

**REQUEST FOR QUALIFICATIONS (RFQ)
for
MORTGAGE LENDERS**

July 1, 2017 – June 30, 2020



**Riverside County Economic Development Agency
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I. INTRODUCTION

A. Program Descriptions

Riverside County Economic Development Agency (EDA) is seeking mortgage lenders to originate mortgage loans related to the acquisition of new and existing single-family housing in Riverside County and made in conjunction with the EDA Down Payment/Purchase Price Assistance Programs and the EDA Mortgage Credit Certificate Program (MCC).

1. Down Payment and Purchase Price Assistance Programs

The Riverside County Board of Supervisors has authorized EDA to administer programs for the purpose of providing Down Payment/Purchase Price Assistance to low, moderate and middle income first time homebuyers. These programs are comprised of the First Time Home Buyer Program (FTHB) and the Mortgage Credit Certificate Program (MCC) and are administered by EDA pursuant to applicable federal, state and local policies and procedures.

a. FTHB

On March 14, 1995 the Board of Supervisors of the County of Riverside established the FTHB Program in conjunction with HOME Investment Partnerships Act of 1990 as a means of assisting qualified individuals with the acquisition of new and existing single family housing. FTHB is financed with HOME funds which are awarded to the EDA annually by the US Department of Housing and Urban Development (HUD). FTHB provides down payment assistance to low income first time homebuyers in the amount of up to 20% of the home's sales price not to exceed \$75,000 for the purchase of properties located in unincorporated areas and participating cities within Riverside County. Assisted homebuyers must obtain an eligible first mortgage loan through an FTHB participating lender.

2. Mortgage Credit Certificate Program

The Riverside County Board of Supervisors authorized EDA to administer the MCC Program pursuant to applicable federal, state and local policies and procedures. The Tax Reform Act of 1986 established the MCC program as a means of assisting qualified individuals with the acquisition of new and existing single family housing. EDA applies annually to the California Debt Limit Allocation Committee for a Mortgage Credit Certificate allocation, with the most recent allocation approved by the State of California on March 16, 2016, by Resolution No. 16-05.

MCC entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. The Riverside County MCC Program provides for a twenty percent (20%) rate which can be applied to the interest paid on the mortgage loan. The borrower can claim a tax credit equal to 20% of the interest paid during the year. Eligible locations for the MCC program include all unincorporated areas of Riverside County as well as the city limits of participating cities. Assisted homebuyers must obtain an eligible first mortgage loan through an MCC participating lender.

B. Purpose for Request for Qualifications

EDA is soliciting Requests for Qualification (RFQ) from Mortgage Lenders for participation in the FTHB Program and the MCC Program. The RFQ will be used to pre-qualify a limited number of qualified mortgage lenders to provide mortgage loans related to the acquisition of new and existing single-family housing in conjunction with the FTHB Program and the MCC Program. This includes single family residences, condominiums, planned unit developments (PUDs) and manufactured housing throughout Riverside County.

C. Life Span of the FTHB Program and MCC Program Corporate Approval

The FTHB Program and MCC Program participating lenders will be reviewed periodically. Lenders who have performed competently, in a timely fashion and have acted in good faith will remain corporate approved until the expiration of the term of the Lender Participation Agreement, which is June 30, 2020.

II. LENDER REQUIREMENTS

Responses to this RFQ are desired from lenders who meet the following minimum criteria. Criteria listed below do not comprise the entirety of lender requirements and lender selection is at the discretion of the EDA.

- Lender is licensed to do business in the state of California as a direct lender.
- Lender is a duly organized and existing corporation currently in good standing under the laws of the State under which it was formed and is fully registered with the Secretary of State for the State of California and allowed to do business within the State of California.
- Lender wishes to participate in the FTHB Program administered by the EDA in connection with mortgage loans it will make available for the acquisition of new and existing single-family housing in Riverside County.
- Lender wishes to participate in the MCC Program administered by the EDA in connection with mortgage loans it will make available for the acquisition of new and existing single-family housing in Riverside County.

III. LENDER GUIDELINES

A. General Parameters

The following guidance provides general parameters for lenders. This guidance is meant to ensure that minimum requirements are met for loan standards as set forth by HUD and any equivalent State laws and requirements but is not inclusive of all guidelines and requirements.

- Lender would act as non-exclusive agent for the receipt and processing of applications for first time home buyers under the FTHB Program and MCC Program.
- Lender has received instructions and documents regarding the FTHB Program and MCC Program, and shall become familiar with the unique underwriting requirements of said programs as administered by EDA.
- Funding for the FTHB Program and MCC Program can only be used in conjunction with a fully amortized, fixed-rate, 30 year term first mortgage, for acquisition of homes to be occupied by first-time home buyers as their primary residence. FTHB Program applicants must accept the highest ratio fixed rate loan for which they qualify.
- All applicants are to be treated fairly, receive a full and accurate explanation about the FTHB Program terms including the potential for recapture.
- All borrowers are to be treated fairly, receiving a full and accurate explanation about the MCC Program terms including the potential for recapture.
- EDA will not reserve exclusively for the Lender any portion of the FTHB Program's or MCC program's appropriation.
- Lender shall provide investigation as is necessary to certify that the applicant has satisfied all requirements of the FTHB Program and/or MCC Program, as specified in the FTHB and MCC Program Handbooks, including those imposed by temporary and permanent regulations issued pursuant to the Internal Revenue Code.
- Lender, its officers and agents, shall not discriminate against or segregate any person or group of persons, based on marital status, gender, race, color, religion, creed, national origin or ancestry for participation in the FTHB Program and/or MCC Program.
- The Lender agrees to comply with all local, state and federal laws, rules, and regulations relating to fair housing and equal opportunity.

B. Loan Officers of Approved Lenders

Loan officers of approved lenders who are interested in participating with the FTHB Program and/or the MCC Program must attend required lender training for each program with which they want to participate. Lenders who are corporate approved with the FTHB Program and/or the MCC Program are responsible for making company loan officers aware of this requirement. Information on annual lender training may be found on the EDA website at www.rchomelink.com.

It shall be the sole responsibility of the lender and approved loan officers to ensure that they are in full compliance with all applicable Federal, State, local and FTHB and MCC specific guidelines while producing the highest degree of quality in loans for the EDA assisted homebuyer.

IV. RFQ SUBMITTAL REQUIREMENTS

The RFQ includes two (2) distinct portions: an application for the FTHB Program (Appendix A) and an application for the MCC Program (Appendix B). The mortgage lender may respond to one or both portions of the RFQ.

Lenders who are interested in participating with both the FTHB Program and the MCC Program must respond to both portions of the RFQ. If lender responds to both the FTHB Program and the MCC Program portions of the RFQ, a complete submittal package must be included for both to include all items in Appendix A for the FTHB Program application *and* all items in Appendix B for the MCC Program application.

RFQ submittals must be delivered as instructed in Section VII of this RFQ.

A. FTHB Program Portion of the RFQ

All lenders interested in participating with the EDA FTHB Program for the time period of July 1, 2017 through June 30, 2020 must complete Appendix A of the RFQ. Lenders who do not complete and submit this portion of the RFQ will not be eligible to participate in the FTHB program.

The following are required for the FTHB Program portion of the RFQ (See Appendix A). Lenders shall submit one (1) original of their RFQ submittal to the EDA for consideration. The submittal shall contain all of the required elements, organized as listed below:

1. All items as indicated on the Checklist: First Time Home Buyer Program (FTHB) Portion of the RFQ
2. Copy of Corporate Resolution documenting authorized signer (Resolution should either be specific to the signing of the EDA agreement or apply to agreements in general)
3. Copy of State of California Department of Corporations License Certificate (DRE license is not acceptable in lieu). If a Department of Corporations (DOC) license Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions.
4. If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
5. If lender is "Doing Business As", submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.

6. Completed and signed Participating Lender Application with wet signature of Authorized Corporate Signer
7. Documentation in conjunction with the Participating Lender Application as necessary
8. All above items are required regardless of lender's current or past lender approval status and even if submitting the MCC Program portion of the RFQ.

B. MCC Program Portion of the RFQ

All lenders interested in participating with the EDA MCC Program for the time period of July 1, 2017 through June 30, 2020 must complete Appendix B of the RFQ.

The following are required for the MCC Program portion of the RFQ (See Appendix B). Lenders shall submit two (2) original MCC Lender Participation Agreements to the EDA for consideration. The submittal shall contain all of the required elements, organized as listed below:

1. All items as indicated on the MCC Lender Approval Checklist
2. Two (2) original completed and signed Lender Participation Agreements with wet signature of Authorized Corporate Signer
3. Copy of Corporate Resolution documenting authorized signer (Resolution should either be specific to the signing of the EDA agreement or apply to agreements in general)
4. Copy of State of California Department of Corporations License Certificate (DRE license is not acceptable in lieu). If a Department of Corporations License Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions.
5. If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
6. If lender is "Doing Business As", submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.
7. All above items are required regardless of lender's current or past lender approval status and even if submitting the FTHB Program portion of the RFQ.

V. CONDITIONS

A. Pre-Contractual Expenses

Pre-contractual expenses are defined as any expenses incurred by the responding party in: (1) preparing response to this RFQ; (2) submitting the response to the EDA; (3) negotiating with the EDA any matter related to this RFQ; (4) engaging in any other activity prior to the deadline for RFQ submittal. EDA shall not, under any circumstances, be liable for any pre-contractual expenses incurred by lenders responding to this RFQ, including but not limited to travel expenses.

B. No Commitment to Select a Lender

Issuance of this RFQ does not commit the EDA to select a lender for FTHB and/or MCC corporate approval to participate.

C. RFQ Parameters

The EDA reserves the right to postpone the RFQ for its own convenience, to accept or reject any or all RFQ submittals received in response to this RFQ, or to cancel all or part of this RFQ. Any RFQ response submitted during this RFQ process becomes the property of the EDA.

The EDA reserves the right to waive any irregularities or informalities in the RFQ submittals received. In the event of any such rejection, or in the event a lender's RFQ is not rejected but does not result in corporate approval to participate with the FTHB and/or MCC programs, the

EDA shall not be liable for any costs incurred by the lender in connection with the preparation and submittal of the RFQ response.

VI. EVALUATION AND SELECTION PROCESS

A. Evaluation Panel

Evaluation of the RFQ submittals will be made by the EDA. EDA staff will comprise an evaluation panel with responsibility for reviewing, analyzing and evaluating the RFQ submittals received. The panel may also assign this task to other staff. The evaluation panel will establish a list of successful lenders to be corporate approved to participate with the FTHB and/or MCC programs.

B. Evaluation Criteria

By use of numerical and narrative scoring techniques, RFQ submittals will be evaluated by the evaluation panel against the factors specified below.

1. Types of mortgage loans lender is qualified to fund and service
2. Number of Locations and Branches
3. Availability of bi-lingual Staff
4. Community Reinvestment and Affirmative Marketing activities
5. Community Involvement
6. Knowledge of and experience with first time homebuyer programs
7. Special rates and terms for first time homebuyers

In selecting the most qualified lenders, the EDA may require the finalist to make an oral presentation to the Evaluation Panel to further explain their submittals. If such interviews are conducted, the EDA's ratings of the presentations will also be factored into the final scores assigned to the lenders. However, lenders are advised that selection may be made without interviews or further discussion. Ultimately, lenders who are deemed to provide the best combination of strengths and experience in order to service prospective EDA homebuyers will be selected for corporate approval to participate.

VII. APPLICATION PROCEDURES AND SCHEDULE

The lender selection process will result in an Agreement between lender and the EDA. The Agreement will stipulate all responsibilities of the lender and finalize all business terms between the EDA and the lender concerning FTHB and/or MCC assisted transactions.

RFQ submittals and any questions concerning this RFQ should be directed to:

Riverside County Economic Development Agency (EDA)
Attn: Bernadette Cruz
5555 Arlington Avenue, Riverside, CA 92504
(951) 343-5470
[**bcruz@rivco.org**](mailto:bcruz@rivco.org)

RFQ submissions must be received at the above address. RFQ packages are subject to rejection. Respondents must mail or hand-deliver one (1) original of the RFQ submittal package. Submittals will be date and time stamped by EDA staff upon receipt. RFQ submittals become the property of the EDA and will not be returned.

Incomplete RFQ submittals are considered to be non-responses. Faxes and email RFQ submittals will not be accepted.

VIII. RESPONSIBILITY OF RESPONDENTS

If it is found that the lender is irresponsible (e.g. is not a legal entity, is not a direct lender, does not have a valid license with the State of California Department of Corporations, submitted an RFQ package without an authorized signature, falsified any information in the submission package, etc.), the submittal shall be rejected and will be cause for immediate termination of any agreement.