



NFMC Round 7

APPLICATION GUIDE

FOR HUD-APPROVED COUNSELING INTERMEDIARIES & STATE HOUSING FINANCE AGENCIES (HFAs)

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How to Use this Guide: Reminders and Tips

This Application Guide was created to provide NFMC Applicants with further support, direction, and examples for each factor. Based on our experience in previous NFMC funding rounds, we offer you the following general reminders and tips:

- Refer to this guide frequently as it provides specific instructions and examples not available in the actual GrantWorks application. It is your key to submitting the best application possible.
- Assume reviewers know nothing about your organization, its history, structure, experience, or partners. If your organization applied for NFMC funding previously, assume your application reviewers will be different in Round 7.
- If your organization is a current recipient of NFMC funds, provide relevant, detailed information and recent NFMC program/funding progress updates in the narrative sections of questions where requested and relevant.
- Any question marked with a red asterisk (*) is required by GrantWorks to have a response by the Applicant.
- For questions that require lengthy narrative responses, consider using all of the space provided to create a complete, detailed and organized answer. The number of characters available for each question is listed in GrantWorks.
- Take care to fully complete all data fields, specifically the counseling unit charts in Factor 4. Errors or omissions may substantially impact the quality of your organization's application and ultimately any award amount.
- After completing the application, please review it to ensure that responses throughout the application are consistent. When taken as a whole, the application must provide reviewers with clear and convincing evidence that the Applicant has the capacity to fully expend Round 7 funds by December 31, 2013. Goals must be reasonable given the Applicant's past performance in NFMC (when applicable), planned staffing levels, and ability to oversee the compliance and quality of services provided by Sub-grantees and Branches.
- Questions about past performance under the NFMC Program refer only to work performed as a direct Grantee of the program. Applicants who have only received NFMC funds as a Sub-grantee of another agency should not respond to questions with information on their roles as Sub-grantees.

If you encounter technical problems or need further clarification on any question that this guide is unable to resolve, please contact us at: nfmc@nw.org or 202-220-6314.

Applicant Certifications and Previous NFMC Participation

In addition to certifying the 17 items in the first section, Applicant must answer Question 18 in the second section.

Certifications 1-17: This section contains eligibility requirements that all Applicants must meet, and ensure their Sub-grantees or Branches meet, in order to receive NFMC program funding. A check mark within each box signifies the Applicant agrees and certifies on behalf of their Sub-grantees or Branches that each criterion has been met. If your organization cannot certify that all are true, it is not eligible for funding.

Definitions

Affiliate: An “Affiliate” is defined as a nonprofit organization participating in the HUD-related Housing Counseling program of a regional or national intermediary, or State Housing Finance Agency. The Affiliate organization is incorporated separately from the regional or national Intermediary or State Housing Finance Agency. An Affiliate is: (1) duly organized and existing as a tax-exempt nonprofit organization, (2) in good standing under the laws of the state of the organization, and (3) authorized to do business in the states where it provides or proposes to provide housing counseling services.

Branch: A “Branch” or “Branch office” is an organizational and subordinate unit of a local housing counseling agency, multi-state organization, regional or national Intermediary, or State Housing Finance Agency, not separately incorporated or organized, that participates in HUD’s Housing Counseling Program. A Branch or Branch office must be in good standing under the laws of the state where it provides or proposes to provide housing counseling services.

Sub-grantee: “Sub-grantee” refers to an organization to which an Intermediary or HFA Grantee awards a sub-grant, and which is accountable to the Grantee for the use of the funds provided. A Sub-grantee may be separately incorporated or organized, but connected with an Intermediary or State HFA for purposes of responding to this Funding Announcement. All Sub-grantees must either be a HUD-approved Housing Counseling Agency or meet the minimum standards for receiving this approval. Intermediaries and HFAs will be held responsible for ensuring that all Sub-grantees, Branches and Affiliates adhere to the standards set forth in this Funding Announcement and agree to oversee the quality of services and adequacy of record keeping for each.

ALL FIELDS ARE REQUIRED. While no points are awarded for this section, this is a threshold requirement. Applicants must certify all of the following are true in order to be considered for funding.

Each Applicant must certify for itself, and for its Sub-grantees, Branches or Affiliates, that each of the following certifications is true. By checking off each required certification below, the Applicant certifies that it and its Sub-grantees, Branches or Affiliates:

- ☑ 1. Has/Have current certificates of good standing in all states in which it operates. *
- ☑ 2. Is currently authorized to do business in all states where it proposes to provide counseling services. *
- ☑ 3. Meets or exceeds HUD's minimum standards for approval as a HUD housing counseling agency (http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsggh/7610.1). *
- ☑ 4. Has counseling offices and services that are accessible to people with disabilities. *
- ☑ 5. Has counselors fluent in the languages that clients speak or will use interpreter services to ensure non-English speaking clients can obtain foreclosure intervention counseling. *
- ☑ 6. Will not permit discrimination against clients on the basis of their gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. *
- ☑ 7. Will adhere to the National Industry Standards Code of Ethics and Conduct and offer (as appropriate) the Minimum Standard Activities for Foreclosure Intervention and Default Counseling. *
(<http://www.homeownershipstandards.org/Home/Standards.aspx>).
- ☑ 8. Will adhere to the National Industry Standards for Homeownership Education and Counseling guidelines on disposing of personally-identifiable information, which state, "Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure" *
- ☑ 9. Currently uses CounselorMax or Home Counselor Online or uses alternative client management system that will supply, electronically, the necessary client-level and aggregate reporting. NeighborWorks will make available a template for data modification and submission. *
- ☑ 10. Certifies that all Sub-grantees, Branches or Affiliates have the capacity to track and report both client level and aggregate data. Reporting must be done via electronic data files. *
- ☑ 11. Has the capacity to furnish client level data and aggregate reports on NFMC Program activity in electronic file format. *
- ☑ 12. Agrees to comply with quality control, compliance, and evaluation of the NFMC Program through December 31, 2015. *
- ☑ 13. Certifies that the staff and volunteers who will provide foreclosure intervention counseling under NFMC have no conflict(s) of interest due to other relationships with servicers, real estate agencies, mortgage lenders and/or other entities that may stand to benefit from particular counseling outcomes. *
- ☑ 14. Has the capacity to pass through the NFMC funds received to its Sub-grantees, Branches, or Affiliates and will pass through the majority of Counseling and Program-Related Support funds for each draw within 30 calendar days of receipt.

- ☑ 15. Certifies that it has documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans, including foreclosure mitigation counseling. *
- ☑ 16. Certifies that all NFMC clients will be owner-occupants of their homes at the time they receive counseling. *
- ☑ 17. Agrees to collect and maintain a file of Certifications that a) show that the Grantee and each of its Sub-grantees, Branches or Affiliates meet or exceed the standards for HUD approval and b) include NFMC Affiliation Disclosures of all Sub-grantees, Branches or Affiliates that are applying for NFMC funding directly and/or through multiple Intermediaries and/or state HFAs. *

Previous NFMC Participation

18. Has your organization ever received NFMC funding directly? * Answer “Yes” if your organization received NFMC funding directly in any previous round of NFMC Program funding (from Round 1 to Round 6). Answer “No” if your organization has never received NFMC funding directly - whether it has never applied directly for funding, its application for funding was not successful, or if it received funding through another Intermediary or HFA but never through a grant agreement directly with NeighborWorks America. Your answer here will determine what questions you answer within the application.

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Factor 1: Past Performance (First-time Applicants Only)

NOTE: Factor 1 is for first-time Applicants ONLY. If you have received NFMC grant funds in previous rounds you should not have access to Factor 1, but should be able to complete Factor 2. Your answer to Question 18 in the Certifications and Previous NFMC Participation section will determine whether you are required to complete Factor 1 or Factor 2.

- 1. Are there other foreclosure counseling agencies already providing services in your service areas?** If there are other foreclosure counseling agencies providing services in your service area please select “Yes” and answer Question 1A. If you are the only organization providing foreclosure counseling services in your service area please select “No” and move on to Question 2.

1A. If “Yes,” explain why there is a need for your organization to also provide foreclosure counseling services in these areas. Here, provide details on all of the services available in your area and why these resources are insufficient for meeting local needs. Include details on how your organization’s services will help meet the need and address the resource gaps in your service area. Provide specific details on the demand for services and explain how your services are unique, if applicable.
- 2. Describe any challenges your organization has experienced in implementing its foreclosure counseling program. Discuss plans or procedures your organization has put in place to address these challenges.** Any challenge your organization has experienced may be addressed in the response, but examples include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Describe solutions to these challenges. Where possible and appropriate, quantify challenges and use facts and data to describe the impact of the solutions implemented. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your organization’s counseling activity. When describing the solutions implemented, quantify how many more clients were served and the progress made toward achieving counseling goals.
- 3. Describe systems in place to ensure your organization has efficient program delivery for foreclosure intervention counseling and meets its grantors’ program/grant requirements.** Provide a detailed description of any systems you have that will (a) ensure that program delivery takes place in an efficient manner and (b) help your organization to meet program and grantor’s requirements. This may include efficient intake or triage systems, group orientations, automated tracking systems, and so on.
- 4. Describe your organization’s experience in acting as an intermediary. Include a description of processes in place for each of the following: 1) managing and passing funds through to a network of Sub-grantees, Branches or Affiliates**

expeditiously; 2) determining eligibility of Sub-grantees, Branches or Affiliates to participate in the programs(s); 3) experience in managing contracts; 4) experience in providing training and technical assistance; 5) experience in data collection and reporting; 6) sharing best practices; 7) monitoring financial management capacity of Sub-grantees; and 8) ensuring training needs are met. For each numbered item above, provide details related to your past experience in each of these areas. Be precise and fully describe each area. Note whether or not the strategy is already in place and explain how this strategy is effective in ensuring quality oversight of Sub-grantees, Branches and/or Affiliates. Emphasize any aspects that may enhance efficiency and effectiveness and/or be unique.

- 5. Describe how your organization ensures quality control of services offered and adherence to program requirements. Include a description of each of the following: 1) including procedures for determining when Sub-grantees, Branches or Affiliates are out of compliance; 2) consequences for non-compliance; 3) procedures for remedying compliance issues; and 4) any follow-up that occurs after a compliance-related issue is raised.** Note here the systems currently in place that ensure that the counseling provided is of high quality and meets all program requirements. Describe the systems that ensure that the counseling sessions, record keeping and overall program conforms to grantors' requirements. Describe how your organization determines if a Sub-grantee, Branch or Affiliate is out of compliance. What are the consequences for being out of compliance? How are compliance issues remedied? What sort of follow-up does your organization do to ensure that the compliance issue is corrected? Remember to describe the systems currently in place that ensure that high-quality counseling is provided and proof that the systems currently in place are adequate to ensure counseling sessions, record keeping and the overall program conforms to the grantor's requirements.

NOTE: First-time Applicants that completed Factor 1 should skip all questions in Factor 2 and move on to Factor 3.

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Factor 2: Past Performance and Compliance (Returning Grantees Only)

NOTE: Questions in Factor 2 are for returning Grantees only. If you have received NFMC funds directly from NeighborWorks America, answer all questions in Factor 2. Applicants who have received NFMC funds as a Sub-grantee of another agency should ensure they responded correctly to Question 18 in the Certifications and Previous NFMC Participation section and answer all questions in Factor 1.

- 1. Was your organization a direct recipient of NFMC Round 6 funds?** If your organization was awarded NFMC Program funding for Round 6 on March 19, 2012, select “Yes.” If not, select “No.”
- 2. Was your organization a direct recipient of NFMC Funds in any grant round prior to Round 6?** If your organization was awarded NFMC program funding for Round 1 on February 24, 2008; Round 2 on December 3, 2008; Round 3 on October 1, 2009; Round 4 on April 16, 2010; or Round 5 on June 7, 2011, select “Yes.”
 - **If you answered “Yes” to Question 1, complete all of Factor 2.**
 - **If you answered “No” to Question 1 but “Yes” to Question 2, complete only Questions 6-11 in Factor 2.**
 - **If you answered “No” to both Questions 1 and 2, ensure you answered Question 18 in the Certifications and Previous NFMC Performance section correctly and return to and complete Factor 1.**
- 3. If your organization is currently using NFMC Round 6 funds, by what date will (or did) your organization fully expend all awarded funds?** Enter the date your organization anticipates exhausting all Round 6 NFMC Program funding (Month/Day/Year). If it has already exhausted all funding, please enter the date your organization was informed by NFMC that it had reached 95% of the current round’s production.
- 4. Provide a monthly projection of how your organization’s NFMC Round 6 counseling units will be delivered between January 1, 2013 and June 30, 2013 (or until your organization completes all awarded Round 6 counseling units, whichever comes first). Remember, all Round 7 units of counseling must be completed by December 31, 2013 and are over and above the Round 6 units of counseling your organization has yet to complete according to the monthly projections below. If your organization has spent all Round 6 funds or anticipates doing so prior to January 1 2013, enter “0” in each space. Please check to ensure that your response to Question 4 is congruent with your response to Question 3 above. For example, if you entered February 12, 2013 in Question 3, the entry below should be zero from March 2013 through June 2013 on the table below. Here, please project out the delivery of NFMC Program counseling units that have been awarded. If your organization is still in Round 6, project the remaining units, if applicable. Be realistic in the monthly estimates, basing them largely on actual**

monthly historic production. If the monthly production figures in the chart significantly increase or decrease, be sure to fully explain and justify these changes in production in questions listed below, and elsewhere in the application where relevant.

4A. Monthly Projections for remaining NFMC Round 6 Counseling Units

Example: In the sample chart below the Applicant projects an increase in monthly production each quarter AND estimates fully expending all previously awarded NFMC funds by May 31, 2013.

Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	June 2013
400	400	400	450	450	0

4B. Are your organization’s monthly projections as shown above for Round 6 greater than its past Demonstrated Experience in the NFMC Program as reported to the NFMC Data Collection System? Compare your monthly projections with your organization’s Demonstrated Experience and answer “Yes” or “No” to this question. If your answer is “Yes” to Question 4B, you must also answer Question 4C.

4C. Explain why your organization anticipates producing more units under NFMC in this timeframe. If your organization is expecting to increase production during this period, please explain the rationale behind that expected increase.

- 5. Explain local market conditions or other factors that are prompting your organization to request NFMC Round 7 funding in addition to its NFMC Round 6 award.** Provide a detailed overview of why your organization is asking for additional NFMC funding. Present quantitative evidence such as delinquency data or housing market characteristics that illustrates the need and demand for counseling. Describe the availability (or lack thereof) of counseling from other organizations, other sources of funding for counseling, or how counseling is linked to economic recovery in your organization’s service area. Plans to target Round 7 funding to underserved populations should also be noted. If your organization projects in Question 4 that it will not fully expend other NFMC funding awards until late in the funding rounds and extension periods, provide clear evidence that your organization needs the additional Round 7 funding (which must be completed by December 31, 2013) in order to meet demand.

NOTE: Questions 6-11 are required of all Applicants that have received previous NFMC grant awards (Round 1, Round 2, Round 3, Round 4, Round 5 and/or Round 6). If the answer to either Question 1 or 2 (in Factor 2) is “Yes,” Questions 6-11 are required.

- 6. Describe any challenges your organization has experienced in implementing your previous NFMC award(s). Discuss plans or procedures your organization has put in place to address these challenges.** Any challenge your organization has

experienced may be addressed in the response, but examples include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Where possible and appropriate, quantify challenges and the impact of the solutions implemented. Fully describe the solutions implemented and include hard facts or data showing that these solutions worked. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your organization's counseling activity. When describing the solutions implemented, quantify how many more clients were served and progress toward achieving counseling goals.

- 7. If your organization had compliance findings from the NFMC Program Round 4 and 5 reviews in 2012, what systems and processes has your organization put in place to ensure similar findings are avoided in the future? If your organization was not a Round 4 or 5 Grantee or did not have any findings, please state that in the space below and NFMC will confirm.** Note here whether or not your organization had compliance findings in 2012. If so, please describe those issues and your organization's response to them. What systems or processes were put in place to address the issue and correct the problems? Organizations that did not have compliance issues, or were not a Round 4 and/or 5 Grantee, must note that in the space provided.
- 8. If your organization was a Grantee in Round 2 and/or Round 3, and also in Round 4 and/or Round 5 and had compliance findings both times, were they the same or similar findings (e.g., a similar finding would be required file information missing even if the information missing was different in each round)? If yes, why? Has your organization remediated the underlying issues? If so, explain how. If not, how will your organization ensure that the underlying issues will be remediated and these same compliance findings will not occur in Round 7? If this does not pertain to your organization, explain why.** If your organization had compliance issues at least once in R2 and/or R3, PLUS ALSO had compliance issues at least once in either R4 and/or R5, then please describe those issues. Grantees that have had compliance issues in any previous round of NFMC funding must note if the issues were the same each time and if so, describe why they were the same and not corrected. Applicants must also describe how it is remediating these issues and describe how the organization will resolve the matter and ensure that these issues do not occur in Round 7. If this question does not pertain to your organization, please describe why – whether it had no compliance issues, or didn't have similar findings both times, or another pertinent reason.
- 9. Describe how the previous NFMC funding you were awarded has affected your organization's foreclosure counseling capacity, outreach, and program outcomes.** In this question describe how NFMC funding has helped your organization to increase its capacity. Explain how it positively affected your organization's outreach efforts and how this in turn brought more homeowners facing foreclosure to your organization for assistance. Describe how it enabled you to assist more clients, and how it improved your organization's ability to provide sustainable solutions and better outcomes for clients.

- 10. Describe your organization's experience in acting as an intermediary. Include a description of processes in place for each of the following: 1) managing and passing funds through to a network of Sub-grantees, Branches, or Affiliates expeditiously; 2) determining eligibility of Sub-grantees, Branches or Affiliates to participate in the program(s); 3) experience in managing contracts; 4) experience in providing training and technical assistance; 5) experience in data collection and reporting; 6) sharing best practices; 7) monitoring financial management capacity of Sub-grantees, Branches or Affiliates; and 8) ensuring training needs are met.** For each numbered item above, provide details related to your past experience in each of these areas. Answer each component of the question. Be precise and fully describe each section, with emphasis on any aspects that may enhance efficiency and effectiveness and/or be unique. Note whether or not the strategy is already in place and provide information on how this strategy is effective in ensuring quality oversight of Sub-grantees, Branches or Affiliates.
- 11. Describe how your organization ensures quality control of services offered and adherence to program requirements. Include a description of each of the following: 1) procedures for determining when Sub-grantees, Branches or Affiliates are out of compliance; 2) consequences for non-compliance; 3) procedures for remedying compliance issues; and 4) any follow-up that occurs after a compliance-related issue is raised.** Describe how your organization ensures quality control and meets all program requirements. Describe how your organization determines if a Sub-grantee, Branch office or Affiliate is out of compliance. What are the consequences for being out of compliance? How are compliance issues remedied? What sort of follow-up does your organization do to ensure that the compliance issue is corrected? Remember to describe (a) systems currently in place that ensure that high-quality counseling is provided and (b) proof that the systems currently in place are adequate to ensure counseling sessions, record keeping and the overall program conforms to the grantor's requirements.

Question 12 is required of all Applicants that received a direct grant in NFMC Round 6.

- 12. If your organization was placed on a modified or reimbursable draw schedule in Round 6, what systems and processes have been put in place to remedy the reason it was subject to a modified or reimbursable draw schedule? If your organization was not placed on a modified or reimbursable draw schedule for Round 6, please type N/A as the response.** In this question, note whether or not your organization was placed on a modified draw schedule for Round 6, and describe the reason(s) and/or the need for the modified draw schedule. Then, describe the systems and processes that were put into place to correct this issue. If the issue has not yet been resolved, or cannot be resolved, state that in your answer and provide an explanation.

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Factor 3: Capacity of Applicant & Sub-grantees/Branches Page 1

APPLICANT ELIGIBILITY

Definitions

Intermediary: An “Intermediary” is a HUD-approved national organization that provides housing counseling services indirectly through its Branches or Affiliates, for whom it exercises control over the quality and type of housing counseling services rendered. A national Intermediary provides, in multiple regions of the United States: (a) housing counseling service, through its Branches or Affiliates or both; and (b) administrative and supportive services to its network of Affiliates or Branches, including but not limited to oversight, pass-through funding, training and technical assistance.

State Housing Finance Agency (HFA): A “HFA” is the unique public body, agency, or instrumentality created by a specific act of a state legislature and empowered to finance activities designed to provide housing and related facilities and services, for example through land acquisition, construction or rehabilitation, throughout a state. HFAs may provide direct counseling services or sub grant housing counseling funds, or both, to affiliated housing counseling agencies within the HFA's state. The term “state” includes the fifty states, Puerto Rico, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands.

- 1. Please check the type of entity that best describes the Applicant organization.** * Applicant should check either A or B and upload the necessary documentation if this is the organization’s first time applying for NFMC funds. If Applicant received NFMC funds in the past, NFMC has this information, and uploading it here is **not** required.

A. Type of Applicant: HUD-Approved Housing Counseling Intermediary

- ☐ Applicant is a HUD-Approved Housing Counseling Intermediary and all proposed Sub-grantees are HUD approved housing counseling agencies, or meet or exceed guidelines for HUD approval of housing counseling agencies (<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>)

If your organization is a new Intermediary Applicant, please upload your organization’s most recent HUD 9902.

B. Type of Applicant: State Housing Finance Agency (HFA)

- ☐ Applicant is a State Housing Finance Agency and has evidence of statutory authority to operate as a State HFA, to apply for and use funds, and to serve the entire state. If your organization received NFMC funds in the past, NFMC has this information, and uploading it again here is **not** required.

If your organization is a first-time HFA Applicant, upload file.

If your organization is a first-time HFA Applicant, also either upload your organization's most recent HUD 9902, if applicable, or a document on the Applicant's letterhead stating it is not required to complete the 9902 and why.

- 2. For State HFAs and Intermediaries only, upload your organization's most recent independent financial audit, and most recent OMB A-133 audit, if applicable. If a Management Letter was issued, upload a copy of the Letter. You must include a copy of any Management Letter that was issued. If the audit disclosed findings, please also upload your organization's Management Response or Corrective Action Plan. NOTE: Management Response and/or Corrective Action Plan MUST be on Applicant's letterhead and be signed by its Chief Executive Officer, President or Executive Director.**

2A. Upload most recent Audited Financial Statements. This must have been issued within 9 months of the end of your organization's most recent fiscal year.

2B. Upload most recent OMB A-133, if applicable. This must have been issued within 9 months of the end of your organization's most recent fiscal year. If not applicable, upload a document on your Agency's letterhead and signed by the Chief Executive Officer, President or Executive Director stating that your organization expended less than \$500,000 in federal funds during the Fiscal Year.

2C. Upload Management Letter, if issued. If a Management Letter was not issued, upload a document stating that a Management Letter was not issued. NOTE: Documents stating no Management Letter was issued MUST be on Applicant's letterhead and be signed by its Chief Executive Officer, President or Executive Director.

2D. Upload Corrective Action Plan and/or Management Response, if applicable. If your organization does not have a Corrective Action Plan or Management Response, please upload a document explaining how your organization will remedy the audit's findings and/or implement recommendations from the Management Letter, or stating that your organization's audit did not have any findings and the Management Letter did not have any recommendations. NOTE: Management Response, Corrective Action Plan or document stating there were no recommendations MUST be on Applicant's letterhead and be signed by its Chief Executive Officer, President or Executive Director.

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Factor 3: Capacity of Applicant & Sub-grantees/Branches Page 2

- 3. Has your organization or any of its Sub-grantees, Branches or Affiliates had HUD Housing Counseling funds recaptured or de-obligated in Calendar Years 2010, 2011 or 2012?** * Simply answer “Yes” or “No.” If you answer “Yes,” you must complete Questions 3A-3C. If you answer “No,” proceed to Question 4.
- 3A. Date the recapture or de-obligation occurred.** Enter the date that the event occurred.
- 3B. Explain why the HUD Housing Counseling funds were recaptured or de-obligated.** Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.
- 3C. What steps were taken to correct the issues that led to the funds being recaptured or de-obligated? How has the pertinent organization monitored the changes for ongoing effectiveness?** Of particular interest are the changes your organization has implemented to address the issue and prevent such events from occurring in the future. How you are ensuring that those changes were effective? Please also indicate your organization’s timeline for fully implementing these corrective actions.
- 4. Does your organization or any of its Sub-grantees, Branches or Affiliates have outstanding issues from compliance monitoring or other on-site reviews from HUD in Calendar Years 2010, 2011 or 2012?** * Simply answer “Yes” or “No.” If you answer “Yes,” please complete Questions 4A and 4B to fully explain the causes of these outstanding compliance issues. Of particular interest are the changes your organization has implemented to address and resolve the matter and bring the Applicant and/or its Sub-grantees, Branches or Affiliates into compliance with HUD. Please also indicate a timeline for changes in process now and the date by which your organization expects to be in full compliance.
- 4A. Date the monitoring or review occurred.** Enter the date.
- 4B. Explain the issues identified and steps taken to resolve those issues.** The response should provide convincing evidence that the cause(s) of the recapture and/or de-obligation have been addressed and corrected. Identify the specific steps taken to resolve the issues.
- 5. If your organization is a previous NFMC Program Grantee, has it had NFMC Round 5 or 6 funds recaptured or de-obligated either for compliance reasons or because it did not spend down the grant fund within the performance period? If your organization is applying for the first time or did not receive Round 5 or 6 funds, please answer this question as “N/A”.** Simply answer “Yes,” “No” or “N/A.” If you answer “Yes,” Questions 5A – 5C are required.
- 5A. Date the recapture or de-obligation occurred (MM/DD/YYYY).** Enter the date
- 5B. Explain why the NFMC Program funds were recaptured or de-obligated.** Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.

5C. What steps did your organization take to correct the issues that led to the NFMC Program funds being recaptured or de-obligated? Of particular interest are the changes your organization has implemented to correct the issues and prevent such events from occurring in the future. Explain how your organization has monitored any changes made to ensure ongoing effectiveness. Please also indicate your organization's timeline for fully implementing these corrective actions.

- 6. Is your organization or any of its Sub-grantees, Branches or Affiliates under investigation related to foreclosure intervention counseling or the use of federal funds?** * Indicate whether your program is under investigation regarding its foreclosure program or its use of federal funds. Do you have a compliance or licensing finding or dispute with any federal, state or local government agency regarding your authority to conduct business in any particular jurisdiction where you conduct or propose to conduct counseling services? Simply answer "Yes" or "No." If you answer "Yes," Question 6A is required.

6A. If "Yes," please provide specifics on these issues and how your organization has addressed or resolved the matter. Fully describe the compliance, licensing or other dispute your organization is having and what it is doing to correct the problem. Explain how your organization has monitored any changes made to ensure ongoing effectiveness. Please also indicate your organization's timeline for fully implementing corrective actions.

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Factor 3: Capacity of Applicant & Sub-grantees/Branches Page 2

EXPERIENCE OPERATING A FORECLOSURE INTERVENTION COUNSELING PROGRAM

7. **How long has your organization managed Sub-grantees, Branches or Affiliates that offer foreclosure intervention counseling programs?** * Please select the correct response from the provided pull down menu. Be sure to include experience specifically related to foreclosure counseling, not general housing counseling.

12 months or less

13 – 36 months

37 – 60 months

61 months or longer

8. **Describe your organization's service delivery model. Whether your organization directly employs counselors and/or foreclosure staff in your organization, or has Sub-grantees, Branches or Affiliates that work under a unified program delivery model, be certain to address each of the following topics, 8A – 8F.** Provide thorough and detailed answers to each of the questions below. Fully describe each topic area, be precise and emphasize any aspects that may be unique. Explain how each model helps to meet the demand for services, is responsive to the population being served and is effective in meeting the needs of homeowners seeking services. Give a description of improvements or changes made over time and provide quantitative evidence on how those adjustments have improved your organization's program efficiency and/or effectiveness. If your organization has Sub-grantees, Branches or Affiliates working under different service delivery models you should provide details on how your organization, as the Grantee, has provided and will provide future technical assistance (in areas 8A-8F) to ensure high counseling quality, efficiency, and effectiveness.

8A. Describe your organization's intake and triage procedures, including expected response time to each homeowner's request for counseling. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide specific details on your intake and triage systems and emphasize any aspects that may be unique. Indicate how long a potential customer must wait for a response from a counselor. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe any improvements that have been made to your intake and triage systems and provide quantitative evidence describing how these improvements have made your program more efficient and effective. Indicate how long these systems have been in place and/or when you made the improvements.

8B. Describe your organization’s method(s) of counseling used, including face to face, phone, internet, email, etc. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide specific details on your counseling methods and emphasize any aspects that may be unique. Which methods do you use regularly? Which methods do you use less often? Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe improvements you have made to your counseling methods over time and provide quantitative evidence on how they improved your program. Indicate how long these methods have been in place and/or when you made these improvements.

8C. Describe your organization’s staff roles in the foreclosure counseling process, including if counselors or other staff that work with foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer, and if they are fully dedicated to foreclosure services, or if counselors or other staff split their time between counseling and management or other programs. Describe any improvements that your organization has made to its processes over time, the impact of those improvements and how long the current process/system has been in place. * Indicate if counselors or other staff who work with foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer; and whether they are fully dedicated to foreclosure services, or splitting their time between counseling and management of other programs. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Describe any improvements to staff roles you have made and the impact of those changes. Indicate how long these changes have been in place and/or when you made these improvements.

8D. Describe your organization’s staffing models – describe if counselors or other staff complete all portions of foreclosure counseling or if they are specialized in any way to handle only certain aspects of the process (for example, some counselors do only intake and budget counseling, while other counselors/staff are dedicated to securing outcomes and all negotiations with servicers). Describe any improvements that your organization has made to its processes over time, the impact of those improvements and how long the current process/system has been in place. * Fully describe your organization’s staffing models and indicate if staff are specialized or handle multiple aspects of the process. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Explain any improvements your organization has made regarding staffing models and describe the impact that those changes have had on your program. Indicate how long these changes have been in place and/or when you made improvements to your staffing models.

8E. Describe your organization’s data collection, consolidation, and reporting procedures. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Provide a complete description of your data collection, consolidation and reporting procedures and include the improvements you have made that have improved effectiveness and efficiency. Describe the impact that these improvements have had on the program. Indicate how long these changes have been in place and/or when you made improvements. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services.

8F. Describe your organization’s methods of communicating with loan servicers during the counseling process. Describe any improvements that your organization has made to its processes over time and how long the current process/system has been in place. * Fully explain how your counselors communicate with loan servicers during the counseling process. Include strategies for making a connection with loan servicers and methods of ongoing communication. Explain how this model helps to meet the demand for services and the needs of homeowners seeking services. Provide details on any improvements your organization has made related to these methods and describe the impact they have had on your program. Indicate how long the current system has been in place and/or when you made improvements.

- 9. Complete the table below, indicating which, if any, of the oversight activities listed below your organization engages in.** * The information listed here is meant to provide a complete picture of your organization’s overall oversight capacity. All components of oversight are important so please be sure to provide information on as many activities as possible. The “Activity” column lists various oversight activities that your organization may be utilizing. If your organization is utilizing the activity listed, note the frequency that you are conducting that activity in the “Frequency” column. Be sure to note in the subsequent boxes whether your organization is utilizing the activity currently and/or if your organization is planning to create an infrastructure for this during Round 7. Please check all that apply. If your organization is engaging in oversight activities not listed on the chart, please describe the activity in the “other” rows at the end of the chart.

Below is more information on all activities listed in the application for Question 9.

- **Provide a formal training or on-boarding when new Sub-grantees/Branches/Affiliates are added.** Does your organization provide a formal training for Sub-grantees, Branches and/or Affiliates when they join your organization? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Hold conference calls with Sub-grantees/Branches/Affiliates.** Does your organization hold regular conference calls with Sub-grantees, Branches and/or Affiliates? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Hold in-person meetings with Sub-grantees/Branches/Affiliates.** Does your organization hold regular meetings, in-person, with its Sub-grantees, Branches and/or Affiliates? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Conduct web-meetings with Sub-grantees/Branches/Affiliates.** Does your organization assemble web meetings via WebEx, Skype or other online forum on a regular basis? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.),

whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.

- **Communicate regularly with Sub-grantees/Branches/Affiliates via email (newsletters, listserv, e-groups, etc.).** Does your organization utilize e-mail to communicate regularly with Sub-grantees, Branches and/or Affiliates via e-newsletter, listserve, e-groups, etc.? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Remotely monitor adequacy of documentation in counseling files of Sub-grantees, Branches/Affiliates.** Does your organization access counseling files remotely (via online tools) to ensure that Sub-grantees, Branches and/or Affiliates are providing adequate documentation in the files? Or does your organization randomly sample hard copy files of its Sub-grantees/Branches/Affiliates to ensure adequate documentation? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Provide on-site monitoring of adequacy of documentation in counseling files of Sub-grantees/Branches/Affiliates.** Does your organization visit the offices of Sub-grantees, Branches and/or Affiliates to review and monitor the documentation taking place in the counseling files? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Conduct remote compliance reviews for Sub-grantees/Branches/Affiliates.** Does your organization conduct compliance reviews remotely by asking Sub-grantees, Branches and/or Affiliates to submit proof of program compliance for Applicant to review (e.g., policies, proof of translation service availability, etc.) on a regular basis? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Conduct on-site compliance site visits for Sub-grantees/Branches/Affiliates.** Does your organization conduct on-site compliance review visits at the offices of Sub-grantees, Branches and/or Affiliates? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Provide Technical Assistance to underperforming Sub-grantees/Branches/Affiliates.** When a Sub-grantee, Branch or Affiliate is underperforming or not meeting its established goals, does your organization provide technical assistance to help them get back on track? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.

- **Provide peer-learning opportunities for Sub-grantees/Branches/Affiliates.** Does your organization provide opportunities for peer-to-peer learning such as online chats, blogs, networking opportunities, sharing of best practices, etc.? If “Yes,” note in the chart how often (weekly, quarterly, annually, etc.), whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.
- **Other.** Please note other methods of ensuring your organization’s oversight capacity. Note in the chart how often (weekly, quarterly, annually, etc.) this activity takes place, whether your organization is doing this currently, and/or whether your organization plans to create an infrastructure to do this in Round 7.

10. Does your organization or any of its Sub-grantees, Branches or Affiliates provide direct lending to or servicing of loans for homeowners? Select “Yes” or “No” based on whether or not you offer direct lending or loan servicing. If you answer “Yes,” please answer Question 10A.

10A. If Yes, does your organization or the pertinent Sub-grantees, Branches or Affiliates have counselors on staff that will be providing foreclosure counseling? Note that foreclosure intervention counselors for NFMC must not be loss mitigation/servicing staff working on behalf of a lender or mortgage finance program. Indicate “Yes” or “No.” If you answer “Yes” to Questions 10 and 10A, you must respond to Question 10B.

10B. If answers to 10 and 10A are “Yes,” explain how your organization or the pertinent Sub-grantees, Branches or Affiliates provides counseling in such a way that there is no real or perceived conflict of interest and that the organization does not stand to benefit from particular counseling outcomes. Explain how your organization avoids perceived conflicts of interest. This includes avoiding actions that would result in, or create the appearance of, the counselor or organization conducting activities that would foster personal or private gain and ensure that lenders, servicers, Realtors and other housing partners – as well as individual customers – do not receive preferential treatment. Please describe the rules, policies and practices that are in place to ensure each of the following:

- Adequate firewalls exist between servicers/lenders and counselor staffing structures
- Adequate firewalls exist between client management systems of servicers/lenders and counselors
- Referral systems are in place that ensure that those individuals receiving loans or loan servicing from the Applicant do not receive counseling from individuals employed by the Applicant
- Homeowners are provided adequate notification that the Applicant provides these services and the homeowner is under no obligation to use them
- Counselors are trained to convey to homeowners the full range of options available to them.

Click save before moving on to the next page.

Factor 3: Capacity of Applicant & Sub-grantees/Branches Page 4

Sub-grantee or Branch Information

11. Complete the table below regarding all Sub-grantees, Branches or Affiliates. If a Sub-grantee, Branch or Affiliate is named, all columns are required. For each proposed Sub-grantee, Branch or Affiliate, please enter information for Columns A, B, C, D, E, F, G, H, I, J, K, L, M and N. * Click on save to calculate the total.

For Column G: Experience Level, please refer to the following definitions:

Experience Level A: Sub-grantee, Branch or Affiliate has provided foreclosure intervention counseling services which include documented action plans to at least 50 people during the last year or 20 people during the most recent quarter; OR

Experience Level B: 75% or more of Sub-grantee's, Branch's or Affiliate's service area is in a rural area AND the organization provided foreclosure intervention counseling services which include documented action plans to at least 25 people during the last year or 10 people during the most recent quarter; OR*

Experience Level C: Sub-grantee, Branch or Affiliate has provided foreclosure counseling services which include documented action plans to at least 12 people during the last year AND has at least one comprehensively trained and qualified foreclosure counselor.

***Rural Area Definitions:** When qualifying as "rural," organizations must use one of the following three acceptable definitions:

A) USDA Rural Development Definition as outlined in 7CFR 3550.10: A rural area is:

- (1) Open country which is not part of or associated with an urban area.
- (2) Any town, village, city, or place, including the immediate adjacent densely settled area, which is not part of or associated with an urban area and which:
 - (a) Has a population not in excess of 10,000 if it is rural in character; or
 - (b) Has a population in excess of 10,000 but not in excess of 20,000, is not contained within a Metropolitan Statistical Area, and has a serious lack of mortgage credit for low- and moderate-income households as determined by the Secretary of Agriculture and the Secretary of HUD.

(3) An area classified as a rural area prior to October 1, 1990, (even if within a Metropolitan Statistical Area), with a population exceeding 10,000, but not in excess of 25,000, which is rural in character, and has a serious lack of mortgage credit for low- and moderate-income families. This is effective through receipt of census data for the year 2000.

B) Any metropolitan area (defined as having population greater than 10,000 but less than 50,000 people)

C) Any county identified using Isserman typology that is designated as rural or mixed rural: Isserman typology map is included in the Exhibits of the Funding Announcement.

For Question 11 please note:

(1) **Column H** asks if any of your organization’s Sub-grantees, Branches or Affiliates will be applying for NFMC Round 7 funds directly or through another Intermediary as well as your own application. If a checkmark is entered in Column H, then a response in Question 13 is required.

(2) **Column K** asks for number of counselors/staff who have received comprehensive training or certification, which is defined as having a minimum training equivalent of no less than 30 hours of facilitated instruction (can include lecture, interactive, demonstration, on-line, and case-study) in foreclosure intervention and default counseling. On-the-job training may not be included.

Example: XYZ Enterprises is a HUD-Approved Intermediary with three Sub-grantees that operate across two separate states. Only one of our Sub-grantees (NHS of Central City) is a member or in partnership with another Intermediary like ourselves and is applying for NFMC funds through that Intermediary as well.

Each Sub-grantee has been a part of our organization and offering foreclosure counseling for over three years (36 months+). Two of the Sub-grantees each counseled between 50 and 100 clients this past year, with documented action plans. In this past year, however, one of our Sub-grantees (Mason Community Action) has counseled a total of just 15 clients. Together, the three Sub-grantees’ average counselor foreclosure experience ranges between 18 and 30 months, and 10 of the 11 counselors have completed comprehensive training or certification. Counselor career level experience is listed, as defined, in columns L and M . Finally, one of the Sub-grantees, NHS of Central City, is a Chartered NeighborWorks organization, as indicated in column N.

See how this example is represented in chart below, based on definitions above and within the chart.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Enter Name of the Affiliate or	Enter the Location of the Affiliate	Enter the State Location of the	Enter the Zip Code of the Location of	Select if Affiliate or Branch Office	How long, in months, has Affiliate or Branch Office	Experience Level: A, B or C (See Column	Check “Yes” if Affiliate or Branch is also submitting an

Branch Office	or Branch Office (City)	Affiliate or Branch Office (State)	the Affiliate or Branch office (Zip)		provided foreclosure intervention counseling?	G definition above)	NFMC Round 7 application directly or with another intermediary, HFA or NWO
NHS of Central City	<i>Philadelphia</i>	PA	19019	<input checked="" type="radio"/> Sub-Grantee <input type="radio"/> Branch Office	47	<input checked="" type="radio"/> A <input type="radio"/> B <input type="radio"/> C	✓
Mason Community Action	<i>Mason,</i>	DE	19901	<input checked="" type="radio"/> Sub-Grantee <input type="radio"/> Branch Office	37	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C	
Help & Housing	<i>Pikeville, PA</i>			<input checked="" type="radio"/> Sub-Grantee <input type="radio"/> Branch Office	45	<input checked="" type="radio"/> A <input type="radio"/> B <input type="radio"/> C	
				Total # of Office: 3	Average months of Experience: 43	% at level A: 66% % at level B: 33%	Total # of "Yes" : 1

Column I	Column J	Column K	Column L	Column M	Column N
Total Number of Foreclosure Intervention Counselors/Staff (paid or volunteer) <u>currently available</u> (can be decimal)	Total months of Foreclosure Intervention Experience of Counselors/Staff identified in Column I. This is the <u>sum</u> of all the Branches' or	Number of Counselors/Staff who have received Comprehensive Training or Certification (defined as having a <u>minimum</u> of 30 hours of facilitated	Number of Counselors/Staff that have provided individual foreclosure counseling to more than 250 but less than	Number of Counselors/Staff that have provided individual foreclosure counseling to more than 500 people in their career	Check "Yes" if this organization is a chartered NeighborWorks Organization

	Affiliates' counselors' experience, in months.	instruction (not on-the-job training) in foreclosure intervention/default counseling)	500 people in their career		
5	27	4	3	1	<input checked="" type="checkbox"/> Yes
2	18	2	2	1	
4	30	4	2	0	

Click save before moving on to the next page.

Factor 3: Capacity of Applicant & Sub-grantees/Branches Page 5

12. Describe your organization’s staffing structure and strategy for recruiting, orienting, training and compensating any newly hired counselors/staff under this program, especially in light of the fact that the funds are time-limited. Also describe caseload size and managerial oversight. Fully describe each component of this question including a detailed description of your staffing structure and methods for recruiting, orienting, training and compensating new counselors or staff. Include attention to the fact that the funds are time limited. Applicants should provide distinct details on their recent ability to recruit, hire, train and compensate counselors hired since October 1, 2011.*

13. Does your organization plan to work with Branches or Affiliates that are applying for NFMF Round 7 funds with more than one HFA/Intermediary/NWO or Affiliates that have applied for funds directly from NFMF? Simply answer “Yes” or “No.” If “Yes,” 13A and 13B are required. You should answer “Yes” if you checked any cell in Column H of Factor 3, Page 4, Question 11.

13A. Upload a letter from each entity detailing its foreclosure counseling goals under each contract. The letter(s) should be on their letterhead and combined into one PDF file. Listed here is the text of a sample letter that is needed to meet the requirements of this question.

Dear NFMF,

I am writing to disclose that one of our Sub-grantees intends to apply for NFMF Round 7 funds through multiple agencies. In addition to participating in our application, NHS of Central City plans to apply directly to NFMF (NHS of Central City is a NeighborWorks® Organization).

The following are the number of counseling units they are proposing during the grant period under each application:

GOALS outlined in this table should correspond with Factor 4 Round 7 Counseling Goals on each NFMF Application		
	“Level One” Counseling	“Level Two” Counseling
NHS of Central City NFMF Direct	200	100

GOALS outlined in this table should correspond with Factor 4 Round 7 Counseling Goals on each NFMC Application		
	“Level One” Counseling	“Level Two” Counseling
Application		
XYZ Enterprises	350	150
Total	550	250

Sincerely,

Jacqui Smith, XYZ Enterprises

13B. Complete the chart below:

COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H
Name of your Sub-grantee, Branch, or Affiliate	City	State	Zip	# of Units will Deliver under Your Direct NFMC Grant	Your Sub-grantee, Branch, or Affiliate’s other Applicant’s Name	# of Units it will Deliver under other Applicant’s Direct NFMC Grant	Check mark confirms that Letter Disclosing this Relationship is Included in 13A Above.
NHS of Central City	Philadel phia	PA	19019	500	NHS of Central City	300	✓

14. Describe any foreclosure-related training completed or certifications obtained in the last 24 months by the counselors listed in Question 11, Column K. Include details about the name and source of the training or certification (Note: this training does not need to be NeighborWorks' NFMC training). Provide specific detail with regard to training and certification completed by counselors hired or newly-assigned in the last 12 months.* List training obtained in the last 24 months. List separately training completed by new counselors who were hired or reassigned in the last 12 months. NFMC will use this information to assess how knowledgeable your counselors (particularly the newest ones) are regarding the recent changes in the foreclosure counseling industry. Comprehensive training or certification is defined as having a minimum training equivalent of no less than 30 hours of facilitated instruction in foreclosure intervention and default counseling (which can include lecture, interactive, demonstration, on-line, and case-study). *On-the-job training may not be considered in the response to this question.*

MEASURING RESULTS

15. What Client Management System (CMS) will your organization use to report NFMC Program results? Check all that apply.* Indicate any and all systems used by your organization and its Sub-grantees, Branches or Affiliates to track counseling data and outcomes. If you select more than one option or select "other," you must also answer Question 15A below.

- ☐ **CounselorMax**
- ☐ **Home Counselor Online**
- ☐ **NFMC Microsoft Excel Template**
- ☐ **Other System, specify and describe.** If your organization uses a system other than the three listed above, please name and describe it. Include the primary functions of the system, how long you have used it to manage foreclosure client data, and who provides the technical support.

15A. If your organization has multiple Sub-grantees, Branches or Affiliates, and they do not all use the same CMS system (or you checked "Other System" above), explain how your organization will ensure each Sub-grantee, Branch or Affiliate's foreclosure counseling data is collected, consolidated, and then consistently reported to NFMC.* It is important to demonstrate a comprehensive and reliable process and system for managing counseling data, and this is especially true if your organization, its Sub-grantees, Branches or Affiliates do not all use the same system. The description should include information such as the software programs being used; how data are entered or uploaded by the Sub-grantee, Branch or Affiliate to your organization's system; data quality control systems; and how your organization ensures that counseling recipients are not duplicated in the system. Provide a clear and convincing description of how data will be collected, consolidated and consistently reported to NFMC.

- 16. If your organization is an existing Grantee, also describe any improvements your organization has made to its data collection and reporting approach or system since the NFMC program began. If your organization is applying for the first time, please enter N/A.** * Describe improvements made to your data collection and reporting processes or CMS system since the NFMC Program began and, where applicable, provide evidence that these changes have improved your organization's data collection and reporting. If no improvements have been made, provide evidence that no improvements were necessary and that your original system worked adequately.
- 17. Has your organization adopted or required its Sub-grantees, Branches or Affiliates to adopt the National Industry Standards (NIS) for Homeownership Education and Counseling - Foreclosure Intervention Specialty?** * The National Industry Standards is a set of guidelines for quality foreclosure counseling and services. Organizations that adopt the standards can be trusted to provide consistent, high-quality counseling and foreclosure advice. Information on the National Industry Standards can be found at: <http://www.homeownershipstandards.org/Home/Standards.aspx>.
- 17A. Organization has formally adopted the NIS.** Indicate "Yes" or "No."
- 17B. Organization requires its Sub-grantees, Branches or Affiliates to formally adopt the NIS.** Indicate "Yes" or "No."
- 17C. If you answered "No" to 17A or 17B above, 17C is required. Describe any plans your organization has to adopt, or require its Sub-grantees, Branches or Affiliates to adopt, the NIS.** In the space provided, describe your plans to adopt the National Industry Standards. If your organization does not provide counseling directly, does it endorse the NIS or require its Sub-Grantees, Branches or Affiliates to adopt? What steps have you taken to learn about the NIS? Have you begun the process of adopting the NIS or requiring your Sub-Grantees, Branches or Affiliates to do so or do you have plans to do so during NFMC Round 7?
- 18. Does your organization meet the National Industry Standards for Homeownership Education and Counseling for disposing of personally-identifiable information, which state, "Homeownership educators/counselors will dispose of clients' records in a manner that protects clients' confidentiality and is consistent with state statutes governing records and social work licensure?"** * Please answer "Yes" or "No."
- 18A. Describe your organization's system of storing and disposing of personally-identifiable information.** * Describe how your organization stores client records and explain how this ensures privacy and protects confidentiality. Also describe your organization's methods of disposing of client records or other identifiable documents and how this aligns with state statutes.
- 19. What mode of counseling does your organization provide to clients? Enter the percentage of clients that receive each service as their primary service type, with all entries totaling 100%. Enter "0" for none.** * Applicants must indicate the percent of clients served through each service type. When added together, the percentages of all service types should equal 100%.

- In person -- What percent of your organization's clients are served in person?
- Telephone -- What percent of your organization's clients are served over the telephone?
- Online -- What percent of your organization's clients are served online?
- Web-based -- What percent of your organization's clients are served via Web-based application?
- Other -- What percent of your organization's clients are served via some other method?

Click save to calculate the total. If you answered "Online," "Web-based" or "Other" you must answer Question 19A.

19A. Describe how your organization provides personal contact to both Level One and Level Two clients. Online, web-based and other counseling methods can lack personal touch. What is your organization doing, if anything, to supplement these counseling methods and thereby enhance personal contact to all clients counseled either directly or through referral methods? Please provide a clear description for both Level One and Level Two clients.

Click save before moving on to the next page.

Factor 4: Proposed Counseling Services Page 1

NFMC is concerned about the reasonableness of your organization's counseling goals, its capacity to oversee these funds, its network of Sub-grantees, Branches and Affiliates, and demonstrated ability to provide the highest quality foreclosure intervention counseling services. Your organization's projected NFMC Round 7 goals (listed in Question 4 below) will determine the maximum counseling award it can receive. However, responses to other questions will weigh heavily in the final award determination.

Notes: 1) NFMC funds must be used ONLY to counsel homeowners in their primary residence. Counseling completed with owners regarding second homes or investment properties may not be funded using NFMC Program grants; 2) no funds made available under NFMC may be provided directly to lenders or homeowners to discharge outstanding mortgage balances or for any other direct debt reduction payments.

Definitions of Counseling Levels

Counseling can include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. Some clients will be eligible for reverse mortgages. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will also take longer to resolve. Recognizing this, NeighborWorks has developed a two-tiered structure for defining and estimating the cost of counseling activity, as described below. Counseling budgets, as calculated for the application of Round 7 funds, are based on the value of Level One counseling being set at \$150 and Level Two at \$300.

Duplicate Client Reset – Recognizing that some homeowners who have received foreclosure counseling in past NFMC grant rounds may now experience new circumstances which threaten their ability to remain current on their mortgages, such as a loss of job or reduction in income, NFMC is “resetting” the duplicate check so that any client who received counseling services prior to June 1, 2012 will be eligible to be counseled again by an NFMC Grantee on or after June 1, 2012 at any level. Grantees who take advantage of this rule must document that the client received the appropriate level of service again, after June 1, 2012, and all required documentation as described in the “Eligible Activities” section of the Funding Announcement is maintained in the client file, with the new intake date. In order for a client to be uploaded into the Data Collection System for payment, the homeowners must have received a new counseling session after June 1, 2012, and all required documentation must be updated as of the new intake date and filed.

“Level One” Counseling: To qualify for a Level One payment (\$150), a counseling agency will be required to complete all of the following steps:

1. **Intake.** Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. The National Industry Standards for Homeownership Education and Counseling – Foreclosure Intervention Specialty (National Industry Standards) provide guidance on what should be included in an Intake Form (See Exhibit 7 of the Round 7 Funding Announcement and www.nw.org/nfmc). It is recommended, but not required, that contact information for one additional person is collected at intake in the event the client moves or is otherwise unable to be reached following initial intake. Grantees conduct intake in a variety of ways. Those that use electronic client management systems can submit a screenshot from their system showing that the minimum required information has been collected. The Grantee must ensure that the information is readily available in the client file when requested by NFMC.
2. **Authorization.** Organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client’s file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words “Grant Administrators” or “Funders” in place of “NFMC” in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

3. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

4. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document which the client signs and the agency maintains in the client file.

5. **Budget.** Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income. One example of a worksheet Grantees may use to develop this budget can be found on the FDIC "My Money" website: <http://www.mymoney.gov/content/income-and-expenses-worksheet.html>.
6. **Action Plan.** Organization must develop a written Action Plan for follow-up activities to be taken by the client and review this Action Plan with the client. The Action Plan must be clearly labeled in the client file. It must include the counselor's assessment of the client's situation with a client-specific recommendation for plan of action. **If the assessment and recommendation are part of the counselor notes, NFMC requires that the information is transferred to a form titled Action Plan so that the assessment and course of action are clearly defined for the client and for compliance testing.** The National Industry Standards provide guidance on what should be included in an Action Plan (see Exhibit 7 of the Funding Announcement and www.nw.org/nfmc). NFMC has also created a template Action Plan which is available on the NFMC members' website; use of this template is not required; however, Grantees must have a conforming Action Plan in each client file. When developing this Action Plan, it is expected that the counselor will do a comprehensive analysis of the homeowner's situation and recommend the best plan of action.
7. **Making Home Affordable Program Eligibility.** Organization must determine and document if the client is eligible for assistance through the *Making Home Affordable* Program. Documentation that a screening occurred should be included in the Action Plan and client file. NFMC has created a template screening checklist which can be found on the NFMC members' website. It is also included as Exhibit 5 in this Funding Announcement. Information on the *Making Home Affordable* Program can be found at www.hmpadmin.com. Types of assistance offered through the *Making Home Affordable* Program are:

- *Refinance.* Organization must determine and document eligibility by requesting information and analyzing if: (a) client is the owner occupant of a one- to four-unit property (required by the NFMCC Program, not HARP); (b) loan is a first lien, conventional mortgage that is owned or guaranteed by Fannie Mae or Freddie Mac – counselor will verify this by checking the GSE’s web look-up tools; (c) client is current on mortgage (client hasn’t missed more than one payment in the last 12 months and has not missed any payments in the prior six months or, if client has had the loan for less than 12 months, s/he must not have missed any payments in the previous six months and must not have missed more than one payment since inception of the mortgage; (d) client must have a source of income; and (e) the refinance improves the long-term affordability or stability of the loan.

- *Modification.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (b) the mortgage has not been previously modified under the Home Affordable Modification Program (HAMP); (c) the borrower has experienced a hardship that has caused the mortgage loan to become delinquent or default is reasonably foreseeable; (d) the property securing the mortgage loan is not vacant or condemned; (e) the mortgage loan is secured by a one- to four-unit property, one unit of which is the borrower's principal residence; (f) client's current front end DTI is greater than 31%; and (g) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property, \$1,129,250 for a three-unit property, and \$1,403,400 for a four-unit property.

- *FHA Loans.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner of a one- to four-unit home; (b) the client is less than 12 payments behind on their mortgage; (c) client has income sufficient to support the new mortgage payments; and (d) with the modification, the client’s front end DTI will be as close as possible but not less than 31% and their back end DTI will be less than 55%.

- *Short Sale and Deed-In-Lieu.* Organization must determine and document eligibility for the Home Affordable Foreclosure Alternatives (HAFA) program by requesting information and analyzing if: (a) client is or has been the owner occupant of a one- to four-unit property sometime during the last 12 months; (b) the homeowner has not purchased a new property within the last 12 months; (c) because of a financial hardship, the homeowner is delinquent or default is reasonably foreseeable (for Service Members, this may include a Permanent Change of Station (PCS) order); (d) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (e) the current unpaid principal balance of the mortgage is less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property; or (f) the borrower has either been evaluated for a modification but is not eligible or has been informed that modification may be an option and has elected to pursue a short sale or deed-in-lieu instead.

When reporting for Level One counseling activities, all of these completed documents must be in the client's file: intake, authorization, disclosure, privacy policy, budget, Action Plan, and MHA eligibility determination. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee, Branch or Affiliate offices.

“Level Two” Counseling: To qualify for a Level Two payment (\$300), a counseling agency will be required to complete the following steps:

1. **Authorization.** If not already on file, organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words “Grant Administrators” or “Funders” in place of “NFMC” in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.
3. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if

applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document which the client signs and the agency maintains in the client file.

4. **Budget Verification.** Counselor must engage in budget verification during which s/he reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills, banks statements, mortgage statement, credit card statement, utility bill) and spending patterns, and realistic opportunities for income (e.g., tax returns, pay stubs, profit and loss statement, third party verification). Note: a credit report alone does not satisfy the budget verification requirement. Grantee should collect verification of all income, expenses and debt as stated by the client.
5. **Steps Taken on the Action Plan.** Counselors should take appropriate actions upon the steps outlined in the written Action Plan (created during Level One). Counselor must have documented evidence of steps to obtain a solution or the “action” taken on behalf of the client. This requires more than the counselor’s notes; it also requires documentation that the action took place. This could include but is not limited to the following:
 - a. Draft and submit to the servicer a hardship letter that describes the client’s situation, reason for delinquency, factors that should be considered when developing a workout plan, and an estimate of the housing cost the client can afford to pay. Counselors should keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.
 - b. Document an attempt to contact the servicer or lender via fax transmission receipt, email, or postal mail receipt. If a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program and maintain proof that these were submitted in the client file (fax transmission receipt, email, portal transmission screenshot, or postal mail). NeighborWorks has posted e-mail contact information for servicers who have made such information available on the NFMC members’ website.
 - c. Complete and submit application for local resource options including refinance programs or rescue funds and document that the referral took place via fax transmission receipt, email, or postal mail receipt.
 - d. Assist in situations where client elects to pursue sale options and document the assistance that took place and communication with industry partners via fax transmission report, email, portal transmission screenshot, or postal mail.

- A referral list of realtors for a short sale, or other sale options, must include at least three realtors and the client's signature stating they received the list. This signed referral list should be retained in the file.
- e. Collecting and transmitting documentation required for *Making Home Affordable* Program refinance or modification decisions, if that is what Action Plan dictates. Counselors should keep on file a copy of the fax transmission report, email, portal transmission screenshot, or postal mail receipt as evidence that this was submitted to servicer.

Note: Counselor Notes alone do not satisfy the requirement for documenting Steps Taken on the Action Plan, as the notes do not provide documentation that the action took place. Fax transmission sheets, e-mails, mail receipts, screenshots of portal communication, or other verification that action took place is required to be retained in the client's file.

When possible, counselor will also complete close out documentation on a client. Recognizing how long it takes servicers to respond to counselors, NFMF strongly encourages and requests counselors to complete close out documentation but this is no longer a requirement. Close out documentation should contain a reason for close out and, if applicable, any documentation demonstrating solution. NFMF has created a template form, available on the NFMF members' website, that Grantees may elect to use for close out documentation.

When reporting for Level Two counseling activities, all of these completed documents must be in the client's file: authorization, disclosure, privacy policy, budget verification, and documentation of steps taken based on the Action Plan. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee, Branch or Affiliate offices.

Note: Starting with Round 3, NFMF no longer has a "Level Three" counseling designation. Clients that would previously have been reported as Level Three should now be reported twice – once at Level One, and once at Level Two. In the event that the dollar value for one or more counseling levels changes before the application due date, all eligible Applicants will be notified, and formulas will be changed in GrantWorks, the online grant application system.

Making Home Affordable/Post-Mitigation Counseling

In addition to the funding categories described above, the NFMF Program allows Grantees to use up to 30% of Counseling Awards to fund "Level Four," or post-mitigation, counseling. Borrowers who qualify for *Making Home Affordable* loan modifications but have back end debt-to-income ratios at or above 55% may receive trial loan modifications from participating servicers and be referred by

their servicers to a HUD-approved housing counseling agency or NFMC Program participating agency. Detailed protocol describing the required components of Level Four counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

Applicants will not be asked to predict their Level Four activities later in Factor 4. Applicants will simply be asked whether or not they intend to provide Level Four counseling.

Counseling Table Instructions

In this section Applicants are asked to indicate the number of Level One and Level Two counseling customers they have served between October 1, 2011 and September 30, 2012 and will serve between October 1, 2012, and December 31, 2013. **Simply click “save” after data is entered in each table to view such auto-calculated fields.** Please do not leave any cell blank, but rather enter “0” in cells where the answer is “zero” or “none.”

In the tables below, (Questions 2 to 5) fill out the estimated number of foreclosure intervention clients served by your organization - including Sub-grantees, Branches and Affiliates when specified by the instructions in each individual question.

- 1. Did your organization provide foreclosure counseling that was not funded by NFMC through a direct grant from NeighborWorks America during the time period October 1, 2011 and September 30, 2012? (If your organization was a Sub-grantee in Round 6, answer “Yes”) *** Check “Yes” or “No,” as applicable. NFMC seeks to understand if the foreclosure counseling provided by your organization during this period was financially supported by other sources, including, but not limited to, financial institutions, mortgage servicers, investors, HUD, and non-profit foundations. If your organization only received NFMC funds through a Sub-grantee relationship in that timeframe, or received some funds through a Sub-grantee relationship, answer “Yes” as you did not receive a direct NFMC grant or had some counseling not funded by a direct NFMC grant. If “Yes,” continue with Question 2. If “No,” skip to Question 3, NFMC will use your organization’s NFMC-reported data as documentation of full Demonstrated Experience.
- 2. For those that selected “Yes” in Question 1 above only: In the table labeled “Demonstrated Experience,” indicate the number of Level One and Level Two counseling clients Applicant has assisted between October 1, 2011 and September 30, 2012 with NFMC funds AND any other funds.** Demonstrated Experience, found at the bottom of the table, will be calculated one of two ways: 1) the sum of Q4 2011 through Q3 2012 OR 2) the most recent quarter (Q3 2012) multiplied times four. The larger of those two numbers will be displayed and used as the Applicant’s demonstrated experience. In the example below, Q3 2012 *annualized* (multiplied by 4) is the larger figure for Level One and thus is displayed as the Demonstrated Experience. *

DEMONSTRATED EXPERIENCE Number of Units of Foreclosure Counseling Delivered – include all units delivered through a direct NFMC grant AND as a Branch or Affiliate of an NFMC direct Grantee AND for other non-NFMC funders Click on the Save button to see the totals and Demonstrated Experience										
	“Level One” Counseling					“Level Two” Counseling				
	10/1/11 – 12/31/11	1/1/12 – 3/31/12	4/1/12 – 6/30/12	7/1/12 – 9/30/12	Total	10/1/11- 12/31/11	1/1/12 – 3/31/12	4/1/12 – 6/30/12	7/1/12 – 9/30/12	Total
2. Foreclosure counseling units provided between 10-1-11 to 9-30-12 through all sources of funding. Include in this question units using funds from any NFMC round as well as funds from other sources. If your organization provided Level Three counseling in the past, for each Level Three customer served, add 1 to the Level One column and 1 to the Level Two column. Demonstrated Experience will display the larger of either the four quarters in sum OR the fourth quarter of 2012 <i>annualized</i> for each counseling level.	175	215	222	250	862	0	0	0	0	0
	Demonstrated Experience: 862					Demonstrated Experience:				
TOTAL DEMONSTRATED EXPERIENCE: 1,000										

AS YOU COMPLETE THIS FACTOR, PLEASE REMEMBER TO SAVE YOUR DATA ENTRY AFTER EACH COMPLETED TABLE. PLEASE BE PATIENT AND WAIT FOR THE GREEN BAR ON THE BOTTOM OF YOUR SCREEN TO COMPLETELY SAVE OR DISAPPEAR BEFORE MOVING ON. FAILURE TO DO SO MAY RESULT IN LOST DATA.

3. Anticipated Counseling without Direct Round 7 Funds *

In the chart below, state the units of Level One and Level Two foreclosure counseling your organization anticipates completing between 10/1/12 and 12/31/13 without direct NFMC Round 7 funding. There is one column for counseling units you anticipate being funded through work as a Sub-grantee of other NFMC Grantees and another column for counseling units you anticipate being funded by non-NFMC sources. If NFMC Round 7 funds granted directly to your organization will fund or contribute to funding 100% of its counseling during that time, enter “0” in each column. If your organization has other funding sources and will continue to provide some counseling even without a NFMC Round 7 award, indicate the number of units your organization has funding to complete in the appropriate column. If your organization is anticipating funding some counseling through work as a Sub-grantee of a direct Grantee in Round 7, indicate the number of units your organization anticipates supplying with that funding in the appropriate column.

Example: Assumes Applicant has \$100,000 grant from another source and is seeking \$75,000 in Counseling funds as a Sub-grantee of another Applicant.

Counseling Level	Anticipated counseling units to be provided as a Sub-grantee between 10/1/12 and 12/31/13	Anticipated counseling units to be provided from non-NFMC sources between 10/1/12 and 12/31/13
Level One	200	500
Level Two	150	83
Total Initial Counseling Goals	350	583

4. NFMC Round 7 Goals * Indicate only the number of counseling units your organization will provide with NFMC Program Round 7 funding. Counseling units in this table will be used later in this factor to determine your organization’s maximum eligible counseling award amount.

Example: Intermediary X proposes, with the additional aid of NFMC Round 7 funds, that its seven Sub-grantees **combined** could counsel an additional 2,500 clients between October 1, 2012 and December 31, 2013. The breakdown by counseling level would be Level One = 1,500 and Level Two = 1,000. Intermediary X presents these additional numbers in the quarterly format below:

NFMC ROUND 7 GOALS Number of Units of Foreclosure Counseling to be Delivered with NFMC Round 7 Funds Click on the Save button to calculate the totals											
	“Level One” Counseling						“Level Two” Counseling				
4. Round 7 Goal: Foreclosure counseling units projected between 10/1/12 and 12/31/13 <u>with a</u> NFMC Round 7 award. Do not include units included in Question 3 above or units awarded in previous NFMC funding rounds. * NOTE: Your organization’s total NFMC Round 7 Goal must equal the overall total of units listed in Factor 5.	10/1/12 – 12/31/12	1/1/13 – 3/31/13	4/1/13 – 6/30/13	7/1/13 – 9/30/13	9/30/13 – 12/31/13	Total	10/1/12 – 12/31/12	1/1/13 – 3/31/13	4/1/13 – 6/30/13	7/1/13 – 9/30/13	9/30/13 – 12/31/13
	350	350	400	400	0	1,500	250	250	250	250	0

TOTAL NFMC ROUND 7 GOAL: 2,500

Click save for totals to calculate.

5. Maximum Eligible Counseling Award

For the maximum eligible counseling award section GrantWorks will calculate the Applicant’s counseling level totals presented in Factor 4, Question 4 – Round 7 Goal -- and multiply by the corresponding cost for each Level (Level One x \$150 and Level Two x \$300). GrantWorks will automatically total all levels and costs to determine the maximum NFMC Counseling award Applicant is eligible to receive. The example below is based on the figures entered in the sample chart for Intermediary X in Question 4 above.

Maximum Eligible Counseling Award - Round 7		
Click on the Save button to calculate the MAXIMUM ELIGIBLE COUNSELING AWARD		
	“Level One” Counseling	“Level Two” Counseling
5. Calculated Maximum Eligible NFMC Round 7 funds to be awarded from the NFMC Round 7. Total Goal numbers in Question 4 above.	Level One NFMC Round 7 Goal (from Question 4) x \$150	Level Two NFMC Round 7 Goal (from Question 4) x \$300
MAXIMUM ELIGIBLE COUNSELING AWARD PER LEVEL	\$225,000	\$300,000
TOTAL MAXIMUM ELIGIBLE COUNSELING AWARD ROUND 7	\$525,000	<p>The maximum allowable grant request for counseling funds in this application is \$3,160,000 and the minimum allowable grant request is \$39,370.</p> <p>If the amount calculated here exceeds \$3,160,000, please reduce your organization’s Round 7 Goal figures in Factor 4, Page 1, Question 4.</p> <p>If the amount calculated here is less than \$39,370, please increase your organization’s Round 7 Goal figures in Factor 4, Page 1, Question 4.</p>

Click save before moving on to the next page.

Factor 4: Proposed Counseling Services Page 2

- 6. Is the Demonstrated Experience your organization entered in Factor 4, Page 1, Question 2 greater than your organization's Demonstrated Experience previously under the NFMC Program (as shown in your uploads to the NFMC Data Collection System) and HUD Housing Counseling (as shown in your organization's HUD 9902)?** * Please answer "Yes" or "No." If the answer to Question 6 is "Yes," then Question 6A is required.

6A. Please explain the extra Demonstrated Experience – listing the factors (such as additional programs or funding sources) that made those counseling services possible. If you answered "Yes" to Question 6 above because the Demonstrated Experience that you entered in Factor 4, Page 1, Question 2 is greater than your organization's Demonstrated Experience under the NFMC and HUD programs, please fully explain this increase in production. Describe the factors that made that possible. This could include other programs or funding sources that your organization has tapped into.

- 7. In this table, list the number of additional counselors and other foreclosure staff that your organization will need in order to accomplish its Round 7 Goal (from Question 4 above) if awarded NFMC funds as requested.** * If your organization would not need to hire any additional counselors to achieve these goals, enter "0" in each column.

Number of Additional Foreclosure Intervention Counseling and Other Foreclosure Staff FTEs Needed to Deliver NFMC Round 7 Counseling Goal						
Click on the Save button to calculate the totals.						
	Additional Counseling and Other Foreclosure Staff FTE's Needed					
	10/1/12 – 12/31/12	1/1/13 – 3/31/13	4/1/13 – 6/30/13	7/1/13 - 9/30/13	10/1/13 – 12/31/13	Total
7. Number of foreclosure intervention counseling and other foreclosure staff FTEs your organization and its Sub-grantees, Branches or Affiliates will need to hire (new), reassign and train (existing staff), or otherwise recruit (volunteers) to meet the Round 7 counseling goals in Question 4. If your organization has no	0	0	5	0	0	5

need for additional counselors for any quarter, enter “0.” *						
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- 8. Indicate whether your organization intends to offer Level Four Counseling.** * Applicants should respond “Yes” or “No” after reading the detailed definition of Level Four Counseling below. Your organization will not be held to its response to this question; NFMC is asking this purely for informational purposes.

Level Four/Making Home Affordable/Post-Mitigation Counseling

In addition to the main counseling levels, the NFMC Program allows Grantees to use up to 30% of Counseling awards to fund “Level Four,” or post-mitigation, counseling.

Borrowers who qualify for *Making Home Affordable* loan modifications but have back end debt-to-income ratios at or above 55% may receive trial loan modifications from participating servicers and be referred by their servicers to a HUD-approved housing counseling agency or NFMC Program participating agency. Detailed protocol describing the required components of Level Four counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

If a borrower contacts a counseling agency for counseling without having first received a *Making Home Affordable* trial loan modification and being referred by a servicer, and it is determined the borrower may be eligible for the loan modification program, the counselor will work with the borrower to submit an intake package to the servicer. This counseling must conform to Level One and Level Two counseling requirements, as established under the NFMC Program. If the borrower does receive the *Making Home Affordable* modification and is referred back to the counseling agency because his or her back end debt-to-income ratio is equal to or greater than 55%, the agency can also provide the borrower with Level Four counseling, as described in the Counseling Protocol on HUD’s website.

Level Four counseling will be valued at \$450. Because it will require at least two contacts with the borrower, NFMC Program Grantees will upload these clients at two points in time. After the first contact, the client can be reported as “Level 4a” at a value of \$300. Once a follow-up appointment has been completed, that client can be reported as “Level 4b” at a value of \$150. Level Four counseling is described in detail below.

“Level 4a” Counseling

1. **Reason for Referral.** Organization shall keep on file proof that client was referred to the agency with a trial *Making Home Affordable* loan modification for Level Four counseling because his or her back end debt-to-income ratio is 55% or greater. In many cases, this will be a copy of the trial loan modification agreement or the counseling agency referral letter from the servicer stating the reason for referral as high back end debt-to-income ratio, or noting the calculated ratio. **If there is no letter, or the letter given to the borrower by the servicer does not identify the back end debt-to-income ratio, the agency must first try to confirm the reason for the referral from the servicer (and document attempts to reach the servicer). If this cannot be obtained, the counselor can calculate the ratio, and if it is 55% or greater, that client can be counseled with NFMC Program funds.**
2. **Authorization.** Organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words "Grant Administrators" or "Funders" in place of "NFMC" in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

3. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.

4. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document which the client signs and the agency maintains in the client file.

5. **Verified Budget at Intake.** Counselor must engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills, banks statements, mortgage statement, credit card statement, utility bill), spending patterns, and realistic opportunities for income (e.g., tax returns, pay stubs, profit and loss statement, third party verification). Grantee should collect verification of all income, expenses and debt as stated by the client. Note: a credit report alone does not satisfy the budget verification requirement, sources of income are also required to be retained in the client's file.
6. **Documentation of DTI.** Using the verified budget, the counselor will calculate the back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol on HUD's website. A document indicating the calculation must be in the file, as well as evidence of income and debt. A credit report is not sufficient to calculate DTI, as income must also be validated.
7. **Crisis and/or Long-Term Budget.** Counselor will create a crisis budget (if necessary) and a long-term budget using a standard form and recalculate the new back end debt-to-income ratio. Counselor will also establish that the budget (including analysis of actual income, debt and expenses) must be tracked over the course of counseling.
8. **Action Plan.** Counselor will create an Action Plan which includes a timeline to eliminate unnecessary debt, minimize expenses, increase income, and increase savings. Different from a Level One Action Plan, the 4a Action Plan is focused on how the client can maintain the trial modification and manage his/her budget. *If these items are part of the counselor's notes, NFMC requires that the information be transferred to a form titled 4a Action Plan so that the assessment and course of action are clearly defined for the client and for compliance testing.*

9. **Counsel on Staying Current.** Counselor must discuss terms of mortgage and how to stay current - even if/when the interest rate resets, explain the incentive component and explain that if the client redefaults s/he will be terminated from the program. A loan will be considered to have redefaulted when the borrower reaches a 90-day delinquency status under the MBA delinquency calculation. Note: in order to successfully complete the initial trial period (at minimum three payments at modified terms), a borrower must be current by the third payment.
10. **Referrals.** Refer to job training or referral programs if applicable.
11. **Date of Follow-up Meeting.** Establish follow-up schedule with counselor, with at least one additional appointment, as required by the Action Plan. It is expected that a borrower will notify their counselor if they have a significant change in circumstances.
12. **Session Documentation.** The counselor must document each session, including the borrower's back end debt-to-income ratio and the borrower's willingness to continue/complete counseling.

In order to report a client as having received Level 4a counseling, the following documents must be in the client's file: reason for referral, authorization, disclosure, privacy policy, verified budget at intake, documentation of back end DTI, crisis and/or long-term budget, Action Plan, and date of follow-up meeting.

“Level 4b” Counseling: Level 4b can only be reported when a Level 4a client has completed one follow-up session and the following documents are in the file:

1. **Authorization.** If not already on file, organization must collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant (b) allow NFMC to open files to be reviewed for program monitoring and compliance purposes and (c) allow NFMC to conduct follow-up with the client related to program evaluation. Clients may opt out of (c) above only, but proof of this must be retained in the client's file. Clients that opt out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks has made available a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. *It is acceptable for Grantees to substitute the words “Grant Administrators” or “Funders” in place of “NFMC” in (b) or (c) above.*

Grantees are responsible for performing NFMC counseling within the limits of the laws in the state(s) in which it operates. If agencies are providing NFMC counseling via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. They should also maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. **Disclosure.** Organization must provide to all clients a disclosure statement. The disclosure statement must explicitly describe the various types of services the organization provides and any financial relationships between the Grantee and any other industry partners. The disclosure must state clearly that the client is not obligated to receive any other services offered by the Grantee or its exclusive partners. This must be presented to the client at the time of counseling. Proof that the client received the disclosure must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable.
3. **Privacy Policy.** Organization must provide to all clients a copy of its privacy policy. Proof that the client received the policy must be maintained in the file. Such proof can include a statement signed by the homeowner or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling, the agency may elect to share the privacy policy after the counseling occurs. If that is the case, the organization must keep on file proof that the policy was sent to the homeowner via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file.

Note: it is acceptable for organizations to combine the authorization form, disclosure statement, and privacy policy into a single document which the client signs and the agency maintains in the client file.

4. **Documentation of DTI.** Using the verified budget, the counselor will calculate back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol on HUD's website. A document indicating the calculation must be in the file, as well as evidence of income and debt. A credit report is not sufficient to calculate DTI, as income must also be validated.
5. **Update on Crisis and/or Long-term Budget.** Counselor will document borrower's ability to keep to crisis and/or long-term budget. Documentation to satisfy this could include copies of current pay stubs, bills, and a credit report. However, a credit

report alone will not suffice. Budget Verification must include at least one income verification and at least one debt verification.

6. **Status of Borrower's Modified Loan.** Counselor must verify status of borrower's payment(s) on modified loan. Proof of this includes a current mortgage statement that details the status of the client's payments.
7. **Progress against Action Plan.** Counselor must document borrower's progress against the Action Plan developed during the first visit. Counselor notes or narrative could meet part of this requirement, as could a credit report pulled to ensure the client is paying their debt(s) on time. An updated crisis or long-term budget reflecting that the client is on track will also meet part of this requirement, but the counselor must also address specific steps in the Action Plan and if the client has met them. If a narrative is used, it should be clear that it is pertaining to the progress against the Action Plan.

In order to report a client as having received Level 4b counseling, the following documents must be in the file: authorization, disclosure, privacy policy, documentation of back end DTI, update on budget, status of borrower's modified loan, and progress against Action Plan.

9. **Describe your organization's Sub-grantees', Branches' or Affiliates' capacity to track which level of counseling (Level One or Two) has been provided. *** Explain clearly how the proposed counseling levels will be monitored, tracked, and submitted electronically to NFMC. Intermediaries and HFAs will be responsible for ensuring that Sub-grantees, Branches or Affiliates submit accurate reports and that required documentation is maintained in client files at the Sub-grantee, Branch or Affiliate level. In responding to this question, it would be most helpful to describe in sequence the steps from data entry completed by Sub-grantees, Branches' or Affiliates' individual counselors, to how they will aggregate and report the data to your organization, and finally how it will track counseling provided against its NFMC Round 7 targets.
10. **If your organization or Sub-grantees, Branches or Affiliates do not propose to offer both Level One and Level Two counseling, describe partnerships or other arrangements in place to ensure homeowners can receive the level of counseling your organization will not be offering. If your organization will provide both levels of counseling, please leave this blank.** Explain how your organization or its Sub-grantees, Branches or Affiliates will ensure that homeowners have access to both levels of counseling. Describe your plan for coordinating with partners who will offer what your organization does not, including written agreements your organization has with other counseling providers, or other strategies it plans to use. A response to this question is required if Factor 4, Page 1, Question 4 has a "0" in the total column for either Level One or Level Two.

- 11. Describe any partnerships your organization has established, or foreclosure task forces in which your organization is involved, that are designed to help homeowners facing default and foreclosure resolve their mortgage delinquencies. Examples may include, without limitation, partnerships with financial institutions or servicers, or involvement in local or state government initiatives in your organization's service area. Only describe partnerships or initiatives in the proposed service area that are active now or that will be in place before April 1, 2013. *** Provide a detailed overview of not only the partners involved, but also the goals, outcomes and accomplishments of the partnership(s) or collaborative initiatives. Address specifically how they will help homeowners who are facing default and foreclosure to successfully resolve their mortgage delinquencies. If any portion of these partnerships or initiatives is still developing, provide evidence that they will be in place and operating by April 1, 2013.
- 12. Describe your organization's strategy for identifying and marketing to homeowners who are delinquent or in default on their mortgages, or at risk of becoming delinquent or in default on their mortgages. This should include any partnerships your organization has established with other organizations to help identify and reach out to customers. *** Provide a detailed explanation of your organization's existing/most recent outreach strategy that includes specific data and evidence supporting your success in reaching targeted homeowners. Please note marketing strategies in the MSAs your organization serves, or the largest ones if your organization serves many MSAs. Please also note if your organization has had trouble marketing foreclosure services in these MSAs in the past. The response should describe your organization's outreach and marketing plan for Round 7. Include evidence that illustrates how your organization's marketing and outreach plan will successfully identify, market to and attract homeowners who are (or are at risk of becoming) delinquent or in default on their mortgages and how it will reach the number of homeowners listed in its Round 7 Goal from Question 4 above. Describe partnerships in place to achieve the outreach and marketing strategies. For example, if your organization plans to double its counseling goals compared to the last 6-12 months, demonstrate that its outreach strategy will be effective at reaching the additional homeowners to be served. Describe any partnerships in place to help with outreach, including relationships with mortgage servicers, other non-profits, government agencies, mortgage insurers, and public relations and marketing firms.
- 13. Describe any partnerships your organization has with unemployment programs, or job training/assistance programs to help unemployed or underemployed clients. *** Provide a detailed explanation of partnerships with organizations that serve unemployed or underemployed clients. Include a description of their program(s) and services and how they fit with the programs offered at your organization. Describe any collaborative projects or referral agreements and explain how the partnership(s) helps your organization to achieve its goals.

Click save before moving on to the next page.

Factor 4: Proposed Counseling Services Page 3

PROGRAM-RELATED SUPPORT

Refer to the following list when answering Questions 14-17. Examples of how Program-Related Support may be used include (but are not limited to) the following:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time with clients who have situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
- Outreach to delinquent clients, especially in areas of greatest need. The earlier a delinquent homeowner reaches out for assistance, the more probable the success. Outreach strategies are encouraged that draw delinquent homeowners from your organization's communities to come in for assistance well before the foreclosure notice is received.
- Group orientation and education sessions to help use counseling time more effectively. Registering attendees, preparing for and delivering these sessions are all eligible uses.
- Infrastructure development and communication
- Technology improvements for outreach, counseling, education, registration and loan modification purposes
- Improving Applicant capacity and infrastructure for tracking and reporting data
- Costs related to hiring, orienting, and training new counseling staff
- Purchasing or leasing equipment and software for counselors
- Collecting data and preparing quarterly reports and draw requests
- Quality control of the counseling function
- Outreach and communication on preventing rescue or loan modification scams

14. Program-Related Support for which Applicant is eligible based on the Round 7 Counseling Goals; this is 20% of your organization's Round 7 maximum eligible Counseling award from Factor 4, Page 1, Question 5. Click save to see the amount. Simply hit save to prompt GrantWorks to populate the amount that your organization is eligible to receive, based upon its total maximum eligible Counseling award.

15. Describe how your organization will use the Program-Related Support to achieve the projected NFMC Round 7 counseling goals in Factor 4, Page 1, Question 4. Include major budget line items. * Describe clearly how your organization's Program-Related Support amount will be used to achieve Round 7 counseling goals. Show how its plan will increase the effectiveness and efficiency of the foreclosure counseling program. For example, upgrading technology might improve the speed and efficiency of data entry, or funds invested in training might help new staff improve the quality and effectiveness of their counseling. **Please also provide major budget line-items and the specific costs that are related to your organization's proposed plan.** These funds are not intended to be indirect or administrative fees; rather, they are meant primarily to support direct costs associated with increasing the effectiveness and efficiency of Sub-grantees', Branches' or Affiliates' ability to provide quality foreclosure counseling. If your organization plans to use some of its Program-Related Support to cover additional Level One or Two counseling, please include that as a line item in the budget.

16. Retaining Program-Related Support funds:

16A. If your organization intends to retain Program-Related Support funds, enter the percentage it will retain. Note: The retained amount cannot exceed 50% of the Program-Related Support amount in Question 14 above. If your organization does not intend to retain any of these funds, enter zero. * This is the percentage of any Program-Related funds your organization plans to retain to cover appropriate costs. State HFAs and Intermediaries that have separately-incorporated Sub-grantees must pass through the full awarded percent of Program-Related Support to their Sub-grantees *unless* they justify how retaining a portion of this support will have a timely and positive impact on the capacity of local Sub-grantees to conduct foreclosure counseling. If such a plan is submitted and justified, no more than 50% of the funds allocated under this section can be held at the Intermediary or State HFA level. It is expected that these funds will be used to increase efficiency of foreclosure counseling, not for administrative costs. If your organization does not intend to retain any of these funds, enter "0."

Click save before proceeding.

16B. This is the total amount your organization intends to retain for the Program-Related Support funds: This number will be automatically populated once you hit "save" based upon the percentage you enter in Question 16A. This calculation shows the maximum amount an Intermediary or HFA can retain at the Intermediary/HFA level. The Grantee may elect to retain less than this amount, but not more.

Click save to calculate the amount.

17. Does your organization plan to contract out some or all of its proposed activities under Program-Related Support? Simply answer "Yes" or "No." If you answer "Yes," you must answer 17A-C. If you answered "No" proceed to Question 18.

17A. Describe which activities will be contracted out, and name the entity that will provide the services. Indicate whether any of these entities are related corporations or subsidiaries of the Applicant organization.

Here, please enter a detailed description of the tasks or activities your organization will contract out, what organization it will contract them out to (identify the subcontractor), and if/how the organization is affiliated with the Applicant organization.

17B. Describe the recent and relevant experience and expertise of the subcontractor(s). Justify why they are well-suited to performing the tasks described above. “Recent and relevant” means within the last 24 months. Provide specific examples of their success in undertaking similar tasks or services as those your organization is contracting with them to provide. Where possible, quantify the response (for example, if they will supply training, indicate the number of similar trainings they have offered in the last 24 months, and the number of people they have trained.) This recent and relevant experience needs to fully prove that the contractor has the capacity to provide these services.

17C. Describe how the contractor(s) will report to your organization and be held accountable for their performance under this grant. Describe how the contractor will report to your organization and how you will manage this reporting process and hold the contractor responsible for their performance. For example, describe a written and signed MOU or MOA; performance benchmarks; consequences of missing benchmarks; and other strategies for ensuring the contractor reports to your organization and is able to adequately monitor its use of Round 7 funds.

OPERATIONAL OVERSIGHT

Operational Oversight can include, but is not limited to, the following:

- Grant or funding management of Sub-grantees, Branches or Affiliates
- Support of data collection activities
- Client record keeping and reporting
- Quality control requirements
- Day-to-day oversight activities
- Management improvements to systems and infrastructure

18. Operational Oversight Applicant is eligible for based upon Round 7 Counseling Goal. This is 7% of your organization’s Round 7 maximum eligible Counseling award from Factor 4, Page 1, Question 5 for the first \$2.5 million and 5% thereafter. Simply hit save to prompt GrantWorks to populate the amount that your organization is eligible to receive, based upon its total maximum eligible Counseling award.

Click save to calculate the amount.

19. Describe how your organization will use Operational Oversight funds to administer NFMC Round 7 funding. If your organization received NFMC funding in previous rounds, describe what it has learned about implementing that funding and how this information will influence how your organization uses Operational Oversight funds in Round 7. * Provide specific details on how the Operational Oversight funds your organization would receive would be used to execute the required client-level data collection, tracking, and reporting activities required in NFMC Round 7. **Please include specific details on major budget line items** for the Operational Oversight funds requested. If your organization plans to use some of its Operational Oversight funds to cover additional Level One or Two counseling, please include that as a line item in the budget. Provide details on what your organization learned in previous rounds regarding implementing funding and how that will influence its spending of Operational Oversight funds in Round 7.

Click save before moving on to the next page.

Factor 5: Proposed Geographic Service Areas

Important instructions that apply to all portions of Factor 5

Factor 5 will not be given a numeric score during the review process. However, information provided here will be used to determine geographic coverage and will help ensure that required portions of the funds are awarded in defined areas of greatest need.

Note: For all of Factor 5, do not include in your organization's figures any counseling units already funded through a previous NFMC award. The totals for all the questions in Factor 5 should equal the total number of counseling units entered into Factor 4, Page 1, Question 4 (Round 7 Goal).

Enter a check mark in any of the service areas in Factor 5 (MSA and/or Rural) where your organization proposes to provide NFMC Round 7 counseling and indicate how many customers your organization plans to serve in each area.

AS YOU COMPLETE THIS FACTOR, PLEASE REMEMBER TO SAVE YOUR DATA ENTRY AFTER EACH COMPLETED QUESTION. PLEASE BE PATIENT AND WAIT FOR THE GREEN BAR ON THE BOTTOM OF YOUR SCREEN TO COMPLETELY SAVE OR DISAPPEAR BEFORE MOVING ON. FAILURE TO DO SO MAY RESULT IN LOST DATA.

Factor 5: Proposed Service to MSAs in Areas of Greatest Need Page 1

1A. Select the MSAs defined by NFMC as Areas of Greatest Need that your organization proposes to serve in NFMC Round 7. Check all that apply. New counseling goals proposed in NFMC Round 7 should not include any counseling for which your organization was awarded funding in previous NFMC grant rounds. They should also not include counseling funded by sources other than NFMC Round 7. Estimate the total number of units of counseling your organization expects to deliver in each MSA checked. Note that if a service area is checked, the system will require an estimate of units of counseling to be delivered in that area to also be entered.

If your organization is a returning Grantee and proposes to provide services in a new MSA or MSAs, check the box next to that MSA.

Check if your organization proposes delivering services in this MSA in Round 7	Metropolitan Statistical Area (MSA)	State Code	New MSA? MSA in which your organization has not previously worked in NFMC Program	Estimate the # of counseling units your organization expects to deliver in each MSA
<input checked="" type="checkbox"/>	Bakersfield	CA	<input checked="" type="checkbox"/>	300
<input type="checkbox"/>	El Centro	CA	<input type="checkbox"/>	
<input type="checkbox"/>	Fresno	CA	<input type="checkbox"/>	
<input type="checkbox"/>	Hanford-Corcoran	CA	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	Los Angeles-Long Beach-Santa Ana	CA	<input type="checkbox"/>	1000

1B. If your organization is a returning Grantee and proposes to provide counseling services in MSAs that it has not previously worked in through the NFMC Program, describe how it will serve the MSA, including outreach and partnership strategies, physical presence or other delivery mechanisms, and Demonstrated Experience in serving each new MSA. For each new MSA you propose to serve with NFMC Funding, provide details on how you will provide these services. Describe your delivery methods and your strategies for reaching out to the targeted audience. Also describe

partnerships you have already established or are planning to establish in this new MSA and describe the experience you have in providing services to each new MSA you propose to serve.

Click save before moving on to the next page.

Factor 5: Proposed Service to MSAs NOT in Areas of Greatest Need Page 2

2A. Select the MSAs NOT defined by NFMC as Areas of Greatest Need that your organization proposes to serve in NFMC Round 7. Check all that apply. New counseling goals proposed in NFMC Round 7 should not include any counseling for which your organization was awarded funding in previous NFMC grant rounds. They should also not include counseling funded by sources other than NFMC Round 7. Estimate the number of units of counseling your organization expects to deliver in each MSA checked. Note that if a service area is checked, the system will require an estimate of units of counseling to be delivered in that area to also be entered. At the end of the chart there is an option for Applicants to enter “other.” Use this option only if your organization is serving a tribal land that is not included in the MSA/rural definition. Do not use this section to list an area that is included in a larger MSA or rural area of a state. If you have questions about which MSA a particular service area falls into, please contact NFMC at nfmc@nw.org for guidance.

If your organization is a returning Grantee and proposes to provide services in a new MSA or MSAs, check the box next to that MSA.

Check if your organization proposes delivering services in this MSA in Round 7	Metropolitan Statistical Area (MSA)	State Code	New MSA? MSA in which your organization has not previously worked in NFMC program	Estimate the # of counseling units your organization expects to deliver in each MSA
<input type="checkbox"/>	Fairbanks	AK	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	Auburn-Opelika	AL	<input type="checkbox"/>	100
<input checked="" type="checkbox"/>	Hot Springs	AR	<input type="checkbox"/>	300
<input type="checkbox"/>	Fayetteville-Springdale-Rogers	AR-MO	<input type="checkbox"/>	

2B. If your organization is a returning Grantee and proposes to provide counseling services in MSAs that it has not previously worked in through the NFMC Program, describe how it will serve the MSA, including outreach and partnership strategies, physical presence or other delivery mechanisms, and Demonstrated Experience in serving each new MSA. For each new MSA you propose to serve with NFMC funding, provide details on how you will provide these services. Describe your delivery methods and your strategies for reaching out to the targeted audience. Also describe

partnerships you have already established or are planning to establish in this new MSA and describe the experience you have in providing services to each new MSA you propose to serve.

Click save before moving on to the next page.

Factor 5: Proposed Service to Rural Areas of Greatest Need Page 3

3. Select the states with rural areas defined by NFMC as Areas of Greatest Need that your organization proposes to serve in NFMC Round 7. Check all that apply. New counseling goals proposed in NFMC Round 7 should not include any counseling for which your organization was awarded funding in previous NFMC grant rounds. They should also not include counseling funded by sources other than NFMC Round 7. Estimate the number of units of counseling your organization expects to deliver in the rural areas of each state checked. Note that if a service area is checked, the system will require an estimate of units of counseling to be delivered in that area to also be entered.

Check if your organization proposes delivering services in rural areas of this state in Round 7	States where rural areas ARE defined as Areas of Greatest Need	Estimate the # of counseling units your organization expects to deliver in rural areas of the state
<input checked="" type="checkbox"/>	Alabama	425
<input type="checkbox"/>	Arizona	
<input checked="" type="checkbox"/>	Arkansas	575
<input type="checkbox"/>	California	
<input type="checkbox"/>	Connecticut	
<input type="checkbox"/>	Delaware	
	Total	1000 [Click on Save button to calculate total]

Click save before moving on to the next page.

Factor 5: Proposed Service to Rural Areas NOT in Areas of Greatest Need Page 4

4. Select the states with rural areas NOT defined by NFMC as Areas of Greatest Need that your organization proposes to serve in NFMC Round 7. Check all that apply. New counseling goals proposed in NFMC Round 7 should not include any counseling for which your organization was awarded funding in previous NFMC grant rounds. They should also not include counseling funded by sources other than NFMC Round 7. Estimate the number of units of counseling your organization expects to deliver in the rural areas of each state checked. Note that if a service area is checked, the system will require an estimate of units of counseling to be delivered in that area to also be checked.

Check if your organization proposes delivering services in rural areas of this state in Round 7	States where rural areas are NOT defined as Areas of Greatest Need	Estimate the # of counseling units your organization expects to deliver in rural areas of the state
<input checked="" type="checkbox"/>	Alaska	250
<input type="checkbox"/>	Colorado	
<input type="checkbox"/>	Idaho	
<input type="checkbox"/>	Kansas	
<input type="checkbox"/>	Massachusetts	
<input checked="" type="checkbox"/>	Missouri	250
	Total	500 [Click on Save button to calculate total]

Click save before moving on to the next page.

Factor 6: Targeted Outreach

Please note Questions 1 and 2 specifically refer to zip codes that your organization may target and serve, compared to Questions 3 and 4 which address service to homeowner groups. For example, a Sub-grantee may have decided to attempt to reach African American homeowners statewide by running ads on two radio stations that serve that audience. On the other hand, for Questions 1 and 2, the Sub-grantee may elect to target two zip codes in the urban core, where foreclosure rates are twice the state average, by advertising in community newspapers, holding foreclosure fairs in the community center, or doing targeted post card mailers.

For Questions 1-4 simply enter the percentage of your organization's counseling units for NFMC Round 7 that apply. Any number from 0 to 100 is acceptable. The totals for Questions 1-4 (inclusive) may exceed 100%. **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payment, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

1. **If your organization receives NFMC Round 7 funding, what percentage of total counseling units does it commit to provide to households living in low-income zip codes? Follow this link to determine which zip codes are majority low-income:** <http://www.nw.org/network/foreclosure/nfmcp/R7zipcodes.asp>. * After reviewing the website for a complete list of zip codes, enter the percentage of your organization's total units in Factor 4, Page 1, Question 4 that it commits to provide to low-income (e.g., below 80% area median income) zip-codes. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to low-income zip codes, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payment, so please only enter a percentage that you are comfortable with and that your organization can achieve.**
2. **If your organization receives NFMC Round 7 funding, what percentage of total counseling units does it commit to provide to households living in minority zip codes? Follow this link to determine which zip codes are majority minority:** <http://www.nw.org/network/foreclosure/nfmcp/R7zipcodes.asp>. * After reviewing the website for a complete list of zip codes, enter the percentage of your organization's total units in Factor 4, Page 1, Question 4 that it commits to provide to minority zip codes. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to minority zip codes, enter "0". **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payment, so please only enter a percentage that you are comfortable with and that your organization can achieve.**
3. **If your organization receives NFMC Round 7 funding, what percentage of total counseling units does it commit to provide to low-income homeowners? *** Enter the percentage of total units in Factor 4, Page 1, Question 4 that your organization commits

to provide to low-income homeowners. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to low-income homeowners, enter “0”. **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payment, so please only enter a percentage that you are comfortable with and that your organization can achieve.**

4. **If your organization receives NFMC Round 7 funding, what percentage of total counseling units does it commit to provide to minority homeowners?** * Enter the percentage of total units in Factor 4, Page 1, Question 4 that your organization commits to provide to minority homeowners. Combine all Level One and Level Two units in the response. If your organization does not intend to provide counseling to minority homeowners, enter “0”. **The percentage of units of counseling your organization commits to will be reflected in its Grant Agreement and will be a requirement for draw payment, so please only enter a percentage that you are comfortable with and that your organization can achieve.**
5. **Describe how your organization’s outreach and marketing strategy is designed to specifically reach these zip codes and homeowners.** * Provide a detailed description of your organization’s outreach and marketing strategy to specific zip codes and specific homeowner populations. Include all methods of marketing and outreach including partnerships, mailings, neighborhood events and so on, and describe how these methods will help your organization achieve its Round 7 NFMC counseling goals.

Click save before moving on to the next page.

Factor 7: Match and Total NPMC Amount Requested

FACTOR 7 WILL NOT BE GIVEN A NUMERIC SCORE; HOWEVER, MATCHING FUNDS MUST BE PROJECTED AT THE REQUIRED LEVELS AND FUNDS CANNOT BE DRAWN DOWN UNTIL EVIDENCE OF MATCH FUNDS EXPENDED OR COMMITTED, PROPORTIONATE TO THE DRAW REQUEST, IS DOCUMENTED.

Recognizing the limits of time and financial resources, match requirements are defined as follows: Applicants must provide a 20% match for \$500,000 or less in funding received from the NPMC Program. For funding in excess of \$500,000 the required match rate drops to 10%. For example, an Applicant applying for \$1 million in funds would be required to demonstrate a match of \$150,000 in cash and/or in-kind resources.

- Match can be cash or in-kind (e.g., staff time, office space, volunteer time, donated equipment, etc.). In-kind valuation will be considered consistent with requirements for other federal grant programs. Guidance is posted at www.nw.org/npmc.
- Applicant match must be related to Applicants' foreclosure mitigation program. This program must include foreclosure intervention counseling, but may also include such activities as triage, outreach, or mortgage workout funding (both grants and loans), plus any administrative or overhead expenses associated with the program.
- Match need not be new resources generated for this grant program, but must be related to foreclosure counseling rather than the Applicant's general housing counseling program.
- Other federal funds, with the exception of Community Development Block Grant (CDBG) Funds, may not be counted toward match requirements. Examples of federal funds ineligible for use as match include (but are not limited to) other HUD Housing Counseling funds, all previous NPMC awards (including Legal Assistance), HOME Funds, Neighborhood Stabilization Program, and grants awarded by NeighborWorks to its chartered members from Congressionally appropriated dollars.
- If grantee uses non-restricted net assets or retained earnings as sources of match funds, Grantee must retain back-up documentation that these funds are available and are credited to the foreclosure counseling budget. Examples of supporting documentation are financial records (i.e. profit and loss & balance sheet statements, management accounts, approved budget clearly showing NPMC match funds, etc.); signed minutes of meetings committing these funds, Board or agency resolutions and third-party confirmations.
- Examples of funds that are eligible for match include (but are not limited to): fees received from servicers or lenders for providing foreclosure counseling to clients not counted under this program, or for counseling costs over and above what NPMC pays for; funds received to capitalize mortgage rescue funds; Community Development Block Grant (CDBG) funds; foundation and corporate grants received for operating a foreclosure counseling and mitigation program; municipal, county, or

state grants for operating a foreclosure counseling and mitigation program (as long as the funds do not have a federal source); contract income; and unrestricted funds or net assets dedicated toward the foreclosure program.

- The match “window,” or period within which the match must be expended or raised, extends from April 1, 2012 to December 31, 2013. Any expenditures related to the Applicant’s foreclosure mitigation program that occur between April 1, 2012 and the date award funds are received are eligible to be counted toward the match as long as they are not counted as the match for NFMC Round 1, Round 2, Round 3, Round 4, Round 5, Round 6 or Legal Assistance Funds. Funds raised before this time period can be counted toward the match as long as they will be expended during the time frame April 1, 2012 – December 31, 2013.
- Applicants need not have all the match committed at the time of application, but can include funds they expect to raise during the year and any qualifying funds they have expended since April 1, 2012. Once grant funds are awarded, draws will be contingent upon Grantees’ ability to demonstrate at least the amount of match proportional to the draw amount, including the initial disbursement that has been committed or expended.

1. In the table below, itemize the match funds your organization projects will be available for the NFMC Round 7 Grant Period. * Please indicate the source of funds, whether they are in-kind or cash, and whether they are expended, committed, pending, or anticipated. Make sure the total match funds itemized meets or exceeds the match required should your organization’s application be fully funded.

Example: Applicant requests \$300,000. The match requirement of 20% of \$300,000 is met through a match of non-federal funds totaling \$62,500 (or 21% of the NFMC amount requested).

MATCH (Cash and In-Kind)				
Note: In-kind and cash match resources must be expended between April 1, 2012 to December 31, 2013. Funds raised before this time period can be counted toward match as long as they will be expended between April 1, 2012 to December 31, 2013. Funds raised as match for NFMC Rounds 1, 2, 3, 4, 5, or 6 or for NFMC Legal Assistance funding, <u>cannot</u> be counted as match for NFMC Round 7.				
Enter the Name of the Source	Enter the Amount	Select the Description Source (cash, in-kind)		Select the Funding Status
Smith and Jones Regional Bank	\$2,500	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Expended
Housing Preservation Fund	\$25,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Committed
FHP Society	\$5,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Anticipated
Volunteer Brigade of Small Town, USA	\$5,000	<input type="radio"/> Cash	<input checked="" type="radio"/> In-kind	Pending

State Housing Finance Agency	\$25,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Committed
Total Match Click on Save button to see amount.	\$62,500			

2. Total NFMC Amount Requested

Funds Requested from NFMC <i>Click on Save to auto-populate these fields</i>	Amount	
Maximum Eligible Counseling Award	\$250,000	From Factor 4, Page 1, Question 5
Total Eligible Program-Related Support Amount	\$50,000	From Factor 4, Page 3, Question 14
Total Eligible Operational Oversight Amount	\$17,500	From Factor 4, Page 3, Question 18
Total NFMC Amount Requested This Amount will be displayed on the Requested Amount page	\$317,500	

Click save before moving on to the next page.

Factor 7: Match Waiver

- 3. If your organization is requesting a match waiver, list each eligible service area (city, county, or tribal land) and state in the table below. Tribal land is defined for this purpose as Federal or state-recognized American Indian/Alaska Native Areas and Native Hawaiian Homeland Areas. The match requirement for this grant may be waived for counseling units delivered in service areas where either the local poverty rate or local unemployment rate is greater than 150% of the national rate. Match waivers will be granted proportionate to the number of units actually awarded in each service area.**

Physical counseling presence is defined as having an office or other method of meeting with clients in person in that service area.

Unemployment data taken from the US Bureau of Labor Statistics can be found at www.bls.gov/cps.

Poverty rate data taken from the US Census Bureau can be found at www.census.gov/hhes/www/saige/country.html.

When requesting waivers, Applicants must use data that is no older than 2010. Physical counseling presence is defined as having an office or other method of meeting with clients in person in that service area. Use the links above to find up-to-date unemployment data or poverty rate data.

Waivers will be granted on a county-by-county basis for counties that have rates of poverty or unemployment greater than 150% of the national rate. In the event that a service area is smaller than the county, Applicants may apply for a match waiver for the smaller geographic area. The Applicant must have a physical presence (such as an office) in the area for which the waiver is requested and must state their estimated counseling volume in that area. Match waiver decisions will consider the volume of counseling expected by the Applicant in that county or area compared to their Total Counseling Goals. Waivers will be granted proportionately and will be detailed in the Grant Agreement.

If your organization is requesting a match waiver for a service area smaller than county level, you must fill out the excel spreadsheet titled “Match Waiver Request – smaller than County Level” under the “For All Eligible Applicants” section of www.nw.org/nfmc and e-mail it to nfmc@nw.org before 8:00 PM EST on December 19, 2012.

Service Area (City, County or Tribal Land – <i>not</i> MSA)	State	Is there a physical counseling presence?	Projected units of counseling to be	Does this area have an unemployment rate greater than	Does this area have a poverty rate greater than or equal to 23%	List the data source on poverty or unemployment
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			provided in this Area	or equal to 12 % (150% of national unemployment rate as of August 2012)?	(150% of the 2010 national poverty rate)?	that supports the waiver request.
<i>Examples only:</i> Swaim County	PA	<input checked="" type="checkbox"/>	25	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Poverty: Census (2010)
American Indian Reservation	DE	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Unemployment rate: Bureau of Labor Statistics (2012)

Note: The totals in column D, *Projected # of Clients to be counseled in this Area*, should be a subset of the NFMC Round 7 goals listed in Factor 4.

When completing this section, please refer to Factor 5 to ensure you are not asking for a waiver for more units than your organization is proposing to provide in the identified service area. Match waivers will be awarded proportionate to the counseling level listed in your organization's Round 7 Goals specified in Factor 4 unless NFMC is instructed otherwise in writing at the time of your application.

Click save.

Applicant Self-Check Error Page

Before submitting, please follow these important steps to ensure your organization's application is not submitted with errors.

1. Check to make sure there are no errors on the pages – an error is indicated with an exclamation point in front of a yellow triangle background. If all pages are labeled with a green checkmark, there are no errors. If there is an exclamation point instead of green checkmark, go to that page and run the error check. The “check for errors” feature will tell you exactly what changes need to be made to clear the error.
2. Before submitting, it is **very important** that you open EACH PAGE of the application and click on save again. This resets the error checks, and ensures that you are not submitting the application with any inter-page errors, and allows you to clear the errors before submission.
3. Only the authorized official may submit your agency's application. Make sure to plan accordingly.
4. The NFMC team **highly suggests** that Applicants plan to submit their application on or before December 19, 2012. The system will lock Applicants out of their application exactly at 8:00 P.M. EST on December 19, 2012. It is not advisable for Applicants to wait until this deadline to submit their application in case it takes longer than expected to submit – even one minute too late will not be accepted – or in case there are last minute errors that need time to be cleared before submission. There is a limited number of support staff available to assist Applicants with their grant submission, and calls will only be answered on a first-come, first-served basis. The earlier you attempt to submit the application, the more likely it will be that a staff person will be available to assist you should errors occur.

Application Submission

DON'T FORGET TO SUBMIT THE APPLICATION ON THE MAIN APPLICATION MENU PAGE