

Request for Proposals
National Mortgage Settlement Funds:
Consumer Assistance Grants
Homeowner Bill of Rights Implementation Grant

Release Date: November 21, 2012
Application Due Date: January 14, 2013

PART I: BACKGROUND AND GRANT DESCRIPTIONS

A. Overview of Available Grants

The California Department of Justice has secured approximately \$10 million of National Mortgage Settlement proceeds to fund organizations with proposals for designing and developing innovative, scalable, and sustainable approaches for assisting California families impacted by the foreclosure crisis. There are two types of grants available: (1) Consumer Assistance Grants; and (2) A Homeowner Bill of Rights Implementation Grant.

The Consumer Assistance Grants are premised on the principle that a “housing-plus” approach will give families the resources they need to achieve long-term financial security. Families will need a broad range of assistance as they continue to grapple with the fallout of the foreclosure crisis. While families may still need housing-specific assistance, such as foreclosure prevention counseling or legal representation, they will also need help with developing an individualized path to solid financial footing. Applicants who receive funding will help families along this path, taking a dynamic approach that addresses a family’s entire financial footprint, including housing, assets, credit, and/or debt. Such an approach will also focus on identifying and managing risks that can de-stabilize households, and help families build wealth and financial security.

Existing housing counseling and legal services organizations are invited to apply for grant funds, individually or in partnership. Aside from the limitations set forth in the Required Elements and Additional Program Elements sections below, grant recipients will enjoy substantial flexibility in their methods for developing strategies and delivering services to consumers. Accordingly, preference will be given to organizations that have successfully executed similar projects calling for such ingenuity.

The Homeowner Bill of Rights Implementation Grant will be granted to an individual or an organization charged with three distinct functions: (1) conducting extensive outreach designed to educate consumer and public interest attorneys on how to maximize HBOR’s protections for their clients; (2) working with consumer and public interest lawyers to devise a litigation strategy that will maximize the benefit to homeowners as HBOR develops in the courts; and (3) engaging the bench and broader legal community in discussions of HBOR’s provisions and the myriad issues courts will begin to see as parties begin to seek redress under the law.

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B. Consumer Assistance Grants

1. Eligible Organizations

- 501(c)(3) tax-exempt organizations in good standing with the Internal Revenue Service and in compliance with all applicable laws and requirements, including registration, as appropriate, with the Registry of Charitable Trusts maintained by the California Department of Justice.
- Applicants who provide housing counseling must be HUD-certified and must currently offer services to financially distressed homeowners.
- Applicants who provide direct legal services must demonstrate substantial expertise in assisting clients with mortgage-related issues and must currently provide direct legal services to borrowers who need assistance with such issues.

2. Required Elements

The applicant must demonstrate that the proposed grant program will incorporate the following Required Elements for housing counseling, legal services, or both:

- For housing counseling:
Housing counseling shall include assisting California homeowners in determining eligibility, applying for, and receiving benefits available under existing state, federal, and bank-driven remediation and relief programs such as loan modifications, principal reductions, and other relief. In addition to remediation and relief programs, housing counseling projects may also include assisting consumers with entry and reentry into the housing market.
- For legal services:
Legal services shall include assisting California homeowners with avoiding foreclosure, foreclosure and eviction proceedings, individual complaints regarding credit reporting abuses, Homeowner Bill of Rights enforcement, and/or reporting mortgage scams to the appropriate enforcement agencies. These organizations may also do outreach and education, including resource and referral or training to strengthen the statewide network on foreclosure related issues. The expectation is that all clients served through grant programs will be served free of charge.¹
- For all programs:
Successful proposals should join organizations that will collaborate across an expanded, cohesive network to empower families by integrating the outreach, education, advocacy, and litigation efforts of its partner organizations. The strategy should go beyond merely transplanting existing services into a new conglomerate. Successful proposals may also focus on the organization's existing housing counseling or legal services, while adding a new component or partnership to those services that expands or improves the organization's current work.

¹ Any proposal to depart from this expectation and provide legal services in a sliding scale or other fee-generating case must be explained and justified in the application. Absent a strong justification, preference will be given to projects that do not depart from the expectation.

3. Additional Program Elements

In addition to meeting the Required Elements described above, grant applications will be rigorously evaluated and awards will be made based on how the proposed grant program incorporates several of the following Additional Program Elements:

- How the proposed program will permit the organization to serve a new and/or previously underserved community that has been particularly hard-hit by the foreclosure crisis and/or is isolated by geographic, language, or other socio-economic barriers (including, for example, veterans and military families, the elderly, and others). Services in homeowners' native languages are encouraged, including but not limited to Spanish, Tagalog, Vietnamese, Korean, and Chinese (Cantonese and Mandarin).
- How the proposed program will establish new partnerships with non-profit organizations, government agencies, and locally-focused groups to collaborate in assisting current and former homeowners with additional, housing and non-housing challenges to their economic security (a "housing plus" approach), including:
 - (1) Debt relief and credit repair assistance, including elimination of consumer debt and repayment and mitigation options for student loan debt;
 - (2) Unemployment and removing barriers to employment to allow transitioning back into the workforce;
 - (3) Relocation to new communities offering suitable housing alternatives;
 - (4) Assisting tenants affected by landlord foreclosures;
 - (5) Bankruptcy protection and other financial restructuring alternatives;
 - (6) Asset management and wealth building strategies tailored to an individual family's unique financial circumstances;
 - (7) Community solutions such as blight remediation work to develop lease-to-purchase programs and acquisition and rehabilitation of foreclosed properties for low-income tenants or homeowners;
- How the proposed program will provide comprehensive consumer financial education to every client served through grant funds and to the broader communities in which the organization operates. These financial education programs may cover aspects of the "housing plus" topics enumerated immediately above and address any vulnerabilities affecting particular groups of consumers in the relevant community.
- How the proposed program will mobilize and/or create a referral system for enforcement coalitions tasked with advocating on behalf of homeowners whose servicers are failing to meet the standards set forth in the Homeowner Bill of Rights, or whose creditors are in violation of other consumer protection laws.

4. Evaluation of grant applications

In selecting recipients of the funds, a panel of experts, in consultation with the Attorney General's Office (AGO) and the State Bar, will evaluate applications based on the following six criteria, and the final scores given to each application will be based on the points assigned to each criterion, as follows:

1. Organizational background and experience (20 points)
 - Organizational capacity to implement project – including staffing and leadership, operational and fiscal management
 - Established track record in specific program content area or potential to achieve needed content expertise
2. Populations served and need for proposed services (20 points)
 - Demonstrated need for the services proposed and likelihood that a significant number of people from the targeted community will benefit
 - Service to hardest hit or rural counties or to historically underserved populations as noted in Additional Program Elements
3. Proposed program and capacity to accomplish program (40 points)
 - Clarity of project and activities, and linkage between activities and desired outcomes
 - Ability to accomplish the Required Elements
 - Ability to accomplish some or all of the Additional Program Elements
 - Financial soundness of project budget
 - Achievable timeline that corresponds to key activities
 - Meaningful milestones, benchmarks and indicators of success
4. Partnership strategies and long range impact (15 points)
 - Innovative and effective strategy with potential for broad impact
 - Ability to leverage financial, human and technical resources leading to greater impact
 - Broad-based partnerships to approach need from varying perspectives
 - Ability to contribute content area knowledge to the field
5. Data collection and evaluation (5 points)
 - Plan for evaluation of the effectiveness of the project
 - Data collection and analysis capability
6. Preferences
 - Applicants eligible to receive small business preference under Cal. Gov. Code § 14835 *et seq.* shall receive a preference of 5% of the highest responsible bidder's total score. Proof of eligibility must be included in the application.

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C. Homeowner Bill of Rights Implementation Grant

1. Eligible Organizations

501(c)(3) tax-exempt organizations in good standing with the Internal Revenue Service and in compliance with all applicable laws and requirements, including registration, as appropriate, with the Registry of Charitable Trusts maintained by the California Department of Justice. Applicants may also be individuals affiliated with non-profit organizations or professional organizations dedicated to addressing consumer law and mortgage-related issues.

On January 1, 2013, the Homeowner Bill of Rights (“HBOR”) takes effect. The Attorney General sponsored this legislation to overhaul California’s foreclosure and mortgage servicing laws. HBOR expands upon the mortgage servicing reforms set out in the National Mortgage Settlement. HBOR, however, is unlike the Settlement in one key respect: individual borrowers can directly enforce their rights in court.

2. Description

Given the importance of HBOR’s protections to individual homeowners, approximately \$1 million will be granted to an individual or an organization charged with three distinct functions.

- First, the grant recipient will conduct extensive outreach designed to educate consumer lawyers in California. The envisioned training program will not only include a comprehensive review of pertinent legal concepts but will also provide an in-depth analysis of the areas where HBOR mandates a departure from existing governing law. The grant recipient will prepare and distribute written materials for this training program, including legal outlines, reference guides, and updates on case law development. Lawyers should leave this training with a command of relevant material and a working understanding of how to maximize HBOR’s protections for each of their individual clients.
- Second, the grant recipient will work with legal aid and consumer lawyers to devise a litigation strategy that will shape the development of HBOR. Part of this work will require the grant recipient to periodically issue reports that synthesize case law and comment on any trends in enforcement. In addition, the grant recipient will draft model arguments and sample briefs that illustrate how best to optimize HBOR’s protections. The grant recipient will compile these draft model arguments and sample briefs in a manner accessible to consumer lawyers. The grant recipient will also identify cases that are prime candidates for appeal and whose resolution at the appellate level will promote the continued development of HBOR and the overall corpus of consumer protection law. The grant recipient will draft and file amicus curiae briefs.
- Third, the grant recipient will engage judges in discussions of HBOR’s provisions and the myriad issues courts will begin to see as parties begin to seek redress under the law. This work may be incorporated as part of already scheduled events such as judicial conferences or it may be part of the recipient’s independent strategy for hosting events directed specifically at this audience. The grant recipient will also prepare and distribute written materials for these sessions, including legal outlines and manuals for judges, court clerks, staff attorneys, and judicial clerks.

3. Evaluation of grant applications

A panel of experts, in consultation with the AGO and the State Bar, will evaluate applications based on the following five criteria, and the final scores given to each application will be based on the points assigned to each criterion, as follows:

1. Organizational background and experience (20 points)
 - Organizational capacity to implement project – including staffing and leadership, operational and fiscal management
 - Established track record in specific program content area or potential to achieve needed content expertise
2. Proposed program and capacity to accomplish program (50 points)
 - Clarity of project and activities, and linkage between activities and desired outcomes
 - Ability to accomplish each of the three functions described above
 - Financial soundness of project budget
 - Achievable timeline that corresponds to key activities
 - Meaningful milestones, benchmarks and indicators of success
3. Impact (20 points)
 - Innovative and effective strategy with potential for broad impact
 - Ability to leverage financial, human and technical resources leading to greater impact
 - Ability to contribute content area knowledge to the field
4. Data collection and evaluation (10 points)
 - Plan for evaluation of the effectiveness of the project
 - Data collection and analysis capability
5. Preferences
 - Applicants eligible to receive small business preference under Cal. Gov. Code § 14835 *et seq.* shall receive a preference of 5% of the highest responsible bidder's total score. Proof of eligibility must be included in the application.

PART II: GRANT AVAILABILITY

- Approximately \$10.4 million of National Mortgage Settlement proceeds is available for grants under this RFP. The AGO anticipates awarding approximately twenty or fewer 18-month grants ranging from \$150,000 - \$750,000 for consumer assistance and one 18-month grant of approximately \$1 million for Homeowner Bill of Rights Implementation.
- A limited number of smaller sized grants may be awarded if the grant award will enable services to hardest hit counties or rural or historically underserved communities that otherwise would have no access to critical services. In that case, the applicant must explain both why a larger project with broader partnerships is not feasible and why the services are critically needed and otherwise unavailable.
- Larger consumer assistance grants may be awarded to accomplish projects with far-ranging impact, such as in scope of partnerships and resultant level of services, innovation and ability

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to be replicated, or geographic area. Applicants should be aware of the possibility that only a small number of large grants may be awarded to candidates with the most promising proposals.

- A carryover of funds for up to 6 months may be requested for both consumer assistance and HBOR implementation grants.
- The State Bar will work with the AGO to administer these grants.

PART III: THE APPLICATION PROCESS

- Bidders Conference
 - (1) A bidders conference will be held Friday, November 30, at 2:30 p.m. Those interested in joining the conference call should email Jennifer.Kregear@calbar.ca.gov.
- Format
 - (1) Applicants shall use the forms included in the appendix to this request for proposals. Applicants may attach additional pages as necessary, but they must caption each page of their applications to clearly identify the form to which the additional page corresponds. Applications shall be formatted as follows:
 - FORM A. PROJECT ABSTRACT**
 - FORM B. PROJECT NARRATIVE**
 - FORM C. ORGANIZATIONAL BACKGROUND & EXPERIENCE**
 - FORM D. FINANCIAL INFORMATION**
 - FORM E. APPLICANT ASSURANCES**
- Application Submission
 - (1) **Applications must be received no later than January 14, 2013 at 5:00 p.m.** Late applications will not be considered.
 - (2) Applicants will submit digital applications with the subject line “AG Mortgage RFP” to trustfundprogram@calbar.ca.gov.
 - (3) Digital applications must be on the forms provided and, for attachments, in a searchable format.
 - (4) Additionally, applicants must send an original and two hard copies of the application to: Legal Services Trust Fund Program, State Bar of California, ATTN: Stephanie Choy, 180 Howard Street, San Francisco, CA 94105-1617. The hard copy must be postmarked no later than the date of the deadline.
- Application Review
 - (1) The California Attorney General’s Office, State Bar, and an expert panel of grant reviewers will evaluate applications. The decision to fund any applicant’s proposal is within the Attorney General’s Office’s sole discretion, but the recommendation of the expert panel will receive significant weight.
- Grant Awards
 - (1) The Attorney General’s Office anticipates announcing grantees by approximately March 1, and anticipates disbursing funds approximately 30 days thereafter.

APPENDIX: FORMS

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FORM A. PROJECT ABSTRACT

1. Project Name: _____

2. Program Name: _____

3. Program Contact: _____

Phone No.: _____ Email: _____

Website URL: _____

4. Project Budget: \$ _____

5. Grant Amt. Requested: \$ _____

6. Key Partners: _____

7. Project Abstract: Applicants shall provide a project abstract in the space below. The abstract standing alone should succinctly summarize the proposed project, including the amount requested and the project's need, activities, milestones, and projected outcomes. The abstract must **be no longer than 500 words.**

FORM B. PROJECT NARRATIVE

Applicants shall give a project narrative attached to this form. The narrative must be self-contained, must not refer the reader to any other documents and must be **no longer than 10 pages**, excluding attachments. For Consumer Assistance Grant applicants, the project narrative must address the Minimum Requirements and Additional Program Elements described on page 2. For all applicants, the project narrative must address all of the items included below,¹ unless it is specified that any particular item does not apply to the applicant.

Goals, Objectives, and Strategies

- Consumer Assistance Grant applicants shall:
 - (1) Explain the activities through which the project will achieve the Required Elements and any applicable Additional Program Elements described on page 2.
 - (2) Identify any deficiencies in existing programs and explain any remediation strategies for how your proposal will directly or indirectly remedy those deficiencies; and
 - (3) Describe how the organization will evaluate the success of the project you are proposing, and how the project will keep data that can be used to evaluate the project and, potentially, to help identify areas of need, potential enforcement issues and key areas for future services. Include a description and timeline for activities as well as quarterly milestones by which you will measure achievement. Identify any case management system, and include a plan for maintaining case and statistical information that will be required for reporting purposes.
- HBOR Implementation Grant applicants shall:
 - (1) Identify which HBOR provisions and which aspects of HBOR implementation will yield the most pressing issues;
 - (2) Explain your strategies for addressing the issues raised in (1);
 - (3) Describe your plans for implementing the three functions in the grant description;
 - (4) Propose methods that will foster collaboration with direct legal services organizations and other consumer advocates in order to steer case law development in the direction most favorable to consumers; and
 - (5) Describe how the organization will evaluate the success of the project you are proposing, including how the project will keep data that can be used to evaluate the project and, potentially, to help identify areas of need, potential enforcement issues and key areas for future services. The evaluation should be directly linked to identified activities and proposed outcomes. Identify any case management system, and include a plan for maintaining case and statistical information that will be required for reporting purposes.

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¹ The Office of the California Attorney General and the State Bar may request supplemental application information, even if that information does not relate to the selection criteria specified in this request for proposals.

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Partnership Strategies and Long Range Impact (Consumer Assistance Grant Applicants only)

- Applicants shall describe any organizations with which they currently collaborate. Applicants shall also detail their plans for growing any existing partnerships or cultivating new partnerships in order to launch a powerful statewide or local apparatus for consumer outreach, education, and advocacy.
- Organizations shall include evidence in their applications, such as a memorandum of understanding or a letter of intent, that documents existing or anticipated partnerships that will be funded in whole or part through this grant. Any such documentary support must describe, in detail, the manner in which the partnership will grow during the time period for which grant funds are awarded, the activities that will be funded during the grant period, the key staff who will be involved in the activities, and any expertise additional organizations may contribute to the partnership during the relevant timeframe.
- Organizations shall describe how sub-recipients and other partners will be supervised to ensure the quality and adequacy of counseling or legal representation. Describe the protocols established to ensure oversight of the quality of services to be provided by sub-recipients and pro bono attorneys or other volunteers.

FORM C. ORGANIZATIONAL BACKGROUND & EXPERIENCE

Eligibility

- ☐ Applicant is a 501(c)(3) tax-exempt organization in good standing with the Internal Revenue Service and in compliance with all applicable laws and requirements, including registration, as appropriate, with the Registry of Charitable Trusts maintained by the California Department of Justice.
- ☐ Applicant is an individual affiliated with a non-profit organization or professional organization dedicated to addressing consumer law and mortgage-related issues.

Consumer Assistance Grant Applicants must satisfy only the first criterion above in order to be eligible. HBOR Implementation Grant Applicants must satisfy one of the two criteria above in order to be eligible.

- ☐ Applicant is HUD-certified and currently offers services to financially distressed homeowners. *Required for applicants that propose to provide housing counseling.*
- ☐ Applicant has expertise in assisting clients with mortgage-related issues and currently provides direct legal services to borrowers who need assistance with such issues. *Required for applicants that propose to provide direct legal services.*

Attachments

- Attach the resumé of the individual who will oversee the proposed project.
- Attach an audited financial statement for the most recent complete fiscal year.
- Attach proof of eligibility for the small business preference (if applicable).

Description of Organization

In the space provided on the following page, **in no more than 1 page**, applicants shall:

- Give an overview of the organization and its track record in areas relevant or applicable to the grant proposal, including any significant honors or accomplishments.
- Describe any advantages specific to the organization(s).
- Provide a summary of the staff who will be involved in the project, including their credentials, expertise, and past accomplishments.
- List relevant recent publications or studies, and professional or academic affiliations (HBOR Implementation Grant applicants only)

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FORM D. FINANCIAL INFORMATION

I. BUDGET FORM¹

Applicants shall include detailed itemizations of anticipated expenses on the forms below and shall include explanation in narrative form for each expense.

Budget Category	Project Budget	Grant Request	Sub-Recipient Budget*
Revenue			
Government	_____	_____	_____
Foundations/Corporations	_____		
Earned Revenue/Contracts	_____		
Donor Contributions	_____		
Other	_____		
Total Revenue			
Expenses			
Personnel			
<i>For additional staff positions, itemize on separate sheet.</i>			
Salary for Staff 1	_____	_____	_____
Salary for Staff 2	_____	_____	_____
Salary for Staff 3	_____	_____	_____
Salaries Subtotal	_____	_____	_____
Benefits (e.g., medical, dental, vacation)	_____	_____	_____
Subtotal Salary and Benefits			

¹ Up to 25% of an awarded grant may be used for an allocated share of administrative overhead costs, but only if included and justified in the proposed budget submitted with the original application.

Non-personnel

Space			
Meetings/Conferences			
Telecommunications			
Supplies			
Equipment Rental/Maintenance			
Travel			
Training			
Insurance			
Audit			
Printing and Publications			
Professional Services/Consulting			
Evaluation			
Other (<i>itemize on separate sheet</i>)			

Total Expenses

Net Revenue

***Attach additional sheets as necessary for additional sub-recipients.**

II. FINANCIAL HISTORY & PROJECTIONS

Please provide us with summary information about your organization's financial history and projected budget.

	Projected Budget for Next Fiscal Year (Not Including Grant Funds)	This Fiscal Year	Last Fiscal Year	Fiscal Two Years Ago
Fiscal Year	_____	_____	_____	_____
Prior Year Net Assets	_____	_____	_____	_____
Total Revenue	_____	_____	_____	_____
Total Expenses	_____	_____	_____	_____
End of Year Net Assets	_____			

FORM E. APPLICANT ASSURANCES.

- i. Applicant agrees to vigilantly safeguard the awarded funds, to maintain financial controls sufficient to protect such funds, to ensure that the use of grant funds fully comports with the application for their disbursement, and to provide detailed written description of such financial controls upon request by the Attorney General's Office or the State Bar.
- ii. Applicant agrees to cooperate with the Attorney General's Office and any other state agency authorized to audit the use of state funds, and to provide all information and documents concerning the use of grant funds. Applicant agrees to maintain sufficient records for auditing purposes to substantiate any expenditure.
- iii. Applicant agrees to provide other information as required to evaluate the proposal.
- iv. Applicant will not discriminate on the basis of sex, gender, gender identity, gender expression, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, familial status, source of income, age, or sexual orientation.
- v. Applicant certifies that it is in compliance with the conflict of interest provisions of Cal. Pub. Cont. Code §§ 10410 & 10411.
- vi. Applicant will permit reasonable site visits and supply any additional information the Attorney General's Office or the State Bar deems reasonably necessary to determine compliance with the terms of the grant.
- vii. Applicant assures that, to the extent this grant is being sought for an existing project, the funds will be in addition to and will not supplant current funding committed to that project. However, to the extent applicant seeks to move some of the funding already committed to the project for use on other activities, the applicant will submit a request to the Attorney General's Office and the State Bar that describes the need for the other activities and justifies the alternate use of the funds.
- viii. Applicant agrees to establish protocols for effective oversight of the quality of services to be provided by staff, sub-recipients and volunteers.
- ix. Applicant understands that approval of this application does not constitute an endorsement of the applicant's project by the Attorney General's Office or the State Bar.
- x. Any unused or excess grant funds shall be returned to the Attorney General's Office upon completion of the project.
- xi. Grant recipients shall provide quarterly expenditure reports, progress reports every six months, and a post-grant self-evaluation report (detailed below). The Attorney General's Office and the State Bar reserve the right to deny grant extensions, demand refund of unused funds, and/or demand disgorgement if either agency determines that an applicant's report fails to demonstrate the grant recipient's satisfactory performance or continued project viability.
- xii. Applicants will submit a self-evaluation report within six months after the conclusion of the project. The report shall specify how funds were used, and, if applicable, a description of the progress and/or outcome of the project for which the funds were awarded.
- xiii. Applicants will maintain detailed accounting records and other evidence pertaining to costs incurred for four years from the close of the grant. The close of the grant occurs upon receipt and approval of the post-grant self-evaluation report.
- xiv. Applicant will cooperate with data collection processes and with research efforts of the Attorney General's Office or the State Bar of California (subject to any applicable privileges) to help identify areas of need, potential enforcement issues and key areas for future services.

Applicant will obligate sub-recipients to collect and report all data according to specified time schedules, and will submit all reports to grantor according to specified time schedules.

- xv. Applicant assures that it will provide a drug-free workplace as required by California Government Code Sections 8355 through 8357.
- xvi. Applicant agrees that any grant will be subject to such terms and conditions as may be required by the AGO and the State bar.
- xvii. Applicant agrees to indemnify and hold harmless the State of California and the AGO, its officers, agents, and employees, individual members of the panel of experts, and the State Bar of California, from liability for loss or damage to the extent caused by the negligent acts, misconduct, or omissions of the grantees, their agents, employees, or subcontractors.
- xviii. Applicant certifies that the undersigned has authority to make this application on behalf of the organization.

Signed:

Executive Director
Applicant Program

Chair, Board of Directors
Applicant Program

Date

Date