



Massachusetts Housing Finance Agency

**One Beacon Street
Boston, MA 02108**

REQUEST FOR PROPOSALS

FOR

**Settlement Agent Services
For MassHousing Homeownership**

TABLE OF CONTENTS

Section

- I. STATEMENT OF PURPOSE
- II. BACKGROUND
- III. SCOPE OF WORK
- IV. CONTENT OF PROPOSALS
 - A. Transmittal Letter/Firm Description/Executive Summary
 - B. Experience and Qualifications
 - C. Diversity, Equity & Inclusion Plan
 - D. References
 - E. Project Plan
 - F. Support
 - G. Adverse Actions
 - H. Conflict of Interest
 - I. Pricing
- V. METHOD OF SELECTION/AWARD
 - A. Contract Award
 - B. Evaluation of Proposals
- VI. SCHEDULE AND INSTRUCTIONS
 - A. Number of Proposals and Due Dates
 - B. Summary Project Timetable
 - C. Single Point of Contact
 - D. Bidder's Conference
- VII. ADDITIONAL PROVISIONS
 - A. Confidentiality
 - B. Non-Discrimination
 - C. Rights of MassHousing
 - D. Use of Respondent's Proposal
 - E. Respondent Proposal Costs

I. STATEMENT OF PURPOSE

MassHousing is requesting proposals pursuant to this Request for Proposals (“RFP”) for a consultant to enter into a 3-year contract with the option of 5 one-year extensions for a total of 8 years. The services for which MassHousing is requesting proposals consist of a closing or settlement agent to coordinate 1-4 unit residential mortgage loan closings.

MassHousing has had a presence in the homeownership market since 1982. MassHousing is an approved Fannie Mae and Freddie Mac seller/servicer, FHA seller/servicer, Ginnie Mae issuer/servicer, and an approved mortgage insurance provider and retains the servicing on 100% of the loans. MassHousing’s HomeOwnership line of business oversees a nearly \$4.0 billion loan portfolio comprised of over 25,000 first and second residential mortgage loans on properties located throughout the Commonwealth of Massachusetts. These loans were originated by MassHousing-approved lenders consisting of banks and mortgage companies. MassHousing’s residential mortgage servicing portfolio is serviced in-house at MassHousing’s downtown Boston office. MassHousing’s servicing portfolio predominantly consists of first mortgage loans serviced for Fannie Mae and Freddie Mac, MassHousing and private investors with approximately 10% of it being second mortgage loans.

Recognizing that the way in which mortgages are made has changed and that it can and should respond to those changes, MassHousing has created a “mortgage broker channel” origination program through which MassHousing works with selected mortgage brokers to increase its lending within Gateway Cities and to people of color. MassHousing has developed a pilot program of brokers focusing on markets and people that have not been adequately served in the past and closed its first loans under this program in November 2022. MassHousing intends to expand this mortgage broker channel more widely throughout the state.

The closing or settlement agent will coordinate the loan closing services for mortgage loans originated through the mortgage broker channel in accordance with MassHousing requirements.

II. BACKGROUND

MassHousing provides mortgage financing and related services targeting the affordable housing market in Massachusetts. Created in 1966 by an act of the Massachusetts Legislature, MassHousing operates as a self-supporting, independent authority of state government. MassHousing raises mortgage capital through the issuance of taxable and tax-exempt revenue bonds and is organized around six primary business lines: Rental Business Development, Rental Underwriting, and Rental Management, Home Ownership Lending Operations, Home Ownership Productions, Home Ownership Servicing and Operations, and the Mortgage Insurance Fund. Support services such as accounting and financial reporting, legal, and information technology are provided by a group of corporate offices.

MassHousing's Rental Management business line oversees a portfolio comprised of mortgage loans originated by MassHousing's Rental Business Development and Rental Underwriting business lines, and this entire portfolio is serviced in-house. MassHousing's servicing of this portfolio includes regulatory oversight and compliance with requirements stemming from various housing subsidy contracts. Rental Management also provides regulatory and subsidy contract administration services to other entities, principally the United States Department of Housing and Urban Development ("HUD").

MassHousing's Home Ownership Servicing and Operations business line oversees a portfolio of single-family mortgage loans to first time homebuyers and other qualified borrowers. These loans were originated by MassHousing-approved lenders across the state under MassHousing's auspices and then subsequently purchased and serviced by MassHousing.

The Mortgage Insurance Fund ("MIF") was established to provide an additional source of primary mortgage insurance for certain borrowers. MIF is the primary insurer for single-family loans made by MassHousing and is also an insurer approved by the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae) and Massachusetts community banks and credit unions.

For additional information about MassHousing, please visit our website at www.MassHousing.com. For a detailed overview of MassHousing, including its financials, please review the most recent MassHousing Information Statement, and Annual Report. Both of these documents as well as others can be found on MassHousing's website at <https://www.masshousing.com/en/about/investors>.

III. SCOPE OF WORK

MassHousing is seeking qualified mortgage loan closing settlement agents, with a demonstrated commitment to the principles of diversity, equity and inclusion, to provide transactional services throughout the Commonwealth of Massachusetts in connection with mortgage loans originated through its mortgage broker channel. MassHousing will be selecting one or more settlement agents with experience in each of the following areas, and respondents should indicate in their responses their qualifications in such areas of expertise:

- Management of entire closing process, including coordination of the various closing parties, management of the closing agent selected in accordance with MassHousing criteria, processing loan closing wires. Please provide a list of the qualified closing agents that the settlement agent works with, including a description of criteria as to how the settlement agent qualified such closing agents, the location of the closing agents and the geographic area covered by such closing agents.
- Coordination and processing of closing wires. As requested in the pricing section below, please provide detailed information on pricing, including whether the settlement agent has a competitive pricing structure for low-income homebuyers, and whether first time and/or affordable homebuyers may be able to obtain a discount on title insurance.
- Utilization of ICE Mortgage Technology's Encompass platform to execute and implement closing processes as required by the services contract.

IV. CONTENT OF PROPOSALS

This RFP is designed to elicit all information considered essential to evaluating each proposal. There is no intent to limit the content of the proposals. Respondents may include such additional information as may be appropriate, or offer alternate solutions, but should not exclude any information requested in this RFP.

In support of MassHousing's longstanding commitment to confront the housing challenges facing the Commonwealth to improve the lives of its people, MassHousing will prioritize organizations who align with the Agency's values and its commitment to diversity, equity, and inclusion.

All proposals should contain the following information:

A. Transmittal Letter/Firm Description/Executive Summary

Proposals must be accompanied with a transmittal letter on company stationery or letterhead and signed by an individual legally authorized to bind the company. The transmittal letter should identify the individual(s) involved in preparing the proposal, as well as a single point of contact for the company. The transmittal should contain or be accompanied by a detailed description of the firm (including background on the firm's financial stability) as well as a summary of the contents of the proposal.

MassHousing is an equal opportunity employer and seeks to provide procurement, contracting and employment opportunities for minority, women, veterans, LGBT, and persons with disabilities. We encourage responses from entities which describe strategies to actively promote and recruit diverse vendors, workers, and contractors. Responses that describe the benefits of direct, specific, and measurable access to employment and contracting opportunities created by the proposed project will be favorably reviewed.

B. Experience and Qualifications

Proposals should describe the relevant experience of the firm and of the key personnel that will be providing the services. Relevant experience includes not only services similar to those being sought by MassHousing but also any past experience with entities similar to MassHousing.

C. Diversity, Equity & Inclusion Plan

Please provide the following information about your organization's commitment to the principles of diversity, equity and inclusion and related activities.

Organizational and Workforce Diversity

1. Describe your organization's activities that reflect your commitment to diversity, equity and inclusion and the impact, if any, it has on your organization's competitive position.

2. Describe the diversity makeup of your Board of Directors and executive leadership team. Please provide the breakdown by gender and ethnicity.
3. Please provide documentation if your company is certified as a diverse business (M/WBE, veteran-owned VBE, LGBT-owned, and/or disability-owned business).

Vendor/Consultant/Supplier Diversity

1. For all vendor/consultant/supplier goods and services purchased in the last three years, what is the dollar volume/percentage paid to M/WBE, veteran-owned VBE, LGBT-owned, and/or disability-owned businesses?
2. What are your proposed partnerships, spending goals and commitments regarding increasing purchases of goods and services from diverse businesses?

D. References

Please provide a list of at least three (3) companies that MassHousing can contact as references for which the respondent has provided similar services within the past three years, including:

1. Name, address, and phone number of each company.
2. General description of the engagement; and
3. Contact name and telephone number(s) of those who can talk knowledgeably about their experience with the respondent and any system issues that arose during the implementation of their project.

E. Project Plan

Provide a step-by-step project plan for performing and completing the solicited services as described in Section III (Scope of Work). Your Project Plan should include:

1. Key personnel and their roles in providing the service.
2. Your general approach and methodology in providing the services. You may provide suggestions or alternatives to any approach described in Section III as long you also respond to the described approach.
3. Details about project phases, including a list of deliverables, sign-off points, timelines, milestones, software components (if any), subcontractors, and training.
4. Expectations of MassHousing's staff to assist with the process.

F. Support

Please describe whether there is typically an on-going relationship with respondent and its clients after implementation. Please describe the way respondent communicates with clients after

implementation, whether through industry-related newsletters published by respondent, continuing educational workshops, etc.

G. Adverse Actions

Please include a description of any insurance claim, criminal investigation or material litigation against your firm or members of your firm in the last ten (10) years, any instances in which your firm has been debarred by state or federal government and the circumstances for the debarment, as well as a summary of any formal complaints filed against your firm or members of your firm containing allegations of discrimination in the last ten (10) years.

H. Conflicts of Interest

Please describe any facts you are aware of that would result in a conflict of interest with MassHousing if a contract was awarded to your firm.

I. Pricing

Please provide a detailed pricing structure for delivering the services (use a matrix or chart if necessary). Please advise to include consideration of discounts for low-income and first-time homebuyers.

V. METHOD OF SELECTION/AWARD

A. Contract Award

Contract will be awarded to the respondent whose proposal is determined to be the most advantageous to MassHousing, in its sole discretion, taking into account price and other evaluation criteria as set forth in this RFP.

MassHousing reserves the right to negotiate the terms of the contract(s), including the contract amount(s), with the selected respondent prior to entering into a contract. The contents of the respondent's proposal and this RFP, and any amendments thereto, shall become contractual obligations if an engagement of services ensues. Contract selections should be distinguished from a contract award. Contracts will not be considered awarded until negotiation of terms is final. Failure of a successful respondent to accept these obligations in contractual agreement may result in cancellation of a respondent's selection. If contract negotiations cannot be concluded successfully with any selected respondent(s), MassHousing may, in its sole discretion, negotiate a contract with the next ranked respondent.

One or more contracts may be awarded as a result of proposals submitted in response to this RFP. MassHousing reserves the right to award contracts for individual deliverables if that is advantageous to MassHousing.

B. Evaluation of Proposals

Proposals submitted in accordance with this RFP will be evaluated by a selection committee composed of MassHousing staff. All respondents will be notified of the outcome of the review of their proposal. Proposals will be evaluated pursuant to the following criteria:

- Responsiveness to requirements of RFP
- Financial and organizational stability of respondent
- Understanding of proposed scope of services and approach in addressing MassHousing's specific needs and objectives
- Quality and timeliness of proposed work plan
- Technical capabilities (in terms of personnel, equipment, and materials) and management plan (including staffing of key positions, method of assigning work, and procedures for maintaining level of service)
- Diversity, Equity & Inclusion plan
- Demonstrated experience and qualifications of respondent and respondent's staff assigned to perform the solicited services
- Ability to provide a cost-effective solution to meet the needs of MassHousing; and
- Demonstrated successful past performance based on references.

VI. SCHEDULE AND INSTRUCTIONS

A. Number of Proposals and Due Dates

Please submit your proposal, electronically in PDF format, to Lisa Fiandaca at MBPilot@masshousing.com, by 5:00 P.M. E.S.T. on October 31, 2024.

Proposals received after the response deadline will, at MassHousing's discretion, be returned unopened to sender.

B. Summary Project Timetable

Following initial review of the proposals, MassHousing will identify those respondents it elects to interview. Interviews will be scheduled within the two (2) weeks after the response deadline and MassHousing will attempt to provide respondents with at least one week's notice before scheduling an interview.

The anticipated timetable for the evaluation process and subsequent project activities are summarized below:

<u>Date</u>	<u>Task</u>
October 17, 2024,	Distribute RFP
October 31, 2024,	RFP Response Deadline

November 4, 2024,	RFP Evaluation and Selection of Candidates for Further Review
November 8, 2024,	Complete Follow-up and Reference Calls
November 15, 2024,	Final Selection

This anticipated timetable is for reference purposes only and is subject to change at MassHousing’s sole discretion. A copy of this RFP, as well as any addenda thereto, will be posted on www.masshousing.com/rfp. Schedule changes and/or other RFP revisions, including date, time, and place changes, if any, will be posted on the website on a weekly basis. In addition, after the RFP Response Deadline, changes may be sent directly to Respondents at the contact information provided.

C. Single Point of Contact

All inquiries regarding this RFP should be directed to:

Lisa Fiandaca
 Senior Director of Homeownership Production
 MassHousing
 One Beacon Street
 Boston, MA 02108
 (781) 771-1571
 Email: MBPilot@masshousing.com

In order to maintain a fair and impartial competitive process, MassHousing will only answer questions or comments regarding the RFP that are submitted in accordance with the terms of this section. MassHousing will determine, in its sole discretion, whether any inquiry requires a formal response which, if required, may take the form of an addendum to this RFP. Respondents who initiate private communications with other MassHousing personnel regarding material issues involving this RFP may be disqualified.

D. Bidder’s Conference

No formal bidder’s conference is scheduled.

VII. ADDITIONAL PROVISIONS

A. Confidentiality

By accepting to respond to this RFP, respondent expressly acknowledges that MassHousing’s business procedures, ideas, inventions, plans, financial data, contents of this RFP, and other MassHousing information are the sole and exclusive property of MassHousing. The Respondent

also agrees that it will safeguard such information to the same extent it safeguards its own confidential material or data relating to its own business information that is of a confidential or proprietary nature. Federal and state laws require that MassHousing maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing. This information includes the following: (1) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and implementing regulations (16 C.F.R. Part 314); consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws. If MassHousing grants respondent access to its networks or otherwise allows respondent to view personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing, respondent shall comply with all federal and state laws protecting such information while working at MassHousing's facility, while using MassHousing's protected information, and while connected to MassHousing's network. It is MassHousing's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks. In submitting its proposal, respondent acknowledges that it will be required to submit to such background checks of its impacted employees at MassHousing's request. If awarded the contract, respondent shall comply with MassHousing's information security program by (1) implementing and maintaining measures designed to meet the information security objectives of federal and state laws; (2) using and disclosing customer information solely for the purposes of performing the contract; and (3) providing MassHousing with copies of the results of any internal and external audits or tests of the effectiveness of MassHousing's information security measures.

B. Non-Discrimination

In connection with the performance of work under this contract, the respondent agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, marital status, familial status, sexual orientation, gender identity or expression, pregnancy, genetic information, veteran status, alienage or citizenship status, ancestry, national origin, or any other characteristic protected by applicable federal, state, or local laws. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The respondent further agrees to take affirmative action to ensure equal employment opportunities for those applicants of protected groups referred to above. The respondent agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

C. Rights of MassHousing

MassHousing is soliciting competitive proposals pursuant to a determination that such a process best serves the interests of MassHousing and not because of any legal requirement to do so. MassHousing accordingly reserves the right to accept any proposal; to withdraw or cancel this RFP; to modify or amend, with the consent of the proponent, any proposal prior to acceptance;

to reject any or all proposals or waive any informality and otherwise to affect any agreement that MassHousing in its sole judgment, deems to be in its best interest.

D. Use of Respondent Proposal

All material submitted becomes the property of MassHousing and will not be returned. If the respondent intends to submit confidential or proprietary information as part of the proposal, any limits on the use or distribution of that material should be clearly delineated in writing. Respondent should be aware that MassHousing is a quasi-public governmental agency subject to Massachusetts General Laws, Chapter 66, sections 1-18, therefore, any information submitted to MassHousing (even if marked as confidential or proprietary) may be subject to disclosure under the Massachusetts Public Records Law.

MassHousing reserves the unrestricted right to copy and disseminate the respondent materials for internal review.

E. Respondent Proposal Costs

All respondent proposal related costs, including but not limited to, proposal preparation and presentation, system demonstrations, documentation, site visits, in-depth briefing for MassHousing, and negotiation meetings are entirely the responsibility of the respondent and shall not be chargeable in any manner to MassHousing. MassHousing will bear the costs of sending its own staff to respondent headquarters and respondent client sites if such meetings are required.