



**ILLINOIS HOUSING
DEVELOPMENT AUTHORITY**

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NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM (NFMC)

ROUND 8

APPLICATION GUIDE

I. PROGRAM OVERVIEW

The Illinois Housing Development Authority is submitting an application to NeighborWorks America (NWA) to receive federally appropriated foreclosure mitigation counseling funds under the National Foreclosure Mitigation Counseling Program (NFMC). This grant will cover counseling provided within the period of October 1, 2013 and December 31, 2014.

If you are interested in being part of our joint application, please complete the attached application spreadsheet. **You must fill out this application even if you have been awarded Round 7 funds.**

NeighborWorks is requesting IHDA to have a completed application submitted on November 18, 2013. Therefore, we have a very limited time to compile all potential sub-grantees' applications. We are giving you as much time as possible. To ensure your participation in Round 8 please be sure your submission is accurate and error free. Be sure to attach all items on the checklist with your application submission.

We must receive your completed application **no later than Friday, November 1, 2012 at 2:30pm**. Please email your electronic application to NFMC Program Staff at NFMCinfo@ihda.org. (We would prefer not to receive any hard copies). You may submit your signed signature page and supporting documents through PDF (scan) separately from the application* or you can fax to 312-832-7693. (*Note: We need to receive the application in the fillable format, the same way that you received it. Please send the application in a separate document from the supporting documentation.)

Round 8 Information

- Closeout documentation is no longer required for Level 2
- All requested items due at time of submission (this is not for legal documents)
- Information about your agency's financial audits/financial statements requested
- Disclosure Letter to receive NFMC funds under additional Grantees other than IHDA, due with application
- Letter due with application explaining why your agency does not perform financial audit, if applicable
- The ClientID (used to report to NFMC) must be listed on each document in a client file
- Several questions regarding the agency Service Model
- Duplicate Reset

Use of Funding

The National Foreclosure Mitigation Counseling Program (NFMC) will cover direct counseling and Program Related Support. Your direct counseling request is linked to the number of clients you project you will counsel during the grant period. Program Related Support covers the activities you will undertake to increase your capacity to provide foreclosure mitigation counseling. (See instructions below for more detail on these funding types). For more information on NFMC, please visit the NeighborWorks America web site at www.nw.org/nfmc.

Demonstrated Experience

To be eligible for funding, applicants to IHDA will need to demonstrate their experience working with financial institutions and borrowers facing default, delinquency, or foreclosure.

In particular, your organization will need to meet one of the following experience thresholds:

1. Provided foreclosure counseling services that included documented action plans to at least 50 people during the past year, or 20 people during the past quarter; or

2. Provided foreclosure counseling services that included documented action plans to at least 25 people during the past year or 10 people during the past quarter AND > 75% of your service area is rural; or
3. Provided foreclosure counseling services that included documented action plans to at least 12 people during the past year AND has at least one comprehensively trained and qualified foreclosure counselor on staff.

Match Requirements

As an applicant, IHDA must demonstrate at least a 20% match to be eligible for funds. As a joint applicant, you are not required to provide match in order to be eligible for funding, however, the higher IHDA's ratio of match to grant funds, the more competitive our overall application will be. More guidance is provided on page 33.

Duplicate Reset

Recognizing that some homeowners who have received foreclosure counseling in past NFMC grant rounds may now experience new circumstances which threaten their ability to remain current on their mortgages, such as a loss of or reduction in income, and the reality that new assistance programs have become available for which a homeowner may now be able to qualify, NFMC is "resetting" the duplicate check. Any client who received counseling services prior to January 1, 2014 will be eligible to be counseled again by an NFMC Grantee on or after January 1, 2014 at any level. Grantees who take advantage of this rule must document that the client received the appropriate level of service again, after January 1, 2014 and all required documentation as described in the "Eligible Activities" section of the NFMC Round 8 Funding Announcement is maintained in the client file, with the new intake date. In order for a client to be uploaded into the Data Collection System (DCS) for payment, the homeowners must have received a new counseling session after January 1, 2014 and all required documentation must be updated as of the new intake date and recorded in the client file.

Draw Schedule

Release of grant funds for this program will be based on achievement of production goals. NeighborWorks has created the following draw schedule:

- **1st Draw** (upon receipt of grant agreement): typically 10% of counseling award + 25% of Program Related Support;
- **All Subsequent Draws:** All counseling award payouts after the first draw will be based on your production in the previous month.
 - **Counseling Funds will be disbursed according to the following formula:**
 - \$150 per client that received Level 1 counseling during the previous month, plus
 - \$300 per client that received Level 2 counseling during the previous month, plus
 - \$150 per client that received Level 4a counseling during the previous month, plus
 - \$300 per client that received Level 4b counseling during the previous month.

These levels are explained below in *Factor 4*

Program Related Support: Applicants will be eligible for a flat 20% of total requested counseling amount to use for Program Related Support. In order to receive these funds after the first draw you will be required to submit expenditure reports on a monthly basis for out-of-pocket expenses incurred for Program Related Support. (You will not be required to exhaust the initial disbursement before receiving the reimbursable payments.) These funds must be expended during the grant period.

IHDA Approval Process:

1. **NFMC Staff Review:** IHDA's NFMC staff will review all submitted applications. NFMC Staff will review based on individual answers to the questions, service areas, etc. For returning applicants past performance and compliance will be considered. IHDA reserves the right to fund an application for less than the requested amount. **All decisions by IHDA are FINAL.** It may be several months before agencies learn the results of this review.
2. **IHDA Application:** NFMC staff will compile all chosen applications and submit a comprehensive application to NeighborWorks America requesting participation in Round 8.
3. **NeighborWorks Review:** NWA reviews all applications submitted by Housing Finance Agencies (HFA) and NeighborWorks Organizations (NWO). They determine the amount for each Grantee based on overall performance and experience in previous rounds. They factor in the experience and geographic areas served by the sub-grantees. In most cases, the requested amount is reduced in order to accommodate the amount of applicants. After determining recipients, NWA will send out grant agreements to the HFAs and NWOs and post award amounts on their website (www.nw.org/nfmc).
4. **NFMC Redistribution:** NFMC staff will use their discretion to determine each sub-grantees final award amount based on the award amount given by NWA, past performance, geographic needs, and any other relevant factors.
5. **Board Meeting:** Applications approved will be presented to the IHDA Board of Directors for approval. Board Meetings are held on the third Friday of each month.
6. **Grant Agreements:** Following approval by the Board, IHDA's legal department will create and distribute grant agreements to each agency. The agreement details the terms of the program. The agreement must be signed by each agency and returned to IHDA along with the appropriate supporting legal documents.
7. **Closing:** All legal documents are signed at closing. No funds will be administered and no clients will be uploaded until all legal documents have been returned by each agency to IHDA's Legal Department and they administer a close memo.

II. APPLICATION INSTRUCTIONS

There are 30 pages in this application. It is important that you answer completely and submit all required documentation. If there is a box for narrative please be thorough, a full paragraph is ideal. Further instructions are outlined below.

A. Cover Page

Please enter your agency name and BranchID on the appropriate lines. The BranchID is used by IHDA and NeighborWorks to identify your agency throughout the entire round of funding. It will be used on every report you submit to IHDA regarding NFMF. This number is unique to your agency. For new agencies, please use either your Tax ID number or your HUD identification number. If you are a returning IHDA NFMF sub-grantee, you should enter the same BranchID you are currently using for NFMF with IHDA.

This checklist is a reminder of all items that must be included with your application submission. It is important that all requested items are returned with the application or your application will be incomplete and your funding could be jeopardized. With your application, you must be sure the president or executive officer signs the signature line. We are also requesting you attach all foreclosure training certificates from the last 24 months, for any staff that will be counseling or offering counseling advice under NFMF. If you will be receiving NFMF funds from any other source, we need a disclosure letter explaining how much you are requesting and from whom (see page 36). Lastly, we are requesting a letter due with the application, if your agency does not perform financial audits, explaining why. All items must be attached for your application to be complete.

B. Organization Information

On this application sheet you will indicate your organization name, all contact information, agency locations, the number of months the organization has provided foreclosure counseling, HUD certification information, and any other sources through which you will be applying for NFMF funds. It is important that you list the start and end date for your fiscal year, as well as when you expect your FY13 audit to be prepared. If you do not have an audit please explain why, and include a letter, attached to the application, explaining why your agency does not have financial audits and what you use in place of this.

C. Certifications

ALL FIELDS ARE REQUIRED. While no points are awarded for this section, this is a threshold requirement. Applicants must certify ALL items as true in order to be considered for funding. Each Applicant must certify for itself, and Branches/Affiliates, that each of the certifications is true. By checking each checkbox, the Applicant certifies that it and its Branches/Affiliates are in compliance and eligible to participate.

Finally, this section must include a signature by the president or executive officer of your organization certifying that the information contained in the application accurately reflects your foreclosure counseling program.

You may submit your signed signature page and supporting documents through PDF (scan) to NFMFinfo@ihda.org, or you can fax to 312-832-7693.

D. Factor 1

1. Are there other foreclosure counseling agencies already providing services in your service areas? If there are other foreclosure counseling agencies providing services in your service areas please select "Yes" and answer Question 1A. If you are the only organization

providing foreclosure counseling services in your service areas please select “No” and move on to Question 2.

1A. If Question 1 is “Yes,” explain why there is a need for your organization to also provide foreclosure counseling services in these areas. Here, provide details on all of the services available in your areas and why these resources are insufficient for meeting local needs. Include details on how your organization’s services will help meet the need and address the resource gaps in your service areas. Provide specific details on the demand for services and explain how your services are unique, if applicable.

2. Describe any challenges your organization or Branches/Affiliates has experienced in implementing its foreclosure counseling program. Discuss plans or procedures put in place to address these challenges. Any challenge your organization or its Branches/Affiliates have experienced may be addressed in the response, but examples include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Describe solutions to these challenges. Where possible and appropriate, quantify challenges and use hard facts and data to describe the impact of the solutions implemented. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your organization’s counseling activity. When describing the solutions implemented, quantify how many more clients were served and the progress made toward achieving counseling goals.

3. Describe systems in place to ensure your organization has efficient program delivery for foreclosure intervention counseling. Provide a detailed description of any systems you have that will (a) ensure that program delivery takes place in an efficient manner and (b) help your organization meet program and grant requirements. This may include efficient intake or triage systems, group orientations or automated tracking systems.

4. Describe your organization’s experience in acting as a sub-grantee. Include a description of processes in place for each of the following: 1) managing funds expeditiously; 2) experience in managing contracts; 3) experience in data collection and reporting; 4) sharing best practices. For each numbered item above, provide details related to your past experience in each of these areas. Answer each component of the question. Be precise and fully describe each area. Note whether or not the strategy is already in place and explain how this strategy is effective in ensuring quality oversight of Branches/Affiliates. Emphasize any aspects that may enhance efficiency and effectiveness and/or be unique.

5. Describe how your organization ensures quality control of counseling services offered and adherence to counseling program/grant requirements – for itself if it offers counseling directly; for itself as it oversees Branches/Affiliates; and also for its Branches/Affiliates that offer counseling services. Note here the systems currently in place that ensure that the counseling provided, whether by your organization directly or by its Branches/Affiliates, is of high quality and meets all counseling program/grant requirements. Describe the systems that ensure that the counseling sessions, record keeping and overall program conforms to counseling program/grant requirements.

6. Describe your organization’s internal procedures for determining when it or Branch/Affiliate is out of compliance with program or grant requirements. Include a description of each of the following: 1) procedures for determining when your organization or a Branch/Affiliate is out of compliance; 2) consequences for staff non-compliance; 3) procedures for remedying compliance issues; and 4) any follow-up that occurs after a compliance-related issue is raised. Describe how your organization determines if it or a Branch/Affiliate is out of compliance. What are the consequences for

being out of compliance? How are compliance issues remedied? What follow-up does your organization do to ensure that the compliance issue is corrected?

7. Has your organization or any of its Branches/Affiliates had HUD Housing Counseling funds recaptured or de-obligated in Calendar Years 2011, 2012 or 2013? * Simply answer “Yes” or “No.” If you answer “Yes,” you must complete Questions 7A-7C.

If Question 7 is “Yes,” 7A – 7C are required.

7A. Date the recapture or de-obligation occurred. Enter the date that the event occurred.

7B. Explain why the HUD Housing Counseling funds were recaptured or de-obligated. Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.

7C. What steps were taken to correct the issues that led to the funds being recaptured or de-obligated? How has the pertinent organization monitored the changes for ongoing effectiveness? Of particular interest are the changes your organization or the pertinent Branch/Affiliate has implemented, or is planning to implement, to correct the issue and prevent such events from occurring in the future. How you are ensuring that those changes were effective? Please also indicate the timeline for fully implementing these corrective actions.

8. Does your organization or any of its Branches/Affiliates have outstanding issues from compliance monitoring or other on-site reviews from HUD in Calendar Years 2011, 2012 or 2013? * Simply answer “Yes” or “No.” If you answer “Yes,” please complete Questions 8A and 8B to fully explain the causes of these outstanding compliance issues.

If Question 8 is “Yes,” 8A – 8B are required.

8A. Date the monitoring or review occurred. Enter the date.

8B. Explain the issues identified and steps taken to resolve those issues. Of particular interest are the changes the pertinent organization has implemented to address and resolve the matter and come into compliance with HUD. Please also indicate the timeline for these changes and the date by which the pertinent organization expects to be in full compliance.

9. Has your organization or any of its Branches/Affiliates had findings from state or federal investigations related to foreclosure intervention counseling or the use of federal funds during the past year (calendar year 2013) or have any unresolved findings relating to an investigation that occurred prior to 2013? * Indicate whether your organization or a Branch/Affiliate has had findings from any state or federal investigations regarding its foreclosure intervention counseling or its use of federal funds. Does your organization or a Branch/Affiliate have a compliance or licensing finding or dispute with any federal, state or local government agency regarding its authority to conduct business in any particular jurisdiction where it conducts or proposes to conduct counseling services? Simply answer “Yes” or “No.” If you answer “Yes,” Question 9A is required.

If Question 9 is “Yes,” 9A is required.

9A. If Question 9 is “Yes,” please provide specifics on these issues and how the pertinent organization has addressed or resolved the matter. Fully describe the compliance, licensing or other dispute your organization or its Branch/Affiliate is having and what it is doing to correct the problem. Explain how the pertinent organization has monitored any changes made to ensure ongoing effectiveness. Please also indicate the timeline for fully implementing corrective actions.

E. Factor 2

1. Was your organization a direct recipient of NFMF Round 7 funds? If your organization was awarded NFMF Program funding for Round 7, select “Yes.” If not, select “No.”

2. Was your organization a direct recipient of NFMF Funds in any grant round prior to Round 7? If your organization was awarded NFMF program funding for any Rounds 1 - 6 select “Yes.”

If you answered “Yes” to Question 1, complete all questions in Factor 2.

If you answered “No” to Question 1 but “Yes” to Question 2, complete Questions 6-15 in Factor 2.

If you answered “No” to both Questions 1 and 2, do not complete Factor 2, skip to Factor 3 but you are required to complete all of Factor 1.

Questions 3 to 5 are required of all Applicants that received a direct grant in NFMF Round 7. If you did not receive a Round 7 grant award, please move on to Question 6.

3. If your organization is currently using NFMF Round 7 funds, by what date will (or did) your organization fully expend all awarded funds? Enter the date your organization anticipates exhausting all NFMF Program Round 7 funding (Month/Day/Year).

4. Provide a monthly projection of how your organization’s NFMF Round 7 counseling units will be delivered between November 1, 2013 and June 30, 2014 (or until your organization completes all awarded Round 7 counseling units, whichever comes first). Remember, all Round 8 units of counseling must be completed by December 31, 2014 and are over and above the Round 7 units of counseling your organization has yet to complete according to the monthly projection below. If you have spent all Round 7 funds, enter “0” in each space to indicate that no additional counseling units will be provided via Round 7 funds. Please check to ensure that your response to Question 4 is congruent with your response to Question 3 above. For example, if you entered February 12, 2014 in Question 3, the entries in the table below should be “0” from March 2014 through June 2014. Here, please project out the delivery of NFMF Program counseling units that have been awarded. If your organization is still in Round 7, project the remaining units. Be realistic in the monthly estimates, basing them largely on actual monthly historic production. If the monthly production figures in the chart significantly increase or decrease, be sure to fully explain and justify these changes in production in the questions listed below, and elsewhere in the application where relevant.

4A. Monthly Projections for remaining NFMF Round 7 Counseling Units

If any cell in Question 5A has a value other than “0,” 5B is required.

Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	June 2014
325	325	400	400	400	450	450	0

4B. Are your organization’s monthly projections as shown above for Round 7 greater than its past Demonstrated Experience in the NFMF Program as reported to the NFMF Data Collection System? Compare your monthly projections with your organization’s Demonstrated Experience and answer “Yes” or “No” to this question. If your answer is “Yes” to Question 5B, you must also answer Question 5C.

If Question 4B is “Yes,” 4C is required.

4C. Explain why your organization anticipates producing more units under NFMC in this timeframe. If your organization is expecting to increase production during this period, please explain the rationale behind that expected increase.

5. Explain local market conditions or other factors that are prompting your organization to request NFMC Round 8 funding in addition to its NFMC Round 7 award. Provide a detailed overview of why your organization is asking for additional NFMC funding. Present quantitative evidence such as delinquency data or housing market characteristics that illustrates the need and demand for counseling. Describe the availability (or lack thereof) of counseling from other organizations, other sources of funding for counseling, or how counseling is linked to economic recovery in your organization’s service area. Plans to target Round 8 funding to underserved populations should also be noted. If your organization projects in Question 4 that it will not fully expend other NFMC funding until late in the funding rounds and extension periods, provide clear evidence that your organization needs the additional Round 8 funding (which must be spent by December 31, 2014) in order to meet demand.

NOTE: Questions 6-15 are required of all Applicants that have received NFMC grant awards in any previous grant round (Round 1, Round 2, Round 3, Round 4, Round 5, Round 6 and/or Round 7).

6. Describe any challenges your organization or its Branches/Affiliates have experienced in implementing and managing previous NFMC award(s). Discuss plans or procedures put in place to address these challenges. Any challenge your organization or its Branches/Affiliates has experienced may be addressed in the response, but examples include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Describe solutions to these challenges. Where possible and appropriate, quantify challenges and use hard facts and data to describe the impact of the solutions implemented. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your organization’s counseling activity. When describing the solutions implemented, quantify how many more clients were served and progress toward achieving counseling goals.

7. If your organization or its Branches/Affiliates had compliance findings from the NFMC Program Round 4, 5 or 6 reviews, what systems and processes has it put in place to ensure similar findings are avoided in the future? If your organization was not a Round 4, 5 or 6 Grantee or did not have any findings, and no Branches/Affiliates had findings, please state that in the space below and NFMC will confirm. Note here whether or not your organization or any Branches/Affiliates had compliance findings in the noted rounds. If so, please describe those issues and the pertinent organization’s response to them. What systems or processes were put in place to address the issue and correct the problems and ensure that similar findings are avoided in the future? Applicants that did not have compliance issues and are not working with any Branches/Affiliates that had findings, or were not in Round 4, 5 or 6 must note that in the space provided.

8. If your organization or its Branches/Affiliates was a sub-grantee in Rounds 2 through 6 of the NFMC Program, has it or its Branches/Affiliates had similar compliance findings in the two most recent program rounds tested? Similar findings would be, for example, if required file information was missing even if the information missing was different in each round) If yes, why? Has the pertinent organization remediated the underlying issues? If so, explain how. If not, how will the pertinent organization ensure that the underlying issues will be remediated and these same compliance findings will not occur in Round 8? If this

does not pertain to your organization, please explain why. If your organization or Branch/Affiliate had repeat findings during compliance reviews, please describe those issues. This covers Rounds 2 through 6 of the program. Applicants that meet this definition must note if the issues were the same each time and if so, describe why they were the same and not corrected. Applicants must also describe how the pertinent organization is remediating these issues and describe how it will resolve the matter and ensure that these issues do not occur in Round 8. If this question does not pertain to your organization, please describe why – whether it and all Branches/Affiliates had no compliance issues, or didn't have similar findings, or another pertinent reason.

9. Has your organization or Branches/Affiliates had NFMC Round 5, 6 or 7 funds recaptured or de-obligated, either for compliance reasons or because it did not spend down the grant funds within the performance period? If your organization or its Branches/Affiliates did not receive Round 5, 6 or 7 funds, answer this question as N/A. Simply answer “Yes,” “No” or “N/A.” If you answer “Yes,” Questions 10A – 10C are required.

If Question 9 is “Yes,” 9A – 9C are required.

9A. Date the recapture or de-obligation occurred. Enter the date.

9B. Explain why the NFMC Program funds were recaptured or de-obligated. Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.

9C. What steps did the pertinent organization take to correct the issues that led to the NFMC Program funds being recaptured or de-obligated? Of particular interest are the changes the pertinent organization has implemented to correct the issues and prevent such events from occurring in the future. Explain how it has monitored any changes made to ensure ongoing effectiveness. Please also indicate the timeline for fully implementing these corrective actions.

10. Has your organization or any of its Branches/Affiliates had HUD Housing Counseling funds recaptured or de-obligated in Calendar Years 2011, 2012 or 2013? * Simply answer “Yes” or “No.” If you answer “Yes,” you must complete Questions 10A-10C.

If Question 10 is “Yes,” 10A – 10C are required.

10A. Date the recapture or de-obligation occurred. Enter the date that the event occurred.

10B. Explain why the HUD Housing Counseling funds were recaptured or de-obligated. Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.

10C. What steps were taken to correct the issues that led to the funds being recaptured or de-obligated? How has the pertinent organization monitored the changes for ongoing effectiveness? Of particular interest are the changes your organization or the pertinent Branch/Affiliate has implemented, or is planning to implement, to address the issue and prevent such events from occurring in the future. How are you ensuring that those changes were effective? Please also indicate the timeline for fully implementing these corrective actions.

11. Does your organization or any of its Branches/Affiliates have outstanding issues from compliance monitoring or other on-site reviews from HUD in Calendar Years 2011, 2012 or 2013? * Simply answer “Yes” or “No.” If you answer “Yes,” please complete Questions 12A and 12B to fully explain the causes of these outstanding compliance issues.

If Question 11 is “Yes,” 11A – 11B are required.

11A. Date the monitoring or review occurred. Enter the date.

11B. Explain the issues identified and steps taken to resolve those issues. The response should provide convincing evidence that the cause(s) of the recapture and/or de-obligation have been addressed and corrected. Of particular interest are the changes the pertinent organization has implemented to address and resolve the matter and come into compliance with HUD. Please also indicate the timeline for these changes and the date by which the pertinent organization expects to be in full compliance.

12. Has your organization or any of its Branches/Affiliates had findings from state or federal investigations related to foreclosure intervention counseling or the use of federal funds during the past year (calendar year 2013) or have any unresolved findings relating to an investigation that occurred prior to 2013? * Indicate whether your organization or a Branch/Affiliate has had findings from any state or federal investigations regarding its foreclosure intervention counseling or its use of federal funds. Does your organization or a Branch/Affiliate have a compliance or licensing finding or dispute with any federal, state or local government agency regarding its authority to conduct business in any particular jurisdiction where it conducts or proposes to conduct counseling services? Simply answer "Yes" or "No." If you answer "Yes," Question 13A is required.

If Question 12 is "Yes," 12A is required.

12A. If Question 12 is "Yes," please provide specifics on these issues and how the pertinent organization has addressed or resolved the matter. Fully describe the compliance, licensing or other dispute your organization or its Branch/Affiliate is having and what it is doing to correct the problem. Explain how the pertinent organization has monitored any changes made to ensure ongoing effectiveness. Please also indicate the timeline for fully implementing corrective actions.

13. Describe how your organization ensures quality control of counseling services offered and adherence to counseling program/grant requirements – for itself if it offers counseling directly; for itself as it oversees Branches/Affiliates that offer counseling services. Note here the systems currently in place that ensure that the counseling provided, whether by your organization directly or by its Branches/Affiliates, is of high quality and meets all counseling program/grant requirements. Describe the systems that ensure that the counseling sessions, record keeping and overall program conforms to requirements.

14. Describe your organization's internal procedures for determining when it or a Branch/Affiliate is out of compliance with program or grant requirements. Include a description of each of the following: 1) procedures for determining when your organization or a Branch/Affiliate is out of compliance; 2) consequences for non-compliance; 3) procedures for remedying compliance issues; and 4) any follow-up that occurs after a compliance-related issue is raised. Describe how your organization determines if it or a Branch/Affiliate is out of compliance. What are the consequences for being out of compliance? How are compliance issues remedied? What follow-up does your organization do to ensure that the compliance issue is corrected?

15. Describe how the previous NFMC funding you were awarded has affected your organization's foreclosure counseling capacity, outreach, and program outcomes. In this question describe how NFMC funding has helped your organization to increase its capacity. Explain how it positively affected your organization's outreach efforts and how this in turn brought more homeowners facing foreclosure to your organization for assistance. Describe how it enabled you to assist more clients, and how it improved your organization's ability to provide sustainable solutions and better outcomes for clients.

F. Factor 3

1. How long has your organization managed foreclosure intervention programs? * Please select the correct response from the provided pull down menu. Be sure to include experience specifically related to foreclosure counseling, not general housing counseling.

12 months or less

37 – 60 months

13 – 36 months

61 months or longer

2. Describe your organization's service delivery model. Whether your organization directly employs counselors and/or foreclosure staff, or has Branches/Affiliates that work under a unified program delivery model, be certain to address each of the following topics, 2A – 2E. Provide thorough and detailed answers to each of the questions below. Fully describe each topic area, be precise and emphasize any aspects that may be unique. Explain how each model helps to meet the demand for services, is responsive to the population being served and is effective in meeting the needs of homeowners seeking services. Give a description of improvements or changes made over time and provide quantitative evidence on how those adjustments have improved your organization's program efficiency and/or effectiveness. If your organization has Branches/Affiliates working under different service delivery models you should provide details on how your organization has provided and will provide future technical assistance (in areas 2A – 2E) to ensure high counseling quality, efficiency and effectiveness.

2A. Describe your organization's intake and triage procedures, including the organization's expected response time to each homeowner's request to initiate counseling. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide specific details on your intake and triage systems and emphasize any aspects that may be unique. Indicate how long a potential customer must wait for a response from a counselor. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe any improvements that have been made to your intake and triage systems and provide quantitative evidence describing how these improvements have made your program more efficient and effective. Indicate how long these systems have been in place and/or when you made the improvements.

2B. Describe your organization's method(s) of counseling used, including face to face, phone, internet, email, etc. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide specific details on your counseling methods and emphasize any aspects that may be unique. Which methods do you use regularly? Which methods do you use less often? Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe improvements you have made to your counseling methods over time and provide quantitative evidence on how they improved your program. Indicate how long these methods have been in place and/or when you made these improvements.

2C. Describe your organization's staff roles in the foreclosure counseling process. Include in your response: if counselors or other staff that work with the foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer; if they are fully dedicated to foreclosure services or if they split their time between foreclosure counseling and management or other programs; and if they complete all portions of foreclosure counseling or if they are specialized in any way to handle only certain aspects of the process (for example, some counselors do only intake and budget counseling, while other counselors/staff are dedicated to securing outcomes and all negotiations with servicers). Describe any improvements that your organization has made to its processes over time,

the impact of those improvements and how long the current process/system has been in place. * Indicate if counselors or other staff who work with foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer; and whether they are fully dedicated to foreclosure services, or split their time between counseling and management of other programs. Also describe your organization's staffing models and indicate if staff are specialized or if they handle multiple aspects of the foreclosure counseling process. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe any improvements to staff roles you have made and the impact of those changes. Indicate how long these changes have been in place and/or when you made these improvements.

2D. Describe your organization's data collection, consolidation, and reporting procedures. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide a complete description of your data collection, consolidation and reporting procedures and include the improvements you have made that have improved effectiveness and efficiency. Describe the impact that these improvements have had on the program. Indicate how long these changes have been in place and/or when you made improvements. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services.

2E. Describe your organization's methods of communicating with loan servicers during the counseling process. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place.* Fully explain how your counselors communicate with loan servicers during the counseling process. Include strategies for making a connection with loan servicers and methods of ongoing communication. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Provide details on any improvements your organization has made related to these methods and describe the impact they have had on your program. Indicate how long the current system has been in place and/or when you made improvements.

3. Does your organization or any Branches/Affiliates provide direct lending to or servicing of loans for homeowners? Select "Yes" or "No" based on whether or not your organization or a Branch/Affiliate offers direct lending or loan servicing. If you answer "Yes," Question 3A is required.

If Question 3 is "Yes," 3A is required.

3A. If Question 3 is "Yes," does your organization or the pertinent Branches/Affiliates have counselors on staff that will be providing foreclosure counseling? Note that foreclosure intervention counselors for NFMC must not be loss mitigation/servicing staff working on behalf of a lender or mortgage finance program. Indicate "Yes" or "No." If you answer "Yes" to Questions 3 and 3A, you must respond to Question 3B.

If Questions 3 and 3A are "Yes," 3B is required.

3B. If answers to Questions 3 and 3A are "Yes," explain how your organization or the pertinent Branches/Affiliates provide counseling in such a way that there is no real or perceived conflict of interest and that the organization does not stand to benefit from particular counseling outcomes. Explain how your organization and its Branches/Affiliates avoid perceived conflicts of interest. This includes avoiding actions that would result in, or create the appearance of, the counselor or organization conducting activities that would foster personal or private gain and ensure that lenders, servicers, Realtors and other housing partners – as well as individual customers – do not receive preferential treatment.

Please describe the rules, policies and practices that are in place to ensure each of the following:

- Adequate firewalls exist between servicers/lenders and counselor staffing structures
- Adequate firewalls exist between client management systems of servicers/lenders and counselors
- Referral systems are in place that ensure that individuals receiving loans or loan servicing from the Applicant or a Branch/Affiliate do not receive counseling from individuals employed by the same organization
- Homeowners are provided adequate notification that the Applicant or Branch/Affiliate provides these services and the homeowner is under no obligation to use them
- Counselors are trained to convey to homeowners the full range of options available to them

4. Please complete the chart based on the information for your organization.

5. Describe your organization's staffing structure and strategy for recruiting, orienting, training and compensating any newly hired counselors/staff under this program, especially in light of the fact that the funds are time-limited. Also describe caseload size and managerial oversight. Fully describe each component of this question including a detailed description of your staffing structure and methods for recruiting, orienting, training and compensating new counselors or staff. Include attention to the fact that the funds are time limited, plus details on caseload size and managerial oversight. Applicants should provide distinct details on their recent ability to recruit, hire, train and compensate counselors hired since October 1, 2012.

6. Does your organization plan to apply for NFMF Round 8 funds with more than one HFA/Intermediary/NWO or Affiliates? Simply answer "Yes" or "No." If "Yes," Questions 6A and 6B are required.

If Question 6 is "Yes," 6A – 6B are required.

6A. Attach a letter when submitting this application detailing your foreclosure counseling goals under each NFMF contract with sources other than Illinois Housing Development Authority. A sample letter is included on page 36.

7. Describe any foreclosure-related training completed or certifications obtained in the last 24 months by the counselors participating in the program. Include details about the name and source of the training or certification (note: this training does not need to be NeighborWorks' NFMF training). Provide specific detail with regard to training and certification completed by counselors hired or newly-assigned in the last 12 months.* List training obtained in the last 24 months. List separately training completed by new counselors who were hired or reassigned in the last 12 months. IHDA will use this information to assess how knowledgeable your counselors (particularly the newest ones) are regarding the recent changes in the foreclosure counseling industry. Comprehensive training or certification is defined as having a minimum training equivalent of no less than 30 hours of facilitated instruction in foreclosure intervention and default counseling (which can include lecture, interactive, demonstration, on-line, and case-study). *On-the-job training may not be considered in the response to this question.* **You must attach documentation of the listed certifications that staff has received.**

MEASURING RESULTS

8. What Client Management System (CMS) will your organization use to report NFMF Program results? Check all that apply. * Indicate any and all systems used by your

organization and its Branches/Affiliates to track counseling data and outcomes. If you select more than one option or select "Other System," you must also answer Question 8A.

- **CounselorMax**
- **Home Counselor Online**
- **NFMC Microsoft Excel Template**
- **Other System, specify and describe.** If your organization uses a system other than the three listed above, please name and describe it. Include the primary functions of the system, how long you have used it to manage foreclosure client data, and who provides the technical support.

If "Other System" is checked, or if more than one box is checked, Question 8A is required.

8A. If your organization has multiple Branches/Affiliates, and they do not all use the same CMS system (or you checked "Other System" above), explain how your organization will ensure each Branch/Affiliate's foreclosure counseling data is collected, consolidated, and then consistently reported to IHDA. * It is important to demonstrate a comprehensive and reliable process and system for managing counseling data, and this is especially true if your organization, its Branches/Affiliates do not all use the same Client Management System. The description should include information such as the software programs being used; how data are entered or uploaded by the Branch/Affiliate to your organization's system; data quality control systems; and how your organization ensures that counseling recipients are not duplicated in the system. Provide a clear and convincing description of how data will be collected, consolidated and consistently reported to NFMC.

9. If your organization is an existing sub-grantee, also describe any improvements it has made to its data collection and reporting approach or system since the NFMC program began. If your organization is applying for the first time, enter N/A. * Describe improvements made to your data collection and reporting processes or CMS since the NFMC Program began and, where applicable, provide evidence that these changes have improved your organization's data collection and reporting. If no improvements have been made, provide evidence that no improvements were necessary and that your original system worked adequately. If your organization is applying for the first time, enter N/A.

10. What mode of counseling does your organization and all Branches/Affiliates provide to clients? Enter the percentage of clients that receive each service as their primary service type, with all entries totaling 100%. Enter "0" for none. * Applicants must indicate the percent of clients served through each service type. When added together, the percentages of all service types must equal 100%.

- In person -- What percent of clients are served in person?
- Telephone -- What percent of clients are served over the telephone?
- Online -- What percent of clients are served online?
- Web-based -- What percent of clients are served via Web-based application?
- Other -- What percent of clients are served via some other method?

If you answered "Other," "Online," or "Web-based," Question 10A is required.

10A. Describe how your organization and any applicable Branches/Affiliates provide personal contact to both Level One and Level Two clients. Other, online and web-based counseling methods can lack personal touch. What are your organization and any applicable Branches/Affiliates doing, if anything, to supplement these counseling methods and thereby provide personal contact to all clients counseled, either directly or through referral arrangements? Please provide a clear description for both Level One and Level Two clients.

G. Factor 4

NFMC is concerned about the reasonableness of your organization's counseling goals, its capacity to oversee these funds, its network of Branches/Affiliates, and demonstrated ability to provide the highest quality foreclosure intervention counseling services. Your organization's projected NFMC Round 8 goals (listed in Question 4 below) will determine the maximum Counseling award it can receive. However, responses to other questions will weigh heavily in the final award determination.

Notes: 1) NFMC funds must be used ONLY to counsel homeowners in their primary residence. Counseling completed with owners regarding second homes or investment properties may not be funded using NFMC Program grants; and 2) no funds made available under NFMC may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.

Definitions of Counseling Levels

Counseling can include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. Some clients will be eligible for reverse mortgages. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will also take longer to resolve. Recognizing this, NeighborWorks has developed a two-tiered structure for defining and estimating the cost of counseling activity, as described below. Counseling budgets, as calculated for the application of Round 8 funds, are based on the value of Level One counseling being set at \$150 and Level Two at \$300.

Duplicate Client Reset – Recognizing that some homeowners who have received foreclosure counseling in past NFMC grant rounds may now experience new circumstances which threaten their ability to remain current on their mortgages, such as a loss of or reduction in income, and the reality that new assistance programs have become available for which a homeowner may now be able to qualify, NFMC is “resetting” the duplicate check. Any client who received counseling services prior to January 1, 2014 will be eligible to be counseled again by an NFMC Grantee on or after January 1, 2014 at any level. Grantees who take advantage of this rule must document that the client received the appropriate level of service again, after January 1, 2014 and all required documentation as described in the “Eligible Activities” section of the NFMC Round 8 Funding Announcement is maintained in the client file, with the new intake date. In order for a client to be uploaded into the Data Collection System (DCS) for payment, the homeowners must have received a new counseling session after January 1, 2014 and all required documentation must be updated as of the new intake date and recorded in the client file.

This reset should not be viewed as approval for counselors to submit subordinate liens for a homeowner whose primary lien was already serviced by the counselor previously and who has no change in circumstance, nor should it be seen as approval to resubmit clients that it has taken longer than expected to counsel or to receive a final outcome.

“Level One” Counseling: To qualify for a Level One payment (\$150), a counseling agency will be required to complete all of the following steps:

1. **Intake.** Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. The National Industry Standards for Homeownership Education and Counseling – Foreclosure Intervention Specialty (National Industry Standards) provide guidance on

what should be included in an Intake Form (See Exhibit 6 of the Round 8 Funding Announcement and www.nw.org/nfmc). It is recommended, but not required, that contact information for one additional person is collected at intake in the event the client moves or is otherwise unable to be reached following initial intake. Grantees conduct intake in a variety of ways. Those that use electronic client management systems can submit a screenshot from their system showing that the minimum required information has been collected. The Grantee must ensure that the information is readily available in the client file when requested by NFMC.

2. **Authorization.** Organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Sub-grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

3. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

4. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients that are given the choice to "opt-out" of the organization's privacy policy provision - allowing for the sharing of their information with affiliated third-parties - and choose this option cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

5. **Budget.** Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income. One example of a worksheet Grantees may use to develop this budget can be found on the FDIC "My Money" website: <http://69.0.254.19/wwMS/english/InfoBooth/089.htm>.

6. **Action Plan.** Organization must develop a written Action Plan for follow-up activities to be taken by the client and review this Action Plan with the client. The Action Plan must be clearly labeled in the client file. When developing this Action Plan, it is expected that the counselor will do a comprehensive analysis of the homeowner's situation and recommend the best plan of action. The Action Plan must include the counselor's assessment of the client's situation with a client-specific recommendation for a counseling plan of action. A general handout with a variety of workout options or "Actions" is not acceptable. ***If the assessment and recommendation are part of the counselor notes, NFMC requires that the information is transferred to a form titled "Action Plan" so that the assessment and course of action are clearly defined for the client and for compliance testing.*** The National Industry Standards provide guidance on what should be included in an Action Plan (see Exhibit 6 of the NFMC Round 8 Funding Announcement and www.nw.org/nfmc). IHDA has also created a template Action Plan which is available with the Welcome Packet sent at the beginning of each program round. Use of this template is not required; however, Grantees must have a conforming Action Plan in each client file.

7. ***Making Home Affordable (MHA) Program Eligibility.*** Organizations must determine and document if the client is eligible for assistance through the *Making Home Affordable* Program even if the homeowner seeking counseling does not ask about the program. Documentation that a screening occurred for each type of available assistance should be included in the Action Plan and client file. NFMC has created a template screening checklist which can be found on the NFMC members' website www.nfmcmembers.org. It is also included as Exhibit 4 of the NFMC Program Round 8 Funding Announcement. Information on the MHA Program can be found at www.makinghomeaffordable.gov. Available products in the MHA Program are subject to changes mandated by the U.S. Department of Treasury, the administrators of MHA. NFMC will keep its Grantees updated on program changes or additions. Types of assistance offered through the MHA Program are

- ***Refinance.*** Organization must determine and document eligibility by requesting information and analyzing if: (a) client is the owner occupant of a one- to four-unit property (required by the NFMC Program, not HARP); (b) loan is a first lien, conventional mortgage that is owned or guaranteed by Fannie Mae or Freddie Mac – counselor will verify this by checking the GSE's web look-up tools; (c) client is current on mortgage (client hasn't missed more than one payment in the last 12 months and has not missed any payments in the prior six months or, if client has had the loan for less than 12 months, s/he must not have missed any payments in the previous six months and must not have missed more than one payment since inception of the mortgage; (d) client must have a source of income; and (e) the refinance improves the long-term affordability or stability of the loan.
- ***Modification.*** Organization must determine and document eligibility by requesting information and analyzing if: (a) the mortgage loan is a first lien

mortgage loan originated on or before January 1, 2009; (b) the mortgage has not been previously modified under the Home Affordable Modification Program (HAMP); (c) the borrower has experienced a hardship that has caused the mortgage loan to become delinquent or default is reasonably foreseeable; (d) the property securing the mortgage loan is not vacant or condemned; (e) the mortgage loan is secured by a one- to four-unit property, one unit of which is the borrower's principal residence; (f) client's current front end DTI is greater than 31%; and (g) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property.

- *FHA Loans.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner of a one- to four-unit home; (b) the client is less than 12 payments behind on their mortgage; (c) client has income sufficient to support the new mortgage payments; and (d) with the modification, the client's front end DTI will be as close as possible but not less than 31% and their back end DTI will be less than 55%.
- *Short Sale and Deed-In-Lieu.* Organization must determine and document eligibility for the Home Affordable Foreclosure Alternatives (HAFA) program by requesting information and analyzing if: (a) client is or has been the owner occupant of a one- to four-unit property sometime during the last 12 months; (b) the homeowner has not purchased a new property within the last 12 months; (c) because of a financial hardship, the homeowner is delinquent or default is reasonably foreseeable (for Service Members, this may include a Permanent Change of Station (PCS) order); (d) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (e) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property; or (f) the borrower has either been evaluated for a modification but is not eligible or has been informed that modification may be an option and has elected to pursue a short sale or deed-in-lieu instead.

When reporting for Level One counseling activities, all of these completed documents must be in the client's file: intake, authorization, disclosure, privacy policy, budget, Action Plan, and MHA eligibility determination. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Branch/Affiliate offices.

"Level Two" Counseling: To qualify for a Level Two payment (\$300), a counseling agency will be required to complete the following steps:

1. **Authorization.** If not already on file, organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a

signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

3. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients that are given the choice to "opt-out" of the organization's privacy policy provision - allowing for the sharing of their information with affiliated third-parties - and choose this option cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

4. **Budget Verification.** Counselor must engage in budget verification during which s/he reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills, banks statements, mortgage statement, credit card statement, utility bill) and spending patterns, and realistic opportunities for income (e.g., tax returns, pay stubs, profit and loss statement, third party verification). Note: a credit report alone does not satisfy the budget verification requirement. Grantee should collect verification of all income, expenses and debt as stated by the client.

5. **Verification of Action Taken.** Counselors should take appropriate actions upon the steps outlined in the written Action Plan (created during Level One). Counselor must have documented evidence of "action" taken on behalf of the client. This requires more than the counselor's notes; it also requires documentation that the action took place. This could include but is not limited to the following:

- Draft and submit to the servicer a hardship letter that describes the client's situation, reason for delinquency, factors that should be considered when developing a workout plan, and an estimate of the housing cost the client can afford

to pay. Counselors should keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.

- Document an attempt to contact the servicer or lender via fax transmission receipt, email, or postal mail receipt. If a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program and maintain proof that these were submitted in the client file (fax transmission receipt, email, portal transmission screenshot, or postal mail). NeighborWorks has posted e-mail contact information for servicers who have made such information available on the NFMC members' website.
- Complete and submit application for local resource options including refinance programs or rescue funds and document that the referral took place via fax transmission receipt, email, or postal mail receipt.
- Assist in situations where client elects to pursue sale options and document the assistance that took place and communication with industry partners via fax transmission report, email, portal transmission screenshot, or postal mail. A referral list of real estate agents for a short sale, or other sale options, must include at least three real estate agents and the client's signature stating they received the list. This signed referral list should be retained in the file. Please note that "referring" a client back to the servicer/lender is not considered a referral.
- Collecting and transmitting documentation required for *Making Home Affordable* Program refinance or modification decisions, if that is what Action Plan dictates. Counselors should keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.

Note: Neither Counselor Notes nor telephone logs satisfy the requirement for documenting Verification of Action Taken, neither provide verifiable proof that any action took place. Fax transmission sheets, e-mails, mail receipts, screenshots of portal communication, or other signed verification that any action took place is required to be retained in the client file.

When possible, counselor will also complete close out documentation on a client. Recognizing how long it takes servicers to respond to counselors, NFMC strongly encourages and requests counselors to complete close out documentation but this is no longer a requirement. Close out documentation should contain a reason for close out and, if applicable, any documentation demonstrating solution. NFMC has created a template form, available on the NFMC members' website (www.nfmcmembers.org), that Grantees may elect to use for close out documentation *When reporting for Level Two counseling activities, all of these completed documents must be in the client's file: authorization, disclosure, privacy policy, budget verification, and documentation of steps taken based on the Action Plan.*

Note: Starting with Round 3, NFMC no longer has a "Level Three" counseling designation. Clients that would previously have been reported as Level Three should now be reported twice – once at Level One, and once at Level Two.

Making Home Affordable/Post-Mitigation Counseling

In addition to the funding categories described above, the NFMC Program allows Grantees to use up to 30% of Counseling Awards to fund "Level Four," or post-mitigation, counseling. Borrowers who qualify for *Making Home Affordable* loan modifications but have back end

debt-to-income ratios at or above 55% may receive trial loan modifications from participating servicers and be referred by their servicers to a HUD-approved housing counseling agency or NFMC Program participating agency. Detailed protocol describing the required components of Level Four counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

Applicants will not be asked to predict their Level Four activities later in Factor 4. Applicants will simply be asked whether or not they intend to provide Level Four counseling.

Counseling Table Instructions

In this section Applicants are asked to indicate the number of Level One and Level Two counseling customers they have served between July 1, 2012 and September 30, 2013 and will serve between October 1, 2013, and December 31, 2014. Please do not leave any cell blank, but rather enter "0" in cells where the answer is "zero" or "none."

In the tables below, fill out the estimated number of foreclosure intervention clients served by your organization, including Branches/Affiliates. Refer to each question within the table for further instructions.

1. Did your organization provide foreclosure counseling that was not funded by NFMC through a direct grant from NeighborWorks America during the time period July 1, 2012 – September 30, 2013? (If your organization was an NFMC Sub-grantee in Round 7, answer Yes) * Check "Yes" or "No." NFMC seeks to understand if the foreclosure counseling provided by your organization during this period was financially supported by other sources, including, but not limited to, financial institutions, mortgage servicers, investors, HUD, and non-profit foundations. If your organization received NFMC funds through a Sub-grantee relationship in that timeframe, or received some funds through a Sub-grantee relationship, answer "Yes" as you did not receive a direct NFMC grant or had some counseling not funded by a direct NFMC grant. If "Yes," continue with Question 2. If "No," skip to Question 3, NFMC will use your organization's NFMC-reported data as documentation of full Demonstrated Experience.

2. For those that selected "Yes" in Question 1 above only: In the table labeled "Demonstrated Experience," indicate the number of units of foreclosure counseling delivered. Include all units delivered through a direct NFMC grant AND as a Branch or Affiliate of an NFMC direct Grantee AND for other non-NFMC funding. Include foreclosure counseling units provided between 7/1/12 – 9/30/13 through all sources of funding. Include in this question units provided using funds from any NFMC round as well as funds from other sources. If your organization provided Level Three counseling in the past, for each Level Three customer served, add 1 to the Level One column and 1 to the Level Two column. Input the number of foreclosure counseling units delivered for each quarter. If the number of units for any quarter is "0" or "none," input the number "0."

3. Anticipated Counseling without Direct Round 8 Funds. * In the chart, state the units of Level One and Level Two foreclosure counseling your organization anticipates completing between 10/1/2013 and 12/31/2014 without direct NFMC Round 8 funding. There is one column for counseling units you anticipate being funded through work as a Sub-grantee of other NFMC Grantees and another column for counseling units you anticipate being funded by non-NFMC sources. If NFMC Round 8 funds granted directly to your organization will fund or contribute to funding 100% of its counseling during that time, enter "0" in each column. If your organization has other funding sources and will continue to provide some counseling even without a NFMC Round 8 award, indicate the number of units your organization has funding to complete in the appropriate column. If your organization is anticipating funding some counseling through work as a Sub-grantee of a

direct Grantee in Round 8, indicate the number of units your organization anticipates supplying with that funding in the appropriate column.

4. NFMC Round 8 Goals * Number of units of foreclosure counseling to be delivered with NFMC Round 8 funds. Include foreclosure counseling units projected between 10/1/13 – 12/31/14 with an NFMC Round 8 award. Do not include units included in Question 3 above, or units awarded in previous NFMC funding rounds. NOTE: Your organization’s total NFMC Round 8 Goal must equal the overall total of units listed in Factor 5. Indicate only the number of counseling units your organization will provide with NFMC Program Round 8 funding under IHDA. Counseling units in this table will be used later in this factor to determine your organization’s maximum eligible Counseling award amount.

Example: Sub-grantee X proposes, with the additional aid of NFMC Round 8 funds, that it could counsel an additional 2,500 clients between October 1, 2013 and December 31, 2014. The breakdown by counseling level would be: Level One = 1,500 and Level Two = 1,000. Sub-grantee X presents these additional numbers in the quarterly format.

5. Maximum Eligible Counseling Award

For the maximum eligible Counseling award section the Applicant’s proposed counseling level totals presented in Factor 4, Question 4 – Round 8 Goal – will be multiplied by the corresponding cost for each Level (Level One x \$150 and Level Two x \$300). The Application will automatically total all levels and costs to determine the maximum NFMC Counseling award Applicant is eligible to receive.

6. Is the Demonstrated Experience your organization entered in Factor 4, Question 2 greater than your organization’s Demonstrated Experience previously under the NFMC Program (as shown in your uploads to the NFMC Data Collection System)? * Please answer “Yes” or “No.” If the answer to Question 6 is “Yes,” then Question 6A is required.

If Question 6 is “Yes,” 6A is required.

6A. Explain the extra Demonstrated Experience – listing the factors (such as additional programs or funding sources) that made those counseling services possible. If you answered “Yes” to Question 6 above because the Demonstrated Experience that you entered in Factor 4, Page 1, Question 2 is greater than your organization’s Demonstrated Experience under the NFMC Program, please fully explain this increase in production. Describe the factors that made that possible. This could include other programs or funding sources that your organization has tapped into.

7. Is your organization’s overall Demonstrated Experience LESS than the number of counseling units for which your organization has requested funding in Factor 4, Question 4? * If your organization is requesting funding for more counseling units than it has completed in a similar timeframe in the past – whether only through NFMC or through all funding sources – this increase has to be explained. If the units of Demonstrated Experience you entered in Factor 4, Question 2 is less than the units for which you requested funding in Factor 4, Question 4, or if your Demonstrated Experience reported to the NFMC Data Collection System is less than the units for which you requested funding in Factor 4, Question 4, you must answer “Yes” here and answer Question 7A.

If Question 7 is “Yes,” 7A is required.

7A. Please explain how your organization plans to deliver more counseling units during this funding round’s timeframe than it has previously delivered. Applicant must describe how it will be able to deliver more counseling. How does your organization anticipate providing more units of counseling than it has in a similar timeframe? Will it be hiring

additional counselors? Has it changed its delivery model to be more efficient? Does it anticipate an increase in the need for counseling in its service areas?

8. In this table, list the number of additional foreclosure intervention counselors and other foreclosure staff FTEs that your organization will need in order to accomplish its Round 8 Goal (from Question 4 above) if awarded NFMC funds as requested. * If your organization would not need to hire any additional counselors or staff members to achieve these goals, enter “0” in each column.

9. Indicate whether your organization intends to offer Level Four Counseling. * Applicants should respond “Yes” or “No” after reading the detailed definition of Level Four Counseling below. Your organization will not be held to its response to this question; NFMC is asking this purely for informational purposes.

Level Four/Making Home Affordable/Post-Mitigation Counseling

In addition to the main counseling levels, the NFMC Program allows Grantees to use up to 30% of Counseling awards to fund “Level Four,” or post-mitigation, counseling.

Borrowers who qualify for *Making Home Affordable* loan modifications but have back end debt-to-income ratios at or above 55% may receive trial loan modifications from participating servicers and be referred by their servicers to a HUD-approved housing counseling agency or NFMC Program participating agency. Detailed protocol describing the required components of Level Four counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

If a borrower contacts a counseling agency for counseling without having first received a *Making Home Affordable* trial loan modification and being referred by a servicer, and it is determined the borrower may be eligible for the loan modification program, the counselor will work with the borrower to submit an intake package to the servicer. This counseling must conform to Level One and Level Two counseling requirements, as established under the NFMC Program. If the borrower does receive the *Making Home Affordable* modification and is referred back to the counseling agency because his or her back end debt-to-income ratio is equal to or greater than 55%, the agency can also provide the borrower with Level Four counseling, as described in the Counseling Protocol on HUD’s website.

Level Four counseling will be valued at \$450. Because it will require at least two contacts with the borrower, NFMC Program Grantees will upload these clients at two points in time. After the first contact, the client can be reported as “Level 4a” at a value of \$300. Once a follow-up appointment has been completed, that client can be reported as “Level 4b” at a value of \$150. Level Four counseling is described in detail below.

“Level 4a” Counseling

1. **Reason for Referral.** Organization shall keep on file proof that client was referred to the agency with a trial *Making Home Affordable* loan modification for Level Four counseling because his or her back end debt-to-income ratio is 55% or greater. In many cases, this will be a copy of the trial loan modification agreement or the counseling agency referral letter from the servicer stating the reason for referral as high back end debt-to-income ratio, or noting the calculated ratio. **If there is no letter, or the letter given to the borrower by the servicer does not identify the back end debt-to-income ratio, the agency must first try to confirm the reason for the referral from the servicer (and document attempts to reach the servicer). If this cannot be obtained, the counselor can calculate the ratio, and if it is 55% or greater, that client can be counseled with NFMC Program funds.**

2. **Authorization.** Organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

3. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

4. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients that are given the choice to "opt-out" of the organization's privacy policy provision - allowing for the sharing of their information with affiliated third-parties - and choose this option cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

5. **Verified Budget at Intake.** Counselor must engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills, banks statements, mortgage statement, credit card statement, utility bill), spending patterns, and realistic opportunities for income (e.g., tax returns, pay stubs, profit and loss

statement, third party verification). Grantee should collect verification of all income, expenses and debt as stated by the client. Note: a credit report alone does not satisfy the budget verification requirement; sources of income are also required to be retained in the client's file.

6. **Documentation of DTI.** Using the verified budget, the counselor will calculate the back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol on HUD's website. A document indicating the calculation must be in the file, as well as evidence of income and debt. A credit report is not sufficient to calculate DTI, as income must also be validated.

7. **Crisis and/or Long-Term Budget.** Counselor will create a crisis budget (if necessary) and a long-term budget using a standard form and recalculate the new back end debt-to-income ratio. Counselor will also establish that the budget (including analysis of actual income, debt and expenses) must be tracked over the course of counseling.

8. **Action Plan.** Counselor will create an Action Plan which includes a timeline to eliminate unnecessary debt, minimize expenses, increase income, and increase savings. Different from a Level One Action Plan, the 4a Action Plan is focused on how the client can maintain the trial modification and manage his/her budget. *If these items are part of the counselor's notes, NFMC requires that the information be transferred to a form titled 4a Action Plan so that the assessment and course of action are clearly defined for the client and for compliance testing.*

9. **Counsel on Staying Current.** Counselor must discuss terms of mortgage and how to stay current - even if/when the interest rate resets, explain the incentive component and explain that if the client re-defaults s/he will be terminated from the program. A loan will be considered to have re-defaulted when the borrower reaches a 90-day delinquency status under the MBA delinquency calculation. Note: in order to successfully complete the initial trial period (at minimum three payments at modified terms), a borrower must be current by the third payment.

10. **Referrals.** Refer to job training or referral programs if applicable.

11. **Date of Follow-up Meeting.** Establish follow-up schedule with counselor, with at least one additional appointment, as required by the Action Plan. It is expected that a borrower will notify their counselor if they have a significant change in circumstances.

12. **Session Documentation.** The counselor must document each session, including the borrower's back end debt-to-income ratio and the borrower's willingness to continue/complete counseling.

In order to report a client as having received Level 4a counseling, the following documents must be in the client's file: reason for referral, authorization, disclosure, privacy policy, verified budget at intake, documentation of back end DTI, crisis and/or long-term budget, Action Plan, and date of follow-up meeting. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of its Sub-grantee, Branch or Affiliate offices.

"Level 4b" Counseling: Level 4b can only be reported when a Level 4a client has completed one follow-up session and the following documents are in the file:

1. **Authorization.** If not already on file, organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant (b)

allow NFMC to open files to be reviewed for program monitoring and compliance purposes and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Sub-grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

3. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients that are given the choice to "opt-out" of the organization's privacy policy provision - allowing for the sharing of their information with affiliated third-parties - and choose this option cannot be uploaded into the DCS for payment by NFMC.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document as long as the client signs the document and the agency retains a copy in the client file.

4. **Documentation of DTI.** Using the verified budget, the counselor will calculate back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol on HUD's website. A document indicating the calculation must be in the file, as well as evidence of income and debt. A credit report is not sufficient to calculate DTI, as income must also be validated.

5. **Update on Crisis and/or Long-term Budget.** Counselor will document borrower's ability to keep to crisis and/or long-term budget. Documentation to satisfy this could

include copies of current pay stubs, bills, and a credit report. However, a credit report alone will not suffice. Budget Verification must include at least one income verification and at least one debt verification.

6. **Status of Borrower's Modified Loan.** Counselor must verify status of borrower's payment(s) on modified loan. Proof of this includes a current mortgage statement that details the status of the client's payments.

7. **Progress against Action Plan.** Counselor must document borrower's progress against the Action Plan developed during the first visit. Counselor notes or narrative could meet part of this requirement, as could a credit report pulled to ensure the client is paying their debt(s) on time. An updated crisis or long-term budget reflecting that the client is on track will also meet part of this requirement, but the counselor must also address specific steps in the Action Plan and if the client has met them. If a narrative is used, it should be clear that it is pertaining to the progress against the Action Plan.

In order to report a client as having received Level 4b counseling, the following documents must be in the file: authorization, disclosure, privacy policy, documentation of back end DTI, update on budget, status of borrower's modified loan, and progress against Action Plan. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee, Branch or Affiliate offices.

10. Describe your organization's and its Branches' or Affiliates' capacity to track which level of counseling (Level One or Two) has been provided. * Explain clearly how the proposed counseling levels will be monitored, tracked, and submitted electronically to NFMCC. In responding to this question, it would be most helpful to describe in sequence the steps from data entry completed by individual counselors, to how they will aggregate and report the data to IHDA, and finally how your organization will track counseling provided against its NFMCC Round 8 targets.

11. If your organization or Branches/Affiliates do not propose to offer both Level One and Level Two counseling, describe partnerships or other arrangements in place to ensure homeowners can receive the level of counseling your organization will not be offering. If your organization and all Branches/Affiliates will provide both levels of counseling, please leave this blank. Explain how your organization or its Branches/Affiliates will ensure that homeowners have access to both levels of counseling. Describe your plan for coordinating with partners who will offer what your organization or its Branches/Affiliates do not, including written agreements your organization has with other counseling providers, or other strategies it plans to use. A response to this question is required if Factor 4, Question 4 has a "0" in the total column for either Level One or Level Two.

12. Describe any partnerships your organization has established, or foreclosure task forces in which your organization is involved, that are designed to help homeowners facing default and foreclosure resolve their mortgage delinquencies. Examples may include, without limitation, partnerships with financial institutions or servicers, or involvement in local or state government initiatives in your organization's service area. Only describe partnerships or initiatives in the proposed service area that are active now or that will be in place before April 1, 2014. * Provide a detailed overview of not only the partners involved, but also the goals, outcomes and accomplishments of the partnership(s) or collaborative initiatives. Address specifically how they will help homeowners who are facing default and foreclosure to successfully resolve their mortgage delinquencies. If any portion of these partnerships or initiatives is still developing, provide evidence that they will be in place and operating by April 1, 2014.

13. Describe your organization’s strategy for identifying and marketing counseling services to homeowners who are delinquent or in default on their mortgages, or at risk of becoming delinquent or in default on their mortgages. This should include any partnerships your organization has established with other organizations to help identify and reach out to customers. * Provide a detailed explanation of your organization’s existing/most recent outreach strategy that includes specific data and evidence supporting your success in reaching targeted homeowners. Please note marketing strategies in the MSAs it serves, or the largest ones if your organization serves many MSAs. Please also note if your organization has had trouble marketing foreclosure services in these MSAs in the past. The response should describe your organization’s outreach and marketing plan for Round 8. Include evidence that illustrates how your organization’s marketing and outreach plan will successfully identify and market to homeowners who are (or are at risk of becoming) delinquent or in default on their mortgages and how it will reach the number of homeowners listed in its Round 8 Goal from Question 4 above. Describe partnerships in place to achieve the outreach and marketing strategies. For example, if your organization plans to double its counseling goals compared to the last 6-12 months, demonstrate that its outreach strategy will be effective at reaching the additional homeowners to be served. Describe any partnerships in place to help with outreach, including relationships with mortgage servicers, other non-profits, government agencies, mortgage insurers, and public relations and marketing firms.

14. Describe any partnerships your organization has with unemployment programs, or job training/assistance programs to help unemployed or underemployed clients. * Provide a detailed explanation of partnerships with organizations that serve unemployed or underemployed clients. Include a description of their program(s) and services and how they fit with the programs offered at your organization. Describe any collaborative projects or referral agreements and explain how the partnership(s) helps your organization to achieve its goals.

15. Adoption or endorsement of National Industry Standards (NIS) for Homeownership Education and Counseling - Foreclosure Intervention Specialty. The National Industry Standards is a set of guidelines for quality foreclosure counseling and services. Organizations that adopt the standards can be trusted to provide consistent, high-quality counseling and foreclosure advice. Information on the National Industry Standards can be found at: <http://www.homeownershipstandards.org/Home/Standards.aspx>.

15A. Does your organization and its Branches or Affiliates formally adopt the NIS? * Indicate “Yes” or “No.”

15B. Has your organization formally adopted the NIS? Indicate “Yes” or “No.”

If Question 15B is “No,” 15C is required.

15C. If Questions 15B is “No,” has your organization endorsed the NIS? Indicate “Yes” or “No.”

NOTE: If any response to Questions 15A – 15C is “No,” 15D is required.

15D. If you answered “No” to Question 15A, 15B, or 15C above, then a response in 15D is required. Describe any plans your organization has to endorse or adopt, if applicable, or require its Branches/Affiliates to adopt the NIS. In the space provided, describe your organization’s plans to adopt or endorse the National Industry Standards itself and to require its Branches/Affiliates to adopt the NIS. What steps have you taken to learn about the NIS? Have you begun the process of adopting or endorsing the NIS or requiring your Branches/Affiliates to adopt them or do you have plans to do so during NFMFC Round 8?

16. Does your organization and its Branches/Affiliates meet the National Industry Standards for Homeownership Education and counseling for disposing of personally-identifiable information, which state, "Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure?" * Please answer "Yes" or "No." The National Industry Standards recommend the following:

- Clients' records shall be stored in a secure location and not made available to others who are not authorized to have access.
- Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure.
- Homeownership educators/counselors will be familiar with relevant local, regional and national laws regarding privacy and confidentiality.
- Files should be maintained in secured file cabinets in order to protect client privacy. Scanned documents or electronic files should maintain the highest level of client security. Files should be maintained for a minimum of three years. Longer file retention requirements may be required if the household has received grant or loan assistance through state or federal subsidy programs. At the time of disposal, files should be shredded.

16A. Describe your organization's system and the system of its Branches/Affiliates, of storing and disposing of personally-identifiable information. * Describe how your organization and its Branches/Affiliates store client records and explain how this ensures privacy and protects confidentiality. Also describe all organizations' methods of disposing of client records or other identifiable documents and how this aligns with state statutes.

PROGRAM-RELATED SUPPORT

Refer to the following list when answering Questions 17-19. Examples of how Program-Related Support may be used include (but are not limited to) the following:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time with clients who have situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
- Outreach to delinquent clients, especially in areas of greatest need. The earlier a delinquent homeowner reaches out for assistance, the more probable the success. Outreach strategies are encouraged that draw delinquent homeowners from your organization's communities to come in for assistance well before the foreclosure notice is received.
- Group orientation and education sessions to help use counseling time more effectively. Registering attendees, preparing for and delivering these sessions are all eligible uses.
- Infrastructure development and communication
- Technology improvements for outreach, counseling, education, registration and loan modification purposes
- Improving Applicant capacity and infrastructure for tracking and reporting data
- Costs related to hiring, orienting, and training new counseling staff
- Purchasing or leasing equipment and software for counselors
- Collecting data and preparing quarterly reports and draw requests
- Quality control of the counseling function
- Outreach and communication on preventing rescue or loan modification scams

17. Program-Related Support for which Applicant is eligible based on the Round 8 Counseling Goals; this is 20% of your organization’s Round 8 maximum eligible Counseling award from Factor 4, Question 5.

18. Describe how your organization will use the Program-Related Support to achieve the projected NFMC Round 8 counseling goals in Factor 4, Question 4. Include major budget line items. * Refer to the above list of examples of how Program-Related Support may be used. Describe clearly how your organization’s Program-Related Support amount will be used to achieve Round 8 Counseling goals. Show how its plan will increase the effectiveness and efficiency of the foreclosure counseling program. For example, upgrading technology might improve the speed and efficiency of data entry, or funds invested in training might help new staff improve the quality and effectiveness of their counseling. **Please also provide major budget line-items and the specific costs that are related to your organization’s proposed plan.** These funds are not intended to be indirect or administrative fees; rather, they are meant primarily to support direct costs associated with increasing the effectiveness and efficiency of your foreclosure counseling program and your programs.

19. Does your organization plan to contract out some or all of its proposed activities under Program-Related Support? Simply answer “Yes” or “No.” If you answer “Yes,” you must answer Questions 19A – 19C.

If Question 19 is “Yes,” 19A – 19C are required.

19A. Describe which activities will be contracted out, and name the entity that will provide the services. Indicate whether any of these entities are related corporations or subsidiaries of the Applicant organization. Here, please enter a detailed description of the tasks or activities your organization will contract out, what organization it will contract them out to (identify the subcontractor), and if/how the organization is affiliated with the Applicant organization.

19B. Describe the recent and relevant experience and expertise of the subcontractor(s). Justify why they are well-suited to perform the tasks described above. “Recent and relevant” means within the last 24 months. Provide specific examples of their success in undertaking similar tasks or services as those your organization is contracting with them to provide. Where possible, quantify the response (for example, if they will supply training, indicate the number of similar trainings they have offered in the last 24 months, and the number of people they have trained.) This recent and relevant experience needs to fully prove that the contractor has the capacity to provide these services.

19C. Describe how the contractor(s) will report to your organization and be held accountable for their performance under this grant. Describe how the contractor will report to your organization and how you will manage this reporting process and hold the contractor responsible for its performance. For example, describe a written and signed MOU or MOA; performance benchmarks; consequences of missing benchmarks; and other strategies for ensuring the contractor reports to your organization and is able to adequately monitor its use of Round 8 funds.

H. Factor 5

Note: For all of Factor 5, do not include in your organization’s figures any counseling units already funded through a previous NFMC award. The totals for all the questions in Factor 5 should equal the total number of counseling units entered into Factor 4, Question 4 (Round 8 Goal).

Enter a check mark in any of the service areas in Factor 5 (MSA and/or Rural) where your organization proposes to provide NFMC Round 8 counseling and indicate how many customers your organization plans to serve in each area.

1. Select the MSAs that your organization proposes to serve in NFMC Round 8. Check all that apply. New counseling goals proposed in NFMC Round 8 should not include any counseling for which your organization was awarded funding in previous NFMC grant rounds. They should also not include counseling funded by sources other than NFMC Round 8. Estimate the number of units of counseling your organization expects to deliver in each MSA checked.

2. If your organization is a returning Grantee and proposes to provide counseling services in MSAs that it has not previously worked in through the NFMC Program, describe how it will serve the MSA, including outreach and partnership strategies, physical presence or other delivery mechanisms, and Demonstrated Experience in serving each new MSA. For each new MSA you propose to serve with NFMC funding, provide details on how you will provide these services. Describe your delivery methods and your strategies for reaching out to the targeted audience. Also describe partnerships you have already established or are planning to establish in this new MSA and describe the experience you have in providing services to each new MSA you propose to serve.

I. Factor 6

Please note Questions 1 and 2 specifically refer to zip codes that your organization may target and serve, compared to Questions 3 and 4 which address service to homeowner groups. For example, a Sub-grantee may have decided to attempt to reach African-American homeowners statewide by running ads on two radio stations that serve that audience. On the other hand, for Questions 1 and 2, the Sub-grantee may elect to target two zip codes in the urban core, where foreclosure rates are twice the state average, by advertising in community newspapers, holding foreclosure fairs in the community center, or doing targeted post card mailers.

For Questions 1-4 simply enter the percentage of your organization's counseling units for NFMC Round 8 that apply. Any number from 0 to 100 is acceptable. The totals for Questions 1 – 4 (inclusive) may exceed 100%. **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payments, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

1. If your organization receives NFMC Round 8 funding, what percentage of total counseling units does it commit to provide to households living in low-income zip codes? Follow this link to determine which zip codes are majority low-income:

<http://www.nw.org/network/foreclosure/nfmcp/R8zipcodes.asp>. * After reviewing the website for a complete list of zip codes, enter the percentage of your organization's total units from Factor 4, Question 4 that it commits to provide to low-income (below 80% area median income) zip codes. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to low-income zip codes, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payments, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

2. If your organization receives NFMC Round 8 funding, what percentage of total counseling units does it commit to provide to households living in minority zip codes? Follow this link to determine which zip codes are majority minority:

<http://www.nw.org/network/foreclosure/nfmcp/R8zipcodes.asp>. * After reviewing the

website for a complete list of zip codes, enter the percentage of your organization's total units from Factor 4, Question 4 that it commits to provide to minority zip codes. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to minority zip codes, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payments, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

3. If your organization receives NFMC Round 8 funding, what percentage of total counseling units does it commit to provide to low-income homeowners? * Enter the percentage of total units from Factor 4, Question 4 that your organization commits to provide to low-income homeowners. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to low-income homeowners, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payments, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

4. If your organization receives NFMC Round 8 funding, what percentage of total counseling units does it commit to provide to minority homeowners? * Enter the percentage of total units from Factor 4, Question 4 that your organization commits to provide to minority homeowners. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to minority homeowners, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payments, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

5. Describe how your organization's outreach and marketing strategy is designed to specifically reach the low-income and minority zip codes and the homeowners it commits to serving in Factor 6, Questions 1-4. * Provide a detailed description of your organization's outreach and marketing strategy to low-income and minority zip codes and the homeowners it commits to serving. Include all methods of marketing and outreach including partnerships, mailings, neighborhood events, etc., and describe how these methods will help your organization achieve its goals related to these populations.

J. Matching Funds

As an applicant, IHDA must demonstrate at least a 20% match to be eligible for funds. As a joint applicant, you are not required to provide match in order to be eligible for funding, however, the higher IHDA's ratio of match to grant funds, the more competitive our overall application will be. **Remember: NFMC is not meant to be the only source of funding for your counseling program.**

On this sheet, you will list source and amount of support for your foreclosure mitigation program specifically, not your general housing counseling program. This program must include foreclosure intervention counseling but may also include activities such as intake, triage, outreach, or mortgage workout funding (both grants and loans), plus any administrative or overhead expenses associated with the program. Match need not be new resources generated for this grant program. These funds can be in-kind and cash match that will be expended, anticipated, committed, or pending April 1, 2013 through December 31, 2014. Funds raised before this time period can be counted toward the match as long as they will be expended between April 1, 2013 and December 31, 2014. Funds used as match for NFMC Rounds 1, 2, 3, 4, 5, or 6, 7 or for NFMC Legal Assistance funding, cannot be counted

as match toward NFMC Round 8. The sheet will calculate your total match based on the amounts you list on the chart.

You will not need to submit copies of documents that verify this support. However, you must have these documents on file at your organization and be prepared to submit them upon request.

Match can be cash or in-kind (staff time, office space, volunteer time, donated equipment, etc.). In-kind valuation will be considered consistent with requirements for other federal grant programs (please see page 37). Other federal funds, with the exception of Community Development Block Grant (CDBG) Funds, may not be counted toward match requirements.

Funds used to match NFMC Rounds 1 through 7 or NFMC Legal assistance grant awards cannot be counted toward match requirements.

III. Submission Deadline

We must receive your completed application **no later than Friday, November 1, 2012 at 2:30pm.** Please email your electronic application to NFMC Program Staff at NFMCinfo@ihda.org. (We would prefer not to receive any hard copies). You may submit your signed signature page and supporting documents through PDF (scan) separately from the application* or you can fax to 312-832-7693. (**Note: We need to receive the application in the fillable format, the same way that you received it. Please send the application in a separate document from the supporting documentation.*)

IV. Questions

If you have any questions prior to the deadline, please contact NFMCinfo@ihda.org.



Guidance Regarding Value of In-Kind Contributions

Updated January 21, 2008

Source: OMB Circular A-110 (Uniform Administrative Requirements for Grants and Agreements with Institutions of higher education, hospitals, and other non-profit organizations).

“Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient’s organization.

In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.”

“When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee’s regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.”

“Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies.

Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.”

[Date]
 Amber Lockwood
 Illinois Housing Development Authority
 401 N. Michigan Ave Suite 700
 Chicago, IL 60611

Dear Mrs. Amber Lockwood:

I am writing to disclose [Your Agency Name] intent to apply for National Foreclosure Mitigation Counseling Funds through the following entities:

- 1) Illinois Housing Development Authority
- 2) [Name of Additional Organization You Intend to Apply for NFMC Funds]

The following are the number of counseling units we are proposing during the grant period under each application:

GOALS outlined in this table should correspond with the NFMC Round 7 Goals in the "Scope of Proposed Counseling Services" section of application.		
	"Level One" Counseling	"Level Two" Counseling
Illinois Housing Development Authority		
[Name of Additional Organization You Intend to Apply for NFMC Funds]		
Organization's Total Goals		

I certify that we have the ability to track these clients by counseling level and assign them to the appropriate entity for inclusion in each entity's draw requests in order to ensure double billing does not occur. I ask that you reply to this correspondence with a confirmation that the numbers in the table above attributed to you are the numbers you have included in your NFMC application.

[Organizations should feel free to add anything about other activities that might vary from application to application. For example, an organization might elect to use Program-Related Support differently under each application and could detail that here.]

Sincerely,

[Director Name]

[Organization]