



Rhode Island Housing
working together to bring you home

Request for Proposals
Secondary Marketing Consulting Services
March 1, 2013

Through this Request for Proposals (“RFP”) Rhode Island Housing hereby solicits proposals from qualified individuals/firms (each an “Offeror”) to provide assessment, training and consulting services to its Home Ownership Division in the areas of:

1. residential mortgage loan origination, processing and closing
2. residential secondary marketing and
3. mortgage pipeline management.

Background

Throughout its 40-year history Rhode Island Housing has funded its single-family mortgage loan activities for income eligible, first time homebuyers by issuing tax-exempt mortgage revenue bonds (“MRBs”). Our single-family mortgage loans are originated both by Rhode Island Housing personnel and through a network of participating mortgage lenders. Rhode Island Housing currently originates loans through a government platform and FNMA conventional loan programs.

Rhode Island Housing is an approved GNMA MBS issuer and an approved FNMA seller/servicer and currently securitizes into GNMA or FNMA mortgage backed securities (“MBS”) most new loans whether originated internally or purchased. Rhode Island Housing services virtually all of the loans it has originated and purchased from participating lenders.

Beginning in mid-2013, Rhode Island Housing will sell either: 1) loans originated in-house or purchased from participating lenders or 2) the MBS received in return for such loans, into the so-called TBA market. At a later date and depending upon market factors such as the volume of new loans we originate or purchase and long term yields on MRB versus mortgage backed pass-through bonds we may also begin to use these MBS to collateralize mortgage backed pass-through bonds issued by Rhode Island Housing. Total new loan production for the fiscal year ending June 30, 2012 was approximately \$62 million.

Pursuant to another separate RFP, Rhode Island Housing plans to retain a third party to provide either: 1) turn-key pipeline management and hedging risk assumption for our single-family loan pipeline, or 2) ongoing consulting services to teach and then guide Rhode Island Housing personnel to directly manage and hedge our single-family loan pipeline.

Scope of Work

Through this RFP, Rhode Island Housing seeks an Offeror that will assist Rhode Island Housing to: a) assess the pipeline management, loan production and securitization capabilities of its internal Finance, Homeownership and Servicing Divisions; b) determine what, if any, organizational changes may be necessary to enable these Divisions to successfully operate in a TBA-based funding environment; c) formulate and implement policies and procedures necessary

for successful operation of all areas of a secondary market department, which would include, but not be limited to, rate locks, pricing, hedging, packaging and delivery.

Offerors responding to this RFP are required to prepare and submit their proposals in accordance with the directions contained in this RFP.

RFP Schedule of Events

Rhode Island Housing has established the following schedule for this RFP process:

RFP Issuance	March 1, 2013
Deadline for Submission of Proposals	March 22, 2013. 5:00 p.m. (EST)
Completion of Evaluation	March 29, 2013

The dates for submission of proposals and completion of evaluation may be extended by Rhode Island Housing in its sole discretion. Offerors will be notified of any schedule changes and/or other RFP revisions, including date, time and place.

Form of Submission and Deadline for Proposals

One original copy of your written proposal must be received no later than 5:00 p.m., Eastern Standard Time, Friday, March 22, 2013 in a sealed envelope marked “Secondary Marketing Consulting Services RFP,” by mail or hand delivery to:

Robert J. Wickey
Deputy Director Finance & CFO
Rhode Island Housing
44 Washington Street
Providence, RI 02903
E-Mail: rwickey@rhodeislandhousing.org

Proposals delivered after the date and time due will not be considered and will be returned.

Coincident with the delivery of a written proposal as noted above, each Offeror shall submit an electronic copy of their proposal to Robert Wickey at rwickey@rhodeislandhousing.org. Such electronic copy shall be accompanied by an email statement that the electronic version thereby submitted is identical in form, content and substance to the physical copy submitted.

Offerors are advised that all submissions (including those not selected for engagement) may be made available to the public on request upon completion of the process and award of a contract(s).

Any questions regarding this RFP or the selection process must be made to Robert Wickey in writing at rwickey@rhodeislandhousing.org. No inquiries with respect to this RFP should be made to any other Rhode Island Housing employee, staff member, Board member or any other state agency official until final selections have been determined.

Term of Contract

This RFP is for a specified body of work to be performed within a finite (yet to be determined) time frame. Rhode Island Housing shall enter a contract with the successful Offeror that sets forth the final terms of the parties' agreement with respect to the work described herein. The precise term of such contract will be determined based on the process and timeline proposed by the selected Offeror. However, Rhode Island Housing expects the Scope of Work outlined herein to be completed within three (3) months of contract award; and Rhode Island Housing and the selected Offeror shall each have the right to terminate any such contract upon thirty days written notice to the other party.

News Releases

News releases pertaining to this proposal or any part of this proposal shall not be made without the prior written approval of Rhode Island Housing.

Record Keeping and Record Retention

Any Offeror selected under this RFP shall establish and maintain adequate records of all out-of-pocket expenditures incurred with respect to services performed. Rhode Island Housing shall have the right to audit, review, examine, copy and transcribe any pertinent records or documents relating to any services related to the contract entered into by Rhode Island Housing and the selected Offeror. Such Offeror shall retain all documents applicable to the services provided for a period of not less than seven (7) years after final payment is made. Rhode Island Housing shall have no obligations with respect to expenses of any nature incurred by Offerors other than those expenses of the selected Offeror agreed upon by the parties in a written contract.

Proposal Requirements

Proposal organization and format:

- Please provide the information listed below, in the order in which it is requested. Attachments and exhibits, if any, should be added at the end of the proposal and clearly marked.
- Please attach a cover letter or executive summary on firm letterhead.
- Your submission may not exceed seven (7) pages (excluding exhibits and cover letter/executive summary).

General information: Please provide a brief description of your firm, including but not limited to the following:

- Name, address, phone number, fax number and email address of the firm's contact person
- Location(s) of all offices
- Rhode Island Housing encourages the participation of women, persons of color, persons with disabilities, ethnic minorities and members of other federally and State-

- protected classes. Describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either partners or associates in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on Rhode Island Housing's transactions and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification or of any Minority or Women-Owned sub-recipients participating.
- Indicate whether or not your firm has any knowledge of any active investigations or criminal proceedings by the Securities and Exchange Commission or any other state or federal agency with regard to you individually or to your firm. If so, please provide a brief description of such investigation and the name and phone number of a person whom Rhode Island Housing may contact to obtain more information.
 - Identify any material litigation, administrative proceedings or investigations regarding you individually or your firm that is ongoing or has been settled or otherwise concluded during the past two years.
 - Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with Rhode Island Housing.
 - Describe any relationships that you have with other parties, such as brokers or fiscal advisory firms, regarding fee-splitting or consulting/soliciting of business.

Residential secondary marketing experience and resources:

- Discuss your or your firm's direct experience managing, or assessing the management of, day-to-day operations of: 1) retail and wholesale single family mortgage loan origination departments, 2) secondary loan marketing departments including the composition and volume of pipeline(s) managed, number and type of investors sold to, and the number and function of staff supervised.
- Discuss your or your firm's experience in consulting on lender secondary marketing operations, including, loan pricing, hedging strategies, best execution analyses, fallout calculation, and pooling to maximize market value of MBS created.
- Discuss your or your firm's experience in Fannie Mae contracting and the operational details of delivering loans to Fannie Mae and Ginnie Mae in exchange for MBS, including the interaction between Loan Delivery and Desktop Originator/Desktop Underwriter and any other comparable systems.
- Rhode Island Housing uses the MITAS software system for tracking and processing single-family loan. Describe your or your firm's experience working with these systems. If none, describe how you or your firm will maximize the utility of Rhode Island Housing's existing loan systems.
- Rhode Island Housing expects that the assessment services described in the above Project Description would necessitate significant on-site presence to perform. Please estimate the number of weeks and the average number of days per week that you would propose being on-site in Providence.
- Attach, as exhibits, the resumes of any and all individuals who would be involved in providing the services described in this RFP.

- Provide the names, addresses, and phone numbers of three references that Rhode Island Housing may contact during this RFP process.

Costs:

- Please provide either 1) an estimate of the total dollar cost (including the dollar amount per hour and an estimate of the number of hours needed to complete the scope of work proposed; or 2) the fixed fee that you or your firm would charge Rhode Island Housing for the consulting services described above
- Please estimate the monthly dollar amount in out-of-pocket expenses for which you would seek reimbursement from Rhode Island Housing. Please break this down by category (e.g., travel, accommodations, meals, etc.).

Certifications:

- Rhode Island Housing insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as Rhode Island Housing, for the aggregate sum of \$5,000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a calendar year to any general officer, any candidate for general office, or any political party.
- Does any Rhode Island “Major State Decision-maker,” as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in this business?

For purposes of this question, “Major State Decision-maker” means:

- (i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- (ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- (iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or

serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is “Yes,” please identify the Major State Decision-maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §§36-14-16, 17 and 18.

- Please include a letter from your president, chairman or CEO certifying that (i) no member of your firm has made inquiries or contacts with respect to this Request for Proposals other than in an email or written communication to Robert Wickey at rwickey@rhodeislandhousing.org seeking clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until after March 22, 2013, (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a Rhode Island Housing employee or Commissioner, or a relative of the same, based on any understanding that such person’s action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

Evaluation and Selection

Rhode Island Housing will award this contract to the Offeror whose proposal, taken in its entirety, is the most beneficial to Rhode Island Housing. A selection committee consisting of Rhode Island Housing employees (the “Committee”) will review all proposals and make a determination based on the following factors:

- Professional capacity to undertake the Scope of Work
- Proposed fee structure
- Strength of work plans; capacity for innovation
- Previous performance with Rhode Island Housing and/or similar organizations
- Firm minority status and affirmative action program or activities
- Other pertinent information submitted.

Rhode Island Housing may invite one or more finalists to make presentations. In its sole discretion, Rhode Island Housing may negotiate with one or more firms who have submitted qualifications to submit more detailed proposals.

By this Request for Proposals, Rhode Island Housing has not committed itself to undertake the work set forth. Rhode Island Housing reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents. Rhode Island Housing reserves the right to make those decisions after receipt of responses. Rhode Island Housing’s decisions on these matters shall be final.