

**National Mortgage Settlement Funds
Request for Proposals – Addendum**

Addendum

Introduction

This addendum provides information regarding the fillable forms to be submitted on behalf of grant applicants as well as questions discussed at the Bidders Conference on November 30, 2012, and any questions received as of December 14, 2012. Explanations contained in this document are considered part of the RFP for purposes of determining whether an organization is eligible for a grant or satisfies a particular criterion discussed herein. Applicants are advised to review the information below before submitting an application.

References to the “CAG” refer to the Consumer Assistance Grants. References to the “HBOR grant” refer to the HBOR Implementation Grant.

Please contact Jennifer Kregear with any additional substantive questions not covered below. She will refer all questions to the Attorney General’s Office, and any substantive response will be added to this document and posted publically on the website. **Questions submitted after January 5, 2013 (except those relating to technical or procedural problems with submitting an application) may not receive a response.**

Application Forms

As of December 20, 2012, we have made some changes to the fillable application forms on the website (Forms to Submit – Fillable) to address a few bugs we identified. We have not changed any substantive content. If we identify any additional problems, we will update the forms accordingly, but the substantive content will not change. **We recommend that applicants prepare their application content in Word (or another program), and later copy and paste that content into the fillable PDF forms.**

The forms are designed be savable, but we recommend testing them on your version of Adobe Acrobat before completing your application. Please allow sufficient time to resolve any technical difficulties. **We must receive your application by January 14, 2013 at 5:00 p.m. in order for it to be considered.** Please contact Jennifer Kregear for any technical questions regarding the forms.

///

///

///

National Mortgage Settlement Funds Request for Proposals – Addendum

Bidders' Questions

Applicant Criteria

1. Are organizations eligible to apply for CAGs if they are not 501(c)(3)s?

The lead applicant must be a 501(c)(3) organization. (See Eligible Organizations).¹ However, an eligible lead applicant may choose to partner with sub-grantees or vendors that are not 501(c)(3)s. As with any proposed partnership, the application must explain how the chosen partners will enhance the project and help make it successful, and how the lead applicant will supervise its partners. (See Form B). In addition, please consider the substantive criteria for this grant as a whole. The grant is focused on direct services to individual consumers and participants in the housing market; it is not designed to support public policy advocacy.

2. Will you accept a proposal from an out-of-state organization?

An out-of-state 501(c)(3) organization is eligible to receive a grant as long as the services provided with grant funds are performed solely within California.

3. Is a state agency involved in enforcing state housing and anti-discrimination laws eligible to receive the grants?

No. See Question 1 above.

4. Does each collaborating organization need to be HUD-certified or have legal experience in mortgage-related issues? (See Eligible Organizations).

The RFP does not require every organization involved in a proposed project to be HUD-certified or have mortgage-related legal experience. Organizations within a project that provide housing counseling to homeowners must be HUD-certified, but organizations that provide other services or that counsel tenants need not be HUD-certified. Legal services organizations must demonstrate expertise relevant to the services they intend to provide.

5. Are legal services organizations without foreclosure- or mortgage-specific expertise eligible?

The expertise of the organization is relevant and we will consider it. (See Eligible Organizations; Required Elements; Evaluation of grant applications #1). We recommend organizations without substantial subject-matter expertise in mortgage- and foreclosure-related issues partner with other organizations. For example, an organization that has substantial experience providing certain kinds of consumer assistance, but not housing-specific assistance, may partner with an organization that provides assistance with mortgage- and foreclosure-related issues and develop a collaborative project.

¹ All citations refer to sections in the RFP, available at <https://oag.ca.gov/grants>.

National Mortgage Settlement Funds Request for Proposals – Addendum

6. Is a partnership required to get a grant, or can an organization apply on its own? What are some examples of the collaborations described in the Required Elements?

The first page of the RFP explains that “[e]xisting housing counseling and legal services organizations are invited to apply for grant funds, individually or in partnership.” The Required Elements explain that organizations are expected to do more than simply continue or transplant their existing services into a new funding source or a conglomerate of organizations that merely continue the same services. Instead, a new or expanded partnership, or a new or expanded service or target population, is expected for successful applications. Partnerships could include separate organizations working together under one project proposal, or they could include an existing organization bringing on a new source of expertise in an area outside its traditional area of focus (for example, a housing counseling organization might include proposed funding to incorporate a financial advisor to provide broader financial counseling services to their clients). We look forward to receiving innovative proposals from applicants, who “will enjoy substantial flexibility in their methods for developing strategies and delivering services to consumers.” (See Overview of Available Grants).

7. If organizations are applying in partnership, how are we to provide the required information for each organization?

The RFP forms are designed for a lead organization that speaks on behalf of the partnership. For partnership applications, designate a lead agency to complete and submit the main application and then attach MOUs or other agreements with the participating partners. (See Form B). The Attorney General’s Office may request supplemental materials from partners, if needed.

8. Are MOUs required for new collaborations and partnership applications?

Yes. Please see Form B, which contains a section asking applicants to submit information about their proposed partners, including attaching any MOUs or Letters of Intent.

9. Can an organization submit multiple applications?

An organization may apply for both the HBOR implementation grant and the CAG. In that case, the organization should submit separate applications for those grants. An organization applying as the lead CAG applicant may not participate in more than one CAG application. Organizations are not prohibited from participating as a sub-grantee in multiple CAG applications. However, applicants are cautioned to consider their capacity to implement multiple projects and look at what they can accomplish and accomplish well.

National Mortgage Settlement Funds Request for Proposals – Addendum

10. Are statewide proposals considered more favorably than local or regionally focused proposals?

The HBOR grant is designed to have statewide reach. The goal is to develop a statewide clearinghouse and a statewide effort. The Consumer Assistance Grants may direct their focus deep into local communities or focus on broader statewide services. There is no preference for CAG grant proposals to be focused on local communities vs. broader regional or statewide services. The goal for the CAG projects is to fund a variety of projects, including those focused on a particular locality and those focused more broadly, with an emphasis on providing services in the hardest hit areas.

11. What is the “Plus” in “Housing Plus”?

“Housing Plus” includes assisting clients with affordable housing, transitional housing and housing rehab programs, as well as assisting homeless populations. It also includes a broader, more holistic range of services that aim to put families on a path to long-term financial security and stability. The Additional Program Elements list examples of “Housing Plus” services under the second bullet point. Services may focus on any number of persons affected by the mortgage and foreclosure crisis in various ways, including current, former, and future homeowners, tenants, etc.

12. Is there a point system for scoring the applications? If so, where are the points allocated?

Yes. The “Evaluation of grant applications” section of the RFP contains the scoring system for evaluating applications.

13. How can an organization become eligible for the small business preference? (See Evaluation of grant applications - Preferences).

We will no longer offer any 5% preference for certain types of applicants. Please disregard that criterion in the RFP. We apologize for any confusion.

Project Design and Scope

14. Can grant funds go to sustaining existing projects?

Grant funds are not designed merely to sustain existing operations or increase the volume of matters an applicant can handle. (See Required Elements). The grants are designed to help organizations develop forward-looking and creative solutions to address an individual family’s financial situation. Organizations should not simply funnel grant funds into a new conglomerate or use them to continue existing services. However, what constitutes the “new” or expanded component will vary by project, and the RFP allows for flexibility in project design. We encourage innovative project proposals.

National Mortgage Settlement Funds Request for Proposals – Addendum

15. Could services to individuals who are “entering or reentering the housing market” include pre-purchase homebuyer education and counseling?

Yes. Such services comport with the RFP’s “Housing Plus” theme of holistic and comprehensive consumer financial assistance and education. (See Overview of Available Grants; Additional Program Elements).

16. Can projects focus on assistance to tenants affected by foreclosure?

For both the HBOR grant and CAGs, projects can focus on assistance to tenants affected by eviction and foreclosure, along with other consumers in the housing market. The Required Elements in the RFP list assisting clients with eviction proceedings, and the Additional Program Elements list assisting tenants with foreclosures as well as assisting clients with housing alternatives. The grants are designed to cover all types of populations affected by the housing and foreclosure crisis, including tenants and past, present, and future homeowners.

17. Does “asset management and wealth building” include income maintenance and access to public benefits? (See Additional Program Elements).

Providing asset management and wealth building to homeowners may include income maintenance and access to public and private benefits. Organizations may consider any available routes to financial security for families. The strategies for assisting consumers should be tailored to the individual family’s unique financial circumstances.

18. What are some examples of the "comprehensive consumer financial education" described on page 3?

Comprehensive consumer financial education may include a wide range of financial security and stability issues beyond mortgage-related issues alone. For example, each of the bullet points under the “Housing Plus” element of Additional Program Elements could be the subject of education efforts to promote consumer financial security.

19. What are some examples of the "referral system for enforcement coalitions" described on page 3?

A referral system could take many forms. At its simplest, a grantee could simply take the responsibility for maintaining a list of potential organizations that might accept referrals, and acting as a point person for coordinating firms’ use of that list. Potential grantees are encouraged to submit innovative proposals.

National Mortgage Settlement Funds Request for Proposals – Addendum

20. What are the program’s required guidelines for Education Workshop Activities/Counseling Activities?

Because the RFP covers a range of possible projects, it does not specify the precise contours of a particular workshop that an applicant would have to provide. We seek innovative proposals from applicants as to how they would structure any education and counseling activities. The proposed evaluation plan for the project is part of the grant criteria. (See Evaluation of grant applications). Applicants must submit their proposed metrics and accountability plans for proposed projects and explain how they will evaluate their progress and success. (See Form B).

21. Does “advocacy” in the CAG refer to individual household advocacy or to broader policy advocacy? (See Required Elements).

These grants are for direct services to individuals and families and their unique needs. They are not for public policy advocacy.

22. What are some examples of “particular advantages” of an applicant organization stated on Form C?

Examples of advantages include, but are not limited to, applicants who attract clients because of their reputation in the community or because of their ability to become part of established community networks. Another type of advantage might include alternate sources of funding that cover administrative or complementary projects that would help maximize the impact of the specific proposed project. Applicants should describe how they achieved any advantage and how they will continue to capitalize on it if they receive grant funds. Applicants may include any letters of support that demonstrate the organization’s particular advantages; however, letters of support are not required, nor will the applicant be penalized if they choose not to include them.

23. Does the project need to be specifically related to enforcing the National Mortgage Settlement?

Projects are not limited to measures that directly enforce the mortgage settlement. The grant is designed to support housing and consumer assistance on a broader spectrum. (See Overview of Available Grants; Additional Program Elements).

24. What criteria should we use to define the hardest hit areas? (See Additional Program Elements; Evaluation of grant applications).

The appropriate definition and measure of “hard-hit” or “hardest hit,” and the metrics used to evaluate them, will vary depending on the project. Applicants are expected to explain how their project will help satisfy an urgent need in a particular population. No one definition will be viewed more favorably than another.

**National Mortgage Settlement Funds
Request for Proposals – Addendum**

25. Can the project limit grant-funded services to clientele of specific demographic groups?

There is no income-range or other demographic limitation required in the RFP. Applicants may target specific populations for their projects. Projects will be evaluated based on demonstrated need. (See Additional Program Elements; Evaluation of grant applications).

26. Is there a matching funds requirement, or are projects with a particular level of matching funds scored higher?

There is no requirement in the RFP for projects to have matching funds. However, matching funds, in-kind services, or other financial resources may indicate that a project has stronger financial soundness, organizational capacity, or may achieve a greater impact as compared to other proposals (holding all other things equal). (See Evaluation of grant applications). Organizations are encouraged to seek other supplemental resources that might increase the impact of the project, but they are not required.

27. Should project budget (Form C, Column 1) include projected funds from other sources?

*No. The “project budget” column should include only **committed**, not merely projected, funds. Applicants can describe projected but uncommitted funds separately in the budget narrative.*

28. What is included in “administrative overhead” covered under the 25% rule? (See Form D.I).

The RFP provides that no more than 25% of the project funds may be allocated to overhead costs. The percent allocated must be based on a defined indirect cost rate or other articulated allocation methodology for determining the grant’s reasonable share of administrative overhead. Administrative overhead may include expenses such as rent, electricity, insurance, and audit, as well as an allocated share of salary and benefits for administrative personnel, such as IT or Finance staff. However, grant funds may not be used for fundraising costs.

29. Does the 25% administrative ceiling apply to the partnership as a whole or to each sub-grantee organization? (See Form D.I).

If each organization in the partnership keeps its administrative costs to less than 25% of its portion of the grant, then the administrative costs for the entire partnership will be less than 25%. If any partner in a proposed project seeks to exceed the 25% administrative ceiling for its portion of the funds, but the project budget as a whole would remain under 25%, the application should explain and justify that strategy.

30. Does the RFP require that a certain portion of funds be used for educational activities compared to counseling services?

No.

National Mortgage Settlement Funds Request for Proposals – Addendum

31. Are winning bidders responsible for marketing and outreach services to distressed homeowners or will your agency handle marketing?

Grantees are responsible for any marketing or outreach regarding the project; that is considered a component of the project itself. For example, the Additional Program Elements describe “[h]ow the proposed program will permit the organization to serve a new and/or previously underserved community. . . ,” and the second point under Evaluation of grant applications describes the “likelihood that a significant number of people from the targeted community will benefit” from the proposed program as a component of the evaluation criteria. Organizations on the ground are in the best position to design programs to effectively reach their targeted populations.

32. Will technology-based solutions be considered favorably in the selection process?

Any strategy that can improve the impact or reach of the project is welcome.

Evaluation and Data Collection Requirements

33. What are the documentation and reporting requirements for operations and budget? Are you collecting certain data points?

The Attorney General’s office is still in the process of developing our evaluation and data collection requirements for grantees. For financial reporting, there will be standard quarterly reporting forms, including quarterly expenditures, total expenditures on the project to date, etc. For programmatic reporting and data collection, these requirements will depend in part on the nature of the projects themselves and the evaluation plans submitted by applicants. (See Form B). Organizations may have different metrics to measure the success of their projects based on project-specific goals, and we expect applicants to address these issues in their proposals.

With respect to data collection, we anticipate that much of the data collection for programs will occur through intake forms and tracking procedures for clients post-intake. For example, data we may request grantees collect from clients could include, but is not limited to: Household income, Employment status, Gender, Race/ethnicity, Primary language, Servicing bank, Zipcode of property at issue, Amount owed on loan, Type of service(s) requested/offered, Legal claims identified, Type and amount of relief sought/offered/received, etc. Examples of aggregate data we may request during each reporting period could include, but is not limited to: Number of intake interviews conducted, Number of cases opened, Number of cases closed, Total number of pending cases, Total amount of relief secured, etc. These are just examples and may not apply to every grantee depending on the project.

National Mortgage Settlement Funds Request for Proposals – Addendum

Grant Logistics

34. Is there a minimum or maximum amount that can be requested for the CAG or HBOR grants? How many grants will be awarded?

*The estimates provided in Part II: Grant Availability (approximately 20 CAGs in grant ranges of \$150,000-\$750,000, and 1 HBOR grant of approximately \$1 million) are **only estimates**. Organizations are welcome to propose projects above or below the estimated range provided. We invite creative and innovative proposals at any level, and as the Grant Availability section of the RFP clarifies, “[a]pplicants should be aware of the possibility that only a small number of large grants may be awarded to candidates with the most promising proposals.” The Attorney General’s Office may also approve any proposal in whole or in part; we will consult with the applicant prior to any partial approval.*

35. Who will select the grantees?

A panel of experts will provide recommendations to the Attorney General’s Office, and the Attorney General’s Office will make the final decision. We are in the process of forming a selection committee. We will not announce the members of the selection committee before the application deadline.

36. How quickly will money be disbursed after March 1?

As the RFP states, we expect to announce grantees on or around March 1, and we expect to be able to disburse funds approximately 30 days from the day grantees are announced. However, these estimated dates may change if, for example, more information is requested of applicants, or if there are delays in receiving completed grant agreements from grantees.

37. What is the operating timeline for grant projects?

The operating timeline is predicted to be 18-24 months from April 1, 2013. If applicants seek to begin the grant period later than April 1, they can propose a later start date in their proposal but should explain the change.

38. What is the term of the contract?

The grant term is 18-months with the possibility of a 6-month carryover period of funds, if requested. (See Part II: Grant Availability.) Organizations may choose to apply for a 24-month grant term in their initial application; however, no 6-month carryover will be permitted if such a grant period is approved. Therefore, the total grant period may not exceed 24 months in any instance.

**National Mortgage Settlement Funds
Request for Proposals – Addendum**

39. Is this a cost reimbursement contract or a fee-for-service contract? How will the funds be disbursed?

It is up to each organization to structure its accounting books. The grant funds will be disbursed up front and organizations will draw down on the funds provided. Organizations will be required to submit regular financial reports to the State Bar and Attorney General's Office during the grant period. (See Form E at xi).

40. Can the grant funds be applied to expenses retroactively?

No. Grant funds may only be applied to expenses incurred during the grant period.

41. Can any of the grant funds be used for direct payments to families, such as individual development accounts (IDA) programs that are specific to housing?

No. The RFP is designed for direct services to Californians, but grant funds may not be used for direct payments to consumers.

42. Will grant allocations to harder hit areas be prioritized?

The demonstrated need for the project and its ability to serve hard-hit areas are part of the evaluation criteria for applications and worth 20 points. (See Evaluation of grant applications #2).

HBOR Specific Questions

43. Can a law firm apply for the HBOR grant?

No. (See Eligible Organizations). 501(c)(3)s, as well as individuals affiliated with nonprofits and professional organizations, may apply for the HBOR grant.

44. Is the HBOR grant designed only for a single organization, or can it go to a partnership?

The RFP does not require the HBOR grantee to be one single entity. Partnerships and collaborations are welcome. An HBOR grant applicant that seeks to partner with other organizations should complete the "Partnership Strategies and Long Range Impact" requirements of Form B.

45. Would you consider awarding more than one HBOR grant if the total of the grant amounts did not exceed \$1 million?

We anticipate awarding no more than one large HBOR grant for approximately \$1 million (although we will consider applications at larger or smaller funding levels). However, HBOR implementation and enforcement efforts can be included as a component of project proposals for CAGs.