

Memorandum

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Date: March 24, 2005

Subject: RFP for Housing Fund Administrators

In November 2004 the Policy Board approved establishing eight housing funds that would be made available as investment options for neighborhoods. The Program Guidelines adopted by the Board were developed with considerable neighborhood, industry and governmental input. The Board directed staff to develop an RFP that could be issued to solicit Fund Administrators for the funds for which management options are available. The funds involved are Funds 1-6. The City and CPED would administer funds 7 and 8.

A draft RFP is attached for your review and comment. The draft will be circulated to several additional reviewers before it is distributed but few substantive changes are anticipated. As a result, and to expedite obtaining Fund Administrators, I am recommending the following resolution to the Board for its approval:

RESOLVED: That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board authorizes the NRP Director to proceed with finalizing and distributing the RFP to secure Fund Administrators for Funds 1-6 for the Housing Funds approved by the Board on November 22, 2004,

RESOLVED FURTHER: That the Director will provide recommendations for the Fund Administrators for each Fund to the Board for approval after the RFP is issued, responses are received and the assessment of proposals is completed.

**Request for Proposal
For
Providing Administrative Services for Housing Programs
of
The Minneapolis Neighborhood Revitalization Program**

Background. The Minneapolis Neighborhood Revitalization Program (NRP) has established guidelines for eight housing programs that would be available for neighborhoods to use to accomplish the housing priorities of their Neighborhood Action Plans. The fund specific guidelines and the guidelines that apply to all funds and to funds 1-5 are attached as Exhibit A. **NRP is issuing this RFP to secure fund administrators for six of the approved programs (Funds 1-6).**

The programs for which fund administration services are being sought are:

- Fund 1: NRP/MHFA Home Improvement Program for 1-4 Unit Owner Occupied Structures
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- Fund 2: Rental Property Improvement Loan Fund
- Fund 3: Emergency Repair Fund
- Fund 4: Purchase and Major Rehab Loan Fund
- Fund 5: First Time Homebuyer Assistance Fund
- Fund 6: Purchase and Rehab Perpetual Affordability Fund

NRP will select the Fund Administrators for each of these funds and the City of Minneapolis will assist NRP in developing contract details. After the contract details have been established, the selected administrator, NRP and the City will be the entities executing the program contract.

Intent. It is NRP's intent to select no more than two organizations to provide program marketing services, project assessment, loan and grant origination, closing, escrowing, loan servicing, project oversight and performance reports for Funds 1-5 and a single organization to provide similar fund administration services for Fund 6.

Proposal Response. Exhibit A provides specific program guidelines for each of the proposed housing funds. Also included in this Exhibit are guidelines that apply to Funds 1-5 and to all of the proposed funds. Exhibit B provides some general information on the responsibilities of NRP and the Fund Administrator. Exhibit C to this RFP should be used to help structure your response. Additional material submitted may include reference information (including day-time phone numbers) and examples of program marketing brochures for other MHFA and NRP programs that your organization has administered. Information on the number of loans closed, leverage for NRP funds, and default rates for NRP programs administered by the respondent will

be considered valuable supportive information. Five copies of the response and all attached materials must be provided.

Program Guidelines. Exhibit A may be modified by NRP after the Fund Administrators have been selected and as detailed program implementation discussions take place between NRP and the selected administrator.

Rejection of Proposals. NRP reserves the right to reject any and all proposals and re-open this solicitation.

Submission of Proposals. Respondents must provide five (5) complete copies of their proposal to the NRP, at the above address, no later than 4:00 p.m. on Friday April 29, 2005. The contact person for any questions about this RFP is Robert D. Miller at the NRP (673-5141).

Interview. NRP will interview selected respondents on a date/time yet to be determined. The selected respondents will be notified in advance.

Fund 1

NRP/MHFA Home Improvement Program For 1-4 Unit Owner Occupied Structures (Program Guidelines)

1. **Fund Purpose:** To use NRP funds in combination with MHFA loan programs to help property owners improve their existing structures.

2. **Interest Rate:**

MHFA Loans: 5-8.5%, depending on whether the financing is from MHFA's Fix Up Fund (FUF), Community Fix Up Fund (CFUF) or the Community Fix Up Fund Sub-Prime Program

NRP Loans: 1/2 of the interest rate of the MHFA Loan (i.e. if the MHFA loan is at 6% the NRP loan would be at 3%)

3. **Income Limit:** Household income must not exceed 80% of the Metropolitan Median Income (MMI) for their family size. The determining income shall be the adjusted gross income from the applicant's most recent Federal Tax return or their current salary pro-rated forward on an annual basis, whichever is higher. Lender guidelines will determine the treatment of rental income for an owner occupant of a multi unit building. There will be no income limit for households requiring accessibility improvements.
4. **Loan Term:** The maximum term for the MHFA loans will be 20 years. The maximum term for the NRP loans will be 20 years. Lenders may set the terms based on the income, debt, loan amount and household size of the applicant. The loans may be deferred or amortized with monthly interest only payments. All loans (principle and interest balance) will be due and payable: at the end of the term; upon a transfer of title; upon conversion to contract for deed; if the original borrower no longer occupies the property; or if the property is sold; whichever occurs first.

If a neighborhood wishes to have its NRP funds matched by non-MHFA funds secured by the borrower they may include this requirement as a condition of receiving the NRP loan and specify the required level of match (i.e. one borrower dollar for each NRP dollar, two borrower dollars for each NRP dollar, etc.) in the guidelines for their program that are on file with the Fund Administrator. If a match is required, the NRP loan would be conditional upon the borrower providing evidence that the necessary matching funds have been secured. No match will be required, for any NRP loan, from households with < 51% of MMI for their family size.

5. Loan Amount:

MHFA Loans: Maximum = \$35,000 (For accessibility improvements there is no maximum and the amount available will be determined on a case-by-case basis.)

NRP Loans: The loan amount will be based on the total funds requested from both MHFA and NRP and the applicant's household income but will not exceed \$15,000 for the structure.

- **For loans to households with incomes >51% but ≤81% of MMI the NRP amount of the total must be 50% or less**
- **For loans to households with incomes >31% but ≤51% of MMI the NRP amount of the total must be 75% or less**
- **For loans to households with incomes ≤31% of MMI the NRP amount of the total may be up to 100% or \$15,000, whichever is less.**

6. Eligible Properties: The property being improved must be an owner occupied structure with one to four dwelling units. No more than 49% of the structure can be used for business purposes. Individual condominium, cooperative, an/or townhouse units are eligible. Mobile homes are not eligible.

7. Eligible Improvements: The following will be eligible:

- a) **Projects that correct a City of Minneapolis housing maintenance code violation. (If a citation has been issued the health and safety issues must be the first areas addressed with the loan);**
- b) **Projects that correct conditions that do not meet local or state building codes;**
- c) **Projects that address Truth-In Sale-of-Housing items;**
- d) **Projects that will repair or remodel an existing structure by:**
 - (1) **Improving the exterior or interior of the structure**
 - (2) **Reducing long-term maintenance costs**
 - (3) **Correcting lead or asbestos hazards**
 - (4) **Increasing the energy efficiency of the structure**
 - (5) **Improving security and accessibility for the elderly or occupants with physical disabilities**
 - (6) **Adding improvements that increase the value of the property.**

8. **Questionable Improvements:** If the description of proposed work does not appear to qualify and the determination of the Fund Administrator is questioned, the proposed improvement will be referred to an Improvements Review Committee of neighborhood representatives, CPED and NRP staff appointed by the NRP Director for determination of eligibility. NRP's external counsel will provide support to the Committee and address questions about NRP eligibility of a specific improvement. Decisions of the review committee will be final.
9. **Debt to Income Ratio:** Applicants must have a debt to income ratio of 55% or less. If the debt to income ratio is > 48% budget counseling will be required.
10. **Loan to Value Ratio:** All loans secured by the property, including the new loan(s), must total 110% or less of the after improvement property value.
11. **Loan Security:** All loans will be secured by a mortgage lien. MHFA loans will be secured by a Loan Note and Mortgage provided by MHFA. NRP loans will be secured by an Amortizing or Deferred Mortgage that is due on sale or transfer of the property, or upon conversion to contract for deed or absentee ownership.
12. **Work Completion:** Within 120 days (preferred) but no later than 180 days (limit) after loan closing. The Fund Administrator may authorize exceptions on a case by case basis. The Fund Administrator will verify installation of the improvements, ensure that any needed permits have been issued, and that the appropriate inspection and approval has occurred.
13. **Application Process:** Applications will be submitted directly to the fund administrator and will be processed in the order in which they are received. The Fund Administrator will first attempt to place applicants in the MHFA Fix Up Fund, MHFA Community Fix Up Fund, MHFA Community Fix up Fund Sub Prime Program, or the MHFA Home Energy Loan Program.
14. **Processing Fees:** Lenders that close an MHFA loan will be paid \$450-\$650 per loan by MHFA, depending upon which MHFA program funds the loan. If the applicant needs more funds than the MHFA program allows or does not qualify under the MHFA's guidelines, the Fund Administrator will attempt to qualify the applicant for an NRP loan using the criteria above. The fee for NRP loans will be paid from the NRP loan pool and will be up to \$300 per loan closed, up to \$150 for each Comprehensive Building Analysis, and up to \$50 for each installation verification. This fee schedule for the NRP loans may be changed, subject to written notification to and the approval of the neighborhood and NRP. In addition, the following fees are appropriate for NRP loans and may be paid from the NRP loan fund or the fund's program income:
 - One-time set-up fee Up to \$25 per loan
 - Satisfaction pay-off fee Up to \$25 per loan

- 15. Fees that Can Be Charged to the Borrower: Mortgage registration tax and document recording fees may be charged to the borrower. Loans funded by MHFA's Community Fix Up Fund may be used to pay up to \$300 for rehabilitation advice and budget counseling.**

Fund 2

Rental Property Improvement Loan Fund (Program Guidelines)

1. **Fund Purpose:** To use NRP funds to help rental property owners rehabilitate and improve permanent rental housing that is affordable to, and occupied by, low-income persons and households.
2. **Eligible Applicants:** Individual persons, for-profit corporations and partnerships, non-profit organizations, and community development corporations (CDC's) are eligible. Principals of for-profit corporations and partnerships will be required to fully-guarantee the debt.

Owners of buildings that are receiving project-based federal rental subsidies must agree to continue participating in the subsidy program and to renew participation for the length of term for the NRP loan.

3. **Eligible Properties:** Any rental residential property is eligible for loans from this fund. Mixed-use properties are eligible if more than 50% of the building's after rehabilitation above ground square footage is used for residential purposes. Single-room occupant, student dormitories, manufactured homes taxed as personal property, and transitional properties for special populations are not eligible.

At least 50% of the residential units in the building(s) proposed for rehabilitation or improvement must be occupied at the time of the funding commitment by tenant households with incomes of less than 50% of the size adjusted Metropolitan Median Income (MMI). Tenants with incomes above this guideline may occupy units in the Building(s) but NRP loan funds may be expended only on units occupied by eligible tenants.

4. **Interest Rate:** The fixed interest rate for the fund will initially be 4%. The interest rate will be reassessed semiannually. Any adjustment will only apply to the rate for new loans.
5. **Loan Term:** Loans are simple interest installment loans, with monthly amortization. The minimum loan term will be 6 months and the maximum will be 10 years. All loans (principle and interest balance) will be due and payable: at the end of the term; upon a transfer of title; upon conversion to contract for deed or condominiums; or if the property is sold; whichever occurs first.
6. **Loan Amount:** Minimum = \$1,000 per dwelling unit; Maximum = \$8,000 per dwelling unit. The maximum for any loan shall not exceed \$56,000. Neighborhoods may establish a lower maximum for capital that they contribute to this pool. Owners may receive only one loan per property, unless the neighborhood, Fund Administrator and NRP approve an exception.

7. **Property Restrictions:** Properties must be completed properties, which have either been:
- Occupied as a year-round permanent residence for at least 5 consecutive years; or
 - Occupied for 90 days and have in place a completed interior, a foundation, and necessary plumbing, heating, and electrical systems.

Properties may be currently vacant.

After the improvements have been completed, and for 15 years thereafter, a certain proportion of the units must be occupied by households with incomes less than 50% of MMI. These proportions are:

- a) For a one unit property, the after rehabilitation unit must be occupied by a household that meets the income requirements;
 - b) For a two unit property, one after rehabilitation unit must be occupied by a household that meets the income requirements;
 - c) For a three unit property, two after rehabilitation units must be occupied by households that meet the income requirements;
 - d) For a four unit property, three of the after rehabilitation units must be occupied by households that meet the income requirements;
 - e) For a five-unit property, four of the after rehabilitation units must be occupied by households that meet the income requirements;
 - f) For all other properties, at least 75% of the units must meet the income requirements
8. **Loan Security:** All loans will be secured by a mortgage lien.
9. **Eligible Improvements:** The following will be considered:
- a) Projects that correct conditions that do not meet local or state building codes;
 - b) Projects that will repair or remodel an existing structure by:
 - 1) Improving the exterior or interior of the structure
 - 2) Reducing long-term maintenance costs
 - 3) Correcting lead or asbestos hazards
 - 4) Increasing the energy efficiency of the structure
 - 5) Improving security and accessibility for the elderly or occupants with physical disabilities

- 10. Ineligible Uses:** Loan funds may not be used for: refinancing; new garage construction; construction of new residential units; paying of assessments; conversion of non-residential space into rental units; improvements begun before the date of the initial closing; materials, fixtures or landscaping of any type; preparing the units for conversion to condominiums.

If the description of proposed work does not appear to qualify, the proposed improvement will be referred to the Improvements Review Committee.

- 11. Ability to Repay:** Properties are required to have a positive cash flow after rehabilitation.
- 12. Loan to Value Ratio:** All loans secured by the property, including the new loan, must total 110% of the property value or less.
- 13. Borrower Investment:** Borrowers must provide a minimum of 25% of the project cost from non NRP resources. The Fund Administrator may require a higher contribution from the borrower. Documentation of the source, and terms and conditions of the match must be provided to the satisfaction of the Fund Administrator prior to closing.
- 14. Application Processing:** Applications will be submitted directly to the Fund Administrator. Funds will be available on a first-come, first-served basis until all available funds are committed.
- 15. Underwriting Decision:** The underwriting decision will be made by the Fund Administrator and will strongly consider the after rehabilitation cash flow of the building. The property must have a positive cash flow after rehabilitation and the borrowers must have an acceptable credit history. Outstanding written citations from the City of Minneapolis for code violations must be resolved before any loan request will be approved.
- 16. Other Restrictions:** Owners of assisted projects must agree, in their loan documents, that if a tenant's income increases beyond the program's income limits, the owner will rent the next available unit to an income-eligible tenant.

With the exception of senior-only housing, the City requires that all publicly assisted rental projects accept the use of Section 8 rental assistance either by site-based or tenant-based housing vouchers. For projects of more than 10 units, the City requires that at least 20% of the units be affordable to and occupied by households with incomes < 50% of MMI.

Fund 3

Emergency Repair Fund (Program Guidelines)

1. **Fund Purpose:** To provide financial assistance to homeowners that are in difficult financial circumstances and have either a hazardous or serious home repair situation that will cause further damage to the home or adversely affect the health and safety of the homeowner if it is not immediately addressed.
2. **Program Design:** The Emergency Loan Fund (ELF) is a last resort resource to help owner occupants who face emergency home repairs and are unable to obtain the funds needed to correct the problem from any other source. Existing funding sources (such as MHFA, CEE, the City of Minneapolis, etc.) will be used whenever possible. The ELF will be used for applicants who do not qualify for help through these traditional funding sources. Applicants will receive an inspection of their home that itemizes the emergency repairs that need to be addressed immediately and other conditions that should be resolved to prevent future repair situations.
3. **Interest Rate:** The funds provided will be structured as zero interest deferred loans.
4. **Definition of an Emergency:** An emergency is defined as a condition that makes a house uninhabitable, extremely dangerous to the occupants, is capable of causing severe health problems or threatens the integrity of the housing structure.
5. **Income Limit:** Household income must not exceed 50% of the Metropolitan Median Income (MMI) for the household's family size. The determining income shall be the adjusted gross income from the applicant's most recent Federal Tax return or their current salary pro-rated forward on an annual basis, whichever is higher. Lender guidelines will determine the treatment of rental income for an owner occupant of a multi unit building. There will be no income limit for households requiring accessibility modification repairs.
6. **Loan Term:** All loans will be due and payable: upon a transfer of title; upon conversion to contract for deed; if the original borrower no longer occupies the property; or if the property is sold; whichever occurs first.
7. **Loan Amount:** The minimum loan amount will be \$500 and the maximum will be \$10,000.
8. **Eligible Properties:** The property being repaired must be an owner occupied structure with one to four dwelling units.
9. **Eligible Improvements:** The ELF can only be used for repairs or replacements that demand immediate attention and that if not repaired will lead to further problems, hardship, or hazardous conditions. Eligible improvements will be determined through

an analysis of the emergency condition by the Fund Administrator. Eligible projects include but are not limited to:

- a) Repair of water damage
- b) Replacement or repair of heating/plumbing/electrical systems
- c) Replacement of hot water heaters
- d) Replacement or repair of roofs

The decision of the Fund Administrator on eligible improvements will be final.

10. **Ineligible Improvements:** Ineligible improvements include recreation or luxury projects (pools, lawn sprinkler systems, playground equipment, saunas, whirlpools, etc.), upgrades or additions to the property, repairs that constitute "routine maintenance", repairs to decks or garages, furniture, or non built in appliances. These funds also cannot be used for working capital, debt service, or refinancing of existing debt. The Fund Administrator shall make final decisions on eligible work.
11. **Work Performance:** Work cannot be performed on a sweat equity basis by the property owner. Contractors must be licensed by the State of Minnesota or by the City of Minneapolis (whichever is appropriate) and must be bonded. Permits must be obtained when required by ordinance.
12. **Loan Security:** All loans will be secured by a mortgage lien.
13. **Work Completion:** Within 10 days (preferred) but no later than 30 days (limit) after loan closing. The Fund Administrator may authorize exceptions on a case by case basis. The Fund Administrator will verify installation of the improvements, ensure that any needed permits have been issued, and that the appropriate inspection and approval has occurred.
14. **Application and Processing:** Applications will be submitted directly to the Fund Administrator and will be processed in the order in which they are received until all funds available have been committed. The Fund Administrator will visit the applicant's property within 48 hours of being notified of the emergency. The Fund Administrator will first attempt to place applicants in the MHFA Fix Up Fund, MHFA Community Fix Up Fund, MHFA Community Fix up Fund Sub Prime Program, or the MHFA Home Energy Loan Program. If the cost of the project exceeds the amount of the NRP loan, it is the borrower's responsibility to obtain the funds necessary to complete the work.
15. **Loan Costs:** Any fees for loan origination, property inspection and analysis, and verification of installations or repairs will be negotiated with, and approved by, NRP. This fee schedule for the NRP loans may be changed, subject to written notification to and the approval of NRP. Appropriate and approved fees will be paid from the ELF.

- 16. Special Circumstances: Conditions that threaten the housing of an individual or household or the structures on adjacent properties may be identified by the community as emergencies that need to be addressed. If the neighborhood organization contacts the Fund Administrator, they will examine the property and facts of the situation and attempt to assist the property owner with accessing the funding pool most appropriate to their circumstances.**

Fund 4

Purchase and Major Rehab Loan Fund (Program Guidelines)

1. **Fund Purpose:** To use NRP funds to provide significant affordability gap and rehabilitation funding for low income families and individuals that want to become owner occupants and purchase homes in need of significant rehabilitation and renovation.
2. **Interest Rate:** 1/3 of the most recently available national average 30-year fixed rate mortgage published in the Saturday edition of the Minneapolis Star Tribune. The rate will be locked in at the time the applicant is approved for participation in the program.
3. **Income Limit:** Household income must not exceed 80% of the Metropolitan Median Income (MMI) for their family size. The determining income shall be the adjusted gross income from the applicant's most recent Federal Tax return or their current salary pro-rated forward on an annual basis, whichever is higher. Lender guidelines will determine the treatment of rental income for an owner occupant of a multi unit building and rental fees from the non owner occupied units may be excluded from the owner's income. There will be no income limit for households requiring accessible properties because of a verifiable disability in the household.
4. **Loan Term:** The maximum term for the NRP loans will be 30 years. Lenders may set the terms based on the first mortgage, household income, debt, NRP loan amount and household size of the applicant. The loans will be amortized with interest only payments. All loans (principle and interest balance) will be due and payable: at the end of the term; upon a transfer of title; upon conversion to contract for deed; if the original borrower no longer occupies the property; or if the property is sold; whichever occurs first. NRP loans are non transferable.
5. **Loan Amount:** Minimum = \$5,000; Maximum = \$40,000.
6. **Eligible Properties:** The property being purchased must be or become an owner occupied structure that contains 4 dwelling units or less.
7. **Loan Security:** All loans will be secured through an Amortizing Mortgage Lien.
8. **Loan Servicing:** Servicing will be done by the Fund Administrator or its designee. Servicing costs will be paid from program income.
9. **Loan Costs:** Borrowers will pay all registration and filing fees.
10. **Eligible Uses:** Funds may be used for down payments, affordability gap, closing costs and projects identified as a result of the property review conducted by the Fund Administrator or its agents in 14 below.

- 11. Questionable Improvements:** If the description of proposed work does not appear to qualify, the proposed improvement will be referred to a review committee of neighborhood representatives, CPED and NRP staff appointed by the NRP Director for determination of eligibility. NRP's external counsel will provide support to the Committee and address questions about NRP eligibility of a specific improvement. The decision of the review committee will be final.
- 12. Loan to Value Ratio:** All loans secured by the property, including the new loan, must total 120% of the property value or less.
- 13. Match Requirement:** If a neighborhood wishes to have its NRP funds matched by funds secured by the borrower they may include this requirement as a condition of receiving the NRP loan and specify the required level of match (i.e. one borrower dollar for each NRP dollar, two borrower dollars for each NRP dollar, etc.) in the guidelines for their program that are on file with the Fund Administrator. If a match is required, the NRP loan would be conditional upon the borrower providing evidence that the necessary matching funds have been secured. Increases in value that occur as a result of the rehab project will be credited toward meeting the matching requirement. The dollar value to be credited for the increase will be determined by the Fund Administrator. No match will be required, for any NRP loan, from households with < 51% of MMI for their family size.

Loans will be finally approved only after evidence is provided that an appropriate first mortgage has been secured and the match, if any, is committed.

- 14. Property Review:** Before a loan receives final approval, a comprehensive building analysis will be performed on-site by the Fund Administrator or its agents. The following will be identified and provided to the potential home owner for their information before a closing is scheduled:
 - a) Projects that correct a City of Minneapolis housing maintenance code violation. (If a citation has been issued the health and safety issues must be addressed before the property is occupied);
 - b) Projects that correct conditions that do not meet local or state building codes;
 - c) Projects that address Truth-In Sale-of-Housing items;
 - d) Projects that will repair or remodel an existing structure by:
 - 1) Improving the exterior or interior of the structure
 - 2) Reducing long-term maintenance costs
 - 3) Correcting lead or asbestos hazards
 - 4) Increasing the energy efficiency of the structure
 - 5) Improving security and accessibility for the elderly or occupants with physical disabilities.

The potential purchaser will provide the Fund Administrator with a copy of income-qualification documents, the executed purchase agreement, a copy of the mortgage loan commitment letter, and written documentation relative to the loan closing date (if this is not already stated in the purchase agreement or the loan commitment letter). The closing must occur within 6 months of the date the loan is awarded or the loan will not be issued.

15. **Application Processing:** Applications will be submitted directly to the Fund Administrator and will be processed in the order in which they are received. Applicants purchasing properties with outstanding Minneapolis Inspections Department orders must use their awarded loan funds to resolve the outstanding orders before pursuing any other work on the structure.
16. **Post purchase Education and Training:** All successful homebuyers must successfully complete a post purchase property maintenance curriculum approved by the Fund Administrator and NRP within 2 years of the date of the closing. The homebuyer will be responsible for paying the course fees.

Fund 5

First Time Homebuyer Assistance Fund (Program Guidelines)

1. **Fund Purpose:** To use NRP funds to help first time homebuyers. A first time homebuyer is a person who has not occupied a homesteaded property in the last 3 years. Applicants must successfully complete a pre-purchase homeownership counseling course prior to loan closing.
2. **Interest Rate:** 1/3 of the most recently available national average 30-year fixed rate mortgage published in the Saturday edition of the Minneapolis Star Tribune rounded to the nearest 1/8 of a percent. The rate will be locked in at the time the applicant is approved for participation in the program and this lock will apply for 90 days. The loan will be a simple interest deferred community second. At the time the applicant is approved for participation and the lock is made, the maximum amount of the NRP support that will be provided from this fund will be determined and reserved for the borrower. This reservation will continue until the borrower executes a purchase agreement or the 90 day lock period expires.
3. **Income Limit:** Annual household income, adjusted for family size, must be below 80% of Metropolitan Median Income (MMI) for their family size. The determining income shall be the adjusted gross income from the applicant's most recent Federal Tax return or their current salary pro-rated forward on an annual basis, whichever is higher. Lender guidelines will determine the treatment of rental income for an owner occupant of a multi unit building. There will be no income limit for households purchasing universal design or accessible properties to address the accessibility needs of a member of their household.
4. **Loan Terms:** The length of the community second ("NRP") loan will be same as the term for the first mortgage. All loans (principle and interest balance) will be due and payable: at the end of the term; upon a transfer of title; upon conversion to contract for deed; if the original borrower no longer occupies the property; when the first mortgage is paid off; or if the property is sold; whichever occurs first.

The interest will be amortized and paid monthly over the term of the loan.

5. **Loan Amount:** Minimum = \$1,000; Maximum = \$30,000. Loans will be provided in increments of \$1,000. The amount of the loan that can be used as affordability gap is limited to no more than the amount required to buy the first mortgage down to an 80% loan to value.

6. **Eligible Properties:** The property being purchased must be in Minneapolis and must be:

- An owner occupied one- or two-family residence, or
- A condominium, cooperative, or townhouse unit.

Condominium, cooperative, and/or townhouse unit purchases must be for individual units only and only for owner occupancy.

7. **Loan Security:** All loans will be secured through a mortgage lien. The first mortgage lender will coordinate the execution and recording of the NRP loan mortgage documents.

8. **Loan Servicing:** The Fund Administrator or its designee will do the servicing. Servicing costs will be paid from program income.

9. **Loan Costs:** Borrowers will pay all filing fees.

10. **Eligible Uses:** Down payment, closing costs and affordability assistance. If the down payment exceeds the amount required by the first mortgage loan product, the amount of affordability assistance entered into the transaction may not lower the housing ratio (the percentage of the borrower's income spent on housing) below 25%.

11. **Combined Loan to Value Ratio (CLTV):** All loans secured by the property, including the new loan, must total 120% or less of the lesser of the purchase price or appraised value.

12. **Match Requirement:** The borrower must make a minimum investment of the lesser of 1% of the purchase price of the home or \$1,000. The borrower's cash contribution may be used to pay any cost in the transaction, including pre-pays. The borrower's contribution must come from the borrower's assets and may not be from a grant, gift or sweat equity contribution. In addition, lenders must ensure compliance with the minimum borrower investment requirements of the first mortgage.

13. **Property Review:** Before a loan receives final approval, a comprehensive building analysis (buyer's inspection) will be performed on-site by the Fund Administrator or its agents. The results of this inspection will be provided to the borrower and will be in addition to the City of Minneapolis Truth-In-Housing ordinance inspection.

14. **Application Processing:** Applications will be submitted directly to the Fund Administrator. Applications will be processed in the order in which they were received and requests will be solicited until all of the available funds are committed.

The purchaser will provide the Fund Administrator with a copy of the executed purchase agreement, a copy of the mortgage loan commitment letter, and written documentation relative to the loan closing date (if this is not already stated in the purchase agreement or the loan commitment letter). The closing must occur within 6 months of the date the loan is approved or the loan will not be issued.

- 15. Buyer Search Period: Borrowers will have up to 90 days after their application for support from this fund has been approved to locate a property to purchase. A single extension of up to 60 additional days for extenuating circumstances may be granted by the Fund Administrator.**
- 16. Post purchase Education and Training: All successful homebuyers must successfully complete a post purchase property maintenance curriculum approved by the Fund Administrator and NRP within 2 years of the date of the closing. The homebuyer will be responsible for paying the course fees.**

Fund 6

Purchase and Rehab Perpetual Affordability Fund Community Land Trust Homebuyer Initiated Program (HIP) (Program Guidelines)

1. **Fund Purpose:** To use NRP funds to provide significant affordability gap and limited rehabilitation funding to low income families and individuals that want to become owner occupants and purchase homes in Minneapolis.
2. **Interest Rate:** Market rate through a Community Land Trust (CLT) or MHFA CASA approved mortgage lender.
3. **Income Limit:** Annual household income must be below 80% of Metropolitan Median Income (MMI) for their family size. Preference will be given to households with incomes below 50% of MMI. The determining income shall be the adjusted gross income from the applicant's most recent Federal Tax return or their current salary pro-rated forward on an annual basis, whichever is higher.
4. **Loan Term:** Limited equity home ownership model. In this program the owner receives, upon sale of the property, their down payment and any principle paid through the closing plus 25% of any increase in value based on the appraisal of the land and improvements at the time of sale. The affordability gap subsidy, plus 75% of any increase in value based on appraisal of the land and improvements at the time of sale, stays with the property. These amounts become the affordability subsidy for the next income-qualified household. Any portion of the original loan that was used to rehab the property will be treated as a one-time grant investment in the property. Only one rehab grant may be made per property.
5. **Loan Amount:** Minimum = \$25,000; Maximum = \$50,000 per property. The loan is structured as a perpetual affordability grant to the CLT, increasing in value as the value of the home increases. The full initial grant, plus 75% of any increase in value based on appraisal of the land and improvements, is transferred to the next income-qualified household at each resale.
6. **Loan Term:** 30 years. The loan to the CLT will be forgiven after 30 years provided that the initial buyer and each subsequent buyer during the term of the loan are income qualified households.

If any sale occurs during this period to a household that does not meet the income qualification, the principle of the loan plus simple interest of 4% per year from the date the loan was initially closed shall be immediately due and payable to the NRP for the neighborhood providing the loan.

7. **Eligible Properties:** The property being purchased must be an owner occupied single family structure.

8. **Loan Security:** The Loan Amount will be secured through a mortgage lien on the land title held by the CLT. The CLT's relationship with each income-qualified household will be defined in the CLT ground lease. The CLT ground lease will ensure that these funds continue to be used as affordability gap beyond the initial 30-year period.
9. **Loan Servicing:** The Fund Administrator or its designee will service the loan.
10. **Loan Costs:** Servicing costs will be paid by the Fund Administrator. The purchasing household will pay all filing fees.
11. **Eligible Uses:** NRP funds may be used for down payment and affordability gap subsidies and rehabilitation of the purchased property. Funds provided for down payment and affordability gap assistance will be used to directly write down the mortgage amount required from the income-qualified household. Rehab funds will not exceed \$25,000 and must be used in accordance with the property review conducted by the Fund Administrator or its agents as defined in section 15 below.
12. **Loan to Value Ratio:** All buyer mortgage loans and funds secured by the property, including NRP funds, must total 110% of the property value or less.
13. **Match Requirement:** The amount of the NRP funds must be matched at least 2 to 1 with other private and public sources of affordability and/or rehab funding. Buyer financing will be allowed as a contribution to the required match.
14. **Property Review:** The applicant must submit their request for funding at least 30 days prior to purchasing a property. Before a loan receives final approval, a comprehensive building analysis will be performed on-site by the Fund Administrator or its agents. The following will be identified and provided to the potential home owner for their information before a closing is scheduled:
 - a) Projects that correct a City of Minneapolis housing maintenance code violation. (If a citation has been issued the health and safety concerns must be the first areas addressed with the loan);
 - b) Projects that correct conditions that do not meet local or state building codes;
 - c) Projects that will repair or remodel an existing structure by:
 - 1) Improving the exterior or interior of the structure
 - 2) Reducing long-term maintenance costs
 - 3) Correcting lead or asbestos hazards
 - 4) Increasing the energy efficiency of the structure
 - 5) Improving security and accessibility for the elderly or occupants with physical disabilities.

- 15. Application and Processing:** Applications for funding will be submitted directly to the Fund Administrator and will be processed in the order in which they are received. The Fund Administrator will determine, using the CLT affordability formula and the results from the comprehensive building analysis, the amount of affordability gap funding and rehabilitation funding that will be made available for the property selected by the applicant.

Applicants will be processed until the amount committed for affordability gap funding and rehabilitation funding equals the amount committed to this fund. After all of the funds have been committed, new applications will be processed only to the extent that commitments already processed fail to close.

The CLT will provide the Fund Administrator with a copy of income-qualification documents, the executed purchase agreement, a copy of the mortgage loan commitment letter, and written documentation relative to the loan closing date (if this is not already stated in the purchase agreement or the loan commitment letter). The closing must occur within 6 months of the date the loan is awarded or the loan will not be issued.

- 16. Additional Requirements:** Applicants must successfully complete a pre-purchase homeownership counseling program and receive a certificate prior to final loan closing.

The applicant must have either attended CLT Orientation and/or received one-on-one CLT education/counseling prior to being selected for participation in the program.

Prospective HIP homebuyers will be responsible for the following fees:

Non refundable Application Fee for processing the application: \$25 per household

- Commitment Fee: \$75 per household upon acceptance
- Home Inspection Fee: Performed by a certified rehab housing inspector (\$350-500)
- Mortgage Application Fees: Determined by the mortgage lender (\$250-500)
- Standard Home Purchase Closing Costs including escrow fees, title insurance, first years property taxes and homeowners insurance, appraisal and recording fees
- Ground Lease Fee: \$15 per month after occupancy occurs

- 17. Post purchase Education and Training:** All successful homebuyers must complete a post purchase property maintenance curriculum approved by the Fund Administrator and NRP. The homebuyer will be responsible for paying the course fees.

Program Guidelines
That Apply to
Funds 1-5

1. **Initial Applications:** There will be beginning dates for the submission of applications and applicants will be considered in the order in which their application is received.
2. **Preference:** Applicant eligibility for MHFA and private financing will be assessed during the application assessment process for Funds 1-5. Applicants who do not qualify for loans or financial support from sources other than NRP will be given preference.
3. **Work by Owner:** Work can be performed by the owner on a “sweat equity” basis only if prior approval has been received from the Fund Administrator. Loan funds, however, can only be used for materials. The costs for the purchase or rental of tools or equipment are not eligible for reimbursement and no compensation will be provided for property owner or family labor. Materials must be purchased and installed prior to the disbursement of the loan proceeds and invoices and an inspection by the Fund Administrator will be required before payments are processed.

Owners receiving a loan from Fund 3 (Emergency Repairs) cannot perform the work needed and applied for from that Fund.

4. **Contractor Licenses/Work Permits:** All contractors on a project must be licensed by the State of Minnesota and/or by the City of Minneapolis. Evidence of a valid and current license must be provided to the Fund Administrator before the contractor begins any work. Permits must be obtained when required by city ordinance.
5. **Bidding Requirements:** At least two bids must be obtained for projects using \$7,500 or more in NRP funds.
6. **Assistance and Support:** The Fund Administrator will offer property owners assistance with evaluating and prioritizing improvements to their property and evaluating bids submitted by potential contractors. The services provided will include an informational visit, advice on possible or proposed projects, and assistance with collection and evaluation of bids.
7. **Marketing:** The Fund Administrator will provide marketing materials for each of their funds, with the advice and approval of NRP. The time and materials cost for these products will be paid from the program income of the fund for which the materials are developed.

8. **Ineligible Improvements:** No funding will be provided for:
- a) recreational or luxury projects (such as pools, lawn sprinkler systems, playground structures, saunas, whirlpools, etc)
 - b) furnishings, furniture or equipment
 - c) non-permanent appliances
 - d) debt service of any kind
 - e) bank charges or loan origination fees
 - f) refinancing of existing debts
 - g) work completed and materials purchased prior to the loan closing.

Project eligibility questions will be referred to the Fund Administrator, Improvement Review Committee, and, if questions remain, to the Director of NRP.

9. **Underwriting Considerations:** Property owners must be current on all mortgage payments, real estate property taxes, water bills and trash collection payments. Applicants should have sufficient credit history to satisfy the lenders underwriting considerations. The Fund Administrator may deny loans based on credit reports, income verification or past payment history. Applicants rejected for credit history issues may correct those issues and reapply for participation but no earlier than 18 months after the date of their rejection.
10. **Loan Security:** All loans that use NRP funds will be secured with a mortgage in favor of the City of Minneapolis.
11. **Work Completion:** Completion limits for accomplishing funded work vary among the different fund pools. All work, however, must be completed within 270 days of loan closing. Loan recipients may apply for an extension if the work is partially completed. The Fund Administrator will review the request and determine if an extension is appropriate. Their decision will be final.
12. **Total Project Cost:** It is the borrower's responsibility to obtain the funds needed to finance the proposed project and improvements. If the final cost exceeds the original loan amount, the borrower must make up the difference from non-NRP sources.
13. **Custody of Funds:** All funds committed by the neighborhoods will remain in the custody of the Fund Administrator until payment is appropriate for completed work. Required matching funds will be paid to the contractor directly by the borrower before any NRP funds are disbursed. The borrower will provide evidence of this transfer to the Fund Administrator. The Fund Administrator will hold NRP funds "in trust for the City of Minneapolis for crediting to NRP and the neighborhood that provided the funds being invested" in an interest bearing money market fund or other instrument acceptable to NRP. All interest received will be classified as "program income" for the fund from which it was derived and be reported to NRP on a regular schedule.

14. **Fund Sales:** NRP reserves the right to request a sale of all or a portion of the loan portfolios in any of these funds to the secondary market. The Fund Administrator and the City will be consulted if such a sale is proposed.
15. **Administrative Costs:** NRP and the selected Fund Administrator(s), with guidance from CPED and other resources, will determine a mutually agreed upon portion of the investment fund that will be set aside for the administrative costs, including collection, for the funds. Servicing fees, unless otherwise indicated in the guidelines for a specific program, will be paid from revolved loans and their interest payments.
16. **Applications:** Applicants must provide all of the information requested in the application package for their fund. The package will include: any forms needed to process consideration for an MHFA loan, a completed application form that includes a description of the proposed project(s) and cost estimates, a copy of the applicant's most recent federal income tax form, a copy of the applicants most recent property tax statement, and a signed "Data Privacy Act Statement and Consent Form". Failure to provide any of the requested items will result in ineligibility for consideration. Guidance on completing the applications will be available and provided by the Fund Administrator.
17. **Subordination of Loans:** Loan subordinations will be allowed, in accordance with the existing policy of the City. Any changes in this policy and its application to NRP funded loan agreements will require the prior approval of NRP.
18. **Licensure of Multi Unit Properties:** Regardless of its ownership status, a multi-family dwelling must have and maintain a current rental license with the City of Minneapolis to be eligible for a loan from any of these funds. Any outstanding license or inspection issues must be resolved prior to receiving funds, unless the specific fund allows the loan to be used to resolve an outstanding inspection issue.
19. **Disbursement Process:** Payments to contractors (or owners in Fund Administrator approved "sweat equity" situations) will be made after completion and inspection of the required work. If the project does not require a permit, an inspection will be performed by the Fund Administrator or its agents to verify satisfactory completion of the work. The following items must be received prior to final disbursement of funds:
 - (a) Evidence that any city permits required have been issued
 - (b) Final invoice from contractor (or materials receipt from supplier)
 - (c) Final inspection verification by the city or fund administrator
 - (d) Completion certificate(s) signed by the borrower and contractor
 - (e) Proof of payment to the contractor for any required matching funds
 - (f) Lien waivers for the entire cost of the project
20. **Signage:** Borrowers will display a window sign provided by the Fund Administrator indicating that the work being conducted is being financed by NRP, its financial partner (if appropriate) and the neighborhood. NRP will assist the Fund

Administrator with the design of the signs. The signs should be displayed while work is being done and for 30 days thereafter.

21. **Number and Dollar amount of Loans:** Households and properties can only receive one loan at any one time, with the exception of loans approved from Fund 3 or loan packages that combine Funds 4 and 5. Funds 4 and 5 focus on different areas of a purchase transaction and may both be necessary to make a deal work. Applicants requesting assistance from the Emergency Loan Fund are allowed to have one loan from Funds 1 or 4 outstanding as long as they are current on their payments and have complied with the terms of that loan. Except for these exceptions, once an applicant is approved for a loan from any one of the investment funds, **no applications for new projects will be accepted from that household or for that address until the previous loan is paid in full and closed.**

The total dollar amount received by any household for all of its outstanding NRP loans shall not exceed \$60,000.

Program Guidelines
That Apply to
All Funds

1. **Program Income:** All income (principle and interest) that is received from loans, projects, penalties, reserves, fund balances and any other sources that was generated from an NRP housing fund shall be held in trust for the City of Minneapolis and the NRP for the neighborhood providing the initial funds for the activity by the Fund Administrator. Neighborhood accounts maintained by Fund Administrators will show the amount of investment and the revenues received for each loan or investment individually and by neighborhood for each neighborhood investing in that fund.
2. **Appeals:** Each Fund Administrator will develop, with NRP and neighborhood representatives investing in that fund, an appeals process to review rejected applicants. Neighborhoods will be offered the opportunity to participate in the appeals process.
3. **Establishing Fees:** NRP will, with the support and technical assistance of MHFA, CPED and DFD, negotiate with selected Fund Administrators the type and amounts of any fees that will be collected from the fund or individual transactions. Every effort will be made to minimize the number and amount of these fees for the level of service being requested.
4. **Fund Administrators:** All Fund Administrators will be selected through an RFP process (with the exception of Funds 7 and 8). Possible vendors to be solicited will be sought from neighborhoods, MHFA, CPED, DFD, LISC, Hennepin County and others. Responses to the RFP will be reviewed by a team established by the Director of NRP. Neighborhood and City representatives will be included on this team and the team will make its recommendations to the Director of NRP.

Responders may, if qualified, apply to be the Fund Administrator of up to 5 Funds. If appropriate, more than one respondent may be offered the opportunity to be a Fund Administrator but if more than one Fund Administrator is designated each of the selected organizations will service a unique geographic area. The Director of NRP will make recommendations to the Policy Board on the organizations to be given Fund Administration contracts.

5. **Fund Administration Contracts:** Each Fund Administrator will execute a contract with the City, acting on behalf of NRP, for the delivery of the services required under the fund that they have been awarded. For Funds 7 and 8, NRP will execute a Memorandum of Understanding with CPED for the administration and operation of these funds. Contract terms will be established by NRP, the selected administrator and a representative from the City.

6. **Education and Marketing:** After the Fund Administrators have been selected and contracts or Memorandums of Understanding have been signed NRP will conduct at least one informational and educational seminar on the funds for all neighborhoods. Fund Administrators will be responsible for the marketing of their funds to individual neighborhoods.
7. **Participation By Neighborhoods:** Investment by neighborhoods in these housing funds is strictly voluntary. Neighborhoods may: 1) invest a specific amount in a single fund (eg. \$100,000 in Fund 1); 2) invest specified amounts in different funds (eg. \$50,000 in Fund 1 and \$50,000 in Fund 2); or 3) invest a specified amount in a group of funds (eg. \$100,000 for applicants qualifying in Funds 1,2 or 4). The neighborhood investment must remain with the specific fund or group of funds initially selected for at least one year. After that time, the neighborhood would have the opportunity to change the amount invested in their choices, redirect funds to another housing fund or group of funds, or withdraw part or all of their investment (subject to the contractual obligations for already processed loans, etc.).
8. **Allocating Resources to the Housing Funds:** Resources from Phase I and Phase II may be invested in the housing funds. NRP staff will assist the neighborhood will determining how best to accomplish their investment objective and help process any needed actions.
9. **Geographic Use:** Neighborhoods may designate their contributions to these funds for use anywhere in the City of Minneapolis, in certain neighborhoods that they specify or only for properties within the geographic boundaries of their own neighborhood. Neighborhoods may solicit funds from other neighborhoods to assist with addressing their housing needs.
10. **Reporting:** Neighborhoods will receive reports quarterly from the Fund Administrators for the funds in which they have invested. The reports will show, at a minimum, the amounts invested and the results to that time. NRP will work with the neighborhoods and the Fund Administrators to ensure that these reports contain information that will be useful and is received in a timely manner.
11. **Evaluation:** A review of the costs and effectiveness of the housing fund approach to assisting neighborhoods with their housing investments will be conducted 18 and 36 months after the date on which all of the Fund Administration contracts have been executed. Neighborhoods will participate in the selection of the evaluation criteria and be critical contributors to the evaluations. The Director of NRP shall have the authority to recommend elimination of non-performing funds or changes in Fund Administrators at any time.

NRP Housing Program Funds

Scope of Services

Duties and Responsibilities of the NRP

1. Develop program guidelines and supervise implementation.
2. Select the Fund Administrator(s).
3. Assist the Fund Administrator with marketing the program funds to NRP neighborhood organizations.
4. Serve as the final decision-maker on applicant project eligibility appeals.
5. Review and approve all administrative costs for the funds.
6. Approve any changes to the present Subordination of Loans policy of the City.
7. Assist the Fund Administrator with the design of worksite signs and approve final sign designs.
8. Regularly conduct performance audits of program files and neighborhood accounts maintained by the Fund Administrator and ensure that needed information is being collected and recorded in a timely, complete, and accurate manner.
9. Conduct at least one informational and educational seminar on the funds for all neighborhoods.
10. Assist neighborhoods with their review of the available funds and facilitate investment when approved by the neighborhoods.
11. Assist the neighborhoods and Fund Administrator with development of mutually acceptable report formats and regularly receive and review fund performance reports provided by the Fund Administrator.
12. Evaluate fund performance and recommend fund or Fund Administrator changes to the Policy Board.

Duties and Responsibilities of the Fund Administrator:

1. Review and train organization staff on the program guidelines and their application.
2. Establish, with NRP, the beginning dates for submission of applications.
3. Develop the marketing materials for the program fund and make presentations to all neighborhood meetings and individual neighborhood organizations as requested.
4. Receive all applications for program funds and review them for completeness.
5. Ensure that the applicants meet the eligibility requirements contained in the program guidelines.
6. Process all applications and exhaust other potential funding sources before attempting to qualify the application for one of the NRP housing programs.
7. Verify that the applicant's household income is within applicable program guidelines.
8. Verify that the applicant is current on all mortgage and property tax payments.
9. Verify that the applicant's "debt-to-income" ratio meets program guidelines.
10. Verify that the applicant's "loan-to-value" ratio meets program guidelines.
11. Conduct needed property inspections and assessments in a timely and professional manner.
12. Ensure that all contractors on an NRP funded project are appropriately licensed.
13. Ensure that needed permits have been requested and issued, all final inspections have been successfully passed, and appropriate lien waivers have been provided before issuing final payments to contractors.
14. Offer property owners assistance with evaluating and prioritizing improvements to their property, the bidding process, evaluation of bids submitted by potential contractors, and project supervision.
15. Review descriptions of work and verify that proposed projects and improvements are eligible for funding and meet the program guidelines.
16. Approve or deny applicants based on the NRP approved program guidelines. Denials should be provided in writing. "Underwriting " decisions of the Fund Administrator are final.

17. Close all loans and grants.
18. Secure a signed note and mortgage and file all appropriate and required mortgage documents, if required by the program guidelines.
19. Act as fiscal agent for each fund administered:
 - After closings, request NRP funds from the City
 - Establish a separate interest bearing account to originate loans and grants, deposit NRP funds received from the City, receive repayments of loan principal and interest, pay servicing costs, and track loans/grants and repayments by neighborhood.
 - Disburse NRP loan funds in accordance with program guidelines.
20. Service loans in accordance with standard industry practices (or contract with a servicing organization to provide servicing and collection services), including prompt setup of loans and appropriate coupon books.
21. Retain and destroy participant files in accordance with NRP and City of Minneapolis directives.
22. Process subordination and satisfaction requests in accordance with City policy.
23. Obtain evidence of required “pre-“ and “post-“ purchase training required of the borrower and include it in the borrower’s file.
24. Provide completed NRP Promissory Notes and NRP Mortgages to closing companies and instructions for filing the NRP Mortgage after the closing. Obtain copies of executed Notes and Mortgages after the closings for the borrower’s file.
25. Obtain the original executed Notes and Mortgages after the Mortgages have been filed of record.
26. Provide NRP with Quarterly activity and performance reports in formats that are mutually agreeable to NRP and the Fund Administrator.
27. Package and sell loans on the secondary market with the written approval of NRP and the City. The possibility of loan sale must be disclosed to the borrower at the time the original loan is closed.
28. Submit other reports and information as may be requested or agreed to by NRP.

Format for a Response to Request for Proposals

Proposal Submitted by: _____
(Organization)

Proposal Prepared by: _____
(Name)

Position: _____

Date Submitted: _____

Processing Costs

Potential Fund Administrators must indicate their fees/charges to perform the following services. The following format should be included in the response. If a particular service does not apply to your organization, indicate "n/a". If a separate fee will not be charged for a particular service and your organization will perform the service, indicate "included".

- Program Marketing \$ _____
- Loan Origination \$ _____
- Project Consultation \$ _____
- Mortgage Filing and Registration \$ _____
- Inspections \$ _____
- Escrow Management \$ _____
- Loan Servicing \$ _____
 - Set-up \$ _____
 - Transaction \$ _____
 - Satisfaction Preparation \$ _____
- Subordination Preparation \$ _____
- Other Fees: (Please specify purpose and amount)
 - _____ \$ _____
 - _____ \$ _____
 - _____ \$ _____
 - _____ \$ _____

Program Income: Indicate the fee to be charged to originate, close, and service additional loans funded from program income.

- Charge for loans from program income (per \$ 100,000) \$ _____

Other Funding Sources: What additional sources of funds do you have available for applicants for the various program funds that you would be administering?

- Fund 1

Source:

Amount:

- Fund 2

Source:

Amount:

- Fund 3

Source:

Amount:

- Fund 4

Source:

Amount:

- Fund 5

Source:

Amount:

- Fund 6

Source:

Amount:

Experience: Provide specific examples that demonstrate your ability to perform the proposed Fund Administrator functions.

Marketing: What steps would you take to market the funds that you administer? Be specific and explain your rationale.

Conclusion: Identify and support the five attributes of your organization that will enable you to perform the Fund Administrator function better than any other respondent.