



Request for Proposals Loan Origination System

INTRODUCTION

Through this Request for Proposals (“RFP”), Rhode Island Housing seeks proposals from qualified firms to provide an electronic Loan Origination System (“LOS”). Rhode Island Housing currently uses Integra Destiny LOS for originating, processing, underwriting, and closing loans, and specific post-closing functionality.

Rhode Island Housing’s primary objectives in considering alternative LOS products include the following:

- to increase efficiency, improve productivity, and optimize business performance;
- to streamline integration between business systems;
- to reduce reliance on and necessity for paper forms and documents;
- to enable portals and web interfaces for improved availability for constituents, regulators, and business partners;
- to improve ease and accuracy of reporting;
- to ensure ease and accuracy of compliance with State, Federal, and other regulations;
- to ensure system reliability and support;
- to ensure internal and external system security and business continuity;
- to ensure alignment with industry best practices;
- to understand system capabilities for supporting a high level of customer service in a complex environment.

INSTRUCTIONS & TIMELINE

One (1) original and three (3) copies each of both the Non-Price Proposal (Attachment B) and the Price Proposal (Attachment D) should be submitted to:

Rhode Island Housing
44 Washington Street
Providence, Rhode Island 02903-1721
Attn: Peter Pagonis, Director of Homeownership.

Please direct courtesy electronic copies of Attachment B and D by email to elia.blankenship@rsmus.com and david.dinicola@rsmus.com.

The Response Document (Attachment C) must be submitted with the courtesy electronic copy of Attachment B in the original Microsoft (“MS”) Excel format. The Non-Price Proposal and Response Document must be submitted in a consolidated electronic transmission, separate from the Price Proposal.

- The electronic transmission containing both Attachment B and Attachment C must include the offeror’s name and **“Rhode Island Housing Request for Proposals: Loan Origination System – Non-Price Proposal”** in the subject.
- The electronic transmission containing the Price Proposal must include the offeror’s name and “Rhode Island Housing Request for Proposals: Loan Origination System –Price Proposal” in the subject.
- Electronic submissions of MS Attachment B and Attachment D must be either in their original format or a PDF; Attachment C must remain in MS Excel.

Proposals must be concise and include all attachments and work samples, in the formats provided herein. Failure to follow instructions may result in a proposal being treated a non-responsive. Proposals that are incomplete, illegible, or modify any of the attachments/forms will not be considered.

Proposals must be received no later than 5:00 EST p.m. on **October 26, 2016**. Proposals received after this deadline or addressed other than as specified in this section will not be considered.

Vendor Conference

Prospective vendors are encouraged to join the Agency for a remote Vendor Conference to field questions. This conference is anticipated to take place September 21, 2016 from 2 p.m. to 4 p.m. (EST). Offerors are restricted to two (2) representatives for the duration of the Vendor Conference.

Rhode Island Housing will post a phone number for the Vendor Conference prior to the 21st on the Agency’s website. Should any unforeseen conflicts arise, Rhode Island Housing reserves the right to adjust timing and will publish any updates on the Agency’s website. It is the offeror’s responsibility to review all posted information and updates.

Notifications to Offerors

- Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely. Failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.

- All costs associated with developing or submitting responses to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The Agency assumes no responsibility for any costs.
- Respondents 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).

Expected Schedule of Activities

Vendor conference	September 21, 2016
Completed response from vendor	October 26, 2016
Onsite demonstrations	Late October
Contract negotiations with selected vendor	Mid November

SCOPE OF WORK

Please see the Scope of Work provided at **Attachment A**.

ITEMS TO BE INCLUDED IN YOUR PROPOSAL

The following table defines all materials to be included in response, outlining each attachment and its contents.

Attachment	Contents
Attachment B	Proposal Document Part A: General Firm Information Part B: Experience and Resources Part C: Module List Part D: Statement of Direction Part E: Implementation Approach and Timeline Part F: Miscellaneous Part G: Certifications
Attachment C	Response Document
Attachment D	Price Proposal

I. Attachment B: Non-Price Proposal

Responses should include page numbers, a table of contents, and the responding vendor's name. The beginning of each section (A through G) should be clearly marked with a heading, and information provided should follow the order requested within each section as applicable.

A. General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - a. Name of the principal(s) of the firm
 - b. Name, telephone number and email address of a representative of the firm authorized to discuss your proposal.
 - c. Address of all offices of the firm.
 - d. Number of employees of the firm.

B. Experience and Resources

1. Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work.
2. Indicate which principals and associates from your firm would be involved in providing services to Rhode Island Housing. Provide appropriate background information for each such person and identify his or her responsibilities.
3. Please include a current client roster, including a lead contact name and telephone number for each.
4. 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.
5. Identify any material litigation, administrative proceedings or investigations in which your firm is currently involved. Identify any material litigation, administrative proceedings or investigations, to which your firm or any of its principals, partners, associates, subcontractors or support staff was a party, that has been settled within the past two (2) years.
6. Describe how your firm will handle actual and or potential conflicts of interest.
7. Identify individuals in your firm with multi-lingual skills, who are available to assist with communication in languages other than English. Please identify the language(s).

C. Module List

Please attach a list of all modules available in your software package. If any additional modules or systems are to be considered in order to deliver required functionality, please identify and delineate this information in your response.

D. Statement of Direction

Please attach a Statement of Direction outlining your software's strategic goals over the next three to five years (product upgrades, functional changes, expansion plans, cost structure changes, etc.). If your software is owned by a parent company, please describe any changes in direction that the company plans to advance.

E. Implementation Approach and Timeline

Please attach a proposed implementation approach for your application that addresses Rhode Island Housing's high priority requests. Be sure to note costs, key milestones, and resources required to complete the project. Additionally, please include a timeline that provides an outline of the duration of each phase throughout the implementation.

F. Miscellaneous

1. Rhode Island Housing encourages the participation of persons of color, women, persons with disabilities 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 principals or senior managers 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 engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.
2. Discuss any topics not covered in this Request for Proposals that you would like to bring to Rhode Island Housing's attention.

G. Certifications

1. 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.
2. 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.

3. In the course of providing goods or services to Rhode Island Housing, the selected respondent may receive certain personal information specific to Rhode Island Housing customer(s) including, without limitation, customer names and addresses, telephone numbers, email addresses, dates of birth, loan numbers, account numbers, social security numbers, driver’s license or identification card numbers, employment and income information, photographic likenesses, tax returns, or other personal or financial information (hereinafter collectively referred to as the “Personal Information”). The maintenance of the Personal Information in strict confidence and the confinement of its use to Rhode Island Housing are of vital importance to Rhode Island Housing. Please include a letter from your president, chairman or CEO certifying that, in the event your firm is selected:

(i) any Personal Information disclosed to your firm by Rhode Island Housing or which your firm acquires as a result of its services hereunder will be regarded by your firm as confidential, and shall not be copied or

disclosed to any third party, unless Rhode Island Housing has given its prior written consent thereto; and

(ii) your firm agrees to take all reasonable measures to (a) ensure the security and confidentiality of the Personal Information, (b) protect against any anticipated threats or hazards to the security or integrity of the Personal Information, and (c) maintain reasonable security procedures and practices appropriate to your firm's size, the nature of the Personal Information, and the purpose for which the Personal Information was collected in order to protect the Personal Information from unauthorized access, use, modification, destruction or disclosure; and

(iii) when discarding the Personal Information, destroying it in a commercially reasonable manner such that no third party can view or recreate the information, electronically or otherwise.

These provisions, which implement the requirements of the Rhode Island Identity Theft Protection Act, R.I.G.L. § 11-49.2 et seq., will also be incorporated into the final contract with the selected respondent(s).

4. 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 contacts identified below 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 October, 26, 2016 (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.

II. Attachment C: Response Document

Complete the Response Document at [Attachment C](#). Additional instructions are included in the workbook. This document can be found using the paperclip icon in the left hand tab of this RFP.

The Agency understands that there may be additional contingencies, exceptions, and/or considerations regarding the selection of a delivery method. Please select the option that best fits your proposed system's delivery and include as much information as possible in the

“Response” column as is necessary to describe functionality, as this will help to normalize responses.

III. Attachment D: Price Proposal

A complete price proposal, in the form set forth as Attachment D to this RFP, must contain any rates, estimates, and contingencies related to the information listed within.

EVALUATION AND SELECTION

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. Without limiting the foregoing, the Response Document (Attachment C) will be evaluated using the following weighted scale based on “Delivery Method” and level of requirement/priority as defined by Rhode Island Housing.
 - **Highly Advantageous: Standard (S)** – feature/function is included in the proposed system and available in the current software release; vendors are requested to comment on how this will be delivered where applicable
 - **Advantageous: Workaround Required (W)** – a business process change or reporting can make this requirement possible; vendors are to describe the potential workaround
 - **Less Advantageous: Third Party Software (T) or Custom Functionality (C)** – feature/function is provided via the use of a third party software application or custom modifications; in either case, vendors are requested to provide the name of the third party application and integration methodology or estimated levels of effort and time investment, respectively
 - **Not Advantageous: Not Available (N)** – feature/function is not available from the vendor
- Proposed fee structure
- Ability to perform within time and budget constraints
- Evaluation of potential work plans
- Previous work experience and performance with Rhode Island Housing and/or similar organizations
- Recommendations by references
- Firm minority status and affirmative action program or activities
- Firm minority status, affirmative action program, activities, and you area business within Rhode Island
- Foreign language capabilities of the firm
- Other pertinent information submitted

Rhode Island Housing may invite one or more finalists to make presentations demonstrating system capabilities.

In its sole discretion, Rhode Island Housing may negotiate with one or more firms who have submitted qualifications to submit more detailed proposals on specific projects as they arise.

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 decision on these matters is final.

If you require clarification on the Scope of Work, please contact:
elia.blankenship@rsmus.com or david.dinicola@rsmus.com.

Attachment A

Scope of Work

Rhode Island Housing seeks to engage software vendors to provide an electronic Loan Origination System (“LOS”) to replace Integra Destiny LOS, a legacy application.

Below are some additional factors to consider regarding current operations and volume at Rhode Island Housing:

- Approximate Revenue, Year End June 30, 2015: \$103 million
- Approximately 60 end users, with some anticipated use from participating lenders (license requirements may vary)
- First Mortgage Loan Volumes:
 - CY 2015: 1,259; approximately \$214.96 million
 - Year to Date: 806; approximately \$104.95 million
 - See breakdown of loans and other MCCs closed below:

Product	2015		2016	
	Number	Amount	Number	Amount
Renewed Homes	0	-	47	\$ 940,000
Grad Grants	69	\$ 405,243	201	\$ 1,215,185
Closing Cost Assistance	410	\$ 1,788,416	242	\$ 1,076,903
Amortizing Seconds	892	\$ 5,236,277	496	\$ 3,043,468
Equisense	4	\$ 112,000	0	-
Home Repair	15	\$ 187,208	2	\$ 15,846
Access Independence	2	\$ 15,917	3	\$ 21,000
Clean Water	50	\$ 789,568	16	\$ 275,689
MCC	985	\$ 33,386,800	459	\$ 16,403,804

- **First Mortgage Production by Channel:**
 Correspondent Lenders - 65.5%
 Retail (RIH) - 23%
 Mortgage Brokers - 11.5%%
- **First Mortgage Production by Product:**
 Government (FHA, VA, USDA) - 74.6%
 Conventional (Fannie Mae) - 25.4%

- **CY 2015 First Mortgage Production**
1,259 units on volume of \$214.9 million
- **CY 2016 *Estimated* First Mortgage Production***
1500 units on volume of \$267.3 million
**Yearly projection based on CYTD run rate*
- Additionally, approximately 75% of all transactions are structured with Extra Assistance (Amortizing Second, CCA, Ocean State Grad Grant or the Renewed Homes Program)

In addition to the current LOS, Rhode Island Housing also leverages a number of systems for workflow and functionality tied into loan origination. These include the following:

- Mitas – accounting and finance
- Black Knight – loan servicing
- Caine Mitter – post-closing
- Power Seller – secondary market
- FHA Connection – secure access to HUD systems
- FHA TOTAL Scorecard – borrower information and credit history
- DocuShare and Titan – imaging/document management
- Desktop Originator, Desktop Underwriter, and EarlyCheck, and other principal Fannie Mae applications

The selected vendor will be expected to deliver application software, services, and perform responsibilities related to the implementation, provision, and ongoing support of the LOS and the Agency’s associated business requirements. While the final scope will depend in part on the selected solution, the selected vendor will be responsible for the following minimum tasks and deliverables:

- Software licensing for Rhode Island Housing employees and agents, as applicable, to use the selected software
- Developing and carrying out a defined implementation plan with a documented approach, formal planning and design phases, regular progress updates, and coordinated testing/troubleshooting
- Customization services, including (but not limited to) workflow, reports, and form/data mapping
- Project plan and facilitation of a de-conversion (“sunset”) strategy and/or transition of legacy data from the current Integra Destiny LOS solution
- Training for Rhode Island Housing employees and agents, including:
 - Onsite training
 - Web-based trainings

- In-depth training for the person(s) identified by Rhode Island Housing as a designated trainer
 - Formal training schedule
- Operation and maintenance of telephone technical assistance during specified business hours and agreed-upon afterhours support
- End-state user documentation
- If the selected system is hosted by the vendor, the vendor shall retain LOS data for the duration of the agreement
- Defined business continuity and disaster recovery materials and protocols to ensure the security, availability, and recovery of Rhode Island Housing's data

Attachment D

Price Proposal

Please outline your fee structure based on the guidelines below:

The cost of services is one of the factors that will be considered in awarding this contract. The information requested in this section is required to support the reasonableness of your fees. Organization, detail, and clarity is appreciated.

1. Please provide a cost proposal for providing the Scope of Work at Attachment A.
2. Provide an itemized breakdown of billing rates and hourly costs, list of key personnel and their hourly rates, reimbursable expenses, etc. for any services that may be requested in addition to the services previously described.
3. Please provide any other fee information applicable to the engagement that has not been previously covered that you wish to bring to the attention of Rhode Island Housing, including the following:
 - Break out hardware, subscription, hosting, support, and implementation costs (as applicable)
 - If providing cloud/SaaS pricing, please provide multi-tenant and single tenant options if available for consideration
 - Describe your pricing model and how the estimated cost was established and what factors impact the cost
 - Is product pricing based on named users or concurrent usage?
 - Discuss the impact of expanding your product based on company growth and / or to other areas of Rhode Island Housing (if applicable)
 - Discuss any potential future upgrade costs and what is included in the pricing proposed
 - Please clearly outline any third party components that might be used in your solution and their associated costs over one, three, and five years respectively
 - Any additional fees or pricing that might factor into “total cost of ownership” for the system

Based on the information provided herein and implementations with similar requirements, vendors are asked to provide a high level estimate of costs associated with implementing your solution, including any necessary assumptions.

It is understood that additional scoping outside of the software selection process may be required to support an accurate implementation proposal. However, an estimate of the cost of implementing this software is necessary to properly evaluate the costs of each solution.