



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

*Opening doors to a better life*

**REQUEST FOR PROPOSALS:  
SELLER SERVICER CONSULTANT**

**Deadline for submission:  
Monday, January 8, 2017  
5:00 p.m. Pacific Time**

*Please email to:*

**Lisa DeBrock**  
[lisa.debrock@wshfc.org](mailto:lisa.debrock@wshfc.org)  
**Washington State Housing Finance Commission**  
**1000 Second Avenue, Suite #2700**  
**Seattle, WA 98104-1046**

**WASHINGTON STATE HOUSING FINANCE COMMISSION  
REQUEST FOR PROPOSALS  
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**INTRODUCTION AND BACKGROUND**

**ISSUING OFFICER**

Lisa DeBrock  
Director, Homeownership Division  
1000 Second Avenue, Suite 2700  
Seattle, Washington 98104-1046  
(206) 287-4461 or (800) 767-4663  
Lisa.debrock@wshfc.org

**INTRODUCTION**

The Washington State Housing Finance Commission (the “Commission”) is requesting proposals from highly professional, cooperative, and responsive consultants with in-depth knowledge of and proven track record with Fannie Mae, Freddie Mac and Ginnie Mae. The Commission’s goal is to secure a seller servicer consultant to evaluate the feasibility of purchasing a mortgage company with Ginnie Mae, Fannie Mae, and Freddie Mac certifications as a seller servicer and/or prepare an application for certification of the Commission as a Ginnie Mae, Fannie Mae, and Freddie Mac seller servicer, whichever is most feasible and advantageous. The consultant will research and prepare written recommendations outlining the pros, cons, risks, budget, and next steps for each option. The consultant is expected to evaluate the internal strengths of the Commission’s current operations and provide recommendations to accomplish the goal.

This RFP identifies the services to be provided, the selection criteria, and the terms and conditions which will apply. The contractor selected in this process will be expected to provide the scope of services described pursuant to this RFP.

The Commission shall bear no costs of or obligations to the proposing agency(s) in connection with responses to this RFP.

**BACKGROUND INFORMATION**

In an effort to meet affordable housing needs across the state, the Commission has developed innovative lending programs, established strategic partnerships, and incorporated successful marketing programs to deliver targeted, goal-oriented homeownership assistance, including a statewide homebuyer education program.

The Commission’s main lending programs are known as the Home Advantage Program and the House Key State Bond Program. These programs are targeted to assist low- and moderate-

income citizens of Washington purchase homes. The Home Advantage and House Key Programs are designed to support home buyers through a variety of means, including providing downpayment assistance to homebuyers that lack significant financial resources.

The Home Advantage and House Key Programs provided over \$1.7 billion of financing in 7,955 loan purchases for fiscal year 2016-2017, and the Commission anticipates a high volume as well for 2017-2018 with an average loan amount of \$220,000. For the Home Advantage program, interest rates are set daily and fluctuate with the market on income eligible loans. The House Key program operates in accordance with IRS guidelines and the Commission sells tax-exempt bonds and uses the proceeds to finance 30-year fixed rate mortgages to income eligible, first time homebuyers. All mortgages are currently purchased with servicing released by the Commission's master servicer(s) from a network of participating mortgage lenders.

### **TIME PERIOD**

The Commission expects delivery of initial written recommendations within six months of award of the contract. In order for the Commission to implement the recommendations, the contract will be for a one-year period with two options to renew, not to exceed 3 years in total, at the sole discretion of the Commission. The Commission will have the right to cancel at any time.

### **CONTRACT AMOUNT**

Services will be performed on a time and material basis at hourly rates or on agreed upon project costs, as authorized.

### **TIME SCHEDULE FOR COMPLETION OF THIS RFP**

Proposals Due:	January 8, 2018 5:00 PM Prevailing Pacific Time
Notify Candidates of Interview	On or before January 16, 2018
Telephone Interviews:	January 19, 2018
Commission Approval of Selection:	Monthly Commission Meeting after Interview

Interested parties must submit their proposals no later than 5:00 p.m. Prevailing Pacific Time on January 8, 2018 via email to:

[lisa.debrock@wshfc.org](mailto:lisa.debrock@wshfc.org)

The Commission reserves the right to modify the time schedule, including extending the proposal due date, with notice to all potential proposers that have submitted a letter of intent to submit.

### **QUESTIONS**

Questions regarding the information contained in the RFP must be submitted electronically to the designated RFP contact, Lisa DeBrock at [lisa.debrock@wshfc.org](mailto:lisa.debrock@wshfc.org), no later than 5:00 PM Prevailing Pacific Time, January 5, 2018. All questions will be answered and posted on the Commission's website at [www.wshfc.org](http://www.wshfc.org).

There will be an attempt to answer questions and post the answer to such questions received after the above date but responses will not be guaranteed.

## **PROPOSAL SUBMISSION**

If your institution is interested in acting as Seller Servicer Consultant, please submit proposal electronically to the Commission by **5:00 PM Prevailing Pacific Time, on or before Monday, January 8, 2018** to: [lisa.debrock@wshfc.org](mailto:lisa.debrock@wshfc.org)

***ALL MATERIALS MUST BE SUBMITTED ELECTRONICALLY  
NO FACSIMILE (FAX) TRANSMITTED PROPOSALS WILL BE ACCEPTED.***

**Late Submissions:** A proposal shall be considered late if received at any time after 5:00 p.m., Prevailing Pacific Time, January 8, 2018. Proposals received after the specified time WILL NOT be given further consideration.

Prior to the date and time designated for receipt of proposals, any proposal may be modified or withdrawn by email notice to [Lisa.debrock@wshfc.org](mailto:Lisa.debrock@wshfc.org). Such notice shall be delivered on or before the date and time set for receipt of proposals.

As of the date of this request and except as provided in this paragraph, there shall be no ex parte communication with Commissioners, staff, or others participating in the selection process except as set forth below in this paragraph. Any such ex parte communications shall be grounds for disqualifying the Proposer. All communications concerning the selection process should be addressed to Lisa DeBrock, Homeownership Director, Washington State Housing Finance Commission, (206) 287-4461 or [lisa.debrock@wshfc.org](mailto:lisa.debrock@wshfc.org).

By submitting a proposal, Proposers agree that they waive any claim against the Commission, the State of Washington, and their respective officers, employees, and agents for the recovery of any costs or expenses incurred in preparing and submitting a proposal or participating in an interview, if required.

## **CRITERIA FOR EVALUATING PROPOSALS**

The Commission's staff will evaluate all proposals and recommend to the Commission the proposal that staff believes to be in the best interest of the Commission. Price will not be the sole determining factor in the selection of a proposal/bid. The Commission shall not be obligated to award a contract pursuant to this Request for Proposal and may reject any or all proposals.

Principal considerations will be:

1. Demonstrated experience in preparing applications and obtaining Fannie Mae, Freddie Mac, and Ginnie Mae seller servicer numbers as well as experience with quality control procedures.
2. Demonstrated experience in evaluating and purchasing mortgage companies.
3. Demonstrated experience in working with housing finance agencies ("HFAs").
4. Demonstrated track record providing outstanding customer service.

5. Although cost will not be the sole determining factor in the selection of a proposal, it will be considered.
6. Although experience with both acquiring existing mortgage companies as well as experience with quality control policies and obtaining seller servicer numbers is preferred, in-depth experience in both aspects is not required. The contractor may need to conduct further research in order to complete the analysis or partner with another consultant with additional experience.

## **SCOPE OF SERVICES TO BE PERFORMED**

**We expect the consultant to assist in all the following activities:**

### *General Activities*

- Work with the Commission to determine the feasibility of buying a mortgage company or applying for the Commission's own seller servicer approval numbers.
- Evaluate the current internal operational strengths of the Commission, conduct gap analysis and advise on next steps to successfully apply for seller servicer numbers.
- Prepare written recommendations with findings on the above which evaluate all aspects including pros, cons, risks, budgets for both options, policies and procedures for quality control and governance, required systems and training, etc.
- Prepare application for the Commission's own Fannie Mae, Ginnie Mae, and other certifications, if and as applicable.
- Report to Commissioners on findings, as requested.
- Other activities as mutually agreed upon by the consultant and the Commission.

## **CONTRACT GENERAL TERMS AND CONDITIONS**

The successful applicant will be expected to enter into a contract generated by the Commission in accordance with guidelines provided by the State of Washington, including its general terms and conditions and other standard provisions customary to such services agreements. In no event is the applicant to submit its own standard terms and conditions in response to this procurement. The applicant may submit exceptions to the general terms and conditions. The Commission will review requested exceptions and accept or reject the same in its sole discretion.

### **Insurance Coverage**

The selected contractor is to furnish the Commission with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The contractor shall, at its own expense, obtain and keep in force insurance coverage that shall be maintained in full force and effect during the term of the contract. The contractor shall furnish evidence in the form of a Certificate of Insurance that insurance has been provided, and a copy shall be forwarded to the Commission within fifteen (15) days of the contract effective date.

### **Liability Insurance**

Contractor shall maintain commercial general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insured's (cross liability) condition.

Additionally, the contractor is responsible for ensuring that any sub-contractors provide adequate insurance coverage for the activities arising out of subcontracts. In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the contractor, automobile liability insurance shall be required. The minimum limit for automobile liability is:

- \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies.

All policies shall be primary to any other valid and collectable insurance. Contractor shall instruct the insurers to give the Commission thirty (30) calendar days advance notice of any insurance cancellation.

Contractor shall submit to the Commission within fifteen (15) calendar days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in the Insurance section. Contractor shall submit renewal certificates as appropriate during the term of the contract.

### **Employers Liability ("Stop Gap") Insurance**

In addition, the contractor shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

### **Additional Provisions**

Above insurance policy shall include the following provisions:

1. **Additional Insured.** The Washington State Housing Finance Commission, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with the contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the Commission.
2. **Cancellation.** Washington State Housing Finance Commission shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The insurer shall give the State forty-five (45) days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the State shall be given ten (10) days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): The State shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, the State shall be given ten (10) days advance notice of cancellation.
3. **Identification.** Policy must reference the State's contract number and the agency name.
4. **Insurance Carrier Rating.** All insurance and bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by Washington State Housing Finance Commission. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.
5. **Excess Coverage.** By requiring insurance herein, the State does not represent that coverage and limits will be adequate to protect contractor, and such coverage and limits shall not limit contractor's liability under the indemnities and reimbursements granted to the State in this contract.

### **Proprietary Information/ Public Disclosure**

All proposals will become the property of the Commission and will not be returned to the proposer.

All proposals received shall remain confidential until the contract is awarded. If any contract resulting from this RFP is signed by the Executive Director of the Commission and the apparent successful contractor, the proposals shall be deemed public records as defined in RCW 42.17.250 to 42.17.340, "Public Records."

Any information in the proposal that the contractor desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.17.250 to 42.17.340 must be clearly designated. The page must be identified and the particular exception from disclosure upon which the

contractor is making the claim. Each page claimed to be exempt from disclosure must be clearly identified by the word “Confidential” printed on the lower right-hand corner of the page.

The Commission will consider a contractor’s request for exemption from disclosure; however, the Commission will make a decision predicated upon Chapter 42.17 RCW and Chapter 143-06 of the Washington Administrative Code. Marking the entire proposal exempt from disclosure will not be honored. The contractor must be reasonable in designating information as confidential. If any information is marked as proprietary in the proposal, such information will not be made available until the affected proposer has been given an opportunity to seek a court injunction against the requested disclosure.

A charge will be made for copying and shipping public records, as outlined in RCW 42.17.300. No fee shall be charged for inspection of contract files, but twenty-four (24) hours’ notice to the RFP Coordinator is required. All requests for information should be directed to the RFP Coordinator.

## **PROPOSER QUESTIONNAIRE**

### **PROPOSAL INSTRUCTIONS**

#### **Letter of Transmittal**

Attach a letter of transmittal, which includes the following information:

1. Contact name, business name, business address, telephone number, fax number and e-mail address of interested proposer(s);
2. Date of proposal;
3. A statement that the proposal is valid for 3 months after the deadline for submission of proposals; and,
4. A signature of the officer or employee who certifies that he or she has the authority to bind the interested proposer(s).

#### **Proposal**

The proposal should address all the “Criteria for Evaluating Proposals” outlined in this RFP and answer the following:

1. State full name and address of your institution and identify the parent company if you are a subsidiary. Specify the branch office or other subordinate organization which will perform, or assist in performing, the work to be performed. Indicate whether you operate as a partnership, corporation, or sole proprietorship. You must submit evidence of authorization to do business or operate in Washington.
2. State full name and address of contact of individual who be responsible for our account as applicable.

3. Provide resumes (not to exceed 2 pages) of the specific individual who would be assigned to work with the Commission, the estimated percentage of time each person would devote to the Commission, the nature of work that each person would perform, and where each person would be located. Include your experience with HFA's, Fannie Mae, Freddie Mac, and Ginnie Mae.
4. Please provide examples of your experience supporting other clientele who seek to purchase their own mortgage company and/or apply for their own seller servicer numbers.
5. If you do not have experience with acquiring existing mortgage companies as well as experience with quality control policies and/or obtaining seller servicer numbers, please describe how will you obtain experience and who might you consult with?
6. Describe your experience in writing or reviewing policies and procedures especially those needed for Fannie Mae, Freddie Mac, and Ginnie Mae approval as they relate to underwriting, vendor oversight, internal audit, disaster recovery, business continuity, appraisal management, anti-fraud, sub-servicer monitoring and investor accounting.
7. Provide a list of other HFA clients within the past 24 months along with a brief description of the project. Provide examples of challenges and creative solutions accomplished in implementing a plan.
8. Please include written references from five (5) client Mortgage Lenders and HFA clients outlining your performance and addressing your institution's customer service. Please list references by name, address and telephone, for each described, as well as the type of engagement. List only engagements that are pertinent to the staff who will be assigned to this contract. Your references should attest to your past history in meeting schedules, timelines, budgets, cooperation with the contracting agency, and the performance of quality of work.
9. All program manuals and forms are located and maintained on the Commission's website. Please review these documents at <http://www.wshfc.org/sf/downloads.html> by clicking on Program Manuals and Forms Download Areas and indicate how you would utilize these documents in this process.
10. Describe your approach to project management and the ability to design and execute the plan in a timely manner.
11. Assuming the Commission wanted to obtain the Fannie Mae approval first, provide an estimated timeline that describes how long it will take to accomplish the goal and possible contingencies that may arise in meeting the timeline
12. What other creative ideas do you have for the Commission in order to become more self-sufficient and less dependent on master servicers and other financial institutions with respect to single-family mortgage financing?

## **Fee Proposal**

1. What is your hourly rate?
2. Provide a timeline for deliverables including benchmark steps and an estimate of hours needed for each activity you will take to provide a written recommendation to the Commission. Please provide a total fee for this deliverable.
3. Provide a timeline and action plan for next steps to apply for seller servicer numbers, as applicable. Please provide list of activities and an estimate of hours for each activity. Please provide a total fee under this scenario.
4. Provide a timeline and action plan for next steps to purchase a mortgage company, as applicable. Please provide list of activities and an estimate of hours for each activity. Please provide a total fee under this scenario.
5. What guarantees will you provide to the Commission to stay within your designated budget?

## **Commission Perspective**

The Commission reserves the right to request additional information from any applicant to assist the Commission in understanding or clarifying the terms of any proposal.

The Commission reserves the right to obtain from any and all sources information concerning a proposing institution's products, services, personnel or subcontractors that the Commission deems pertinent to this RFP and to consider such information in evaluating the institution's proposal.

The Commission reserves the right to waive minor deficiencies in a proposal. The decision as to whether a deficiency will be waived or will require the rejection of the proposal will be solely within the discretion of the Commission. Applicants are cautioned that failure to comply with or respond to any part of this RFP that requires a response may result in rejection of proposals.

The Commission reserves the right to investigate references and past performance of any proposing agency with respect to its performance of similar services, compliance with the RFP and contractual obligations, and its lawful payment of suppliers, subcontractors and workers. The Commission may postpone award or execution of the contract after the announcement of the apparent successful proposing agency in order to complete an investigation. The Commission reserves the right to reject any proposal at any time prior to execution of a contract.

The Commission has the sole discretion and reserves the right to reject any and all proposals received in response to this RFP and to cancel this solicitation if it is deemed in the best interest of the Commission to do so. Issuance of this RFP in no way constitutes a commitment by the Commission to award a contract, or to pay an applicant's costs incurred either in the preparation of a response to this RFP or during negotiations for services. The Commission also reserves the right to make amendments to this RFP by giving written notice to applicants, and to request clarification, supplements and additions to the information provided by an applicant.

By submitting a proposal in response to this solicitation, applicants understand and agree that any selection of an applicant or any decision to reject any or all responses shall be at the sole discretion of the Commission. Additionally, by submitting a proposal, applicants agree that they waive any claim against the Commission, the State of Washington, and their respective officers, employees, and agents for the recovery of any costs or expenses incurred in preparing and submitting a proposal.

The Commission shall not be required to accept any proposal solely on the basis that it contains the lowest price for completion of the work contemplated by this RFP and the Commission reserves the right to negotiate the final contract price.

### **Debriefing of Unsuccessful Contractors**

Applicants whose proposals have not been selected for further consideration will be notified via e-mail. Only applicants who have submitted a proposal under the criteria established by the Commission may protest the rejection of a proposal and request a debriefing. Upon request a debriefing will be scheduled with an unsuccessful applicant. The request for a debriefing must be received by the RFP Coordinator within three (3) business days after the Notification of Unsuccessful Bidder Letter is e-mailed to the bidder. The debriefing must be held within three (3) business days of the request. Discussion will be limited to a critique of the requesting applicant's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

### **Protest Procedures**

All protests, either against the solicitation or the award, must be in writing or contain the original signature of the protesting party or authorized agent. Such protests must state all facts and arguments on which the protesting party is relying as the basis for its action. Copies of the protest must be mailed or hand-delivered to the office of the Commission.

Protests against the solicitation must be received by the Commission in writing no later than 5:00 PM Prevailing Pacific Time two (2) business days prior to the date proposals are due. Filing of a protest against the solicitation does not entitle the protesting party to an extension of time for submitting its proposal.

Protest involving the rejection of a proposal must be received by the Commission in writing no later than 5:00 PM Prevailing Pacific Time on the fifth (5th) business day following the interested applicant(s)'s receipt of the notice of rejection, whether oral or written, or the announcement of the apparent successful interested applicant(s), whichever occurs first. Only those who are eligible to submit a proposal under the criteria established by the Commission may protest the rejection of a proposal.

The Executive Director of the Commission will consider the record and all facts available and issue a decision within five (5) business days from receipt of the protest unless additional time is required, in which case the protesting party will be notified by the Commission. The decision of the Executive Director will be final.

