proposer Financial statements (financial condition), review of technical requirements, or review and/or preparation of cost score data.

4. In section E you state the following:

“All proposals shall be considered valid for acceptance until such time as an award is made unless the Proposer provides for a different time period within its proposal. However, the Corporation reserves the right to reject a proposal if the proposer’s acceptance period is unacceptable to the Corporation and the proposer is unwilling to extend the validity of its proposal.”

- a. If a Proposer submits a proposal with an acceptance deadline date, and LHC thinks that it is unacceptable, will you allow Proposer the option to modify that date or will you immediately disqualify that RFP?

Answer: The LHC will attempt to negotiate a modification of the date, if necessary, but reserves the right to reject a proposal if the proposer’s acceptance period is unacceptable to the Corporation and the proposer is unwilling to extend the validity of its proposal.

5. In Section F you state the following:

“All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance or deemed incomplete will be rejected and disqualified from further consideration.”

- a. If a Proposer submits a proposal that is deemed incomplete, will they be notified of the reason it is deemed incomplete?
- b. Will they have the option to address the evaluation team and defend their proposal?
- c. Can you list Mandatory RFP Requirements that will become contractual obligations before a contract is signed?

Answer: Disqualified proposers will be notified in writing. Per page 25 of the RFP, Section VI (C), All protests by a disqualified respondent who has received notice of disqualification shall be written. Written protests may be submitted to the Solicitation Coordinator via electronic mail or U.S. mail, and must be received by the LHC no later than three days, excluding Saturday, Sunday and postal holidays, after the electronic transmission of the notice of disqualification. Therefore, any disqualified respondent must respond in writing with any “defense” to their disqualification.

Any and all representations made by the proposer in their “Evaluation Criteria” section of the proposal shall become contractual obligations of the contract (e.g. servicing experience, computer capabilities, escrow/disbursement capabilities, etc.). The successful proposer will also be contractually obligated to the terms listed in Section VI of the RFP. The Corporation reserves the right to negotiate contract terms as necessary to meet the needs of the Corporation

and said negotiation may include revision of the non-mandatory terms, conditions, and requirements.

6. Right now, you have two master servicers. Does the new Master Servicer have to take on the obligations of the other Master Servicer's programs?

Answer: No

- a. Is it Mandatory that the new Master Servicer offer the TBA Bond Programs?

Answer: Yes

- b. Is the TBA Program under the terms of an existing portfolio? (As described in the Introduction of the RFP) –

Answer: Yes

- c. Can you define what new initiatives LHC is contemplating? (As described in the Introduction of the RFP)

Answer: LHC reserves the right to structure and implement any new programs and initiatives based upon its mission and current market conditions.

7. Section P you state the following:

“Any commitments or representations made during such presentations, if conducted, may be formally recorded in the final contract.”

- a. Will LHC provide audio or written evidence of any commitments or representations made?

Answer: If any commitments or representations made during a written and/or oral discussion was formally recorded in the final contract, the commitment or representation would be recorded in writing for purposes of inclusion in the final contract. The contract would be the evidence of any negotiated commitments or representations made by both parties. Once the Procurement is awarded, all records are subject to the Louisiana Public Records Act.

- b. Does this apply to LHCs and their contractor's commitments and representations?

Answer: Yes

8. In the Overview Section of the Scope of Services you reference the following:

- a. Rehabilitation Loans and refinancing of rehabilitation loans:

- i. Does LHC have any experience in rehabilitation lending?

Answer: Yes

- ii. Have you or your contractors determined the market size of this product?

Answer: No

- iii. Are Rehabilitation Loans a Mandatory Requirement of this RFP?

Answer: No

- b. You mention Hard and Soft Second Mortgages:

- i. Do you expect to modify or change the way second mortgages are serviced as compared to how your current MRB second Mortgages are serviced now?

Answer: No, however, LHC reserves the right to implement changes as needed.

- c. Is LHC requiring or making it a Mandatory Requirement that Brokers be included in the Master servicers Origination Channel mix?

Answer: No

- d. The last Paragraph of this Overview Sections states the following:
 - LHC reserves the right to retain another firm or firms (through any process authorized by the LHC Board of Directors) to assume responsibility as Master Servicer for any transaction initiated during the term of service if, in LHC's opinion, such action is justified or made necessary by relevant facts and circumstances.
 - i. So, is this RFP for 1 Master Servicer, as stated in the introduction, or are you going to have multiple master servicers?

Answer: This RFP is for one Master Servicer.

9. Task and Services Section:

- a. Please list mortgage lending programs that you are contemplating or that other HFAs are doing now that you want to offer that are different than what is being offered in the 2024AB MRB Program.

Answer: Enumerating other HFA's programs or listing prospective programs is outside the scope of the RFP. LHC reserves the right to implement programs in accordance with the directives of its Board of Directors.

- b. #4 what is LHCs min qualifying standard for an originating lender?
 - i. Net Worth?
 - ii. Experience in Years?
 - iii. Should they have a physical branch office in the State?
 - iv. Should they have the ability to repurchase and service a defective loan?

Answer: The RFP states on page 13, bullet #3, that the Master Servicer will approve and qualify participating lenders in LHC's Single Family Programs. Therefore the Master Servicer sets the minimum qualifying standards for participation in LHC's programs.

- c. #7, Does this only pertain to Contract Underwriting to a broker or lender in the program?

Answer: Yes, as stated "should the corporation make available its products to brokers or a wholesale channel."

- i. Please clarify what you mean: "Decide upon incoming loans and pended loans documentation received within seventy two (72) – ninety six (96) working hours excluding weekends and holidays."

Answer: Yes, as stated this would be relevant, "should the corporation make available its products to brokers or a wholesale channel."

- d. #9, please provide LHCs written policy for this item.

Answer: See attached Exhibit A.

e. #10, your RFP states:

“The Master Servicer shall cause the Certificates to be issued on or before the applicable Final Certificate Deadline (as defined in the Program Notice or other correspondence to lenders provided by LHC) in which Certificates are backed by Mortgage Loans closed prior to the related Final Closing Deadline.”

i. The Master Servicer can only pool loans that are in fundable condition, and that requires the cooperation of the originating lender. It also requires loans to complete the program deadline.

1. Can you clarify this requirement?

Answer: The Master Servicer must pool all loans prior to the completion of the Final Closing Deadline.

f. #11, Please provide the mandatory data elements required so we can memorialize in the RFP and contract.

Answer: At a minimum, program type, borrower name and address, property location, loan type, term, original loan balance and current loan balance.

10. Proposal content and Format:

a. Evaluation criteria:

i. #2 – Are you interested in the 2023 Year?

Answer: It can be provided however please provided the requested information.

ii. #5a – Do are you interested in the 2023 Year?

Answer: It can be provided however please provided the requested information.

iii. #6 – You state “All” – is this a Mandatory RFP requirement?

Answer: Yes

iv. #9 - Are you interested in the 2023 Year?

Answer: It can be provided however please provided the requested information.

v. #11 – Define what “the Servicing Acquisition Fee” means.

Answer: It is the same as the Service Release Fee.

#12 - The selected proposer will be required to certify for federal tax purposes the ordinary and customary fees charged on non-MRB program loans made through similar lending arrangements. Note that any fees exceeding these will be charged against LHC's allowable spread, reducing the Corporation's earnings under the program. To assure federal tax law compliance, originating lenders must certify that borrowers have not paid any other fees than those specifically allowed under LHC's program standards.

1. This seems to be an unreasonable request for the proposer / master servicer to bear, and should be addressed with each originating lender directly.

Answer: It is assumed that the Master Servicer, during its review, purchase and pooling of mortgage loans that it will review costs of the lenders to ensure that the mortgage is a qualified loan.

2. Will you consider removing this from the RFP Requirement and make it part of the origination agreement between LHC and the Originating Lender?

Answer: No, as stated above, part of the Master Servicers duties is to approve and qualify originating lenders in LHC's Single Family Programs. Additionally they are to monitor protocols and procedures to insure that originating lenders maintain qualifying standards.