

Request for Proposal

Mortgage Funding Consultant



57 East Main Street
Columbus, Ohio 43215
www.ohiohome.org

September 25, 2017

Proposals must be submitted no later than 4:00 p.m., Eastern Daylight
Time, October 23, 2017

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Section 1 – Guidelines for Request for Proposals1. Introduction

OHFA is seeking proposals from qualified firms to act as the Mortgage Funding Consultant to a) perform functions on behalf of OHFA related to the hedging and pooling of single family mortgage loans and b) provide mentoring / training services for OHFA staff as further specified in this Request for Proposal (RFP). The term of the engagement shall begin on December 1, 2017 and end on December 1, 2018 or 30 days after delivery of notice of termination from OHFA, whichever is earlier. Final MBS settlements may occur after the end date. OHFA's short term objective is to have a firm perform the functions on behalf of OHFA and the long term objective is to build internal staff capacity to perform all functions unassisted.

2. Schedule of Events

OHFA has established the following schedule for selection of the Mortgage Funding Consultant:

<u>Event</u>	<u>Date</u>
RFP issuance date	September 25, 2017
Deadline for written questions from applicants	October 9, 2017, 4:00pm
Responses to applicant questions available	October 13, 2017
Proposals due	October 23, 2017, 4:00pm
Oral Presentations at OHFA (if necessary)	October 30 - 31, 2017
Approval by OHFA Board	November 15, 2017
Execution of Agreement	November 29, 2017

The above schedule is subject to change upon posting to OHFA's website, www.ohiohome.org.

3. Submission of Written Questions

It is the policy of OHFA to accept questions and inquiries from all potential applicants. All questions and inquiries shall be in writing; no verbal inquiries will be honored. Potential applicants may submit their questions or inquiries via e-mail to:

Ohio Housing Finance Agency E-mail: MFC@ohiohome.org Subject: Mortgage Funding Consultant RFP

All written questions or inquiries are due by 4:00pm (EDT) on Monday, October 9, 2017. OHFA expects to respond to all questions and inquiries by on Friday, October 13, 2017.

OHFA reserves the right to decline to respond to any question or inquiry that will cause an undue burden or expense for OHFA or which OHFA deems unnecessary for purposes of responding to this RFP. OHFA will post all questions or inquiries with answers on its website at <http://www.ohiohome.org>.

4. Verbal Communication Regarding RFP Prohibited

All communication from potential applicants regarding this RFP to OHFA staff and/or OHFA Board members is prohibited throughout the RFP process until the engagement is approved by the OHFA Board.

5. Submission of Proposals

One original unbound and 5 bound copies of written proposals in a sealed envelope or package must be received by 4:00pm (EDT), Monday, October 23, 2017. Proposals will not be accepted by fax or e-mail (except as noted below). Applicants may mail or hand-deliver proposals to:

One original unbound and five bound copies

Ohio Housing Finance Agency

Attn: Tim Glasser, Director of Debt Management

Mortgage Funding Consultant – RFP Request 57 E. Main Street
Columbus, Ohio 43215

One bound copy

RBC Capital Markets

Attn: Ray Barrish

OHFA RFP Request (Mortgage Funding Consultant)
255 East Fifth Street, Suite 1000
Cincinnati, Ohio 45202

In addition to the hard copies noted above, a PDF electronic copy of the written proposal must be sent to MFC@ohiohome.org by 4:00pm (EDT), Monday, October 23, 2017.

Written and/or electronic proposals received after the specified date and time will not be eligible for consideration. Any applicant who wishes to confirm receipt of their proposal may contact OHFA by e-mail to MFC@ohiohome.org (Subject: Mortgage Funding Consultant RFP). OHFA will respond by e-mail with confirmation of receipt of the proposal.

6. Oral Presentations and Site Visits

Responding parties may be required to make oral presentations in order to provide an opportunity for respondents to present their proposals and to answer questions posed by OHFA staff or other professionals concerning any items covered by the respective proposals, or such other matters as may be deemed relevant to the evaluation of the parties and their responses.

If oral presentations are required, they will occur at OHFA's office in Columbus, Ohio from October 30-31, 2017. The respondent must have appropriate staff available for the presentation. Failure to appear for an oral presentation at the time and place scheduled may result in rejection of the proposal.

7. Right to Request Additional Information

OHFA reserves the right to request any additional information to assist in the review process.

8. Right to Reject Proposals and Cancel RFP

OHFA reserves the right to reject any and all proposals at any time. OHFA reserves the right to cancel, withdraw, modify or reissue this RFP at any time for any reason.

In connection with this RFP, OHFA reserves the right to waive any technicalities and make any award(s) that is determined to be in OHFA's best interests.

9. Other Terms and Conditions

The selected firm must perform to OHFA's satisfaction throughout the term of this engagement. Failure of the firm to provide reports or other requested services may be considered non-performing and in breach of the engagement which may result in removal as OHFA's Mortgage Funding Consultant.

10. Rights of OHFA After Selection

After the Mortgage Funding Consultant is selected and approved by OHFA, OHFA reserves the right to terminate the engagement for reasons including, but not limited to, the following:

- a) Personnel changes of the Mortgage Funding Consultant;
- b) Mergers or acquisitions of firms;
- c) Sanctions or limitations imposed by the SEC, NASD, MSRB, or other entity;
- d) Unsatisfactory performance as determined by OHFA staff; and/or
- e) Actual or apparent conflicts of interest.

11. State Law Provisions

By submitting a response to this RFP, all applicants hereby agree to abide by the following state law provisions (all Ohio Revised Code references can be found at <http://codes.ohio.gov/orc>):

- a) Drug-Free Workplace Compliance. In the event that work performed pursuant to the terms of this engagement will be done while on state property, the applicant hereby agrees that all of its employees, while working on state property, will not purchase, transfer, use or possess illegal drugs or alcohol, or abuse prescription drugs;
- b) Outsourcing of Work.
 - i) Applicant affirms that it has read and understands Executive Order 2011-12K issued by Ohio Governor John Kasich, that it shall abide by those requirements in the performance of this work, and that it shall perform no services required under this RFP outside of the United States. Please visit <http://www.governor.ohio.gov/Portals/0/pdf/executiveOrders/EO%202011-12K.pdf>
 - ii) Change of Performance Location. Applicant also affirms, understands, and agrees to immediately notify OHFA of any change or shift in the location(s) of services performed by applicant or its subcontractors under this Agreement, and no services shall be changed or shifted to a location(s) outside of the United States.
- c) Ohio Ethics Laws. Applicant certifies that it has reviewed and understands the Ohio ethics and conflict of interest laws including, without limitation, Ohio Revised Code §§ 102.01 et seq., §§ 2921.01, 2921.42, 2921.421 and 2921.43, and §§ 3517.13(I) and (J), and (3) will take no action inconsistent with those laws, as any of them may be amended or supplemented from time to time;
- d) Unresolved Findings. Applicant warrants that it is not subject to an unresolved finding for recovery under O.R.C. 9.24. If this warranty is deemed to be false, any implied agreement is void ab initio and the applicant must immediately repay to OHFA any funds paid for work associated with this RFP;

- e) Conflict of Interest. No personnel of the applicant, subcontractor of applicant or personnel of any such subcontractor, or public official who exercises any functions or responsibilities in connection with the review or approval of any work completed under this Agreement shall, prior to the completion of such work, voluntarily or involuntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge or fulfillment of his functions or responsibilities with respect to the completion of the work contemplated by this RFP. Any such person, who, prior to or after the execution of any agreement with OHFA, acquires any personal interest, involuntarily or voluntarily, shall immediately disclose his interest to OHFA in writing. Thereafter, such person shall not participate in any action affecting the work for OHFA unless OHFA determines that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest;
- f) Adherence to State and Federal Laws, Regulations. Applicant agrees to comply with all applicable federal, state, and local laws related to its performance of the obligations of this RFP. Applicant accepts full responsibility for payments of all unemployment compensation, insurance premiums, workers' compensation premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by applicant on the performance of work for OHFA.

Section 2 – Summary of Services to be Performed

The successful party will serve as OHFA's Mortgage Funding Consultant in connection with the single- family first mortgage program loans reserved from December 1, 2017 and ending on December 31, 2018 or 30 days after delivery of notice of termination from OHFA, whichever is earlier, pursuant to a fully executed Mortgage Funding Consultant Agreement (the "Agreement"). OHFA intends to select a sole Mortgage Funding Consultant, but reserves the right to select more than one respondent to serve as OHFA's Mortgage Funding Consultants.

Under the Agreement, the Mortgage Funding Consultant will:

- a) Price mortgage rates ("Daily Mortgage Rates") for single- family first mortgage program loans offered by OHFA in accordance with the current minimum spread as periodically established by OHFA in its Daily Rate Setting Procedures;
- b) Provide written notification (which may be via email) to OHFA's Master Servicer and to OHFA of Daily Mortgage Rates;
- c) Monitor daily reservations of single- family first mortgage program loans as well as the existing pipeline of mortgage loans and, on behalf of and as agent for OHFA, execute transactions in the "to-be-announced" (TBA) mortgage-backed securities (MBS) market with counterparties with which OHFA has Master Securities Forward Transaction Agreements (MSFTA) as such transactions relate to and to the extent of OHFA's commitment to purchase MBS from the Master Servicer;

- d) Periodically provide pooling instructions to OHFA's Master Servicer to pool Mortgage Loans into MBS for purchase by OHFA;
- e) Provide written instructions (which may be via email) to OHFA and to OHFA's custodian bank (if applicable) for the purchase and sale of Securities;
- f) Keep and maintain customary records relating to each purchase and sale of Securities on behalf of and as agent for OHFA, and the purchase and sale of contracts on behalf of and as agent for OHFA in the TBA mortgage-backed securities market;
- g) Provide financial analysis as reasonably requested by OHFA regarding OHFA's single-family first mortgage program loans;
- h) Allow OHFA staff to observe all functions performed under the Agreement;
- i) Provide sufficient training to OHFA staff to enable them to perform these functions independently;
- j) Attend all relevant meetings and be available to OHFA, and its other agents, for consultation and conference at times and places mutually agreed upon.

Technology Requirements

Only those parties who meet the following minimum criteria relating to technical services functions are eligible to submit a proposal in response to this RFP:

- a) Secure all OHFA loan and MBS information based on industry standard system and data security practices.
- b) Accept and transmit fixed-length data text files following standard file transfer protocols.
- c) Electronically exchange information with OHFA and the Master Servicer on loans in pipeline for pooling into MBS.

Limitations

- a) Mortgage Funding Consultant will not be required to perform services which may constitute the practice of law. The Mortgage Funding Consultant is employed in an expert financial capacity only.
- b) The Mortgage Funding Consultant shall only be a consultant to and agent for OHFA and will not assume any risk or commitment (i) to enter into any principal transactions related to the mortgage loans, it being expressly understood and agreed by the parties that Mortgage Funding Consultant will be acting only in an agent capacity on behalf and for the benefit of OHFA, and (ii) for any specific results, financial or otherwise, associated with administering OHFA's Homebuyer Programs.

Section 3 – Proposal Instructions

1. Proposal Organization and Format

OHFA requires the applicant to follow the formatting described below when submitting their proposal:

- a) Proposals must be limited to 10 pages, not including exhibits or appendices; please do not submit brochures, annual reports, and other like material not specifically requested.
- b) Responses to each question should be presented in order and include the section heading and numbers as assigned in the RFP;
- c) Each response to this RFP should include as the cover page a Letter of Transmittal. See Exhibit A for the format of the Letter of Transmittal;
- d) Each response to this RFP should include a Table of Contents as the second page.

2. Submitting the Proposal

See Section 1.5 for instructions regarding proposal submission. By submitting a proposal, the applicant agrees to the following:

- a) All materials submitted become the property of OHFA and shall be public information unless a statutory exception exists which would thereby determine that such information cannot be released to the public. If you have information in your proposal that you believe is exempt from the public records laws you must identify each and every occurrence of the information in the proposal on a separate page titled “Exemptions to the Public Records Law”. OHFA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected;
- b) Applicants should respond to all requirements in this RFP and comply with any terms and conditions outlined in the RFP. Failure to do so may result in disqualification of the proposal;
- c) All costs incurred in preparation of a proposal shall be borne by the applicant. OHFA shall not contribute in any way to recovering the cost of proposal preparation;

- d) Proposals received after the deadline will not be reviewed. Applicants are advised that there will be no opportunity to correct mistakes or deficiencies in their proposal after the submission deadline. Proposals that are missing required forms and/or information may not be evaluated. It is the sole responsibility of the applicant to ensure its proposal is complete, accurate, responsive to the requirements, and received on time. Proposals not complying with the requirements of the RFP may not be reviewed;
- e) Proposals received prior to the due date shall remain sealed until the posted due date.

Section 4 – Required Information to be provided in Response to Proposal

1. General

- a) Describe the implementation strategy and schedule necessary to perform the services required as listed in Section 2 of the RFP. Include in your plan specific details regarding how you will train and help build the capacity of OHFA staff.
- b) Describe your plan for staffing the Mortgage Funding Consultant function and describe how you will ensure the staff will have sufficient authority, training, and experience to perform the duties, including providing training, in an efficient and effective manner.
- c) Provide the names and résumés of the primary personnel you propose to assign to the Agreement and the addresses of offices where they are located.

2. Technology

- a) Provide a description of your organizational and technological approach to performing in the capacity of the Mortgage Funding Consultant as it relates to the following topics:
 - i) Describe your technical capabilities that support OHFA's requirements described in Section 2 of the RFP.
 - ii) Estimate the amount of time it will take to provide the necessary technical capabilities required by OHFA.
 - iii) Describe your ability to share loan information/data with OHFA.
 - iv) Describe the experience and skill level of your IT staff who will provide support on this Agreement.

3. Firm Information

- a) Provide examples of your experience supporting diverse housing finance agency clientele including any experience in training agency staff.
- b) Confirm the party's resolve to work with OHFA to reach a deadline date of November 29, 2017 for executing the Agreement.
- c) Provide applicable errors and omissions insurance policy or similar insurance that will cover the firm's activities under the Agreement. List claims made against the insurance in the last 3 years.
- d) Identify and describe any pending legal proceeding against your firm or an officer of your firm alleging, or any judgments within the last three years involving, fraud, malpractice, other malfeasance or violations of law.
- e) Describe your firm's past experience and ability to work with the Servicer(s) for a housing finance agency.

4. References

- a) Provide three (3) references for which your institution has performed similar work, including a summary of the services provided.
- b) Please provide the following information for each reference:
 - i) Name of institution
 - ii) Name of reference
 - iii) Title
 - iv) Telephone Number
 - v) Email Address
 - vi) Physical Address
 - vii) Brief Summary Description of Services Provided
 - viii) Date Range Services Provided

5. Regulatory Oversight

- a) Provide an overview of the regulatory organization(s) that oversee your firm's activities as they pertain to your serving as the Mortgage Funding Consultant.
- b) What licensing, if any, do the key employees who will be working with OHFA have?
- c) Describe any regulatory actions since January 1, 2013 involving your organization or the personnel who will interact with OHFA and its lenders.

6. Fee Proposal

The fee proposed should incorporate the following assumptions:

- i) Mortgage loans will be a 30-year fixed rate loan.
 - ii) Mortgage loans will be eligible for securitization into Ginnie Mae, Fannie Mae, or Freddie Mac MBS.
-
- a) What fee will your firm charge as the Mortgage Funding Consultant?
 - b) Are there any other factors related to fees or compensation which OHFA should consider?

7. Unique Capabilities

Describe any special strengths or capabilities of your firm that you believe may be relevant to or helpful to OHFA in relation to the services to be provided as described in Section 2 of the RFP.

Section 5 – Minimum Qualifications and Requirements

Only those parties who meet the following minimum criteria are eligible to submit a proposal in response to this RFP:

1. The successful applicant must assign and identify experienced staff within three business days of proposal award to assist in development and negotiation of final terms.
2. Parties responding to the RFP must demonstrate to the satisfaction of OHFA that they can perform the duties of the Mortgage Funding Consultant with staff who have sufficient authority, training, and experience to perform the duties in an efficient and effective manner.
3. Parties responding to this RFP must demonstrate that they have computerized loan tracking and reporting systems that meet OHFA's requirements as described in this document.

Section 6 – Evaluation Factors

An OHFA Internal Evaluation Team, along with its Financial Advisor (as a non-voting member), will evaluate the responses to this RFP. Each response will be reviewed to ensure that the applicant has complied with each section of this RFP and followed the formatting, organizational and submission requirements as described in this RFP.

Factors to be considered by the team may include, but are not be limited to, the following:

- Implementation Plan
- Capacity and Experience of Staff
- Technology Capabilities
- Ability to Train Agency Staff
- References
- Fees
- Unique Capabilities

Once the firms are ranked on the criteria set forth above, OHFA will review the cost proposals and information that it maintains to determine a reasonable cost for Market Rate Program Administrator Services. If the respondent chosen by the review team, based on all other criteria other than cost, has a higher cost proposal than what OHFA determines as a reasonable cost, that respondent will be asked if it can provide the services for an amount OHFA determines to be reasonable. In considering which firm to select, OHFA has the right to negotiate the fee of any respondent that it believes will provide the best services at the most reasonable price that is in the best interests of OHFA. However, OHFA is not obligated to select the respondent with the lowest cost proposal.

OHFA will post on its website the firm selected to be awarded the contract after formal approval on or about October 23, 2017.

EXHIBIT A

Note: Submit the following on your firm's letterhead

LETTER OF TRANSMITTAL

Ohio Housing Finance Agency Attn: Tim Glasser
Mortgage Funding Consultant – RFP Request
57 E. Main Street
Columbus, Ohio 43215

Dear Ohio Housing Finance Agency:

In accordance with the Request for Proposal, we are pleased to submit our written proposal.

_____ (insert firm's name) will provide Mortgage Funding Consultant services to OHFA for the period that shall begin on December 1, 2017 and end on December 31, 2018 or 30 days after delivery of notice of termination from OHFA, whichever is earlier, in accordance with the requirements of the Request for Proposal issued by OHFA.

Any information or questions concerning this written proposal should be directed to _____ (firm's liaison) at the following street address, telephone number, and email address:
_____.

Respectfully,

_____ (signature) Authorized Officer of
Firm
Printed Name and Title