

**New Mexico Mortgage Finance Authority  
Request for Proposals  
To Provide To Be Announced Single Family Program Administrative Services**

**Part I: Background & General Information**

**Introduction**

The New Mexico Mortgage Finance Authority (“MFA”) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, NMSA Sections 58-18-1 to 27 for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

**Purpose**

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified firms by reason of their skill, knowledge, and experience are able to furnish To Be Announced (“TBA”) single-family program administrative services to MFA (“Offerors”). Services include pipeline management, hedging and delivery of Government and Conventional Mortgage-Backed Securities (“MBS”). The TBA program is intended to be used as a compliment to MFA’s Mortgage Revenue Bond single-family program (“MRB single-family program”). MFA uses a TBA program to finance its FIRST HOME and NEXT HOME programs (see Part II: Program Structure and Program Policy). However, MFA may continue/ resume issuing Mortgage Revenue Bonds and or/ initiate a tax-exempt mortgage-backed securities program (“TEMS”) at any time, and will then use TBA as a complement to MFA’s MRB Single Family Program.

**Questions and Answers**

Questions pertaining to this RFP and application must be submitted via the MFA website at <https://housingnm.org/rfps/rfps-rfqs>. Then under “RFP’s, RFQs & NOFAs” select “To Be Announced Administrative Services RFP.” On the To Be Announced Administrative Services RFP page, select the “To Be Announce Administrative Services FAQs” link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues (August 18<sup>th</sup>, 2022) and will close on September 15<sup>th</sup>, 2022. To submit your questions, scroll down to the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, type in the two (2) words in the CAPTCHA box and click on “Send my question”. MFA will make every attempt to answer questions within two (2) business days.

**Proposal Submission**

Proposal submissions must be received no later than September 15<sup>th</sup>, 2022, at 4:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Utilize one of the following methods for proposal submission:

Via E-mail: Send to [chall@housingnm.org](mailto:chall@housingnm.org) with a subject line of “Proposal to Furnish To Be Announced Administrative Services.” This is the preferred method and hard copies are not required.

### **Proposal Tenure**

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than ninety (90) calendar days from the proposal due date.

### **RFP Revisions and Supplements**

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be posted on the MFA web site.

### **Incurred Expenses**

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

### **Cancellation of Requests for Proposals or Rejection of Proposals**

MFA may cancel this RFP at any time for any reason MFA and may reject all proposals (or any proposal) which are/is not responsive.

### **Offeror's Rights to Withdraw Proposal**

Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request via email addressed to Cooper Hall [chall@housingnm.org](mailto:chall@housingnm.org).

### **Evaluation of Proposals, Selection and Negotiation**

Proposals will be evaluated by an Internal Review Committee made up of MFA staff using the criteria listed in Part II Minimum Qualifications and Requirements, Part III Services to be Performed, and Part IV Compensation, below, pursuant to the Evaluation Criteria and scoring shown in Part V, Evaluation Criteria. Final selection shall be made by the full Board of Directors.

MFA may provide Offerors whose proposals are reasonably likely, in MFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. Proposals shall be evaluated on the criteria listed in Part IV Evaluation Criteria, below.

The MFA Board of Directors shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA to enter into contract negotiations with MFA. If a final contract cannot be negotiated, then MFA will enter into negotiations with the other Offeror(s). The agreed-upon draft final contract will then be referred to the Contracted Services Committee of the MFA Board of Directors for its review and recommendation, with final approval to be made by the full Board of Directors.

### **Interview**

If selected as a finalist, Offerors agree to provide MFA the opportunity to interview proposed staff members identified by the Internal Review Committee. The Internal Review Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion.

### **Award Notice**

MFA shall provide written notice of the award to all Offerors within ten (10) days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror(s) whose proposal(s) is/are accepted by MFA.

### **Proposal Confidentiality**

Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors, or its Contracted Services Committee / Finance Committee for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of the Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, including any period immediately following release of the RFP.

MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination by the Board of Directors.

### **Irregularities in Proposals**

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein under "Part I Background and General Information, Proposal Submission" cannot be waived under any circumstances.

### **Responsibility of Offerors**

If an Offeror who otherwise would have been awarded a contract is found not to be a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation, and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

### **Protest**

Any Offeror who is aggrieved in connection with this RFP or the award of a Contract pursuant to this RFP may protest to the MFA. The protest must be written and addressed to:

Cooper Hall, Finance Manager  
New Mexico Mortgage Finance Authority  
344 Fourth Street S.W.  
Albuquerque, New Mexico 87102

Or:

chall@housingnm.org

The protest must be submitted to MFA within five (5) business days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest process shall be:

- ◆ The protest will be reviewed by the Contracted Services Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.
- ◆ The Board of Directors shall make a final determination regarding the disposition of the protest, which determination shall not be subject to appeal.

Offerors or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors, until the protest period has expired, which if there is a protest shall not expire until final determination by the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, which remains in effect until the expiration of the protest period, or does not follow the prescribed proposal and protest process.

#### **Confidential Data**

Offerors may request, in writing, nondisclosure of confidential information which Offeror includes in its proposal. Such confidential information shall accompany the proposal but shall be readily separable from the proposal so as to facilitate public inspection of the non-confidential portions of the proposal. After the expiration of the protest period, which shall include final determination of any protest by MFA's Board of Directors, all proposals will be open to the public for inspection pursuant to MFA's Request to Inspect Documents Policy. Confidential information shall only include such information as is excepted under Section 14-2-1 NMSA 1978.

If MFA receives a request for inspection of its records which would require the disclosure of information identified by Offeror as confidential information, it will examine Offeror's request for confidentiality and make a written determination that specifies which portions of the proposal, including any information identified by Offeror as confidential information, shall be disclosed. MFA will provide the Offeror with a written notice of determination which details which information MFA intends to disclose and the date it shall disclose such information.

#### **Part II: Program Structure and Program Policy**

MFA's single family mortgage program ("Program") consists of a program designed for first-time homebuyers ("FIRST HOME") that requires qualifications consistent with Mortgage Revenue Bond ("MRB") financing, as well as a program for non-first-time homebuyers ("NEXT HOME"). The FIRST HOME program can be used in conjunction with MFA's down payment assistance second mortgage loan program. The NEXT HOME program is a combination of a first mortgage loan and down payment assistance grant. Both MFA single family programs have income qualification guidelines based on household income and acquisition cost limits, depending on location within the state of New Mexico.

MFA offers its programs through a network of MFA approved Participating Lenders (“Lenders”). Lenders reserve program funds on behalf of a borrower via MFA’s online reservation system. In addition, MFA reviews each loan file prior to closing to determine if the borrower qualifies for the Program (“Compliance Review”). The Lender is responsible for underwriting/closing and funding MFA’s first mortgage loan. Lenders are responsible for directly funding down payment assistance at closing and MFA reimburses lenders for the down payment assistance loan at time of loan purchase.

MFA accepts loan reservations for the Program from 9:00 a.m. until 5:00 p.m. MDT, Monday through Friday. MFA does not accept loan reservations on nights, weekends or on days where MFA offices are closed for business.

MFA’s mortgage interest rates are offered via MFA’s website and are reviewed by MFA on a daily basis. Lenders have 60 days from the date of reservation until the loan must be closed by the lender and purchased by the Subservicer on behalf of MFA. Lenders have the option of extending the loan reservation, either 15 days or 30 days, for a fee. Mortgage loans not purchased by the Subservicer within 75 days (15–day extension) or 90 days (30-day extension) of the extended loan reservation/lock are subject to mark-to-market pricing, which will be determined by MFA at the time of loan purchase. Loan reservations can be cancelled by the Lender without penalty. Although, a new loan reservation for the same borrower cannot be made until 60 days have passed since the loan cancellation.

MFA may opt to daily price mortgage interest rates based on a best-efforts hedge provided by a third party, or it may choose to conduct “bulk” pipeline sales consisting of loans not previously hedged through a third party.

For a bulk sale transaction, MFA reviews the loans in its pipeline on a daily basis and then decides to sell or not sell loans to the Administrator that day. If loans are to be sold, an excel spreadsheet is sent to the Administrator for pricing. MFA expects the Administrator to honor, at a minimum, its daily rate sheet pricing. However, MFA expects to share in any positive market movements between the time the rate sheet is published, and the bulk pipeline is priced. The Administrator then sends the pipeline pricing to MFA for approval. The following day, the Administrator sends a spreadsheet confirming the sale of loans from the TBA pipeline and MFA again confirms the loans and the TBA pricing.

MFA may also elect to pair-off loans in connection with the issuance of MRBs and/or TEMS.

### **Part III: Minimum Qualifications and Requirements**

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

1. All Offerors must have a background in administering TBA/forward commitment programs or structures for Housing Finance Agencies.
2. All Offerors must demonstrate their ability to hedge, price and structure a TBA/forward commitment, best efforts mortgage loan pipeline.
3. All Offerors must demonstrate financial stability sufficient to fulfill TBA/forward commitment contracts, including pipeline fallout and any financial risks and costs associated in administering this type of program.
4. All Offerors must maintain Professional Liability insurance and Errors and Omissions Insurance of at least \$2,000,000.
5. All Offerors must not have any minimum volume or production thresholds requirements related to administering a TBA/forward commitment program for MFA.

6. All Offerors must comply fully with all government regulations regarding nondiscriminatory employment practices.
7. All Offerors must comply with the Tier 1 Capital ratio, if applicable.

Selected Offerors must also meet the following requirements:

8. Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
9. Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
10. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. A copy of MFA's Code of Conduct and MFA's Anti-Harassment Policy is posted on the MFA website for review at <https://housingnm.org/rfps/rfps-rfqs> . Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
11. Offeror shall provide a written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
12. Offeror shall provide a written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at [www.sam.gov](http://www.sam.gov).; and has not been debarred by MFA.

#### **Part IV: Services to be Performed**

As requested by MFA, professional TBA Single Family Program Administrative services required to be provided and to be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

1. The TBA Single Family Program Administrator (the "Administrator") will assist MFA in establishing the necessary procedures and guidelines to facilitate the efficient operation of the program.
2. The Administrator will assist in informational meetings and training sessions for Lenders.
3. The Administrator will be responsible for hedging MFA's mortgage loan pipeline of Government and Conventional loans. The Government pipeline will include FHA, VA, and USDA/GRH loans and the Conventional pipeline will be eligible for sale to Fannie Mae through their HFA Preferred and/or HFA Preferred Risk programs and Freddie Mac.

4. The Administrator will be responsible for providing MFA daily pricing/interest rate sheets, which will include all TBA administrator fees (if applicable), TBA pass-through pricing, servicing fee income, MBS coupon, guarantee fee, MBS purchase price, late fees, extension fees as well as adjustments for MFA lender compensation, down payment assistance MFA cash profit, MFA MSR valuations and total MFA profit.
5. The Administrator will provide MFA with pricing for “bulk” loan sales, based on the daily pricing/interest rate sheet, at MFA’s direction. The Administrator will commit to executing the bulk sale at MFA’s direction, on a best efforts basis, in the same manner as a daily interest rate hedging commitment.
6. The Administrator will develop, in coordination with MFA, a transparent process for validating that the daily pricing model is consistent with contract terms, and will provide proof and validate that the daily pricing of the interest rates that MFA offers for reservation do not include compensation or fees beyond those specified in the RFP response.
7. The Administrator will provide specific MBS pooling instructions to the Subservicer on behalf of MFA, coordinate the pooling and settlement of the MBS on a date mutually agreed upon with the Subservicer and MFA.
8. The Administrator will provide MFA with specific MBS settlement reports, as required by MFA.
9. The Administrator will be responsible for updating program reservations and cancellations from MFA’s online reservation system as frequently as needed to perform the duties and activities required under the contract.
10. The Administrator will be responsible for confirming to MFA all committed loan reservations, bulk sales and loan cancellation information within 24 hours of reservation, sale or cancellation.
11. The Administrator will be responsible for providing MFA with various accounting and pipeline reconciliation reports, as well as other reports deemed necessary for MFA to effectively manage the program. The specific reporting requirements will be determined during the implementation process and will include, at a minimum, weekly reports detailing the current status of the pipeline, lock volume by lender, the amount of mortgage loans expected for delivery as MBS, expected MBS settlements, settlement history and pipeline/borrower demographics.
12. The Administrator will compensate MFA for early delivery of loans into purchased MBS pools and provide an accounting of such early delivery loans.
13. The Administrator will provide MFA detailed quarterly status reports regarding program performance and production history. Specific report format and timeframes will be determined during the implementation process.

14. The Administrator will assist in presentations to rating agencies, MFA’s Board of Directors, Legislative Oversight Committee and other public presentations as requested by MFA.

**Part V: Evaluation Criteria**

MFA shall award the contract for TBA Single Family Program Administrative services to the Offeror whose proposal is most advantageous to MFA. Proposals that meet the Minimum Qualifications and Requirements shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of 1 to 100 (if interviews are held the point scale will increase to 105) based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

<b>Criteria</b>	<b>Point Range</b>	<b>Maximum Points</b>
1. General Information, Experience and Capability:	0-25	25
2. Financial Strength of TBA Administrator	0-25	25
2. Responsiveness to MFA, Work Plan, Approach and Technical Capabilities:	0-30	30
3. Fees:	0-10	10
4. References	0-5	5
5. New Mexico Resident Business: Offeror is licensed to do business in New Mexico and the majority of Offeror’s employees who would perform the services to be performed in New Mexico reside in New Mexico	0-5	5
6. Interviews, if held	0-5	5
<b>Maximum Points</b>	0-100 (0-105 if interviews are held)	100 (105 if interviews are held)

**Part VI: Proposal Format and Instructions to Offeror**

Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:



1. Letter of Transmittal – to include at least the following:

- A. Name, address and telephone number of Offeror and name of contact person.
- B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- C. Date of proposal.
- D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- E. A statement describing how long the Offeror can hold the fee schedule with the minimum being three (3) years from date of proposal.
- F. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.

2. Disclosure and Certifications – Offeror shall provide:

- A. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
- B. A written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
- C. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy.
- D. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- E. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at [www.sam.gov](http://www.sam.gov); and has not been debarred by MFA.

3. General Information, Experience and Capability

- A. Identify the parent company if you are a subsidiary. Specify the branch office or other subordinate entity that will perform or assist in performing the work to be performed.
- B. Describe in detail how your firm is structured to successfully comply with Part IV: Services to be Performed. What services listed in Part IV: Services to be Performed, if any, will be subcontracted? If any required services are to be subcontracted, describe in detail the Offeror's oversight of the subcontractor and provide detailed information on the ability of that entity to perform the services that will be subcontracted.
- C. If applicable, is the Offeror in compliance with Tier 1 capital requirements?
- D. Provide evidence of qualifications and experience in administering TBA/forward commitment Government and Conventional MBS programs through a correspondent channel or single-family mortgage loan programs operated by housing finance agencies.
- E. Explain your processes for handling long-term rate locks that would extend up to 120 days that could be utilized for new construction loans.
- F. Provide a list of all housing finance agencies including local housing authorities that have executed a contract with your firm to act as their Administrator.
- G. Contact Person and Staffing: Names and brief resumes of all key personnel who will be assigned to MFA's program including their office location, experience operating a TBA/forward commitment program and the primary responsibilities assigned to each person. Indicate the number of and identify the positions of personnel that will be available to answer questions during the term of the contract. Provide the name, address and telephone number for the contact person in your firm authorized to negotiate agreement terms and render binding decisions on contract matters.
- H. A detailed description of Offeror's technical capabilities to provide responsive and professional services to MFA if the contract were awarded to Offeror (e.g., ability to prepare and respond to documents in a timely manner, expertise of administrative support staff, etc.).

#### 4. Financial Strength

- A. Submit the audited financial statements for the most recent fiscal year of the firm which is proposing to act as Administrator, and if the proposing company is a subsidiary, the most recent audited financial statements of its parent company as well. Also include the most recent Statement on Standards for Attestation Engagements, ("SSAE") No. 16: Reporting on Controls at a Service Organization, specifically Service Organization Report #2 (SOC 2), Type 2 preferred. Information may be submitted as an appendix.
- B. Describe the assets, liabilities and net asset position of the firm and the nature of any capital arrangements available to the firm. Because MFA is relying on the Administrator to acquire all respective mortgage loans reserved pursuant to the Administrator's Rate Sheet and delivered by Lenders and pooled into MBS securities for timely delivery by the Subservicer, describe the source of financial assurance to the Authority that the proposer can honor its obligations to MFA.
- C. Specify the amount of the firm's capital, the amount of hedge obligation for its loan pipeline for similar programs, the amount of capital pledged to counterparties for those hedges and the total amount of loans reserved or otherwise obligated within its loan pipeline, all as of **June 30, 2022**. Describe the amount of

capital available at any one time to hedge the firm's entire loan pipeline for all its clients. Assuming market prices move down three points on the hedges for the firm's entire loan pipeline at one time, what is the maximum size of the pipeline your firm can hedge with the available capital as described above? What is the largest pipeline your firm has managed to date?

- D. Describe your firm's willingness to put its capital at risk in difficult market conditions for TBA transactions. Please provide specific examples since January 2010.

5. Responsiveness to MFA, Work Plan, Approach and Technical Capabilities

- A. General Responsibilities: Outline the responsibilities of each entity under this proposed transaction: MFA, Subservicer and the Administrator.
- B. Services to be Performed: List all services which will be performed by the Administrator.
- C. Implementation:
- 1) List all loan products which are eligible for inclusion in the TBA program.
  - 2) Identify the typical time frame from contract execution to MFA offering the TBA mortgage rates to their Participating Lenders.
  - 3) To the extent that MFA agreed to sell a portion of its loan pipeline to the Administrator, describe whether your TBA program would allow for MFA to subsequently decide to both buy and hold such MBS pools at settlement, or deliver such MBS pools to a bond issue, TEMS, or an investor. Describe how your program would allow for MFA to "pair off" such sale.
- D. Daily Operations:
- 1) Outline the daily timeframes mortgage rates that will be available to MFA and the threshold for intraday re-pricing?
  - 2) Indicate what time a daily rate sheet will be available to MFA. Due to market conditions, the Administrator may issue an additional rate sheet(s) due to intraday re-pricing. Will the subsequent intraday rate sheet totally replace the prior rate sheet? What length of time does MFA have from the Administrator's e-mail delivery of the rate sheet to accept the rate sheet?
  - 3) Identify the loan data fields, which will be required to be transmitted at the time of loan reservation.
- E. Pooling: Give examples of how the Administrator will work with the Subservicer and MFA during the pooling process.
- 1) What will be MFA's involvement in the pooling process?
  - 2) Outline the steps from the creation of the MBS to the delivery of the MBS to the Administrator.
- F. Describe strategies that the Administrator will use to maximize the value of MFA's TBA pipeline.

- G. Describe the safeguards the organization has in place to prevent unauthorized disclosure, misuse, alteration, destruction or other compromise of information. Include a description of the following processes:
- 1) Data security management and related employee training;
  - 2) Information systems, including network and software design, as well as information processing storage, transmission and disposal; and
  - 3) Detecting, preventing and responding to attacks, intrusions, or other system failures.
- H. Reports: Provide examples of accounting and reconciliation reports, which will be provided to MFA on a monthly basis, as they relate to the purchase of loans and securities. Provide examples of daily loan reservation reports that confirm the guaranteed best effort purchase price. Provide examples of production and pipeline reports such as:
- 1) Pipeline status by program-loan statistics including loans reserved, canceled, average days to cancelation for each lender and product type;
  - 2) Borrower and collateral statistics reports by average FICO score, age, household income, ethnicity, household size, gender, marital status, CLTV by program;
  - 3) Rate-lock expiration report;
  - 4) Production by lender and loan officer including fallout rates;
  - 5) Daily rate lock, cancelation and program change reports;
  - 6) Production by county including fallout for each program;
  - 7) Fallout rates by month for interest rate moves by FICO range and property type for each program;
  - 8) Forward settlement projections

Examples of reports may be included as a separate appendix to the proposal.

## 6. Fees

- A. Provide a proposed itemized fee schedule for the services described in this RFP. Be sure to identify the full cost of services and any upfront costs MFA will incur in order to implement this program. Under the fee proposal, will the Administrator receive, potentially receive or have the opportunity to receive or otherwise obtain any other revenues, profits or assets through its services to MFA. Describe in detail.
- To the extent the Administrator may realize additional revenues from early delivery of Mortgage Loans, loans sold directly to a Community Reinvestment Act (“CRA”) purchaser, buy ups or securitization into custom pools or other structures with above market value, what portion of those additional revenues will the firm share with MFA?
- B. Provide a fee proposal and sample MBS purchase quote for the proposed TBA Single Family Program, using the format example in Exhibit A. Pricing should be based on the market conditions as of 10:00 a.m., MDT, on **Thursday, September 8, 2022**. Provide a copy of the computer screen or other pricing source confirming the prices upon which the mortgage rate chart for **September 8, 2022** is based.

Indicate how you will determine and MFA will evaluate pricing on future dates to assure the premium is as attractive to MFA as possible, given market changes from the illustrative date.

- 1) What date each month does the pricing for the daily mortgage rate chart shift one month further into the future?
- 2) Does this pricing hold true for bulk sales also? If not, provide a fee proposal for a bulk sale.
- 3) Describe any additional fees involved for pairing off of sales as described in "Work Plan and Approach" Part VI 5C.3).

Note that this is a fee for service contract.

- C. Provide extension fee amounts as indicated on Exhibit A for a 15-day and a 30-day extension. Provide extension fee amounts for long-term rate locks that would extend up to 120 days that would be utilized for new construction. What is the Offeror's methodology for calculating the extension fees? How does the amount of the Offeror's fees compare to the market?
- D. All fee amounts designated in this proposal are inclusive of all gross receipts taxes, and all other taxes, mandatory costs or charges inherent to or associated with the performance of these services in the state of New Mexico. Lodging and other travel related expenses shall be reimbursed by MFA in accordance with MFA expense reimbursement policies set forth in its Policies and Procedures Manual.
- E. Offeror must absorb the cost of familiarizing itself with MFA programs, policies and procedures, rules, regulations and past bond issues. Program documents and any other relevant information shall be made available for Offeror's review at MFA's office in Albuquerque. MFA will not pay for such work. Indicate how much time Offeror expects to devote to familiarizing itself with MFA programs, policies and procedures, rules, regulations and provide a timetable for doing so.
- F. Offeror must give MFA at least a three (3) year commitment on the rate schedule offered. The contract may be extended for two, one (1) year periods at the option of MFA.

## 6. References

- A. Offeror shall provide at least three references from current or past clients for Offeror's work and performance as Administrator for TBA/Forward commitment programs or similar single family mortgage loan programs. Please provide name, address, telephone number and contact person including email address.
- B. Offeror shall provide the form attached hereto as **Exhibit A** to all references.

## 7. New Mexico Resident Business

- A. Evidence that the Offeror is licensed to do business in New Mexico.

- B. Representation that the majority of Offeror's employees who would perform the services to be performed reside in New Mexico.

8. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide TBA Administrative services to MFA.

## **Part VI: Principal Contract Terms and Conditions**

In addition to the terms respecting the services to be performed and compensation described above, the contract between MFA and the successful Offeror (herein "Contractor") shall include, but may not be limited to, terms substantially similar to the following:

Contract Term. The term of the To Be Announced Single Family Program Administrative Services Contract shall begin the date MFA's Board of Directors approves the award and end November 30, 2025. At the option of MFA, the contract may be extended for two, one-year periods under the same terms and conditions. There will be a transition period for matters in process at the beginning and the end of the contract term.

Hold Harmless and Indemnification. Offeror shall indemnify, defend, and hold harmless MFA and the State of New Mexico, its officers, directors, agents, employees, successors and permitted assigns (each, a "MFA Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including attorneys' fees, that are incurred by a MFA Indemnitee (collectively, "Losses") arising out of or related to any third party claim alleging (i) breach or non-fulfillment of any provision of this Agreement by Offeror or Offeror's personnel; (ii) any negligent or more culpable act or omission of Offeror or Offeror personnel, including any reckless or willful misconduct, in connection with the performance of Offeror's obligations under this Agreement; (iii) any bodily injury, death of any person, or damage to real or tangible, personal property resulting from willful, fraudulent, or negligent acts or omissions of Offeror or Offeror personnel, or (iv) any failure by Offeror or its personnel to comply with any applicable federal, state or local laws, regulations, or codes in the performance of its obligations under this Agreement. Offeror shall further defend, indemnify, and hold harmless the MFA Indemnitees from and against any and all claims that any of the Services or deliverables or MFA's receipt or use thereof infringes any intellectual property right of a third party.

Permitted Subcontractors. Offeror shall obtain MFA's written approval, which approval shall be given in MFA's sole discretion, prior to entering into any agreements with or otherwise engaging any person, including all subcontractors, other than Offeror's employees, to provide any Services to MFA (each such approved subcontractor or other third party, a "Permitted Subcontractor"). MFA's approval shall not relieve Offeror of its obligations under the Agreement, for any reason, including but not limited to Permitted Subcontractor's bankruptcy, insolvency, or other inability to perform the services required under any subcontract, an Offeror shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Offeror's own employees. Nothing contained in this Agreement shall create any contractual relationship between MFA and any Permitted Subcontractor or supplier. Offeror shall require each such Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment provisions of this Agreement.

Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of two years thereafter, upon MFA's written request, Offeror shall allow MFA or MFA's representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and

after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.

Payment. Payment shall be made to Offeror at the times, and in the amounts, that shall be set forth in a Service Agreement between MFA and Offeror.

Insurance. Offeror shall procure and maintain at its expense until final payment by MFA for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the state of New Mexico, covering all operations under this Agreement, whether performed by the Offeror or its agents. Before commencing the Services, and on the renewal of all coverages, the Offeror shall furnish to MFA a certificate or certificates, providing for not less than thirty (30) days' notice to MFA of non-renewal or cancellation, in form satisfactory to MFA showing that it has complied with this Sub-Section. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than workers' compensation, MFA shall be named an additional insured. Kinds and amounts of insurance required are as follows:

- i. Commercial General Liability insuring the activities of Offeror under this Agreement with limits no less than \$750,000 per occurrence and \$750,000 in the aggregate, and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.
- ii. Professional Liability covering all liabilities and risks inherent in Offeror's performance of the services required under this Agreement, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.

Equal Opportunity Data. The Offeror will maintain data relative to "Equal Opportunity" as related to Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). At a minimum, such data shall include the number and dollar value of MBE/WBE contracts and subcontracts awarded. This data is required to be reported to MFA annually in the format prescribed MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

Termination for Cause. MFA, by written notice to the Contractor, shall have the right to suspend or terminate this Agreement if, at any time, in the judgment of MFA, the Contractor materially fails to comply with any term of this Agreement.

Termination for convenience of MFA. On thirty (30) calendar day's written notice to Offeror, MFA may terminate this Agreement in whole or in part for its own convenience. In the event of a termination for convenience, MFA shall terminate this Agreement by delivering to Offeror notice of termination without cause specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. Within ten (10) calendar days of the effective date of termination, Offeror shall deliver to MFA all materials developed under this Agreement. Upon delivery of such notice, Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

Good Standing. All Offerors must be in good standing with MFA and all other state and federal affordable housing agencies. For example, debarment from HUD, MFA or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed Projects on the part of any Offeror may result in termination of this Agreement.

Independent Offeror. The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon

by MFA and the Offeror will not be subject to withholding from taxes, F.I.C.A., or otherwise, and nothing in this Agreement burdens MFA with the duties of an employer concerning the Offeror and its staff under any state worker's compensation laws, state or federal occupational health and safety laws, or any other state or federal laws. The Offeror and its staff will not participate in any of the fringe benefits generally made available by MFA to its officers or employees. MFA will not provide the Offeror office space, clerical help, office supplies or the like except as mutually agreed to by MFA and the Offeror. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

Awards to Other Offerors. The Offeror shall not assign or transfer any rights, duties, obligations or interest in or to the proceeds of this Agreement without the prior written approval of MFA. If approved, any assignee will be subject to all terms, conditions and provision of this Agreement. No such approval by MFA of any assignment shall obligate MFA for payment of amounts in excess of the Program Funds. In accordance with 2 CFR 200.213, Offeror shall not make any awards or permit any award (subcontract or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible to participate in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

Intellectual Property Rights; Ownership. MFA is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the deliverables provided pursuant to the provision of the Services, including all Intellectual Property Rights therein. Offeror agrees, and will cause its Offeror personnel to agree, that with respect to any deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §101, such deliverables are hereby deemed a "work made for hire" for MFA. To the extent that any of the Deliverables do not constitute a "work made for hire", Offeror hereby irrevocably assigns, and shall cause the Offeror personnel to irrevocably assign to MFA, in each case without additional consideration, all right, title, and interest throughout the world in and to the deliverables, including all Intellectual Property Rights therein. The Offeror shall cause the Offeror personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Offeror personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the deliverables. Upon the request of MFA, Offeror shall, and shall cause the Offeror personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist MFA to prosecute, register, perfect, or record its rights in or to any deliverables.

Confidential Information. Simultaneous herewith, Offeror shall enter into a Non-Disclosure Agreement with MFA under which Offeror shall agree Offeror will not, during the term of this Agreement, or thereafter, without the written consent of MFA, disclose to anyone, or use for Offeror's own account, any confidential information concerning the businesses or affairs of MFA. Offeror will retain all such knowledge and information respecting such confidential information in trust for the sole benefit of MFA. Upon termination of this Agreement, Offeror will deliver to MFA all writings relating to or containing confidential information or destroyed with destruction certified by the receiving Party.

Remedies. Offeror recognizes that irreparable injury would be caused by any breach of any of the provisions of this Agreement by Offeror. MFA, in addition to all other rights and remedies at law or equity as may exist in its favor, will have the right to enforce the specific performance of the provisions of this Agreement and to apply for injunctive relief against any act that would violate any such provisions. Offeror shall reimburse MFA for all costs and expenses, including reasonable attorney fees incurred by MFA by reason of Offeror's breach of this Agreement. Nothing herein shall be read to limit Offeror's remedies in the event of a breach of this Agreement by the MFA.

Licenses/Compliance with Laws and Regulations. Before the date on which the Services are to start, obtain, and at all times during the Term of this Agreement maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services.



Compliance with MFA Rules, Regulations and Policies. Comply with, and ensure that all Offeror personnel comply with, all rules, regulations, and policies of MFA that are communicated to Offeror in writing, including security procedures concerning systems and data and remote access thereto, building security procedures, and general health and safety practices and procedures.

Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of New Mexico. Any legal suit, action, or proceeding arising out of, or related to, this Agreement or the Services provided hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the State of New Mexico in each case located in the city of Albuquerque and County of Bernalillo, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

## **New Mexico Mortgage Finance Authority**

### **Board Members**

Chair Angel Reyes – President, Centinel Bank in Taos  
Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk  
Treasurer Rebecca Wurzbarger – Strategic Planning Consultant  
Member Howie Morales – Lieutenant Governor, State of New Mexico  
Member Hector Balderas – Attorney General, State of New Mexico  
Member Tim Eichenberg – Treasurer, State of New Mexico  
Member Patricia A. Sullivan PhD – Associate Dean, New Mexico  
State University College of Engineering

### **Management**

Isidoro Hernandez, Executive Director/  
Chief Executive Officer  
Lizzy Ratnaraj, Chief Financial Officer  
Jeff Payne, Chief Lending Officer  
Donna Maestas-De Vries, Chief Housing Officer

## **EXHIBIT A**

### **ORGANIZATIONAL REFERENCE QUESTIONNAIRE**

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references from current or past clients for whom TBA administration services have been provided as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility. The Offeror will send the following reference form to each business reference listed in Offeror's proposal.

**TBA ADMINSTRATIVE SERVICES RFP**

**ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:**

\_\_\_\_\_

This form is being submitted to your company for completion as a business reference for the company named above. This form is to be returned to the New Mexico Mortgage Finance Authority via facsimile or e-mail at:

Name: Cooper Hall  
Address: 344 4<sup>th</sup> St. SW  
Albuquerque, NM 87102  
Telephone: (505) 767-2284  
Fax: (505) 243-3289  
E-mail: chall@housingnm.org

No later than September 15<sup>th</sup>, 2022 at **4:00 p.m. Mountain Time**, and must **NOT** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the individual first named above.

Company providing reference:	
Contact name and title/position:	
Contact telephone number:	
Contact e-mail address:	
Description of services provided:	
Dates services provided (starting and ending):	

1. How would you rate the timeliness of work conducted and information requested?

\_\_\_\_\_ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

2. How would you rate how the work was planned and executed?

\_\_\_\_\_ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

3. How would you rate the knowledge and technical expertise demonstrated?

\_\_\_\_\_ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

4. How would you rate the value added to your organization through the Offeror's recommendations?

\_\_\_\_\_ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

5. With which aspect(s) of this Offeror's services are you most satisfied?

COMMENTS:

6. With which aspect(s) of this Offeror's services are you least satisfied?

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

**EXHIBIT B**

**GNMA Servicing Released Price Ratesheet**

**Fannie Mae (HFA Preferred) Servicing Released Price Ratesheet**

**30YR FIXED RATE GOVERNMENT MORTGAGE**

ASSUMPTIONS		60 Day Rate Lock
Initial Rate Lock Date		
Rate Lock Expiration Date		
Latest Lender Loan Sale to Master Servicer Date		
Latest GNMA Security (MBS) Settlement Date		
Servicing release premium included in rate lock price?		
Gain built into rate lock price for NMMFA		
Lender fees built into rate lock price		

**30YR FIXED RATE GOVERNMENT MORTGAGE**

Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	GNMA Type	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price	Rate Lock Extension	Extension Fees
4.625	0.565	0.060	4.000					30 days	
4.750	0.690	0.060	4.000					60 days	
4.875	0.315	0.060	4.500						
5.000	0.440	0.060	4.500						
5.125	0.565	0.060	4.500						
5.250	0.690	0.060	4.500						
5.375	0.315	0.060	5.000						
5.500	0.440	0.060	5.000						
5.625	0.565	0.060	5.000						
5.750	0.690	0.060	5.000						
5.875	0.315	0.060	5.500						
6.000	0.440	0.060	5.500						
6.125	0.565	0.060	5.500						
6.250	0.690	0.060	5.500						
6.375	0.315	0.060	6.000						
6.500	0.440	0.060	6.000						
6.625	0.565	0.060	6.000						
6.750	0.690	0.060	6.000						

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED	
ASSUMPTIONS	60 Day Rate Lock
Initial Rate Lock Date	
Rate Lock Expiration Date	
Latest Lender Loan Sale to Master Servicer Date	
Latest Fannie Mae Security (MBS) Settlement Date	
Servicing release premium included in rate lock price?	
Fannie Mae Adverse Market Delivery Charge built into rate lock price	
Fannie Mae Loan Level Pricing Adjustment built into rate lock price	
Gain built into rate lock price for NMMFA	
Lender fees built into rate lock price	

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED										
Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	Buyup/Buy down Fee (%)	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price		Rate Lock Extension	Extension Fees
4.625	0.250	0.450	4.000						30 days	
4.750	0.250	0.450	4.000						60 days	
4.875	0.250	0.450	4.000							
5.000	0.300	0.450	4.000							
5.125	0.250	0.450	4.500							
5.250	0.250	0.450	4.500							
5.375	0.250	0.450	4.500							
5.500	0.300	0.450	4.500							
5.625	0.250	0.450	5.000							
5.750	0.250	0.450	5.000							
5.875	0.250	0.450	5.000							
6.000	0.300	0.450	5.000							
6.125	0.425	0.450	5.000							
6.250	0.250	0.450	5.500							
6.375	0.250	0.450	5.500							
6.500	0.300	0.450	5.500							
6.625	0.250	0.450	6.000							
6.750	0.250	0.450	6.000							

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED	
Assumptions	60 Day Rate Lock
Initial Rate Lock Date	
Rate Lock Expiration Date	
Latest Lender Loan Sale to Master Servicer Date	
Latest Fannie Mae Security (MBS) Settlement Date	
Servicing release premium included in rate lock price?	
Fannie Mae Adverse Market Delivery Charge built into rate lock price	
Fannie Mae Loan Level Pricing Adjustment built into rate lock price	
Gain built into rate lock price for NMMFA	
Lender fees built into rate lock price	

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED										
Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	Buyup/Buy down Fee (%)	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price		Rate Lock Extension	Extension Fees
4.625	0.250	0.825	3.500						30 days	
4.750	0.250	0.825	4.000						60 days	
4.875	0.250	0.825	4.000							
5.000	0.250	0.825	4.000							
5.125	0.250	0.825	4.000							
5.250	0.250	0.825	4.500							
5.375	0.250	0.825	4.500							
5.500	0.250	0.825	4.500							
5.625	0.250	0.825	4.500							
5.750	0.250	0.825	5.000							
5.875	0.250	0.825	5.000							
6.000	0.250	0.825	5.000							
6.125	0.250	0.825	5.000							
6.250	0.250	0.825	5.500							
6.375	0.250	0.825	5.500							
6.500	0.250	0.825	5.500							
6.625	0.250	0.825	5.500							
6.750	0.250	0.825	6.000							