

**HARDEST HIT FUND (HHF) COUNSELING AGENCY RFP**  
**INFORMATION SESSION**

**Q: After IHCD A pays Hardest Hit Funds to a client, what happens to any late fees on the 1<sup>st</sup> lien?**

A: The proposed template SPA states that the 1<sup>st</sup> lien holder will waive late fees for HHF. However, depending on services participation, IHCD A may have to revisit this piece.

**Q: Do all referrals have to come through IFPN website for HHF?**

A: Walk-in clients are allowed and/are eligible, and clients who have come through the 877-GET-HOPE helpline are eligible; however, all HHF participant applicant information must be inputted into the CounselorDirect system.

**Q: Will counselors need to be exempted from the SAFE ACT?**

A: No, IHCD A anticipates that only the program underwriters hired by IHCD A will need to receive a SAFE ACT exemption. There is no indication that what the counselors are doing will require a SAFE ACT exemption.

**Q: What is the structure of the loan?**

A: All assistance is structured as a forgivable, non-recourse, non-amortizing loan, secured by a junior lien on the property. The loan is forgiven at a rate of 20% per year in years 6 through 10 of the loan term. This loan will only be repayable if the borrower sells the property before the forgiveness period expires and there is sufficient equity to pay the loan.

**Q: When there is a 1<sup>st</sup> lien IHCD A's loan is in 2<sup>nd</sup> position. What happens when there are 2 liens on the property; does IHCD A go into 3<sup>rd</sup> position?**

A: IHCD A has not yet determined how to handle properties with 2 liens. IHCD A will negotiate with 2<sup>nd</sup> lenders to subordinate to IHCD A's lien or some other plan of action.

**Q: When are RFP responses due?**

A: RFP responses are due on November 15, 2010 at 5:00 p.m. EST. This deadline is not the date on which proposals must be postmarked, rather the date in which IHCD A should actually receive the proposals.

**Q: What if the counseling agency has a referral agreement with a WorkOne Center already?**

A: Please indicate that answer in the response to the RFP and IHCD A will take that into consideration when evaluating the RFPs.

**Q: The Federal extension of unemployment benefits is not yet determined as of the date of this meeting. What will happen if the unemployment benefits revert to 26 weeks, since IHCD A appears to require a borrower be receiving unemployment, and yet be eligible for 12-18months?**

A: IHCD A has planned the program as if the unemployment benefits as they exist will continue to exist. In the event that unemployment benefits change, IHCD A will reevaluate borrower eligibility criteria accordingly.

**Q: Does a household have to have income to qualify for HHF?**

A: Yes, the household has to have income to qualify for HHF.

**Q: Are counselors looking at individual applicant income or household income?**

A: Income of all persons living in the household.

**Q: What document are counselors looking at to determine whether a person is eligible for HHF?**

A: A person whose name does not appear on the mortgage for the property would not be eligible to receive HHF for that property.

**Q: If an HHF applicant is awarded HHF, and is awarded the maximum amount, either \$12,000 or \$18,000, but later becomes ineligible for HHF, such as by going off of unemployment, is that person required to repay the full amount of money which they signed the loan for (i.e., \$18,000 or \$18,000) or are they only responsible for the balance of the loan, which they've actually received for the months up to them no longer being eligible?**

A: Under the current Treasury guidance, the applicant is only responsible for the amount of actual assistance that they have received under the program. This is similar (in concept) to a home equity line of credit.

**Q: Can HHF assist with making partial payments on loans?**

A: Not under the unemployment bridge program as designed by Treasury. If IHCDA decides to use the second round of funding for assistance beyond unemployment bridge loans, partial payments could be an option.

**Q: Does IHCDA anticipate problems with private mortgage insurance?**

A: No, IHCDA is simply using HHF funds to make mortgage payments on behalf of borrowers. Private mortgage insurance should not be an issue.

**Q: If a person is involved in training programs at DWD to help find a job, but is not drawing unemployment benefits, is that person eligible for HHF?**

A: Under the HHF program as currently structured, this scenario is not possible, as it is necessary for a person to be drawing unemployment benefits in order to be eligible for HHF.

**Q: Will IHCDA require counseling agencies to a title search on the property?**

A: No. Title searches will be required and will be handled either internally by IHCDA staff or by a provider chosen by IHCDA and will occur during the underwriting process.

**Q: Will an insured closing be required?**

A: IHCDA believes that this is not necessary.

**Q: How are closing costs and other fees and costs associated with closing being paid for?**

A: Through the HHF Administrative Fund.

**Q: Do counseling agencies need to have details worked out with DWD to establish a physical office in a WorkOne Center in a county prior to submitting an application to meet the physical presence requirement of the RFP?**

A: No final plans need to be established prior to the submittal of the response of the RFP. Simply indicate in the application that the counseling agency is working with DWD to establish an office in a WorkOne Center.

**Q: What should counseling agencies do about potential conflict of interest situations?**

A: IHCDA expects counseling agencies to have existing processes in place to identify and address conflicts of interests as they might arise. If necessary, IHCDA will issue guidance with regard to how to deal with a conflict of interest situation or a potential conflict of interest situation.

**Q: How should counseling agencies verify veteran status since veterans get preferential treatment in HHF?**

A: Preliminarily (pending final IHCDA approval), there are three ways to verify veteran status. They are:

- 1) A copy of the current Military I.D. (if the client is currently serving)
- 2) If a veteran, a copy of their DD214. (discharge papers)
- 3) Printing off a certificate of military service via <https://www.dmdc.osd.mil/scra/owa/home> (client's SSN# required)

**Q: How much does CounselorDirect cost the counseling agency?**

A: No cost.

**Q: The flow of funds provided by IHCDA to the counseling agencies shows that counseling agencies money comes from Bank of New York Mellon; how does that work?**

A: Bank of New York Mellon will likely hold the funds for IHCDA under the HHF program.

**Q: How should counseling agencies determine loan-to-value since that is a criteria for eligibility?**

A: IHCDA is separately bidding out software programs to calculate loan-to-value.

**Q: The RFP indicates that proposals submitted by email need to be signed. Where should they be signed?**

A: Proposals submitted by email may be signed anywhere on the proposal.

**Q: The HHF plan approved by Treasury for Indiana states that if the counselor determines that a borrower is unable to afford a home after counseling, the borrower will no longer be eligible for HHF. How is that supposed to work?**

A: Counselors will not be responsible for determining whether a borrower's home will be affordable after borrower finds a job. IHCDA will change the intake process to make this clarification.

**Q: How does the borrower know when they are about to run out of HHF assistance?**

A: It is likely the CounselorDirect will send an automated letter to the borrower indicating that they are almost out of HHF assistance, with a copy to the counselor. It is possible however, that the counselor may have to generate this letter.

**Q: How much counseling will counseling agencies be required to do for the 12 month period after HHF assistance is paid out?**

A: IHCDCA has not made a final determination on this point, but most likely continued phone or in-person check-ins on a quarterly basis will be deemed sufficient.

**Q: The RFP request a list of the costs for the counseling agency to provide these services, but there's no breakdown of what the eligible costs are.**

A: IHCDCA does not have a list specifically of eligible and ineligible costs, IHCDCA prefers that the budget list the expense line item and the budget associated with all one-time expenses excluding the cost of actually providing HHF services.

**Q: If PITI is not escrowed, what should the counseling agency do?**

A: IHCDCA is currently working with other HFAs to address this issue because lenders have indicated that it is unlikely that they will agree to escrow funds. IHCDCA has not yet made a determination on this question.

**Q: How should documents be transmitted by the counseling agency when administering HHF?**

A: Through the CounselorDirect system which will link to DMM. Counseling agencies will no longer need to use Hope Loan Port.

**Q: The RFP requires 3 references. Who can the references be from? Can they be from judges or court facilitators, for example?**

A: Yes, judges and court facilitators are acceptable or any other professional reference from an organization or any outside firm that has done work with the counseling agency that is willing to provide IHCDCA with a reference as to the counseling agency's work product or past experience working with the agency. These may be private, non-profit or government organizations.

**Q: How is IHCDCA paying for lender attorney's fees with HHF?**

A: HHF fund will not go to pay lender attorney's fees.

**Q: How many loan software systems are counseling agencies required to use?**

A: IFPN agencies are only required to use CounselorDirect for HHF and for IFPN going forward, however, if the counseling agency has other programs requiring document input and upload that other program may require a different system.

**Q: Can a counseling agency request in the RFP to continue to serve the same service area as it currently serves for IFPN?**

A: Yes, the agency is not limited in the application to the counties it can request to serve.

**Q: What will the claims process be like for HHF?**

A: IHCD anticipates it will be similar to the IFPN claims process, although there may be additional requirements given these are federal TARP funds.

**Q: How should the counseling agency write a budget and estimate start up costs and man hours?**

A: Counseling agencies should use their best estimates of number of people who will be served through HHF and the time and costs related to start up that the counseling agency will need to incur to make HHF successful.

**a. What is an example of a start-up cost that can be covered by the contract?**

One-time start up costs such as equipment purchases or lease space.

**b. Should the budget reflect the number of clients times the type of service provided?**

**Example 20 clients @ \$50, 15 @ \$360, etc.**

That would be fine. Although keep in mind that for HHF, the only client payment points are \$50, \$400 and \$300.

**c. Can counseling agencies charge a 10% monthly administrative fee based on the maximum of the contract (as outlined in the 2010 EDS. Should this be included? How is the maximum determined?**

No, there is no monthly administrative fee for the HHF program (unlike the IFPN program).

**Q: What are Housing Counseling Services?**

A: Housing counseling services would be those as outlined in the National Industry Foreclosure Counseling Standards and the NFMCC Program Protection and Disposal of Client Information, both found at <http://www.in.gov/ihcda/2528.htm>.

**Q: Do counseling agencies need to submit a proposal that covers HHF services in their area for one year or for three years (the estimated term of the HHF program)?**

A: HHF contracts for counseling agencies will be for a term of one (1) year. So we will accept responses that address the first year only of administering HHF funds or the entire 3 years.

**Q: Is there a phone number/name of someone at IHCD that can be contacted with additional questions?**

A: Questions may be sent to [HHF@ihcda.in.gov](mailto:HHF@ihcda.in.gov).